

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, September 19, 2024

Board members in attendance: Ellen K. Philbin, Chair; Victoria A. Rose; Scott T. Starbard and Paul J. Slivinski (remote)

Board members in absence: Craig B. O'Malley, Vice Chair

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 July. Through the end of July, she noted that the account with Rockland Trust has receipts in the amount of \$1,597,922.32 and a statement balance in the amount of \$50,929.44. She noted that the month-end fund balance is \$38,411.08 with outstanding checks for the month in the amount of \$12,518.36. In addition, it was noted that the check sequence for the month of July began with check #11708 and ended with check #11726. 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.

Ms. Rose moved to accept the monthly reconciliation submitted by the Town Treasurer.
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

The board members then reviewed the meeting minutes of the open session meeting that was held on August 15, 2024. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on August 15, 2024.

Mr. Starbard moved to approve the meeting minutes of the open session meeting that was held on August 15, 2024. 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

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

Warrant #28/2024	\$ 11,932.60	Warrant #29/2024	\$1,411,709.72
Warrant #30/2024	\$ 11,557.60	Warrant #31/2024	\$ 28,462.66

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #28/2024 through #31/2024.

Mr. Slivinski moved to approve the payment, as noted, of warrants #28/2024 through #31/2024. 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

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

- M&T Bank, July 2024 custodial fee \$ 5,676.95

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

Mr. Starbard moved to approve the payment, as noted, of the above-mentioned investment fee. 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

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

- PRIT Private Equity Fund VY 2020, a capital call payable on 9/3/2024 in the amount of \$2,104.07
- PRIT Private Equity Fund VY 2022, a capital call payable on 9/3/2024 in the amount of \$85,205.89

- PRIT Private Equity Fund VY 2024, a capital call payable on 9/3/2024 in the amount of \$2,901.73

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. 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

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

- TA Realty Fund XII, a distribution received on 8/22/2024 in the amount of \$147,961.00
- Lexington Capital Fund VII, a distribution received on 8/29/2024 in the amount of \$5,017.00
- TA Realty Fund XII, a distribution received on 8/30/2024 in the amount of \$636,638.00
- PRIT Private Equity Fund VY 2018, a distribution received on 9/3/2024 in the amount of \$68,509.04

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

- Steven A. Laraia; amount of transfer is \$19,228.01; resignation from service with the Town of Falmouth, Fire Rescue Department (*with this transfer, the Falmouth Retirement System will accept 2 years and 7 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 former or current member of the Falmouth Retirement System for the return or transfer of his/her accumulated deductions.

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

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

Next, the board members considered the following request for 3(8)(c) liability:

- Michael S. Thompson; accept 3(8)(c) liability request from the Essex Regional Retirement System; Town of Falmouth, D.P.W. Engineering Division (*upon completion of this service purchase, the Falmouth Retirement System will accept 3 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 above-mentioned request for 3(8)(c) liability.

Mr. Starbard moved to approve, as noted, the above-mentioned request for 3(8)(c) liability. 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

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

- Joseph E. Olenick; date of retirement is 8/17/2024 from the Town of Falmouth, Recreation Department; Group One
- Karen E. Metell; date of retirement is 8/19/2024 from the Town of Falmouth, Emergency Communications Department; Group One

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

- Paul A. Martins; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; DOM 8/12/2024, 9% + 2%
- Jaime E. Ogilvy; Main Office Secretary, Town of Falmouth, Falmouth Public Schools, Group One; 8/15/2024, 9% + 2%
- Mariapia Lavista; Secretary to Assistant Principal, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/21/2024, 9% + 2%
- Laura L. Sitrin; Finance Director, Town of Falmouth, Finance Department, Group One; DOM 8/26/2024, 9% + 2%
- Rebecca L. Spelman; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/27/2024, 9% + 2%

- Rebecca M. Charles; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/27/2024, 9% + 2%
- Sara D. Goulart; Teacher Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/27/2024, 9% + 2%
- Linda J. Mayo; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/27/2024, 9% + 2%
- Keira G. Foley; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/27/2024, 9% + 2%
- Joshua H. Pacheco; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/27/2024, 9% + 2%
- Trish Bonnevier; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/29/2024, 9% + 2%
- Michelle M. Petrecki; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/29/2024, 9% + 2%
- Julie D. Key; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 8/29/2024, 9% + 2%
- Daniel M. DelGreco; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; DOM 8/30/2024, 9% + 2%
- Sarah M. Dec; Human Resources Assistant, Town of Falmouth, Human Resources Department, Group One; DOM 9/3/2024, 9% + 2%
- Jamie L. Dennison; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/3/2024, 9% + 2%
- Jack M. Kamin; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/3/2024, 9% + 2%
- Natasha L. Laro; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/3/2024, 9% + 2%
- Jill E. Orluskie; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/4/2024, 9% + 2%
- Kurtis A. Dimitres; Police Officer, Town of Falmouth, Police Department, Group Four; DOM 9/9/2024, 9% + 2%
- Andre C. Bovan; Laborer, Town of Falmouth, D.P.W. Highway Division, Group One; DOM 9/9/2024, 9% + 2%
- Madeline B. Newhall; Special Education 1:1 Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/9/2024, 9% + 2%
- Paula S. Carney; Bus Aide, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/9/2024, 9% + 2%
- Robin M. Callaghan; Benefits Administrator, Town of Falmouth, Human Resources Department, Group One; DOM 9/16/2024, 9% + 2%
- Matthew Rezendes; M.E.O.- I, Town of Falmouth, D.P.W. Highway Division, Group One; DOM 9/16/2024, 9% + 2%
- Jean M. Perra; Food Service Worker, Town of Falmouth, Falmouth Public Schools, Group One; DOM 9/17/2024, 9% + 2%

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

- John M. Estrela Sr., 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 \$11,392.87 (*upon completion of this service purchase, the Falmouth Retirement System will accept 11 months of 3(8)(c) liability on a 12-month basis*)
- Dorrance E. Lincoln Jr.; Director of Veteran Services, Town of Falmouth, Veteran Services Department; request to purchase military service, prior to membership with the Falmouth Retirement System; principle amount due is \$22,905.07 (*upon completion of this service purchase, the Falmouth Retirement System will accept 4 years 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 members to purchase his/her service prior to membership with the Falmouth Retirement System.

Mr. Starbard moved to approve, as noted, the requests of the above-mentioned members to purchase his/her service prior to membership with the Falmouth Retirement System. 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

The board members then reviewed the following first reports of injury:

- Alexander M. Franklin; Police Officer, Town of Falmouth, Police Department, Group Four; while placing a subject into a jail cell, employee was injured.
Date of Injury 7/15/2024
- Ryan P. Gavin; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while interacting with the Deputy Chief, employee was injured.
Date of Injury 8/15/2024
- Michael R. Bridges; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while moving a patient to the hospital bed, employee was injured.
Date of Injury 8/17/2024
- Stephanie L. Melanson; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while working at the road race, employee was injured.
Date of Injury 8/18/2024

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #21/2024 New Anti-Spiking Exemptions
- PERAC memo #22/2024 New Standard for Calculating Public Sector Post-Retirement Work Limitations
- PERAC memo #23/2024 Veterans' Buyback Changes

Also, the board members reviewed other relative correspondence.

Next, Michael Dwyer and Jeffrey Fabrizio of Wainwright Investment Counsel joined the meeting, and John Boorack from P.E.R.A.C. joined the meeting remotely to review with the board members the draft results of their January 1, 2024 actuarial valuation study. Mr. Boorack noted for the board members that, as of January 1, 2024, the unfunded liability of the Falmouth Retirement System is \$74.6 million versus the previous unfunded liability of \$70.2 million. He noted that the system's total actuarial accrued liability had increased to about \$278.6 million. The actuarial value of assets is approximately \$204.0 million, and the system's funded ratio (actuarial value) is at 73.2%. He noted some of the assumptions to their valuation process: an investment return assumption of 7.00% (the same assumption used in the prior valuation study) and a revised mortality assumption reflecting the RP-2014 Blue Collar table with an updated mortality improvement scale to the more current MP-2021. As before, the provisions of Chapter 176 of the Acts of 2011 have been and will be considered in this and future actuarial valuations. In addition, it was noted that the current valuation reflects a C.O.L.A. base of \$16,000 (the same base used in the prior valuation study). Ultimately, all of these factors have some impact on the amortization schedule for the retirement system. Also, it was noted that P.E.R.A.C. will continue to suggest that retirement systems consider an approach which will fund their unfunded liability as aggressively as is manageable. The board members reviewed the two proposed appropriation funding schedules and selected "Alternative 2" with a 7.00% investment return assumption, including a C.O.L.A. base of \$16,000, with total cost increases of about 8.00% per year, and an appropriation payment made on July 1st with a final amortization payment made in FY 2033. After some discussion, the board members entertained a motion to adopt the above-mentioned proposed appropriation funding schedule.

Mr. Starbard moved to adopt the above-mentioned proposed appropriation funding schedule. 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

Mr. Boorack then exited the board meeting, and Mr. Dwyer directed the board members to the performance summary report for the month of July while Mr. Fabrizio reviewed the plan results. Through the end of July, the plan's estimated gross market value was approximately \$215.8 million. Year-to-date, the plan is up 5.36% versus the policy benchmark which is up 7.02%. Compared to its policy benchmark (up 13.16%), the domestic equity sector (up 11.34%) is behind with all of the domestic equity funds at or near their benchmark for the year with the exception of

the EARNEST Partners U.S. Small Cap Core Equity Fund. The international equity sector (up 6.89%) is just a bit behind its benchmark (up 8.00%) with both HGK Trinity Street and Dimensional Fund Advisors trailing the benchmark. The domestic fixed income strategy (up 2.41%) is just ahead of its benchmark (down 1.96%). 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 14.52% versus a benchmark that is currently down 1.18%. This has been a particularly challenging sector. This sector is showing the effects of the rising interest rates and the lower occupancy rates in the commercial office space. This is especially true for the TerraCap Partners Fund IV. 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 3.41% versus a benchmark that is presently at 1.75%. 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 7.04% versus a benchmark that is up 5.40%. Lastly, the cash balance is approximately \$5.2 million. Wainwright Investment Counsel noted that “the economy appears to be strong but continues to be very volatile due to concerns with the geopolitical environment. The portfolios performance has weathered these stresses well but is being pressured downward by the negative performance of both EARNEST Partners and TerraCap Partners.”

Then, Mr. Dwyer noted that the EARNEST Partners Small Cap Core Equity fund has been struggling and their lack of performance has become a concern. He reminded the board members that, in light of this performance, EARNEST Partners had been placed on the “watch list” at the last board meeting. Today, it is the recommendation of Wainwright Investment Counsel that the board members redeem \$7,000,000.00 from the EARNEST Partners U.S. Small Cap Core Equity Fund and invest this amount in the RhumbLine Advisers S&P 600 Pooled Index Fund. After some discussion, the board members entertained a motion to accept the recommendation from Wainwright Investment Counsel as outlined above.

Mr. Slivinski moved to accept the recommendation from Wainwright Investment Counsel 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

Next, Warren Tolman and Bryan Schneider from EnTrust Global joined the meeting to discuss private credit and their Blue Ocean Onshore Fund II. It was noted that, at this time, the board members are simply learning about this type of investment opportunity and whether or not this type of investment could fit within the portfolio. Mr. Tolman began by discussing their firm...an entrepreneurial investment firm committed to evolving their platform to offer innovative and differentiated investment opportunities. Founded in 1997, they have 11 offices globally with \$15.4 billion in total assets. Mr. Scheider then discussed the private credit opportunities in the

maritime industry. The global maritime industry, or shipping, plays a pivotal role in the worldwide economy. With 85% of world trade carried out by sea, its importance cannot be overstated. The industry serves as the backbone of international trade and commerce, facilitating the movement of goods, raw materials, and energy resources across the world. The Blue Ocean Onshore Fund II originates, structures and invests in transactions to a select customer base within the commodity shipping, maritime equipment, ports, offshore construction & energy infrastructure as well as passenger/car carrier industries. These are multi-trillion-dollar industries that are indispensable to global trade. Assets critical to supply chains which can be redeployed globally with steady, predictable cash flows, and low historical correlation to equity and bond markets. The shipping industry is capital intensive with a financing requirement estimated at \$90 billion per annum. These investments are typically characterized by moderate leverage, which are senior in borrowers' capital structures and collateralized by highly liquid assets that are indispensable to global trade. For investors, the attractive fundamentals of maritime finance allow them to diversify their portfolios, while participating in opportunities that can offer superior returns on a risk-adjusted basis. After some additional discussion with the board members, Mr. Tolman and Mr. Schneider exited the board meeting.

After some additional discussion, 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. Starbard 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. 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

At approximately 3:45 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 4:00 p.m., the board members reconvened their open session meeting, and the Chair noted the following action taken during the executive session meeting.

RICHARD J. PLESCIA - ACCIDENTAL DEATH BENEFIT

The board members reviewed the Certificate of Death, the Worker's Compensation Claim, the Motor Vehicle Crash police report, the Crash Data Retrieval report, the medical records

and other supporting documentation. Mr. Starbard moved to accept the collected documents for accidental death retirement with regards to Richard J. Plescia and to transmit to P.E.R.A.C. these documents for their examination and determination. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

Ellen K. Philbin, Chair	YES
Paul J. Slivinski	NO
Scott T. Starbard	YES
Victoria A. Rose	YES

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

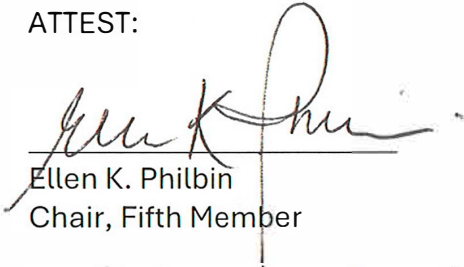
Finally, having no additional business to discuss, the Chair asked for a motion to adjourn the open session meeting.

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

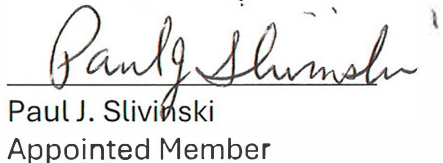
Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES

At approximately 4:10 p.m., the board members concluded the open session meeting. The next scheduled board meeting will begin at 9:30 a.m. on Thursday, October 17, 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

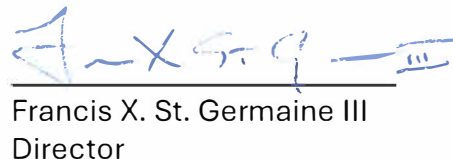

Victoria A. Rose
Ex-Officio Member


Paul J. Slivinski
Appointed Member

ABSENT

Craig B. O'Malley
Vice Chair, Elected Member


Scott T. Starbard
Elected Member


Francis X. St. Germaine III
Director