

FALMOUTH RETIREMENT BOARD
Open Session Meeting Minutes
Thursday, May 15, 2025

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

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

At approximately 2:00 p.m., with a quorum being 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 2 of the Acts of 2025 relating to 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 March. Through the end of March, she noted that the account with Rockland Trust has receipts in the amount of \$1,752,738.90 and a statement balance in the amount of \$181,466.09. She noted that the month-end fund balance is \$151,502.02 with outstanding checks for the month in the amount of \$29,964.07. In addition, it was noted that the check sequence for the month of March began with check #11835 and ended with check #11852. 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 Q1 2025 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, Chair	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Paul J. Slivinski	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 April 17, 2025. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on April 17, 2025.

Mr. O'Malley moved to approve the meeting minutes of the open session meeting that was held on April 17, 2025. Mr. Starbard seconded the motion. On roll call, the vote was as follows:

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

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

Warrant #15/2025	\$ 11,932.60	Warrant #16/2025	\$1,383,078.31
Warrant #17/2025	\$ 11,557.60	Warrant #18/2025	\$ 122,851.86

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrants #15/2025 through #18/2025.

Mr. O'Malley moved to approve the payment, as noted, of warrants #15/2025 through #18/2025. Mr. Starbard seconded the motion. On roll call, the vote was as follows:

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

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

- M&T Bank, March 2025 custodial fee \$ 5,418.37
- S.S.g.A. High Yield Bond (CM3Y1), Q1 2025 management fee \$ 2,180.23
- S.S.g.A. Passive Bond (CME7), Q1 2025 management fee \$ 3,281.50
- DFA International Core Equity, Q1 2025 management fee \$ 8,064.68
- Lord Abbett High Yield Core; Q1 2025 management fee \$ 5,057.74

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

Mr. Starbard 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, Chair	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Paul J. Slivinski	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 2022, a capital call payable on 5/1/2025 in the amount of \$103,872.51
- PRIT Private Equity Fund VY 2024, a capital call payable on 5/1/2025 in the amount of \$48,869.84
- PRIT Private Equity Fund VY 2025, a capital call payable on 5/1/2025 in the amount of \$68,279.31

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

Ellen K. Philbin, Chair	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Paul J. Slivinski	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 4/25/2025 in the amount of \$5,247.00
- Mesirow Financial Fund IV, a distribution received on 4/29/2025 in the amount of \$7,500.00
- PRIT Private Equity Fund VY 2018, a distribution received on 5/1/2025 in the amount of \$7,527.95
- PRIT Private Equity Fund VY 2020, a distribution received on 5/1/2025 in the amount of \$28,907.49

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:

- Joseph M. Atallah; amount of transfer is \$2,594.11; termination from service with the Town of Falmouth, Fire Rescue Department (*with this transfer, the Falmouth Retirement System will accept 4 months of 3(8)(c) liability on a 12-month basis*)

- Harriet E. Draper; amount of transfer is \$16,149.11; resignation from service with the Town of Falmouth, Office of the Town Clerk (*with this transfer, the Falmouth Retirement System will accept 2 years and 11 months of 3(8)(c) liability on a 12-month basis*)
- Stephanie L. Andrade; amount of transfer is \$3,668.31; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 1 year and 3 months of 3(8)(c) liability on a 12-month basis*)
- Sarah J. Brandt; amount of transfer is \$323.38; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 1 month of 3(8)(c) liability on a 12-month basis*)
- Erin C. Caswell; amount of transfer is \$6,705.19; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 1 year and 8 months of 3(8)(c) liability on a 12-month basis*)
- Chelsea A. Cunningham; amount of transfer is \$1,687.80; 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*)
- Stephanie L. Ferreira-Maciel; amount of transfer is \$6,515.47; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 4 months of 3(8)(c) liability on a 12-month basis*)
- Camille M. Hamilton; amount of transfer is \$1,253.03; 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*)
- Michael M. Hyland; amount of transfer is \$29,924.56; resignation from service with the Town of Falmouth, Falmouth Public Schools (*with this transfer, the Falmouth Retirement System will accept 1 year and 10 months of 3(8)(c) liability on a 12-month basis*)
- Robert A. Bartle; amount of refund is \$1,532.98; termination from service with the Town of Falmouth, D.P.W. Highway Division (*with this refund, the Falmouth Retirement System will accept 3 months of 3(8)(c) liability on a 12-month basis*)
- Tariesa J. Reine; amount of refund is \$31,208.51; resignation from service with the Town of Falmouth, Conservation Department (*with this refund, the Falmouth Retirement System will accept 8 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 former or current members of the Falmouth Retirement System for the 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 the return or transfer of his/her accumulated deductions. Mr. Starbard seconded the motion. On roll call, the vote was as follows:

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

- Julie A. McGrath; date of retirement is 4/2/2025 from the Town of Falmouth, Falmouth Public Schools; Group One
- Sheila L. Barrows Gibbs; date of retirement is 4/19/2025 from the Falmouth Housing Authority; Group One
- Patricia M. Herlihy; date of retirement is 4/19/2025 from the Falmouth Housing Authority; Group One

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

- MaryEllen T. Monty; Assistant Executive Director, Falmouth Housing Authority, Group One; DOM 4/21/2025, 9% + 2%
- Christopher E. Seariac; Assistant Wastewater Superintendent, Town of Falmouth, D.P.W. Wastewater Division, Group One; DOM 4/22/2025, 9% + 2%
- Jenna M. Balbino; Receptionist / Administrative Assistant, Town of Falmouth, Falmouth Public Schools, Group One; DOM 5/2/2025, 9% + 2%
- Joshua D.K. Wrigley; Coastal Resilience Specialist, Town of Falmouth, D.P.W. Administration Division, Group One; DOM 5/12/2025, 9% + 2%

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

- William O. McLean; Master Mechanic, Town of Falmouth, D.P.W. Fleet Services Division, Group One; while swinging a sledgehammer to loosen the large brake drum on a dump truck, employee was injured.
Date of Injury 3/19/2025
- Brian D. Pecci; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while carrying a patient down a flight of stairs, employee was injured.
Date of Injury 4/6/2025

- Andrew T. Loewen; Police Officer, Town of Falmouth, Police Department, Group Four; while placing a combative subject into custody, employee was injured.
Date of Injury 4/9/2025
- Meghan E. Andrade; Police Officer, Town of Falmouth, Police Department, Group Four; while placing a combative subject into custody, employee was injured.
Date of Injury 4/9/2025
- Jeffry H. Waggett; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while providing mutual aid to fight a forest fire, employee was injured.
Date of Injury 5/1/2025

Terenzio Volpicelli from Roselli, Clark & Associates then joined the meeting remotely to discuss with the board members the 2024 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 fair audit, and they did not find any material deficiencies. The financial statement disclosures are neutral, consistent, and clear. The current year increased in fiduciary net position by over \$10.8 million. The system's investment performance, net of management fees, was positive by approximately 5.5% versus a return of 10.9% in 2023. The system's net investment return lagged its benchmark and other Massachusetts municipal retirement systems due primarily to poor returns from one investment in the real estate sector and another investment in the small cap equity sector. The system's actuary estimates that the retirement system is approximately 73% funded on December 31, 2024. 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, 2024 that was conducted by the auditing firm of Roselli, Clark and Associates.

Mr. Starbard moved to accept the Report on Examination of Basic Financial Statements for Year-Ended December 31, 2024 that was conducted by the auditing firm of Roselli, Clark and Associates. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

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

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 March, and Mr. Fabrizio reviewed the plan results. Through the end of March, the plan's estimated gross total market value was approximately \$206.3 million. Year-to-date, the plan is down 0.84% versus the policy benchmark which is down 1.17%. Compared to its policy benchmark (down 6.59%), the domestic equity sector (down 6.33%) is slightly ahead with all of the domestic equity funds in the negative for the year with the exception of the RhumbLine Russell 1000 Value Index Fund. The international equity sector (up 7.88%) is ahead of its benchmark (up 6.23%) with the performance of the Hudson Edge Trinity Street Fund having recovered nicely. The domestic fixed income strategy (up 2.33%) is just behind its benchmark (up 2.57%). The performance of the fixed income funds, apart from the Lord Abbett High Yield Core, is expected as they are indexed. Year-to-date, the performance of the real estate sector is up 0.01% versus a benchmark that is currently up 1.28%. This has been a particularly challenging sector. This asset class has felt 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 1.70% versus a benchmark that is presently at 0.00%. At this time, P.R.I.T. Private Equity VY2018, P.R.I.T. Private Equity VY2020 and P.R.I.T. Private Equity VY2022 are the three largest private equity investments within this portfolio. For the year, the P.R.I.T. Absolute Return Fund is down 0.75% versus a benchmark that is down 0.42%. Lastly, the cash balance is approximately \$4.1 million. Wainwright Investment Counsel noted that "March was a particularly tough month for the markets, and value seems to be outperforming growth which is the completely opposite phenomenon from last year. Still the economy appears to be strong; however, it is at a fragile state due to concerns with the uncertainty in the geopolitical environment and the market volatility."

Mr. Dwyer and Mr. Fabrizio then discussed with the board members a peer universe analysis for the Russell 2000 Index and the Russell Mid Cap Index. Based on the analysis provided, it becomes clear that there should also be some active management of small cap equity to compliment the index which is not performing in the top decile for any of the comparison periods. After some discussion, the board members entertained a motion to issue an R.F.P. with an allocation of \$10.0 - \$15.0 million which seeks an actively managed small cap core equity fund.

Mr. Slivinski moved to issue an R.F.P. with an allocation of \$10.0 - \$15.0 million which seeks an actively managed small cap core equity fund. Mr. O'Malley seconded the motion. On roll call, the vote was as follows:

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

With regards to the issued R.F.P. for the maritime shipping investment management, it was noted that the Maritime Shipping R.F.P. has generated three responses, and that Wainwright Investment Counsel has completed their analysis of the submitted proposals. Each of the responses have been reviewed and categorized as either “highly advantageous,” “advantageous,” “not advantageous” or “not acceptable.” Of the responses received, two were categorized as “highly advantageous” and one was categorized as “advantageous.” Wainwright Investment Counsel would recommend that the board members consider, for further due diligence, any of the three investment managers; however, with the current uncertainty in the geopolitical environment surrounding tariffs and the instability of the markets, Wainwright Investment Counsel would suggest that the board members temporarily pause this R.F.P. to allow the markets to stabilize a bit. Thus, after some discussion and on the recommendation of Wainwright Investment Counsel, the board members decided to table, at this time, the R.F.P. for the maritime shipping investment management to allow time for the governments to negotiate their tariff policies and the markets to stabilize.

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

The Director then noted for the board members PERAC memo #06/2025 regarding the FY 2026 C.O.L.A. increase. This memo indicates that the C.O.L.A. that any system may grant for FY 2026 will be up to 3.0%. After some discussion, the board members entertained a motion to approve for FY 2026 a 3.0% cost-of-living adjustment on a retirement allowance. The C.O.L.A. will be calculated using a \$16,000.00 maximum base amount as provided in the current actuarial valuation study.

Mr. Starbard moved to approve for FY 2026 a 3.0% cost-of-living adjustment on a retirement allowance. The C.O.L.A. will be calculated using a \$16,000.00 maximum base amount as provided in the current actuarial valuation study. Mr. Slivinski seconded the motion. On roll call, the vote was as follows:

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

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

- *Christine Plescia v. Falmouth Retirement System* (CR-25-0264); an appeal in the captioned case has been received and assigned to the Division of Administrative Law Appeals for hearing or other proceedings.

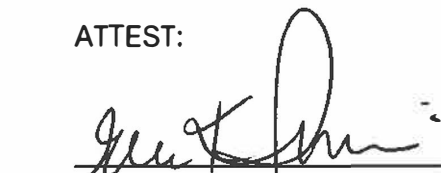
Finally, having no additional business to discuss, the Chair asked for a motion to adjourn the open session meeting.

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

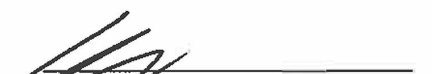
At approximately 3:05 p.m., the board members concluded the open session meeting. The next scheduled board meeting will begin at 2:00 p.m. on Wednesday, June 18, 2025 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.

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