

**FALMOUTH RETIREMENT BOARD**

**Open Session Meeting Minutes**

**Thursday, May 12, 2016**

Board members in attendance: Paul D. Brodeur, Chairman; Gary W. Anderson and Jennifer P. Petit

Board members in absence: 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 April. Through the end of April, the Treasurer noted that the retirement system had receipts in the amount of \$1,014,468.01 and disbursements in the amount of \$1,023,856.99. She noted that the fund balance in the cash account was \$118,957.09. Also, it was noted that the check sequence for the month of April began with check #7393 and ended with check #7435, and there are no checks that were 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.

Mr. Anderson moved to accept the report from the Office of the Treasurer. Ms. Petit 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 April 14, 2016. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on April 14, 2016.

Ms. Petit moved to approve the meeting minutes of the open session meeting that was held on April 14, 2016. Mr. Brodeur seconded the motion. Mr. Anderson abstained, and all other board members present voted in the affirmative.

Then, the board members reviewed the following warrants:

Warrant #20/2016	\$ 3,050.40	Warrant #21/2016	\$ 3,050.40
Warrant #22/2016	\$879,889.34	Warrant #23/2016	\$ 3,050.40
Warrant #24/2016	\$115,980.50		

Mr. Anderson moved to approve the payment of the following warrants, #20/2016 through #24/2016. 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:

- Seizert Capital Partners, 1<sup>st</sup> QTR 2016 management fee \$ 8,240.00
- Earnest Partners, 1<sup>st</sup> QTR 2016 management fee \$ 38,461.66
- RhumbLine Advisers (Growth), 1<sup>st</sup> QTR 2016 management fee \$ 779.00
- RhumbLine Advisers (Value), 1<sup>st</sup> QTR 2016 management fee \$ 903.00
- S.S.g.A. (CME7), 1<sup>st</sup> QTR 2016 management fee \$ 1,680.36
- S.S.g.A. (CM3Y), 1<sup>st</sup> QTR 2016 management fee \$ 1,445.81

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

Ms. Petit moved to approve the payment of the above-mentioned investment fees.

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

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

- Lexington Capital Fund VII, a distribution in the amount of \$49,185.00 on 4/29/2016

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:

- Tyler G. Sabens; amount of refund is \$1,240.64; resignation from service with the Town of Falmouth, Falmouth Public Schools
- Suzanne A. North; amount of transfer is \$1,498.54; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer the Falmouth Retirement System will accept 8 months of 3(8)(c) liability*)
- Tyler P. Correia; amount of transfer is \$12,175.97; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer the Falmouth Retirement System will accept 2 years and 2 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.

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

Then, the board members considered the following requests for liability:

- Thomas Carlino; deny 3(8)(c) liability request from the Barnstable County Retirement System; non-membership service with the Town of Falmouth
- Paul M. Mellett; deny 3(8)(c) liability request from the Barnstable County Retirement System; non-membership service with the Town of Falmouth

Mr. Anderson moved to approve, as recommended, the above-mentioned requests for 3(8)(c) liability. Ms. Petit 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:

- Eladio R. Gore; Town of Falmouth, Inspectional Services Department
- Robert J. Hazelton; Town of Falmouth, D.P.W. Facilities Maintenance Division

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

- Matthew T. Whited; Laborer, Town of Falmouth, D.P.W. Parks & Forestry Division; Group One, DOM 4/6/2016; 9% + 2%
- Angela D. Hurwitz; Systems Analyst, Town of Falmouth, Information Technology Department; Group One, DOM 4/11/2016; 9% + 2%
- Michael E. Tassinari; Laborer, Town of Falmouth, D.P.W. Parks & Forestry Division; Group One, DOM 4/18/2016; 9% + 2%
- Damian D. Boyar; Firefighter, Town of Falmouth, Fire Rescue Department; Group Four, DOM 5/2/2016; 9% + 2%

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

- Chad J. Smith; Custodian, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$713.34
- Matthew T. Whited; Laborer, Town of Falmouth, D.P.W. Parks & Forestry Division; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,751.73
- Michael E. Tassinari; Laborer, Town of Falmouth, D.P.W. Parks & Forestry Division; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$2,016.18
- Thomas M. Pucci; Computer Operations Manager, Town of Falmouth, Information Technology Department; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$4,199.56

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

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.

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

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

- James M. Malone; Firefighter, Town of Falmouth, Fire Rescue Department; Group Four; while working a structure fire, employee injured his right ankle.  
Date of Injury 4/17/2016

The board members next reviewed the following correspondence from PERAC:

- PERAC memo #14/2016                                  Mandatory Retirement Board Member Training - 2<sup>nd</sup> Quarter 2016
- PERAC memo #15/2016                                  Disability Regulations and Signed Transmittals

Also, the board members reviewed other relative correspondence.

Next, Michael Dwyer of Wainwright Investment Counsel joined the meeting. To start, Mr. Dwyer distributed to the board members the performance summary report for the month of March, and he reviewed the plan results. Through the end of March, the plan's estimated market value was approximately \$116.8 million. Year-to-date, the plan is up 1.61%. Compared to its policy benchmark, the domestic equity sector is ahead. Earnest Partners is ahead of its benchmark, but both Seizert Capital Partners and LMCG Investments trail their benchmark. The international equity sector (down 1.22%) is slightly ahead of its benchmark (down 2.52%), but it is a negative return. The domestic fixed income strategy (up 3.01%) is on par with its benchmark (up 3.06%) which is to be expected as these investments are indexed. The international fixed income strategy, Baring Asset Management, is up 8.19% versus its benchmark which is up 7.09%. Year-to-date, the performance of the real estate sector is up slightly, and it is expected to be an area of some stability for this portfolio. The returns in the private equity sector still 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 (down 2.57%), but it is a bit ahead of its benchmark (down 3.05%). Lastly, the cash balance is approximately \$1.9 million. Although the beginning of this year has been a struggle, Mr. Dwyer noted that the markets are starting to improve, and thus, the overall performance of this portfolio should hopefully begin to improve. 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 will be through 2:00 p.m. on September 28, 2016.

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

Next, the Director reviewed with the board members the quarterly education statement from P.E.R.A.C. for the period ending March 31, 2016.

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. However, Attorney Poser did provide for the board members a brief review of a recent Massachusetts Supreme Judicial Court ruling in the matter of *Salvatore F. DiMasi v. State Board of Retirement & others*, SJC-11971.

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, all board members present voted in the affirmative.

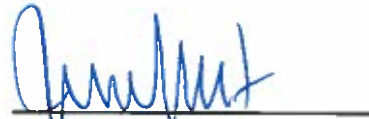
At approximately 2:40 p.m., the board members concluded the open meeting.

The next scheduled board meeting will begin at 2:00 p.m. on Thursday, June 9, 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

ABSENT

Russell R. Ferreira  
Elected Member

ABSENT

Ellen K. Philbin  
Fifth Member



Francis X. St. Germaine III  
Director