

**FALMOUTH RETIREMENT BOARD**  
**Open Session Meeting Minutes**  
**Thursday, December 18, 2018**

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

Staff members in attendance: Francis St. Germaine who recorded the minutes of the meeting

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

At approximately 11:00 a.m., with a quorum being present, 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. Then, the Town Treasurer, Patricia O'Connell, joined the meeting, and she reviewed for the board members the monthly reconciliation of the cash account for the months of September and October. Through the end of October, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,021,468.99 and disbursements in the amount of \$1,014,715.25. She noted that the fund balance in this cash account is \$16,444.05. Also, it was noted that the check sequence for the months of September and October began with check #9007 and ended with check #9124. The following were voided checks: #9051 - #9065 and #9098. In addition, the Director had provided the board members with a review of the annual budget through Q3 2018 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. Slivinski 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
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the meeting minutes of the open session meeting that was held on November 15, 2018. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on November 15, 2018.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on November 15, 2018. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
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Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Next, the board members reviewed the payments of the following warrants:

Warrant #41/2018	\$ 7,116.40	Warrant #42/2018	\$974,926.22
Warrant #43/2018	\$ 7,616.40	Warrant #44/2018	\$ 17,371.05

After some discussion, the board members entertained a motion to approve the payments, as noted, of warrants #41/2018 through #44/2018.

Mr. Slivinski moved to approve the payments, as noted, of warrants #41/2018 through #44/2018. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Then, the board members reviewed the payment of the following investment fee:

- State Street Corporation, August 2018 custodial fee \$ 5,802.60

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

Mr. O'Malley moved to approve the payment, as noted, of the above-mentioned investment fee. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

The board members then reviewed the following payments of capital calls to investment managers:

- PRIT Private Equity Fund VY 2018, a capital call payable on 12/3/2018 in the amount of \$69,469.72
- Hamilton Lane Secondary Fund IV, a capital call payable on 12/21/2018 in the amount of \$325,000.00

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

Ms. Petit moved to approve the payments, as noted, of the above-mentioned capital calls. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- Lexington Capital Fund VII, a distribution on 11/29/2018 in the amount of \$17,708.00
- Mesirow Financial Fund IV, a distribution on 11/30/2018 in the amount of \$14,865.00

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

- Sari D. Budrow; amount of refund is \$23.21; deductions taken in error by the Town of Falmouth, Zoning Board of Appeals
- Judith D. Hoffman; amount of refund is \$7.65; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Judith D. Hoffman; amount of transfer is \$429.55; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 2 months of 3(8)(c) liability on a 12-month basis*)

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

Mr. O'Malley moved to approve, as noted, the requests of the above-mentioned former or current members of the Falmouth Retirement System for a return or transfer of their accumulated deductions. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- Sari D. Budrow; date of retirement is 11/10/2018 from the Town of Falmouth, Zoning Board of Appeals; Group One

The board members then noted the following new members of the Falmouth Retirement System:

- Jennifer M. Plasse; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/13/2018, 9% + 2%
- Kristen L. Lopes; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/13/2018, 9% + 2%
- Tracy A. Martin; Senior Office Assistant, Town of Falmouth, Finance Department, Group One; DOM 11/17/2018, 9% + 2%
- Stephen T. McGovern; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 11/18/2018, 9% + 2%
- Victoria E. Kyle; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 11/26/2018, 9% + 2%
- Lisa H. Donovan; Library Assistant, Town of Falmouth, Falmouth Public Library, Group One; DOM 12/3/2018, 9% + 2%
- Susan D. Henken; Reference Librarian, Town of Falmouth, Falmouth Public Library, Group One; DOM 12/10/2018, 9% + 2%

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

- Christine A. Medeiros; Secretary, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$537.58
- Jose F. Aguiar; Custodian, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$3,225.96
- Paul W. Garvey; Custodian, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$1,903.20
- Jennifer M. Plasse; Bus Aide, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$315.97
- Stacy E. Stokes; Payroll Coordinator, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$270.00
- Lauren N. Boffoli; Bus Aide, Town of Falmouth, Falmouth Public Schools; request to purchase less than part-time service, prior to membership with the Falmouth Retirement System; principle amount due is \$315.97
- Darlene M. DeLancey; Administrative Assistant, Town of Falmouth, Falmouth Public Schools; request to purchase refunded service, prior to membership with

the Falmouth Retirement System; principle amount due is \$4,221.08 *(upon completion of repayment, the Plymouth Retirement System will accept 5 years and 9 months of 3(8)(c) liability)*

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

Mr. Slivinski moved to approve, as noted, the requests of the above-mentioned members to purchase their service prior to membership with the Falmouth Retirement System.

Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- James F. Porter II; Police Officer, Town of Falmouth, Police Department, Group Four; while cleaning up the firearms range, employee was injured.  
Date of Injury 10/18/2018
- Jeremiah Pearson; Superintendent, Town of Falmouth, D.P.W. Parks Division, Group One; during an aerial rescue class, employee was injured.  
Date of Injury 10/22/2018
- Joseph P. Gomes; Utilities Maintenance Worker, Town of Falmouth, D.P.W. Water and Sewer Division, Group One; while cutting pipe, employee was injured.  
Date of Injury 10/30/2018
- Bryan C. Hazelton; Police Officer, Town of Falmouth, Police Department, Group Four; while directing traffic, employee was struck by a motor vehicle and injured.  
Date of Injury 11/4/2018
- Patricia A. Heywood; Special Education Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; during the transport of a child, employee was injured. Date of Injury 11/26/2018

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #33/2018                      CRAB's Order of Partial Stay Regarding Regular Compensation Status of Payments Made in Lieu of Unused Leave Time

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 October, and Mr. Fabrizio reviewed the plan results. Through the end of October, the plan's estimated market value was approximately \$141.0 million. Year-to-date, the plan is down 2.24% versus the policy benchmark which is down 0.83%. Compared to its policy benchmark, the domestic equity sector (down 2.23%) is behind. RhumbLine Growth is having a positive year while both Earnest Partners and LMCg Investments Mid Cap Core are well behind their benchmark at the moment. The international equity sector (down 10.57%) is trailing its benchmark (down 9.74%) with both Dimensional Fund Advisors and HGK Trinity Street struggling to keep pace with their benchmark. The domestic fixed income strategy (down 2.02%) is on par with its benchmark (down 2.04%) which is to be expected as these investments are indexed. The performance of the real estate sector, year-to-date, is up 2.88% versus a benchmark that is up 5.27%. At the moment, Principal, Dimensional Fund Advisors, and P.R.I.T. are the largest real estate investments within the portfolio while Principal and P.R.I.T. are two investments that seem to be producing positive returns. Due to the nature of the investments within the private equity sector, the returns are stated with a lag; however, the private equity sector is estimated to be up 8.68% versus a benchmark that is up 11.62%. At this time, the Lexington Capital Fund VII and the Hamilton Lane Secondary Fund IV are the two largest investments for this sector within the portfolio. Additionally, both of these investments have reported a positive performance. For the year, the P.R.I.T. Absolute Return Fund is up 0.77% versus a benchmark that is down 2.13%. Lastly, the cash balance is approximately \$5.7 million. Wainwright Investment Counsel noted that "at this time, the portfolio is struggling with the extremely volatile markets which we will monitor but we will also continue to maintain the current balance of this plan."

With regards to the R.F.P. for the U.S. Passive Bond fixed income asset class, it was noted that two responses were received....one from S.S.g.A. and one from RhumbLine Advisers. Both responses are considered to be "highly advantageous". Thus, after some discussion and on the recommendation of Wainwright Investment Counsel, the board members entertained a motion to invite to the January board meeting S.S.g.A. so that they could present their proposed U.S. Passive Bond fund.

Mr. O'Malley moved to invite to the January board meeting S.S.g.A. so that they could present their proposed U.S. Passive Bond fund. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

With regards to the R.F.P. for the U.S. High Yield Bond fixed income asset class, it was noted that twelve responses were received of which six responses are considered to be "highly advantageous". Thus, after some discussion and on the recommendation of Wainwright Investment Counsel, the board members entertained a motion to invite to the January board

meeting S.S.g.A., DDJ Capital Management and Lord Abbett & Company so that each of them could present their proposed U.S. High Yield Bond fund.

Mr. Slivinski moved t to invite to the January board meeting S.S.g.A., DDJ Capital Management and Lord Abbett & Company so that each of them could present their proposed U.S. High Yield Bond fund. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

Next, the board members reviewed a schedule of potential dates for board meetings in CY 2019. After some discussion, the board members entertained a motion to approve the schedule of proposed board meeting dates for CY 2019.

Ms. Philbin moved to approve the schedule of proposed board meeting dates for CY 2019. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Then, the Director outlined for the board members a proposed CY 2019 budget in the amount of \$1,047,950.00. The board members reviewed the budget, and after some discussion, they entertained a motion to approve a CY 2019 budget in the amount of \$1,047,950.00.

Ms. Philbin moved to approve the CY 2019 budget in the amount of \$1,047,950.00. Ms. Petit seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Next, Attorney Poser provided the board members with an update in the pending legal matter of *Kevin Murphy v. Falmouth Retirement Board*, CR-15-677. In this case, a joint pre-hearing

memorandum and exhibits have been submitted and a hearing was held on October 16, 2018. Written closing arguments are now expected to be submitted in the February timeframe.

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

Mr. O'Malley moved to adjourn the open session meeting. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Petit	YES
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

At approximately 12:10 p.m., the board members concluded the open session meeting.

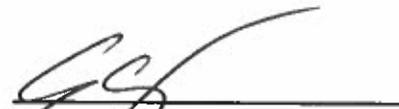
The next scheduled board meeting will begin at 12:00 p.m. on Thursday, January 24, 2019 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:

  
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Russell R. Ferreira  
Chairman, Elected Member

  
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Jennifer P. Petit  
Ex-Officio Member

  
\_\_\_\_\_  
Paul J. Slivinski  
Appointed Member

  
\_\_\_\_\_  
Craig B. O'Malley  
Elected Member

  
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Ellen K. Philbin  
Vice Chairman, Fifth Member

  
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Francis X. St. Germaine III  
Director