

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, July 18, 2024

Board members in attendance: Ellen K. Philbin, Chair; Craig B. O'Malley, Vice Chair; Victoria A. Rose and Paul J. Slivinski (remote)

Board members in absence: 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 (remote)

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 \$1,363,554.93 and a statement balance in the amount of \$60,537.67. She noted that the month-end fund balance is \$44,992.68 with outstanding checks for the month in the amount of \$15,544.99. In addition, it was noted that the check sequence for the month of May began with check #11665 and ended with check #11689. 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. Ms. Rose seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

The board members then reviewed the meeting minutes of the open session meeting that was held on June 20, 2024. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on June 20, 2024.

Mr. Slivinski moved to approve the meeting minutes of the open session meeting that was held on June 20, 2024. Ms. Rose seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

Warrant #22/2024	\$1,323,168.23	Warrant #23/2024	\$ 8,933.60
Warrant #24/2024	\$ 306,112.75		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #22/2024 through #24/2024.

Ms. Rose moved to approve the payment, as noted, of warrants #22/2024 through #24/2024. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	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 2024 consultant fee \$32,500.00
- M&T Bank, May 2024 custodial fee \$ 5,307.58
- EARNEST Partners, Q2 2024 management fee \$ 39,530.28
- RhumbLine Advisers (Growth), Q2 2024 management fee \$ 1,107.00
- RhumbLine Advisers (S&P 400), Q2 2024 management fee \$ 2,701.00
- RhumbLine Advisers (Value), Q2 2024 management fee \$ 1,250.00
- RhumbLine Advisers (S&P 600), Q2 2024 management fee \$ 734.00
- RhumbLine Advisers (MSCI EAFE), Q2 2024 management fee \$ 788.00

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

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	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 VY 2018, a capital call payable on 7/1/2024 in the amount of \$1,956.19
- PRIT Private Equity Fund VY 2020, a capital call payable on 7/1/2024 in the amount of \$66,436.46
- PRIT Private Equity Fund VY 2022, a capital call payable on 7/1/2024 in the amount of \$72,921.80
- PRIT Private Equity Fund VY 2024, a capital call payable on 7/1/2024 in the amount of \$1,026.17

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. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- Lexington Capital Fund VII, a distribution received on 5/22/2024 in the amount of \$1,856.00

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:

- Candace J. Tavares; amount of refund is \$34.61; deductions taken in error by the Town of Falmouth, Falmouth Public Schools
- Daniel J. Moniz; amount of refund is \$60.43; deductions taken in error by the Town of Falmouth, D.P.W. Facilities Maintenance Division
- Eusebio V. Marcos; amount of refund is \$1,758.52; resignation from service with the Town of Falmouth, D.P.W. Facilities Maintenance Division (*with this refund, the Falmouth Retirement System will accept 4 months of 3(8)(c) liability on a 12-month basis*)
- Andrew D. Payne; amount of refund is \$62,026.87; resignation from service with the Town of Falmouth, Information Technology Department (*with this refund, the Falmouth Retirement System will accept 10 years and 7 months of 3(8)(c) liability on a 12-month basis*)

- Samantha K. Haywood; amount of refund is \$11,563.79; termination from service with the Town of Falmouth, Falmouth Public Schools (*with this refund, the Falmouth Retirement System will accept 4 years and 5 months of 3(8)(c) liability on a 12-month basis*)
- Corey B. Pacheco; amount of transfer is \$36,579.24; resignation from service with the Town of Falmouth, Planning Department (*with this transfer, the Falmouth Retirement System will accept 5 years and 5 months of 3(8)(c) liability on a 12-month basis*)
- Jonathan D. Dickinson; amount of transfer is \$76,583.91; resignation from service with the Town of Falmouth, D.P.W. Engineering Division (*with this transfer, the Falmouth Retirement System will accept 3 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 the return or transfer of his/her accumulated deductions.

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

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

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

- Candace J. Tavares; date of retirement is 6/5/2024 from the Town of Falmouth, Falmouth Public Schools; Group One
- Nancy E. Senior; date of retirement is 6/19/2024 from the Town of Falmouth, Falmouth Public Schools; Group One
- Lori A. Ivory; date of retirement is 6/19/2024 from the Town of Falmouth, Falmouth Public Schools; Group One
- Dawn L. DePrizio; date of retirement is 6/20/2024 from the Town of Falmouth, Falmouth Public Schools; Group One
- Wayne M. King; date of retirement is 6/22/2024 from the Town of Falmouth, D.P.W. Facilities Maintenance Division; Group Two
- Daniel J. Moniz; date of retirement is 6/22/2024 from the Town of Falmouth, D.P.W. Facilities Maintenance Division; Group One

- Leslie S. Shinn; date of retirement is 6/27/2024 from the Town of Falmouth, Falmouth Public Schools; Group One

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

- John M. Estrela Sr.; Custodian, Town of Falmouth, Falmouth Public Schools, Group One; DOM 6/17/2024, 9% + 2%
- Taylor A. Gonsalves; Library Associate – Youth Services, Town of Falmouth, Falmouth Public Library, Group One; DOM 6/24/2024, 9% + 2%
- Benjamin S. Anako; Fiscal Officer, Falmouth Housing Authority, Group One; DOM 6/26/2024, 9% + 2%
- Laura M. Higgins-Baltzley; School Community Chef, Town of Falmouth, Falmouth Public Schools, Group One; DOM 7/1/2024, 9% + 2%
- Mary B. Ryther; Solid Waste Coordinator, Town of Falmouth, D.P.W. Waste Management Division, Group One; DOM 7/1/2024, 9% + 2%
- Stephen C. Moberg; I.T. Systems Administrator, Town of Falmouth, Information Technology Department, Group One; DOM 7/8/2024, 9% + 2%
- Patrick J. Foley; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 7/15/2024, 9% + 2%
- Richard E. Heslin; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 7/15/2024, 9% + 2%

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

- Lance G. Plack; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while carrying a patient down some stairs, employee was injured.
Date of Injury 6/3/2024
- Jake A. Henry; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; following the response to a fire alarm, employee was injured.
Date of Injury 6/4/2024
- Molly A. Masson; Animal Control Officer, Town of Falmouth, Marine and Environmental Services Department, Group One; while trying to free an adult owl that was tangled in netting, employee was injured.
Date of Injury 7/7/2024

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #15/2024 91A PROSPER Tasks
- PERAC memo #16/2024 Forfeiture of Retirement Allowance for Dereliction of Duty by Members
- PERAC memo #17/2024 Mandatory Retirement Board Member Training – 3rd Quarter 2024
- PERAC memo #18/2024 Audit Process Via PROSPER

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 \$200.9 million. Year-to-date, the plan is up 2.79% versus the policy benchmark which is up 3.52%. Compared to its policy benchmark (up 6.58%), the domestic equity sector (up 5.26%) is behind with all of the domestic equity funds positive for the year with the exception of the Earnest Partners Small Cap Equity Fund. The international equity sector (up 7.07%) is just slightly ahead of its benchmark (up 6.38%). The domestic fixed income strategy (down 0.77%) is just ahead of its benchmark (down 1.25%). The performance of the fixed income funds, apart from the Lord Abbett High Yield Core, are indexed. Year-to-date, the performance of the real estate sector is down 10.26% versus a benchmark that is currently down 0.92%. This has been a particularly challenging sector. It is likely that this sector is showing the effects of the rising interest rates and the lower occupancy rates in the commercial office space. 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 4.19% versus a benchmark that is presently at 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 5.05% versus a benchmark that is up 4.54%. Lastly, the cash balance is approximately \$3.9 million. Wainwright Investment Counsel noted that "the economy appears to be strong but continues to be very volatile due to the concerns with the geopolitical environment and concerns about possible Fed reactions."

Mr. Dwyer then discussed with the board members a proposed rebalance of the investment portfolio which would invest \$8.5 million of available cash to the following:

- \$1,000,000.00 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
- \$1,000,000.00 to the D.F.A. International Core Equity Fund
- \$4,000,000.00 to the S.S.g.A. Passive Bond Market Index Fund
- \$1,500,000.00 to the S.S.g.A. High Yield Bond Market Index 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. Ms. Rose seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	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.

Next, Terenzio Volpicelli from Roselli, Clark & Associates joined the meeting remotely to discuss with the board members the 2023 financial statement provided as part of their annual financial audit. He reviewed the engagement letter and noted for the board members that their firm was tasked with conducting a financial audit which is different from a compliance audit. Their audit is designed to express an opinion on the financial records taken as a whole which they did find to present fairly. He noted that it was a particularly good audit, and they did not find any material deficiencies. The current year increased in fiduciary net position by over \$18.9 million for the year. The system's investment performance, net of management fees, was positive by approximately 10.9% versus a negative return of 8.9% in 2022. The System's actuary estimates that the retirement system is approximately 74% funded on December 31, 2023. He did note that although the system has been successful in garnering the yields necessary to achieve fully funded status in the required timeframe, the system (like so many other institutional investors) has experienced a great deal of volatility in its investments. The belief is that the volatility in the worldwide markets may continue for the near future. After some discussion, Mr. Volpicelli ended his presentation and the board members entertained a motion to accept the Report on Examination of Basic Financial Statements for Year-Ended December 31, 2023 that was conducted by the auditing firm of Roselli, Clark and Associates.

Mr. Slivinski moved to accept the Report on Examination of Basic Financial Statements for Year-Ended December 31, 2023 that was conducted by the auditing firm of Roselli, Clark and Associates. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

Then, Attorney Poser noted that presently there are no pending legal matters.

Lastly, the Director outlined for the board members a proposed supplemental budget of \$26,000.00 to hire a full-time Office Assistant for the remainder of this year. After some discussion, the board members entertained a motion to approve the proposed supplemental budget of \$26,000.00 and to hire Marie St. Germaine to the full-time position of Office Assistant at a rate of pay of \$26.68 per hour for the remainder of this year.

Mr. O'Malley moved to approve the proposed supplemental budget of \$26,000.00 and to hire Marie St. Germaine to the full-time position of Office Assistant at a rate of pay of

\$26.68 per hour for the remainder of this year. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

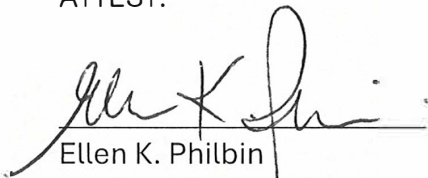
Finally, having no additional business to discuss, the Chair asked for a motion to adjourn the open session meeting.

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


At approximately 3:05 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 15, 2024 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

ABSENT

Scott T. Starbard
Elected Member


Francis X. St. Germaine III
Director