

FALMOUTH RETIREMENT BOARD

Open Session Meeting Minutes

Thursday, June 9, 2016

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

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

Others in attendance: Nicholas Poser, Legal Counsel for the Falmouth Retirement Board

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 month of May. Through the end of May, the Treasurer noted that the retirement system had receipts in the amount of \$902,979.80 and disbursements in the amount of \$1,002,282.40. She noted that the fund balance in the cash account was \$19,654.49. Also, it was noted that the check sequence for the month of May began with check #7436 and ended with check #7473, 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 annual budget through Q1 2016 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 the open session meeting that was held on May 12, 2016. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on May 12, 2016.

Mr. Anderson moved to approve the meeting minutes of the open session meeting that was held on May 12, 2016. Ms. Philbin seconded the motion, all board members present voted in the affirmative.

Then, the board members reviewed the following warrants:

Warrant #25/2016	\$ 3,050.40	Warrant #26/2016	\$ 3,050.40
Warrant #27/2016	\$876,501.16	Warrant #28/2016	\$ 3,050.40
Warrant #29/2016	\$ 15,129.34		

Ms. Philbin moved to approve the payment of the following warrants, #25/2016 through #29/2016. Ms. Petit seconded the motion, all board members present voted in the affirmative.

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

- State Street Corporation, March 2016 custodial fee \$ 5,295.29
- State Street Corporation, April 2016 custodial fee \$ 5,543.08
- Baring Asset Management, 1st QTR 2016 management fee \$ 3,969.56

After some discussion, the board members entertained a motion to approve the payment of the above-mentioned investment fees.

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.

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

- Metropolitan Real Estate, a distribution in the amount of \$67,915.62 on 5/13/2016
- Siguler Guff & Company, a distribution in the amount of \$137,908.98 on 5/16/2016
- Mesirow Financial, a distribution in the amount of \$30,000.00 on 5/19/2016
- Lexington Capital Fund V, a distribution in the amount of \$8,065.00 on 5/27/2016
- Lexington Capital Fund VII, a distribution in the amount of \$32,794.00 on 5/27/2016

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:

- M. Kathryn S. Brown; amount of rollover is \$4,837.96; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Ryan L. Werner; amount of transfer is \$1,700.67; resignation from service with the Town of Falmouth, Falmouth Public Schools (*the Falmouth Retirement System will accept 8 months of 3(8)(c) liability*)

After some additional 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.

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

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

- Kristina M. Friend; Bus Aide, Town of Falmouth, Falmouth Public Schools; Group One, DOM 5/2/2016; 9% + 2%
- Mallory R. Langler; Assistant Health Agent, Town of Falmouth, Health Department; Group One, DOM 5/9/2016; 9% + 2%

- Robert N. Segrin; Public Safety Technician, Town of Falmouth, Information Technology Department; Group One, DOM 5/31/2016; 9% + 2%

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

- Beth E. Juare; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$5,776.74

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.

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

- Lori J. Marks; Food Service Worker, Town of Falmouth, Falmouth Public Schools; Group One; while preparing food, employee injured her right hand. Date of Injury 3/30/2016
- Ricardo Claudio Jr.; Custodian, Town of Falmouth, Falmouth Public Schools; Group One; while opening a bottle, employee cut his left index finger. Date of Injury 4/5/2016
- Tammy E. Mathews; Food Service Worker, Town of Falmouth, Falmouth Public Schools; Group One; while boiling water, employee burned her left hand. Date of Injury 4/6/2016
- Ruben Ferrer; Police Officer, Town of Falmouth, Police Department; Group Four; while checking a residential alarm, employee injured his right ankle. Date of Injury 4/24/2016
- Laurel J. Robbins; Secretary, Town of Falmouth, Falmouth Public Schools; Group One; while walking out of the building, employee fell directly onto her stomach (pregnant). Date of Injury 4/26/2016
- Melissa M. Martin; Police Officer, Town of Falmouth, Police Department; Group Four; while placing into custody an uncooperative suspect, employee injured her left thumb, her left shoulder and her neck. Date of Injury 5/14/2016

The board members next reviewed the following correspondence from PERAC:

- PERAC memo #16/2016 Chapter 77 of the Acts of 2016, An Act Further Regulating Survivors' Pension Benefits and Qualified Domestic Relations Orders

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 April, and Mr. Fabrizio reviewed the plan results. Through the end of April, the plan's estimated market value was approximately \$117.5 million. Year-to-date, the plan is up 2.52% versus the policy benchmark which is up 1.89%. Compared to its policy benchmark, the domestic equity sector is ahead slightly. Earnest Partners is ahead of its benchmark, but both Seizert Capital Partners and LMCG Investments trail their benchmark. The international equity sector (up 1.36%) is a bit ahead of its benchmark (up 0.18%) with both Dimensional Fund Advisors and HGK Trinity Street providing positive returns. The domestic fixed income strategy (up 3.67%) is on par with its benchmark (up 3.73%) which is to be expected as these investments are indexed. The international fixed income strategy, Baring Asset Management, is rebounding. This sector is up 10.18% versus its benchmark which is up 8.44%. Year-to-date, the performance of the real estate sector is up 3.78% versus a benchmark that is up 2.21%. At the moment, Dimensional Fund Advisors seems to be the strength of the portfolio within the real estate sector. The returns in the private equity sector are stated with a lag which is due to the nature of the investments of this sector; however, some returns for this year are beginning to trickle in. Year-to-date, the private equity sector is down 0.26% versus a benchmark that is up 1.11%. For the year, the P.R.I.T. fund is negative (down 1.76%), but it is a bit ahead of its benchmark (down 2.66%). Lastly, the cash balance is approximately \$1.6 million.

Lastly, Mr. Dwyer reminded the board members that an R.F.P. for up to \$5.0 million in private equity had been issued and that the deadline to receive responses would be through 2:00 p.m. on September 28, 2016. To date, one response has been received, but at this time, it does not seem to make sense to review this response as there are no other responses for comparison.

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

Next, the Chairman asked for a motion to leave the open meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual.

Ms. Philbin moved to leave the open meeting and to move into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. Mr. Ferreira seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Russell R. Ferreira	YES
Paul D. Brodeur, Chairman	YES

At approximately 2:20 p.m., the board members left the open meeting and moved into executive session for the purpose of discussing the reputation, the character, the physical condition, or the mental health of an individual. At the conclusion of the executive session, as noted by Chairman Brodeur, the board members would reconvene their open meeting.

At approximately 2:25 p.m., the board members reconvened their open meeting, and the board members then discussed the need to hold an election for the 1st Elected Member to the Falmouth Retirement Board. The current term of the 1st Elected Member expires on October 30, 2016. After some discussion, the board members entertained a motion to designate Ellen K. Philbin to serve as the Election Officer for the election of the 1st Elected Member to the Falmouth Retirement Board.

Ms. Petit moved to designate Ellen K. Philbin to serve as the Election Officer for the election of the 1st Elected Member to the Falmouth Retirement Board. Mr. Anderson seconded the motion, all board members present voted in the affirmative.

Next, the board members reviewed the proposed timeline for the election of the 1st Elected Member to the Falmouth Retirement Board. After some discussion, the board members entertained a motion to approve the proposed timeline for the election of the 1st Elected Member to the Falmouth Retirement Board

Mr. Anderson moved to approve the proposed timeline for the election of the 1st Elected Member to the Falmouth Retirement Board. Ms. Petit seconded the motion, all board members present voted in the affirmative.

Then, Attorney Poser noted for the board members that there has been no movement to report in the matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677.

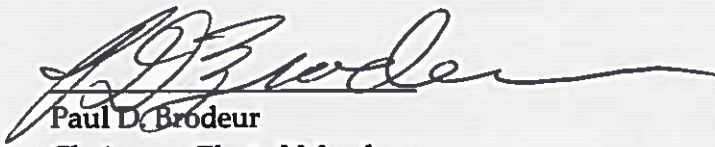
Finally, having no additional business to discuss, the Chairman asked for a motion to adjourn the open meeting.

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

At approximately 2:35 p.m., the board members concluded the open meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, July 14, 2016 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

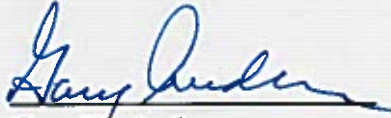
ATTEST:



Paul D. Brodeur
Chairman, Elected Member



Jennifer P. Petit
Ex-Officio Member



Gary W. Anderson
Appointed Member



Russell R. Ferreira
Elected Member



Ellen K. Philbin
Fifth Member



Francis X. St. Germaine III
Director