

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, August 25, 2022

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

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 (by Zoom)

At approximately 2:00 p.m., with a quorum being present, Chairman Ferreira called the meeting to order, and he asked Ms. Philbin to conduct the board meeting. Ms. Philbin noted for all that, in accordance with Chapter 107 of the Acts of 2022 relating to the COVID – 19 pandemic and the Open Meeting Law waiver, it has been determined that remote participation is permissible for those that choose to teleconference.

Then, the Town Treasurer, Patricia O'Connell, joined the meeting via Zoom, and she reviewed for the board members the monthly reconciliation of the cash account for the month of June. Through the end of June, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,390,859.96 and a statement balance in the amount of \$291,007.36. She noted that the month-end fund balance is \$283,303.48 with outstanding checks for the month in the amount of \$7,703.88. In addition, it was noted that the check sequence for the month of June began with check #10785 and ended with check #10820. It was noted that check #10560, check #10562 and check #10634 had been voided. All the checks in this sequence have been accounted for through the end of the month. Also, the board members were provided with the annual budget through Q2 2022 including the cash receipts, the cash disbursements, the adjusting entries, the general ledger, and the trial balance. After some discussion, the board members entertained a motion to accept the monthly reconciliation submitted by the Town Treasurer.

Mr. Slivinski moved to accept the monthly reconciliation submitted by the Town Treasurer. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	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 July 21, 2022. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on July 21, 2022.

Mr. O'Malley moved to approve the meeting minutes of the open session meeting that was held on July 21, 2022. Ms. Mullen seconded the motion. On roll call, the vote was as follows:

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

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

Warrant #26/2022	\$1,185,363.89	Warrant #27/2022	\$ 8,366.40
Warrant #28/2022	\$ 8,616.40	Warrant #29/2022	\$285,182.31
Warrant #29/2022DD	\$ 14,828.67		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #26/2022 through #29/2022DD.

Ms. Mullen moved to approve the payment, as noted, of warrants #26/2022 through #25/2022DD. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	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 fees:

- People's United Bank, June 2022 custodial fee \$ 4,473.88
- S.S.g.A. (CM3Y), Q2 2022 management fee \$ 1,283.13
- S.S.g.A. (CME7), Q2 2022 management fee \$ 1,661.34
- LMCG Investments (Mid Cap Core), Q2 2022 management fee \$ 27,026.00
- DFA International Equity, Q2 2022 management fee \$ 6,493.16
- Lord Abbett High Yield Core; Q2 2022 management fee \$ 3,802.47

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

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

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

Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

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

- PRIT Private Equity Fund VY 2018, a capital call payable on 8/1/2022 in the amount of \$13,746.34
- PRIT Private Equity Fund VY 2020, a capital call payable on 8/1/2022 in the amount of \$112,294.82
- PRIT Private Equity Fund VY 2022, a capital call payable on 8/1/2022 in the amount of \$1,071.58

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

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

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

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

- Lexington Capital Fund VII, a distribution received on 7/28/2022 in the amount of \$28,193.00
- PRIT Private Equity VY2018, a distribution received on 8/1/2022 in the amount of \$26,763.55
- TA Realty Fund XII, a distribution received on 8/24/2022 in the amount of \$20,988.00

Then, the board members considered the requests of the following former or current members of the Falmouth Retirement System for a return or transfer of his/her accumulated deductions:

- Valerie A. Saffron; amount of refund is \$10.47; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Teresa A. Tumasian; amount of refund is \$5,035.38; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 1 year and 8 months of 3(8)(c) liability on a 12-month basis*)

- Tara L. Charlton; amount of refund is \$15,495.39; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 8 years and 4 months of 3(8)(c) liability on a 12-month basis*)
- Stephanie L. Seales; amount of refund is \$7,795.19; resignation from service with the Town of Falmouth, Falmouth Public Library (*with this refund, the Falmouth Retirement System will accept 2 years of 3(8)(c) liability on a 12-month basis*)
- Nadine M. Sullivan; amount of refund is \$4,318.80; resignation from service with the Falmouth Housing Authority (*with this refund, the Falmouth Retirement System will accept 8 months of 3(8)(c) liability on a 12-month basis*)
- Tammy E. Mathews; amount of rollover is \$17,732.41; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this rollover, the Falmouth Retirement System will accept 6 years and 2 months of 3(8)(c) liability on a 12-month basis*)
- Denise B. Coleman; amount of transfer is \$143,585.00; resignation from service with the Town of Falmouth, Personnel Department (*with this rollover, the Falmouth Retirement System will accept 9 years and 10 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 his/her 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 his/her accumulated deductions. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

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

The board members then noted the following members retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Karen E. Fleer; date of retirement is 6/30/2022 from the Town of Falmouth, Falmouth Public Schools; Group One
- Barbara J. Mitchell; date of retirement is 6/30/2022 from the Town of Falmouth, Falmouth Public Schools; Group One
- Valerie A. Saffron; date of retirement is 6/30/2022 from the Town of Falmouth, Falmouth Public Schools; Group One
- Debra J. King; date of retirement is 7/3/2022 from the Falmouth Housing Authority; Group One

- Lucia A. Conlon; date of retirement is 7/9/2022 from the Town of Falmouth, Falmouth Public Schools; Group One
- Gerald H. Martin; date of retirement is 7/16/2022 from the Town of Falmouth, Fire Rescue Department; Group Two
- John J. Elliott; date of retirement is 7/16/2022 from the Town of Falmouth, Fire Rescue Department; Group One

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

- Cheryl L. Ethier; Communications Officer, Town of Falmouth, Communications Center, Group One; DOM 7/25/2022, 9% + 2%
- Tobias N. Way; Maintenance Worker, Town of Falmouth, Marine & Environmental Services Department, Group One; DOM 8/1/2022, 9% + 2%
- Stephanie M. Barry; Communications Officer, Town of Falmouth, Communications Center, Group One; DOM 8/15/2022, 9% + 2%

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

- Michael J. Bottomley; Systems Analyst, Town of Falmouth, Information Technology Department; request to purchase less than part-time service with Barnstable County Retirement System, prior to membership with the Falmouth Retirement System; principle amount due is \$2,496.75 (*upon completion of this service purchase, the Barnstable County Retirement System will accept 5 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 request of the above-mentioned member to purchase his/her service prior to membership with the Falmouth Retirement System.

Mr. Slivinski moved to approve, as noted, the request of the above-mentioned member to purchase his/her 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. Mullen	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:

- Wilfer Gomez; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; while lifting a wet mop from the closet, employee was injured. Date of Injury 6/28/2022

- Joshua J. Sutherland; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while attending to a patient in the back of the ambulance, employee was injured. Date of Injury 7/10/2022

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #19/2022 Extension of Open Meeting Law Waivers
- PERAC memo #20/2022 Reinstatement to Service under G.L. c. 32 § 105
- PERAC memo #21/2022 *Vernava II* – Important Update
- PERAC memo #22/2022 Cost of Living Increase for Supplemental Dependent Allowance Paid to Accidental Disability Retirees and Accidental Death Survivors

Also, the board members reviewed other relative correspondence.

Next, Michael Dwyer and Jeffrey Fabrizio of Wainwright Investment Counsel both joined the meeting via Zoom. To begin, Mr. Dwyer directed the board members to the performance summary report for the month of June, and Mr. Fabrizio reviewed the plan results. Through the end of June, the plan’s estimated market value was approximately \$175.2 million. Year-to-date, the plan is down 10.00% versus the policy benchmark which is down 13.81%. Compared to its policy benchmark (down 21.07%), the domestic equity sector (down 18.19%) is slightly ahead. The international equity sector (down 16.16%) is ahead of its benchmark (down 20.61%). In the current environment of rising interest rates, value should outperform growth. Still, all the equity managers continue to experience negative returns which is a primary driver for this portfolio’s decline in value. The domestic fixed income strategy (down 11.19%) is just behind its benchmark (down 10.80%). Also, as interest rates rise, the fixed income performance will decline. Still, the performance of the fixed income funds is expected as most of these investments, apart from Lord Abbett High Yield, are indexed. Year-to-date, the performance of the real estate sector is up 14.79% versus a benchmark that is up 5.33%. At present, the real estate funds, except for Metropolitan Real Estate, are ahead of their benchmark. Due to the nature of the investments held within the private equity sector, these performance returns are stated with as much as a two-quarter lag. At present, this sector is estimated to be up 4.38% versus a benchmark that is presently down 0.35%. Currently, Hamilton Lane Secondary Fund IV and P.R.I.T. Private Equity VY2018 are the two largest private equity investments within this portfolio. Year-to-date, the P.R.I.T. Absolute Return Fund is down 2.82% versus a benchmark that is down 6.36%. Lastly, the cash balance is approximately \$0.9 million at the end of June. Wainwright Investment Counsel noted that “the economy is very turbulent. Both the equity and bond markets continue to be down in tandem which is very unusual. Typically, when one is down the other is up. However, at the September board meeting, they will be very interested to hear the investment managers perspective about this economy.”

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

Next, the Vice Chairman asked for a motion to leave the open session 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. O'Malley moved to leave the open session 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. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	Did Not Participate
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

At approximately 2:25 p.m., the board members left the open session 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 meeting, as noted by the Vice Chairman, the board members would reconvene their open session meeting.

At approximately 2:30 p.m., the board members reconvened their open session meeting, and the Vice Chairman noted the following action taken during the executive session meeting.

CASEY D. FERREIRA – ACCIDENTAL DISABILITY RETIREMENT

The board members reviewed the Regional Medical Panel certificates with narratives and found all to be in order. Mr. Slivinski moved to approve the voluntary accidental disability retirement application that has been submitted by Casey D. Ferreira and to transmit to P.E.R.A.C. their findings of facts. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Vice Chairman	YES
Jennifer P. Mullen	Did Not Participate
Craig B. O'Malley	YES
Paul J. Slivinski	YES
Russell R. Ferreira, Chairman	YES

Then, the board members discussed the Election of the First Elected Member. The board members determined that Scott T. Starbard was the only candidate to be nominated for the position of the First Elected Member to the Falmouth Retirement Board. Thus, the board members entertained a motion to declare Scott T. Starbard to be elected to the position of the First Elected Member to the Falmouth Retirement Board. His term will commence on October 31, 2022 and run through the date of expiration which will be on October 30, 2025.

Mr. Slivinski moved to declare Scott T. Starbard to be elected to the position of the First Elected Member to the Falmouth Retirement Board. His term will commence on October 31, 2022 and run through the date of expiration on October 30, 2025. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

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

Next, it was noted that the solicitation of proposals to either lease or purchase real property within the Town of Falmouth had been posted in June. Responses were due no later than 2:00 p.m. ET on Friday, August 5, 2022. Three requests for the R.F.P. had been received; yet, no responses were received. It was noted that there is limited inventory within the town, and none that would be suitable for office space.

Attorney Poser then noted the following activity in the pending legal matters:

- *Kevin Murphy v. Falmouth Retirement Board*, CR-20-0453; a joint pre-hearing memorandum has been filed with D.A.L.A. with no hearing date scheduled yet.

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


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

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

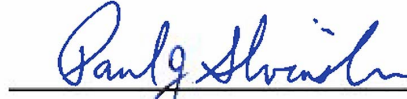
At approximately 2:40 p.m., the board members concluded the open session meeting.

The next scheduled board meeting will begin at 9:30 a.m. on Thursday, September 22, 2022 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.


ATTEST:



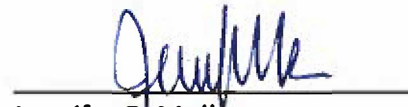
Russell R. Ferreira
Chairman, Elected Member



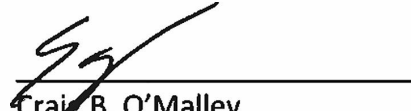
Paul J. Slivinski
Appointed Member



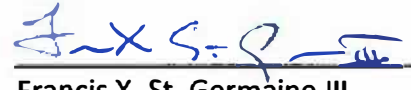
Ellen K. Philbin
Vice Chairman, Fifth Member



Jennifer P. Mullen
Ex-Officio Member



Craig B. O'Malley
Elected Member



Francis X. St. Germaine III
Director