

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, February 16, 2023

Board members in attendance: Ellen K. Philbin, Chair (by Zoom); Craig B. O'Malley, Vice Chair; Victoria A. Rose; Paul J. Slivinski (by Zoom) and Scott T. Starbard

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 physically present at the office of the Falmouth Retirement System, Chair Philbin called the meeting to order, and she asked Mr. O'Malley to conduct the board meeting. Mr. O'Malley 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, and she reviewed for the board members the monthly reconciliation of the cash account for the month of December. Through the end of December, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$1,453,387.32 and a statement balance in the amount of \$283,452.68. She noted that the month-end fund balance is \$171,660.29 with outstanding checks for the month in the amount of \$111,792.39. In addition, it was noted that the check sequence for the month of December began with check #11025 and ended with check #11063. All the checks in this sequence have been accounted for through the end of the month. 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. Starbard seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

The board members then reviewed the meeting minutes of both the open session meeting and the executive session meeting that was held on January 19, 2023. 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 January 19, 2023.

Ms. Philbin moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on January 19, 2023. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

Warrant #03/2023	\$1,205,744.09	Warrant #04/2023	\$ 8,366.40
Warrant #05/2023	\$ 144,296.62	Warrant #05/2023DD	\$ 40,137.80

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #03/2023 through #05/2023DD.

Ms. Philbin moved to approve the payment, as noted, of warrants #03/2023 through #05/2023DD. Mr. Starbard seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- M&T Bank (People's United Bank), December 2022 custodial fee \$ 4,669.50
- S.S.g.A. (CM3Y), Q4 2022 management fee \$ 1,265.72
- S.S.g.A. (CME7), Q4 2022 management fee \$ 1,655.36
- LMCG Investments (Mid Cap Core), Q4 2022 management fee \$ 26,581.00
- DFA International Equity, Q4 2022 management fee \$ 6,240.40
- Lord Abbett High Yield Core; Q4 2022 management fee \$ 3,717.70

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

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

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES

Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- PRIT Private Equity Fund VY2020, a capital call payable on 2/1/2023 in the amount of \$65,073.70
- PRIT Private Equity Fund VY2022, a capital call payable on 2/1/2023 in the amount of \$11,938.96

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

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

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- Lexington Capital Fund VII, a distribution received on 1/30/2023 in the amount of \$19,676.00
- PRIT Private Equity Fund VY2018, a distribution received on 2/1/2023 in the amount of \$19,477.83
- Hamilton Lane Secondary Fund IV, a distribution received on 2/10/2022 in the amount of \$14,547.00

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:

- Lynn T. Berkley; amount of refund is \$20.88; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Rachel Walsh; amount of refund is \$16,078.37; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 6 years and 1 month of 3(8)(c) liability on a 12-month basis*)
- Jonathan M. Travers; amount of refund is \$12,413.20; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 3 years and 1 month of 3(8)(c) liability on a 12-month basis*)

- Heather L. Alden; amount of refund is \$4,963.26; resignation from service with the Falmouth Housing Authority *(with this refund, the Falmouth Retirement System will accept 1 year of 3(8)(c) liability on a 12-month basis)*
- Joseph J. Collins; amount of refund is \$13,319.88; termination from service with the Falmouth Housing Authority *(with this refund, the Falmouth Retirement System will accept 2 years and 5 months of 3(8)(c) liability on a 12-month basis)*
- Marissa J. Antosh; amount of transfer is \$46,109.47; resignation from service with the Town of Falmouth, Falmouth Public Library *(with this transfer, the Falmouth Retirement System will accept 4 months of 3(8)(c) liability on a 12-month basis)*
- Kristen E. Taylor; amount of transfer is \$6,900.32; resignation from service with the Town of Falmouth, Falmouth Public Library *(with this transfer, the Falmouth Retirement System will accept 2 years and 4 months of 3(8)(c) liability on a 12-month basis)*
- Joseph E. Kenney; amount of transfer is \$2,086.05; resignation from service with the Town of Falmouth, Falmouth Public Schools *(with this transfer, the Falmouth Retirement System will accept 9 months of 3(8)(c) liability on a 12-month basis)*
- Angelina B. Cummings; amount of transfer is \$3,287.98; resignation from service with the Town of Falmouth, Recreation Department *(with this transfer, the Falmouth Retirement System will accept 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. Slivinski 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. Ms. Philbin seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- Michael A. Libertini; deny 3(8)(c) liability request from the Middlesex County Retirement System; non-membership service with the Town of Falmouth

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

Ms. Rose moved to deny, as noted, the above-mentioned request for 3(8)(c) liability. Mr. Starbard seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- Mary S. Blinn; date of retirement is 1/27/2023 from the Town of Falmouth, Communications Center; Group One

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

- Carol Chamberlain; Health Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 1/23/2023, 9% + 2%
- Karen A. Melchione; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 2/13/2023, 9% + 2%

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

- Natasha L. Frye; Teacher Assistant, 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 \$393.65 (*upon completion of this service purchase, the Falmouth Retirement System will accept 1 month 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.

Ms. Philbin 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. Starbard seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- Amy J. McKenzie; Student Activities Secretary, Town of Falmouth, Falmouth Public Schools, Group One; while returning boxes to the shelf, employee was injured. Date of Injury 8/25/2022
- Shawna N. Ranney; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while trying to catch a door from being closed, employee was injured. Date of Injury 12/15/2022
- Deborah M. Pettengill; School Monitor, Town of Falmouth, Falmouth Public Schools, Group One; while walking along the side of school during recess, employee was injured. Date of Injury 12/20/2022
- Craig M. Jones; Police Officer, Town of Falmouth, Police Department, Group Four; while closing a cell door at the police station, employee was injured. Date of Injury 1/12/2023
- James M. Crossen; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while walking in parking lot to enter school, employee fell and was injured. Date of Injury 1/17/2023
- James W. Miner; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; while spreading salt to prevent ice near the loading dock, employee was injured. Date of Injury 1/17/2023
- Heather L. Emerson; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; while attending to a dysregulated student, employee was injured. Date of Injury 2/1/2023

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #05/2023 PROSPER Cash Books and Annual Statement Submission
- PERAC memo #06/2023 Buyback and Make-up Repayment Worksheets
- PERAC memo #07/2023 2023 Interest rate set at 0.1%
- PERAC memo #08/2023 Actuarial Data

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 directed the board members to the performance summary report for the month of December, and Mr. Fabrizio reviewed the plan results. Through the end of December, the plan's estimated gross market value was approximately \$181.5 million. Year-to-date, the plan is down 8.93% versus the policy benchmark which is down 12.09%. Compared to its policy benchmark (down 17.15%), the domestic equity sector (down 14.85%) is ahead with both LMCG Investments and EARNEST Partners protecting well during the decline. The international equity sector (down 13.02%) is ahead of its benchmark (down 15.87%). In the current environment of rising interest rates, equities are down with growth stocks affected more than value stocks. Still, all the equity managers continue to experience negative returns which continues to be a primary driver for this portfolio's decline in value. The domestic fixed income strategy (down 12.86%) is slightly behind its benchmark (down 12.77%). The performance of these fixed income funds is expected as all, apart from Lord Abbett High Yield, are indexed. Year-to-date, the performance of

the real estate sector is up 14.17% versus a benchmark that is up 2.22%. At present, the real estate asset class is working quite well with TA Realty providing some very strong returns. Due to the nature of the investments held within the private equity sector, their performance returns are stated with as much as a two-quarter lag. Yet, this sector is estimated to be down 2.17% versus a benchmark that is presently down 5.54%. Currently, Hamilton Lane Secondary Fund IV, P.R.I.T. Private Equity VY2018 and P.R.I.T. Private Equity VY2020 are the three largest private equity investments within this portfolio. For the year, the P.R.I.T. Absolute Return Fund is down 2.03% versus a benchmark that is down 5.55%. Lastly, the cash balance is approximately \$3.6 million. Wainwright Investment Counsel noted that "the economy continues to be erratic. 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, the portfolio seems to be protecting well during a very challenging year of turbulent and underperforming markets."

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

Then, the board members discussed the need to hold an election for the 2nd Elected Member to the Falmouth Retirement Board. The current term of the 2nd Elected Member is set to expire on May 25, 2023. After some discussion, the board members entertained a motion to designate Victoria A. Rose to serve as the Election Officer for the election of the 2nd Elected Member to the Falmouth Retirement Board.

Ms. Philbin moved to designate Victoria A. Rose to serve as the Election Officer for the election of the 2nd Elected Member to the Falmouth Retirement Board. Mr. Starbard seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

Next, the board members reviewed the proposed timeline for the election of the 2nd Elected Member to the Falmouth Retirement Board. After some discussion, the board members entertained a motion to approve the proposed timeline for the election of the 2nd Elected Member to the Falmouth Retirement Board

Mr. Starbard moved to approve the proposed timeline for the election of the 2nd Elected Member to the Falmouth Retirement Board. Ms. Rose seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES

Craig B. O'Malley, Vice Chair YES

The Director then noted that the solicitation of proposals for the retirement system to lease or purchase real property within the Town of Falmouth has been posted. Responses are due no later than 2:00 p.m. ET on Thursday, March 16, 2023.

Then, Attorney Poser noted the following activity in the pending legal matter:

- *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.

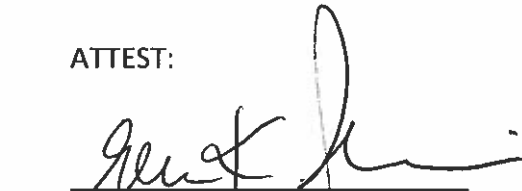
Finally, having no additional business to discuss, the Vice Chair asked for a motion to adjourn the open session meeting.

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

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

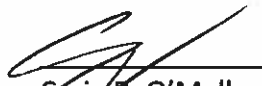
At approximately 2:45 p.m., the board members concluded the open session meeting. The next scheduled board meeting will begin at 2:00 p.m. on Thursday, March 16, 2023 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

ATTEST:

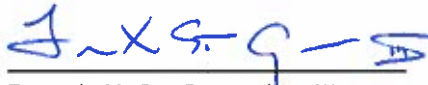

Ellen K. Philbin
Chair, Fifth Member


Victoria A. Rose
Ex-Officio Member


Paul J. Slivinski
Appointed Member


Craig B. O'Malley
Vice Chair, Elected Member


Scott T. Starbard
Elected Member


Francis X. St. Germaine III
Director