

FALMOUTH RETIREMENT BOARD

Open Session Meeting Minutes

Thursday, June 22, 2017

Board members in attendance: Russell R. Ferreira, Chairman; Gary W. Anderson; Jennifer P. Petit; Craig B. O'Malley, and Ellen K. Philbin, Vice Chairman (by telephone)

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 Ferreira called the meeting to order, and he noted for all that Ms. Philbin's current geographic location makes her physical attendance at today's board meeting unreasonably difficult, and therefore, it has been determined that her remote participation is permissible. In addition, it was noted that Mr. Anderson is on his way to the board meeting, but he will be a few minutes late. Then, 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 April. Through the end of April, the Treasurer noted that the retirement system had receipts in the amount of \$1,142,151.25 and disbursements in the amount of \$1,151,757.87. She noted that the fund balance in the cash account is \$35,940.73. Also, it was noted that the check sequence for the month of April began with check #7837 and ended with check #7879, and there are no checks that are unaccounted for in the sequence for the month. 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.

Ms. Petit moved to accept the report from the Office of the Treasurer. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	DID NOT VOTE
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Next, the board members reviewed the meeting minutes of both the open session meeting and the executive session meeting that was held on May 25, 2017. 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 May 25, 2017.

Ms. Petit moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on May 25, 2017. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES

Gary W. Anderson	DID NOT VOTE
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the payments of the following warrants:

Warrant #26/2017	\$ 916,288.84	Warrant #27/2017	\$ 3,111.20
Warrant #28/2017	\$ 3,111.20	Warrant #29/2017	\$ 3,111.20
Warrant #30/2017	\$ 76,572.18		

After some discussion, the board members entertained a motion to approve the payments, as noted, of the following warrants, #26/2017 through #30/2017.

Ms. Philbin moved to approve the payments, as noted, of the above-mentioned warrants, #26/2017 through #30/2017. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	DID NOT VOTE
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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

- State Street Corporation, March 2017 custodial fee \$ 5,570.72
- State Street Corporation, April 2017 custodial fee \$ 5,361.74

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

Ms. Philbin moved to approve the payments, as noted, of the above-mentioned investment fees. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	DID NOT VOTE
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Then, the board members reviewed the following cash distributions from investment managers:

- Mesirow Financial, a distribution in the amount of \$30,000.00 on 5/31/2017

- Lexington Capital Fund V, a distribution in the amount of \$5,040.00 on 5/31/2017
- Lexington Capital Fund VII, a distribution in the amount of \$35,726.00 on 5/31/2017
- Metropolitan Real Estate, a distribution in the amount of \$30,920.60 on 6/2/2017
- Siguler Guff & Company, a distribution in the amount of \$41,010.39 on 6/5/2017

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:

- Lisa M. Nelson; amount of refund is \$2,272.73; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Annette M. Hutchinson; amount of refund is \$1,451.89; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Laura J. DeRosa; amount of refund is \$821.08; resignation from service with the Town of Falmouth, Police Department
- Larry G. Cline; amount of refund is \$5.28 (deductions taken in error); resignation from service with the Town of Falmouth, D.P.W. Facilities Maintenance Division
- Catherine A. Marques; amount of transfer is \$60,386.68; resignation from service with the Town of Falmouth, D.P.W. Administration Division
- Alec J. Turner; amount of transfer is \$4.32 (retro-deductions); resignation from service with the Town of Falmouth, Marine & Environmental Services Department

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. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	DID NOT VOTE
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

The board members then considered the following request for 3(8)(c) liability:

- Jean T. O'Leary; deny 3(8)(c) liability request from the Boston Retirement System; non-membership service with the Town of Falmouth

After some discussion, the board members entertained a motion to approve, as recommended, the above-mentioned request for 3(8)(c) liability.

Ms. Petit moved to approve, as recommended, the above-mentioned request for 3(8)(c) liability. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	DID NOT VOTE
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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

- Larry G. Cline; retired on 5/20/2017 from the Town of Falmouth, D.P.W. Facilities Maintenance Division

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

- Janet E. Gardner; Acquisitions Assistant, Town of Falmouth, Falmouth Public Library, Group One; DOM 5/15/2017, 9% + 2%
- Nancy A. Ritchie; Assistant Assessor, Town of Falmouth, Finance Department, Group One; DOM 5/24/2017, 9% + 2%

Next, the board members considered the following requests to purchase prior service:

- Robert E. Arsenault; Director of Maintenance, Town of Falmouth, Falmouth Housing Authority; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$16,103.47
- Paula F. Cushman; Principal Office Assistant, Town of Falmouth, Marine & Environmental Services Department, request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$8,237.12

After some discussion, the board members entertained a motion to approve, as recommended, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Ms. Petit moved to approve, as recommended, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	DID NOT VOTE
Craig B. O'Malley	YES

The board members then reviewed the following first reports of injury:

- Sean B. Buckley; M.E.O. III, Town of Falmouth, D.P.W. Water Division, Group One; while raking out cold patch asphalt, employee experienced pain in his right tricep and his elbow. Date of Injury 4/19/2017
- David W. Carignan; Health Agent, Town of Falmouth, Health Department, Group One; while servicing the public access used sharps container, employee sustained a small laceration to his right thumb. Date of Injury 4/28/2017
- Stephen F. DeMatos; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while moving a patient down a flight of stairs, employee experienced pain to his right side and his lower back. Date of Injury 5/28/2017
- William G. Kosky Jr.; Police Officer, Town of Falmouth, Police Department, Group Four; while on bicycle patrol, employee fell from the bicycle and struck his head on the pavement. Date of Injury 6/2/2017

Next, the board members reviewed the following correspondence from PERAC:

- PERAC memo #18/2017 Tobacco Company List
- PERAC memo #19/2017 PROSPER System Changes

Also, the board members reviewed other relative correspondence.

Then, Michael Dwyer and Jeffrey Fabrizio of Wainwright Investment Counsel joined the meeting. To begin, 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 \$130.8 million. Year-to-date, the plan is up 5.53% versus the policy benchmark which is up 4.46%. Compared to its policy benchmark, the domestic equity sector (up 5.90%) is doing very well with RhumbLine Growth having a very solid year. The international equity sector (up 12.65%) is ahead of its benchmark (up 10.50%) with HGK Trinity Street rising to become the strength of this sector. The domestic fixed income strategy (up 1.80%) is on par with its benchmark (up 1.79%) which is to be expected as these investments are indexed. At this time, Baring Asset Management, the international fixed income strategy, is having a positive year. This sector is up 3.82% versus its benchmark which is up 2.87%. The performance of the real estate sector, year-to-date, is up 2.47% versus a benchmark that is up 1.55%. At the moment, Principal and Dimensional Fund Advisors are the only two real estate investments of any significance within the portfolio. Due to the nature of the investments within the private equity sector, the returns are stated with a lag; however, year-to-date, the private equity sector are estimated to be up 1.13% versus a benchmark that is up 2.58%. For the year, the P.R.I.T. fund is up 3.25% versus a benchmark that is up 3.09%. Lastly, the cash balance is approximately \$2.3 million. Wainwright Investment Counsel noted that this portfolio is having "a very strong performance so far and that they are very pleased with the current portfolio."

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

Then, the board members reviewed the formal draft report of the PERAC examiner's finding on the condition of the system for the period of January 1, 2012 through December 31, 2015. A written response to PERAC is necessary. To that end, the board members noted the draft response to PERAC prepared by the Director. After some discussion, the board members entertained a motion to approve the response to the finding of the PERAC audit.

Ms. Philbin moved to approve the response to the finding of the PERAC audit.

Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

Next, the board members reviewed the memorandum from the Personnel Director for the Town of Falmouth regarding the FY 2018 salary increases. It was noted that the retirement system staff's salaries are not part of the classification plan for the Town of Falmouth. After some discussion, the board members entertained a motion to increase, effective July 1, 2017, Ms. Domino's rate of pay to \$33.86 per hour (essentially an hourly rate of pay of an M-6, step 5 using the TAM 2018 salary schedule as a guideline) and Mr. St. Germaine's rate of pay to \$47.82 per hour (essentially an hourly rate of pay of an M-11, step 3 using the TAM 2018 salary schedule as a guideline).

Mr. Ferreira moved to increase, effective July 1, 2017, Ms. Domino's rate of pay to \$33.86 per hour (essentially an hourly rate of pay of an M-6, step 5 using the TAM 2018 salary schedule as a guideline) and Mr. St. Germaine's rate of pay to \$47.82 per hour (essentially an hourly rate of pay of an M-11, step 3 using the TAM 2018 salary schedule as a guideline).

Mr. Anderson seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

The Director then noted for the board members that there is no new information to report in the pending legal matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677 or in the pending legal matter of *Karen Kraus v. Falmouth Retirement System*, CR-16-288. In addition, there are no office issues to discuss.

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

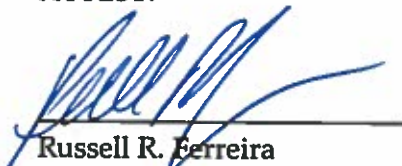
Mr. Anderson moved to adjourn the open meeting. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Gary W. Anderson	YES
Craig B. O'Malley	YES
Russell R. Ferreira, Chairman	YES

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 20, 2017 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.


ATTEST:


Russell R. Ferreira
Chairman, Elected Member


Jennifer P. Petit
Ex-Officio Member


Gary W. Anderson
Appointed Member


Craig B. O'Malley
Elected Member


Ellen K. Philbin
Vice Chairman, Fifth Member


Francis X. St. Germaine III
Director