

**FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, July 20, 2023**

Board members in attendance: Ellen K. Philbin, Chair; 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

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 noted for all that, in accordance with Chapter 107 of the Acts of 2022 relating to the COVID – 19 pandemic and the waiver of the Open Meeting Law, it has been determined that remote participation is permissible for those that choose.

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 May. Through the end of May, the Treasurer noted that the account with Rockland Trust has receipts in the amount of \$992,748.24 and a statement balance in the amount of \$88,120.40. She noted that the month-end fund balance is \$57,329.59 with outstanding checks for the month in the amount of \$30,790.81. In addition, it was noted that the check sequence for the month of May began with check #11218 and ended with check #11283. 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. O'Malley 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 June 15, 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 June 15, 2023.

Mr. O'Malley moved to approve the meeting minutes of both the open session meeting and the executive session meeting that was held on June 15, 2023. 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 payment of the following warrants:

Warrant #21/2023	\$ 9,362.48	Warrant #22/2023	\$1,238,467.57
Warrant #23/2023	\$ 8,366.40	Warrant #24/2023	\$ 65,010.76

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #21/2023 through #24/2023.

Mr. Starbard moved to approve the payment, as noted, of warrants #21/2023 through #24/2023. Mr. O'Malley 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:

- Wainwright Investment Counsel, Q2 2023 consultant fee \$ 30,000.00
- M&T Bank (People's United Bank), May 2023 custodial fee \$ 4,937.47
- EARNEST Partners, Q2 2023 management fee \$ 35,909.95
- RhumbLine Advisers (Growth), Q2 2023 management fee \$ 936.00
- RhumbLine Advisers (S&P 400), Q2 2023 management fee \$ 616.00
- RhumbLine Advisers (Value), Q2 2023 management fee \$ 1,116.00
- RhumbLine Advisers (S&P 600), Q2 2023 management fee \$ 595.00
- RhumbLine Advisers (MSCI EAFE), Q2 2023 management fee \$ 723.00

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. 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 following payment of capital calls to investment managers:

- PRIT Private Equity Fund VY2020, a capital call payable on 7/3/2023 in the amount of \$15,767.53
- PRIT Private Equity Fund VY2022, a capital call payable on 7/3/2023 in the amount of \$17,620.19

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

Mr. Starbard moved to approve the payment, 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, 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:

- TA Realty Fund XII, a distribution received on 6/26/2023 in the amount of \$127,289.00
- Mesirow Financial Fund IV, a distribution received on 6/27/2023 in the amount of \$18,000.00
- Lexington Capital Fund VII, a distribution received on 6/29/2023 in the amount of \$5,904.00
- Hamilton Lane Secondary Fund IV, a distribution received on 6/29/2023 in the amount of \$161,260.00
- PRIT Private Equity Fund VY 2018, a distribution received on 7/3/2023 in the amount of \$122,818.48

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:

- James M. Craven; amount of refund is \$6,569.33; deductions taken in error by the Town of Falmouth, Fire Rescue Department
- Melissa M. Martin; amount of refund is \$77.32; deductions taken in error by the Town of Falmouth, Police Department
- Trevor W. Reid; amount of refund is \$1,187.31; resignation from service with the Town of Falmouth, Falmouth Public Schools *(with this refund, the Falmouth Retirement System will accept 6 months of 3(8)(c) liability on a 12-month basis)*

- Monica Saba; amount of rollover is \$23,773.82; resignation from service with the Town of Falmouth, Falmouth Public Schools *(with this rollover, the Falmouth Retirement System will accept 11 months of 3(8)(c) liability on a 12-month basis)*
- Daniel J. Desmarais; amount of transfer is \$17,185.38; resignation from service with the Town of Falmouth, Police Department *(with this transfer, the Falmouth Retirement System will accept 2 years and 9 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, 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 member retiring from service with the Town of Falmouth and/or Falmouth Housing Authority:

- Sherri L. Delmonico; date of retirement is 6/21/2023 from the Town of Falmouth, Falmouth Public Schools; Group One
- Laura M. Moore; date of retirement is 6/21/2023 from the Town of Falmouth, Falmouth Public Schools; Group One
- Sara Setian; date of retirement is 6/21/2023 from the Town of Falmouth, Falmouth Public Schools; Group One
- Deborah A. Shiraka; date of retirement is 6/21/2023 from the Town of Falmouth, Falmouth Public Schools; Group One
- Lucia DaSilva; date of retirement is 6/24/2023 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- Michael R. Renshaw; Town Manager, Town of Falmouth, Office of the Town Manager, Group One; DOM 6/12/2023, 9% + 2%
- Claudia J. Zickell; Receptionist, Falmouth Housing Authority, Group One; DOM 6/27/2023, 9% + 2%

- Jeffrey A. Lourie; Chief of Police, Town of Falmouth, Police Department, Group Four; DOM 7/1/2023, 8% + 2%
- Kathryn A. Rickard; Human Resources Assistant, Town of Falmouth, Human Resources Department, Group One; DOM 7/10/2023, 9% + 2%
- Matthew J. Turcotte; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/16/2023, 9% + 2%
- Barry J. Lima Jr.; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/16/2023, 9% + 2%
- Jonathan A. Raynor; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; DOM 7/16/2023, 9% + 2%

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

- Andrew B. Kellett; Laborer, Town of Falmouth, D.P.W. Parks Division; request to purchase refunded service, prior to membership with the Falmouth Retirement System; principle amount due is \$3,858.03 *(upon completion of this service purchase, the Barnstable County 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 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. 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:

- Kyle W. Moy; Police Officer, Town of Falmouth, Police Department, Group Four; while breaking a car window to get to a child, employee was injured. Date of Injury 6/30/2023
- Kyle W. Moy; Police Officer, Town of Falmouth, Police Department, Group Four; while restraining an uncooperative subject, employee was injured. Date of Injury 7/1/2023
- Kyle W. Moy; Police Officer, Town of Falmouth, Police Department, Group Four; while making an arrest, employee was injured. Date of Injury 7/3/2023

- Gregory J. Endicott; Facilities Manager, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; while exiting the town vehicle, employee was injured. Date of Injury 7/58/2023
- Martin R. Potter; Crew Leader, Town of Falmouth, D.P.W. Parks and Forestry Division, Group One; while wielding a handsaw, employee was injured. Date of Injury 7/11/2023

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #14/2023 Tobacco Company List
- PERAC memo #15/2023 91A Prosper Tasks
- PERAC memo #16/2023 Mandatory Retirement Board Member Training – 3rd Quarter 2023
- DALA memo Updated Information for Inclusion in Appealable Decisions

Also, the board members reviewed other relative correspondence.

Next, 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 May, and Mr. Fabrizio reviewed the plan results. Through the end of May, the plan's estimated gross market value was approximately \$180.6 million. Year-to-date, the plan is up 2.36% versus the policy benchmark which is up 2.23%. Compared to its policy benchmark (up 2.26%), the domestic equity sector (up 1.70%) is behind with most of the domestic equity funds down for the month. The international equity sector (up 5.94%) is slightly behind its benchmark (up 5.95%). Unlike the domestic equity funds, all of the international equity funds in this portfolio are positive but with some better returns. The domestic fixed income strategy (up 2.76%) is slightly ahead of its benchmark (up 2.39%). The performance of these fixed income funds is positive and expected as all, apart from the Lord Abbeatt High Yield Core, are indexed. Currently, the performance of the real estate sector is down 1.06% versus a benchmark that is down 1.81%. It is likely that this sector is beginning to show the effects of the rising interest rates. 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 up 2.77% versus a benchmark that is presently 0.00%. 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 up 2.27% versus a benchmark that is up 1.03%. Lastly, the cash balance is approximately \$2.3 million. Wainwright Investment Counsel noted that "the economy continues to be very volatile. However, the portfolio seems to be protecting well during these challenging times and the equities have provided some good returns."

Mr. Dwyer then discussed with the board members a proposed rebalance of the investment portfolio which would invest \$6.75 million of available cash to the following:

- \$1,000,000.00 to the RhumbLine Advisers Russell 1000 Value Pooled Index Fund
- \$1,250,000.00 to the LMCg Investments Mid Cap Core Fund
- \$750,000.00 to the RhumbLine Advisers S&P 400 Pooled Index Fund
- \$1,500,000.00 to the EARNEST Partners U.S. Small Cap Core Equity Fund
- \$1,000,000.00 to the RhumbLine Advisers S&P 600 Pooled Index Fund
- \$500,000.00 to the HGK Trinity Street International Equity Fund
- \$400,000.00 to the S.S.g.A. Passive Bond Market Index Fund
- \$350,000.00 to the Lord Abbett High Yield Core Bond Fund

After some discussion, the board members entertained a motion to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined above.

Mr. O'Malley moved to accept the recommendation from Wainwright Investment Counsel to rebalance the portfolio as outlined above. 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

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

Then, the Chair 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. 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

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 Chair, the board members would reconvene their open session meeting.

At approximately 2:45 p.m., the board members reconvened their open session meeting, and the Chair noted the following action taken during the executive session meeting.

IGOL F. CAMPBELL – 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 Igol F. Campbell and to transmit to P.E.R.A.C. their findings of facts. 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

RUBEN FERRER – ACCIDENTAL DISABILITY RETIREMENT

The board members reviewed the Regional Medical Panel certificates with narratives and found all to be in order. Mr. O'Malley moved to approve the voluntary accidental disability retirement application that has been submitted by Ruben Ferrer and to transmit to P.E.R.A.C. their findings of facts. 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 Director reminded the board members of the following activity in the pending legal matter:

- *Kevin Murphy v. Falmouth Retirement Board*, CR-20-0453; given its age and that the parties agree generally about the underlying facts, the parties have asked D.A.L.A. to issue a scheduling order for the purpose of filing memoranda of law. D.A.L.A. has notified the parties that any additional papers shall be filed no later than June 13, 2023. The parties have timely filed their written submissions.

The Director then noted that there is nothing new to report about office space. Also, the P.E.R.A.C. audit is ongoing.


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


Mr. Starbard 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 2:50 p.m., the board members concluded the open session meeting. The next scheduled board meeting will begin at 2:00 p.m. on Thursday, August 17, 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