

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, September 8, 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

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 July. Through the end of July, the Treasurer noted that the retirement system had receipts in the amount of \$1,116,623.08 and disbursements in the amount of \$1,061,576.42. She noted that the fund balance in the cash account was \$58,568.05. Also, it was noted that the check sequence for the month of July began with check #7503 and ended with check #7553, and there are no checks that were unaccounted for in the sequence for the month. After some additional discussion, 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.

Then, the board members conducted a conference call with Kelly Quintanilha, Vice President of Government Banking for Citizens Bank. The purpose of the call was to discuss our relationship with Citizens Bank and their announcement to adjust their pricing structure for the services associated with our account. The board members were provided with the letter from Citizens Bank which announced the changes to their pricing structure. In addition, they were provided with an analysis of the services provided, including the associated fee structure, on our account for the month of April. Ms. Quintanilha explained the reasons for their fee increase and she outlined some possible scenarios that could minimize the amount of this proposed fee increase. After some additional discussion with the board members, the conference call with Ms. Quintanilha ended. After some discussion, the board members concluded that some further information would be needed so that a decision and course of action could be determined at a future board meeting. Ms. O'Connell exited the board meeting.

Next, the board members reviewed the meeting minutes of the open session meeting that was held on August 11, 2016. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on August 11, 2016.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on August 11, 2016. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

The board members then reviewed the following warrants:

Warrant #41/2016	\$ 3,111.20	Warrant #42/2016	\$ 3,111.20
Warrant #43/2016	\$901,131.83	Warrant #44/2016	\$ 3,111.20
Warrant #45/2016	\$ 48,562.11		

Mr. Ferreira moved to approve the payment of the following warrants, #41/2016 through #45/2016. Ms. Philbin 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, June 2016 custodial fee \$ 5,415.30

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

Ms. Philbin moved to approve the payment of the above-mentioned investment fee.

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

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

- Metropolitan Real Estate, a distribution in the amount of \$59,326.64 on 8/16/2016
- Mesirow Financial, a distribution in the amount of \$22,500.00 on 8/30/2016
- Lexington Capital Fund V, a distribution in the amount of \$5,040.00 on 8/31/2016
- Lexington Capital Fund VII, a distribution in the amount of \$59,027.00 on 8/31/2016
- Metropolitan Real Estate, a distribution in the amount of \$59,326.64 on 9/2/2016

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:

- Amy K. Shaffer; amount of refund is \$1,917.57; termination from service with the Town of Falmouth, Information Technology Department
- Sharon L. Lessard; amount of refund is \$89.50 (deductions taken in error); resignation from service with the Town of Falmouth, Falmouth Public Schools
- Kevin A. Kinsella; amount of refund is \$20.52 (deductions taken in error); resignation from service with the Town of Falmouth, Police Department
- Kimberley J. Johnson; amount of refund is \$144.72 (deductions taken in error); resignation from service with the Town of Falmouth, Falmouth Public Schools
- Kimberley J. Johnson; amount of transfer is \$3,595.45; resignation from service with the Town of Falmouth, Falmouth Public Schools *(with this transfer, the Falmouth Retirement System will accept 11 months of 3(8)(c) liability on a twelve month basis)*

- William G. Langley; amount of rollover is \$34,655.73; termination from service with the Town of Falmouth, Information Technology Department

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. 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.

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

The board members then considered the following request for liability:

- Daniel Van Etta; 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 request for 3(8)(c) liability. Mr. Ferreira seconded the motion, all board members present voted in the affirmative.

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

- Sharon L. Lessard; Town of Falmouth, Falmouth Public Schools
- Kevin A. Kinsella; Town of Falmouth, Police Department

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

- Martina D. Mehl; Early Childhood Specialist, Town of Falmouth, Falmouth Public Schools; Group One; DOM 9/1/2015, 9% + 2%
- Stephanie L. Searles; Library Assistant, Town of Falmouth, Falmouth Public Library; Group One; DOM 8/1/2016, 9% + 2%
- Cheri L. Carlino; Custodian, Town of Falmouth, Facilities Maintenance Department; Group One; DOM 8/15/2016, 9% + 2%
- David J. Frye; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/22/2016, 9% + 2%
- Christopher R. Hieber; Computer Lab Technician, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/22/2016, 9% + 2%
- Francine L. Daggett; Special Education Secretary, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/23/2016, 9% + 2%
- Sean J. Bergman; Water Treatment Plant Operator, Town of Falmouth, D.P.W. Water Division; Group One; DOM 8/29/2016, 9% + 2%

- Michael L. Reghitto; Water Treatment Plant Operator, Town of Falmouth, D.P.W. Water Division; Group One; DOM 8/29/2016, 9% + 2%
- Craig R. Norton; Laborer, Town of Falmouth, D.P.W. Highway Division; Group One; DOM 8/29/2016, 9% + 2%
- Maria Rusko; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Ariana L. Kerrigan; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Joanna H. Roberts; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Nancy G. Leger; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Ryan P. Murphy; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Debra L. Rogers; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Olivia D. Rauss; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Anastacia E. D'Agostino; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Jennifer F. Falcone; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Samuel A. Benoit; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Lauren L. Gallagher; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; Group One; DOM 8/30/2016, 9% + 2%
- Tariesa A. Reine; Food Service Worker, Town of Falmouth, Falmouth Public Schools; Group One; DOM 9/1/2016, 9% + 2%

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

- Maria Rusko; Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,206.81
- Joanna H. Roberts; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$461.15
- Anastacia E. D'Agostino; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$295.46
- Jennifer F. Falcone; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$2,219.57

- Samuel A. Benoit; 1:1 Special Education Aide, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$295.04
- David J. Frye; Custodian, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$35,545.64
- Debra L. Rogers; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$9,316.98
- Olivia D. Rauss; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$662.93
- Martina D. Mehl; Early Childhood Specialist, Town of Falmouth, Falmouth Public Schools; request to purchase service, prior to membership with the Falmouth Retirement System; principle amount due is \$14,916.94

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

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

- Lance G. Plack; Firefighter, Town of Falmouth, Fire Rescue Department; Group Four; while performing firefighter duties, employee experienced a cardiac event. Date of Injury 8/1/2015
- Alec J. Turner; Animal Control Officer, Town of Falmouth, Marine & Environmental Services Department; Group One; while removing a dog, employee sustained a dog bite to his left hand. Date of Injury 7/15/2016
- Linda M. Moniz; Bus Driver, Town of Falmouth, Council on Aging Senior Center; Group One; while assisting a passenger, employee strained her neck and left shoulder. Date of Injury 7/18/2016
- Roy Charles Martinsen III; Deputy Director, Town of Falmouth, Marine & Environmental Services Department; Group One; while making an arrest, employee sustained an injury to his head. Date of Injury 8/5/2016

The board members next reviewed the following correspondence from PERAC:

Also, the board members reviewed other relative correspondence.

Then, 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 July, and Mr. Fabrizio reviewed the plan results. Through the end of July, the plan's estimated market value was approximately \$123.4 million. Year-to-date, the plan is up 6.30% versus the policy benchmark which is up 5.71%. Compared to its policy benchmark, the domestic equity sector is slightly behind. Earnest Partners continues to have a strong year and it is ahead of its benchmark after another good month. But, both Seizert Capital Partners and LMCG Investments are trailing their benchmark. The international equity sector (up 0.97%) is just ahead of its benchmark (up 0.89%) with Dimensional Fund Advisors having a decent performance for the month. The domestic fixed income strategy (up 6.35%) is on par with its benchmark (up 6.41%) which is to be expected as these investments are indexed. The international fixed income strategy, Baring Asset Management, is having a very solid year. This sector is up 12.50% versus its benchmark which is up 11.33%. Year-to-date, the performance of the real estate sector is up 10.31% versus a benchmark that is up 4.29%. At the moment, Dimensional Fund Advisors seems to be the strength of the portfolio within the real estate sector. Due to the nature of the investments of the private equity sector, the returns are stated with a lag; however, year-to-date, the private equity sector is up 0.21% versus a benchmark that is up 1.77%. For the year, the P.R.I.T. fund is up 0.14% versus a benchmark that is down 1.21%. Lastly, the cash balance is approximately \$4.1 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, two responses have been received, but Mr. Fabrizio noted that, as the deadline nears, he anticipates more responses.

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

Next, the board members discussed the Election of the First Elected Member. As the nominee in this election, Mr. Ferreira recused himself from participation in this board matter. The other board members determined that Russell R. Ferreira was the only candidate to be nominated for the position of the First Elected Member to the Falmouth Retirement Board. Therefore, the board members entertained a motion to declare Russell R. Ferreira to be elected to the position of the First Elected Member to the Falmouth Retirement Board. His term will commence on October 31, 2016 and run through the date of expiration on October 30, 2019.

Mr. Anderson moved to declare Russell R. Ferreira to be elected to the position of the First Elected Member to the Falmouth Retirement Board. His term will commence on

October 31, 2016 and run through the date of expiration on October 30, 2019. Ms. Philbin seconded the motion, the vote was four in the affirmative and Mr. Ferreira voted present.

Then, the board members discussed the position of Chairman of the Falmouth Retirement Board. Chairman Brodeur noted that, after many years of service as Chairman of the Falmouth Retirement Board, it may be an appropriate time for him to resign the position of Chairman. It was noted that he would continue to serve his term as an elected member to the Falmouth Retirement Board. After some discussion, the board members entertained a motion to appoint Russell R. Ferreira as Chairman of the Falmouth Retirement Board through the conclusion of his recently declared term as the First Elected Member.

Ms. Philbin moved to appoint Russell R. Ferreira as Chairman of the Falmouth Retirement Board through the conclusion of his recently declared term as the First Elected Member. The vote was four in the affirmative and Mr. Ferreira voted present.

The board members then considered the upcoming fall M.A.C.R.S. conference to be held in Springfield, MA from October 2, 2016 through October 5, 2016. It was noted that, to date, an agenda and costs for the conference have not been made available, but it is anticipated that certain sessions will be approved by P.E.R.A.C. for board member C.E.U. training credits. Also, the approximate total cost per person to attend this fall conference is estimated to be \$1,050.00 (including a \$25.00 daily per diem). After some discussion, the board members entertained a motion to approve the estimated conference fees with travel as well as to approve the attendance to the fall conference by the two staff members.

Mr. Ferreira moved to approve the estimated conference fees with travel as well as to approve the attendance to the fall conference by the two staff members. Ms. Petit seconded the motion, all board members present voted in the affirmative.

Next, the Director provided the board members with an update on the pending legal matters. It was noted that there has been no new information to report in the matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677 or in the matter of *Karen Kraus v. Falmouth Retirement System*, CR-16-288.

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 2:50 p.m., the board members concluded the open meeting.

The next scheduled board meeting is anticipated to begin around 9:00 a.m. on Thursday, September 29, 2016 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

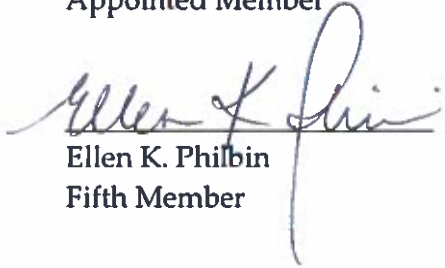
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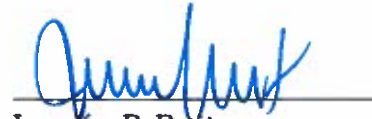
Paul D. Brodeur
Chairman, Elected Member



Gary W. Anderson
Appointed Member



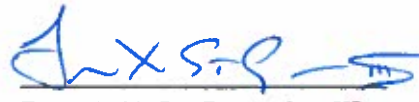
Ellen K. Philbin
Fifth Member



Jennifer P. Petit
Ex-Officio Member



Russell R. Ferreira
Elected Member



Francis X. St. Germaine III
Director