

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, April 14, 2016

Board members in attendance: Paul D. Brodeur, Chairman; Russell R. Ferreira; Jennifer P. Petit and Ellen K. Philbin

Board members in absence: Gary W. Anderson

Staff members in attendance: Francis St. Germaine and Dommonique Domino both of whom recorded the minutes of the meeting

At approximately 2:00 p.m., Chairman Brodeur called the meeting to order, and the Town Treasurer, Patricia O'Connell, joined the meeting. She reviewed for the board members the monthly reconciliation of the cash accounts for the months of February and March. Through the end of March, the Treasurer noted that the retirement system had receipts in the amount of \$1,038,684.11 and disbursements in the amount of \$974,119.05. She noted that the fund balance in the cash account was \$128,346.07. Also, it was noted that the check sequence for the month of February began with check #7319 and ended with check #7356, and there are no checks that were unaccounted for in the sequence for the month. It was noted that the check sequence for the month of March began with check #7357 and ended with check #7392, and there are no checks that were unaccounted for in the sequence for the month. Also, the Director provided the board members with a review of the year-end annual budget including the cash receipts, the cash disbursements, the adjusting entries and the trial balance. After some discussion, Ms. O'Connell exited the board meeting and the board members entertained a motion to accept the report from the Office of the Treasurer.

Mr. Ferreira moved to accept the report from the Office of the Treasurer. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the meeting minutes of both the open session meeting and the executive session meeting that was held on March 10, 2016. After some discussion, the board members entertained a motion to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on March 10, 2016.

Ms. Philbin moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on March 10, 2016. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the following warrants:

Warrant #14/2016	\$ 3,050.40	Warrant #15/2016	\$ 3,050.40
Warrant #16/2016	\$ 3,050.40	Warrant #17/2016	\$873,571.06
Warrant #18/2016	\$ 3,050.40	Warrant #19/2016	\$134,816.45

Ms. Philbin moved to approve the payment of the following warrants, #14/2016 through #19/2016. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the payment of the following investment fees:

- Wainwright Investment Counsel, 1st QTR 2016 consultant fee \$ 25,000.00
- State Street Corporation, February 2016 custodial fee \$ 5,160.07

Ms. Philbin moved to approve the payment of the above-mentioned investment fees. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the following payment of capital calls to investment managers:

- Lexington Capital Fund VII, capital call due 3/23/2016 \$ 49,647.00

Mr. Ferreira moved to approve the payment of the above-mentioned capital call. Ms. Petit seconded the motion, all board members present voted in the affirmative.

The board members then reviewed the following cash distribution from investment managers:

- Siguler Guff & Company, a distribution in the amount of \$179,450.48 on 3/17/2016
- Metropolitan Real Estate, a distribution in the amount of \$61,798.58 on 3/21/2016
- Mesirow Financial, a distribution in the amount of \$30,000.00 on 3/30/2016
- Lexington Capital Fund V, a distribution in the amount of \$7,055.00 on 3/31/2016
- Lexington Capital Fund VII, a distribution in the amount of \$118,047.00 on 3/31/2016
- INVESCO (Venture), a distribution in the amount of \$16,718.00 on 3/31/2016

Next, the board members considered the requests of the following former members of the Falmouth Retirement System for a return / transfer of their accumulated deductions:

- Jason T. Vilks; amount of refund is \$7,220.37; resignation from service with the Town of Falmouth, D.P.W. Parks Division
- Karen E. Lane; amount of transfer is \$5,573.11; resignation from service with the Town of Falmouth, Falmouth Public Schools (*the Falmouth Retirement System will accept 2 years and 5 months of 3(8)(c) liability*)
- Hala R. Sahlman (Coker); amount of transfer is \$1,658.74; resignation from service with the Town of Falmouth, Falmouth Public Schools (*the Falmouth Retirement System will accept 9 months of 3(8)(c) liability*)
- Eladio R. Gore; amount of refund is \$109.82; deductions taken in error by the Town of Falmouth, Inspectional Services Department
- Robert J. Hazelton; amount of refund is \$18.87; deductions taken in error by the Town of Falmouth, D.P.W. Facilities Maintenance Division

After some discussion, the board members entertained a motion to approve the requests of the above-mentioned former members of the Falmouth Retirement System for a return / transfer of their accumulated deductions.

Ms. Philbin moved to approve the requests of the above-mentioned former members of the Falmouth Retirement System for a return / transfer of their accumulated deductions.

Ms. Petit seconded the motion, all board members present voted in the affirmative.

The board members then considered the following requests for liability:

- Dauda M. Sannoh; deny 3(8)(c) liability request from the State Board of Retirement; non-membership service with the Town of Falmouth
- Suzanne L. Mahan; deny 3(8)(c) liability request from the Plymouth County Retirement System; non-membership service with the Town of Falmouth

Ms. Petit moved to approve, as recommended, the above-mentioned requests for 3(8)(c) liability. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

Then, the board members noted the following members retiring from service with the Town of Falmouth:

- Kent H. Clarkson II; Town of Falmouth, Police Department
- Phyllis G. Pina; Town of Falmouth, Falmouth Public Schools
- Cecelia Knights; Town of Falmouth, D.P.W. Engineering Division
- Helen E. Kennedy; Town of Falmouth, Recreation Department
- Robert W. Blomberg - 12(2)(d) benefit; Town of Falmouth, Falmouth Public Schools

Next, the board members noted the following new members of the Falmouth Retirement System:

- Beth E. Juaire; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One, DOM 2/29/2016; 9% + 2%
- Cheryl L. Steuerwald; Bus Aide, Town of Falmouth, Falmouth Public Schools; Group One, DOM 3/21/2016; 9% + 2%
- Chad J. Smith; Custodian, Town of Falmouth, Falmouth Public Schools; Group One, DOM 3/21/2016; 9% + 2%

The board members then considered the following request to purchase prior service:

- Gail R. Orphanos; Administrative Assistant, Town of Falmouth, Inspectional Services Department; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$469.24

After some discussion, the board members entertained a motion to approve, as recommended, the following request to purchase prior service.

Ms. Philbin moved to approve, as recommended, the request of the above-mentioned member to purchase her service prior to membership with the Falmouth Retirement System. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the following first reports of injury:

- Keith J. Benedetti; Police Officer, Town of Falmouth, Police Department; Group Four; while arresting a suspect, employee injured his ribs, his stomach, and his knees.
Date of Injury 3/10/2016
- Patrick R. Gonsalves; Firefighter, Town of Falmouth, Fire Rescue Department; Group Four; while moving a patient on a stretcher, employee experienced pain in his groin.
Date of Injury 3/22/2016

The board members next reviewed the following correspondence from PERAC:

- PERAC memo #11/2016 Tobacco Company List
- PERAC memo #12/2016 Retirement Board Election Regulations
(840 CMR 7.00)
- PERAC memo #13/2016 Disability Regulations (840 CMR 10.00)

Also, the board members reviewed other relative correspondence.

Next, Michael Dwyer and Jeffrey Fabrizio of Wainwright Investment Counsel joined the meeting. To start, Mr. Dwyer distributed to the board members the performance summary report for the month of February, and Mr. Fabrizio reviewed the plan results. Through the end of February, the plan's estimated market value was approximately \$111.9 million. Year-to-date, the plan is down 3.26% versus the policy benchmark which is down 3.68%. Compared to its policy benchmark, the domestic equity sector is a bit ahead, but still, it is a negative return. Earnest Partners is ahead of its benchmark, but both Seizert Capital Partners and LMCG Investments trail their benchmark. The international equity sector is slightly ahead of its benchmark, but it is a negative return as well. The investment with Denver Investments has been liquidated, and the additional account with LMCG Investments has been funded. The domestic fixed income strategy (up 1.76%) is on par with its benchmark (up 1.77%) which is to be expected as these investments are indexed. The international fixed income strategy, Baring Asset Management, is up 4.17% versus its benchmark which is up 4.32%. Year-to-date, the performance of the real estate sector is down a bit, but it is expected to be an area of stability for this portfolio. The returns in the private equity sector have yet to be reported for this year as these returns are stated with a lag which is due to the nature of the investments of this sector. For the year, the P.R.I.T. fund is negative, and it is a bit ahead of its benchmark. Lastly, the cash balance is approximately \$2.3 million. Although the first two months of this year have been a struggle, Mr. Dwyer and Mr. Fabrizio believe that the markets are improving and hence the overall

performance of this portfolio should rebound nicely. Lastly, Mr. Dwyer noted that an R.F.P. for up to \$5.0 million in private equity has been issued and that the deadline to receive responses was through 2:00 p.m. on September 28, 2016.

After some additional discussion with the board members, Mr. Dwyer and Mr. Fabrizio exited the board meeting.

Next, the Director noted for the board members PERAC memo #4/2016 regarding the FY 2017 C.O.L.A. increase. This memo indicates that the C.O.L.A. that any system may grant for FY 2017 will be up to 3.0%. After some discussion, the board members entertained a motion to approve for FY 2017 a 3.0% cost-of-living adjustment (using a \$12,000.00 base) on a retirement allowance.

Mr. Ferreira moved to approve for FY 2017 a 3.0% cost-of-living adjustment on a retirement allowance. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the 2015 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C. After some discussion, the board members entertained a motion to approve the 2015 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C.

Mr. Ferreira moved to approve the 2015 Annual Statement of the Falmouth Retirement System that is to be submitted to P.E.R.A.C. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

The board members then considered the upcoming spring M.A.C.R.S. seminar & conference to be held in Hyannis, MA from June 4, 2016 through June 8, 2016. It was noted that certain sessions have been approved by P.E.R.A.C. for board member C.E.U. training credits. After some discussion, the board members entertained a motion to approve the associated seminar & conference fees with travel for any of the board members as well as the two staff members that would like to attend the spring seminar & conference.

Ms. Philbin moved to approve the associated seminar & conference fees with travel for any of the board members as well as the two staff members that would like to attend the spring seminar & conference. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

Next, the Director noted that the Falmouth Retirement System will have a table at the annual town Health & Benefits Fair which is being held on May 4th at the Gus Canty Recreation Center.

Then, Attorney Poser noted for the board members that a satisfactory resolution has been reached in the matter of *Falmouth Retirement Board v. P.E.R.A.C.*, CR 12-677, and that there has been no movement to report in the matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677.

Lastly, the Director and Attorney Poser provided the board members with an update on the petitioner's article with regard to the retirement allowance for John Busby. At the recent annual town meeting, the town meeting members voted approval for the Board of Selectmen to seek special legislation which would increase the retirement allowance of John Busby. It was noted that this is a petitioner's article and that the Falmouth Retirement Board has not taken any position with regard to this article (Article 25). After some additional discussion, the board members entertained a motion to allow the Director and Attorney Poser to advise Town Counsel in the drafting of this special legislation so that it will be consistent with M.G.L. Chapter 32.

Ms. Petit moved to allow the Director and Attorney Poser to advise Town Counsel in the drafting of this special legislation so that it will be consistent with M.G.L. Chapter 32.

Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

Finally, having no additional business to discuss, the Chairman asked for a motion to adjourn the open meeting.

Ms. Petit moved to adjourn the open meeting. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

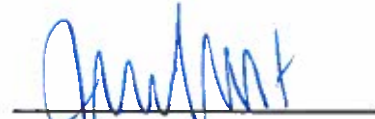
At approximately 2:45 p.m., the board members concluded the open meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, May 12, 2016 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:



Paul D. Brodeur
Chairman, Elected Member



Jennifer P. Petit
Ex-Officio Member

ABSENT

Gary W. Anderson
Appointed Member



Russell R. Ferreira
Elected Member



Ellen K. Philbin
Fifth Member



Francis X. St. Germaine III
Director