

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

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

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 Vice Chair 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 waiver of the Open Meeting Law, it has been determined that remote participation is permissible for those that choose.

Then, the Director reviewed for the board members the monthly reconciliation of the cash account for the month of November. Through the end of November, the Director noted that the account with Rockland Trust has receipts in the amount of \$1,538,477.87 and a statement balance in the amount of \$380,253.82. He noted that the month-end fund balance is \$122,873.40 with outstanding checks for the month in the amount of \$257,380.42. In addition, it was noted that the check sequence for the month of November began with check #11478 and ended with check #11517. 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 on behalf of the Town Treasurer.

Ms. Philbin moved to accept the monthly reconciliation submitted on behalf of 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 the open session meeting that was held on December 21, 2023. After some discussion, the board members entertained a motion to approve the meeting minutes of the open session meeting that was held on December 21, 2023.

Ms. Philbin moved to approve the meeting minutes of the open session meeting that was held on December 21, 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 #45/2023	\$1,312,229.48	Warrant #01/2024	\$ 8,933.60
Warrant #02/2024	\$ 24,375.97		

After some discussion, the board members entertained a motion to approve the payment, as noted, of warrant #45/2023 and warrants #01/2024 through #02/2024.

Mr. Starbard moved to approve the payment, as noted, of warrant #45/2023 and warrants #01/2024 through #02/2024. 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
Craig B. O'Malley, Vice Chair	YES

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

- Wainwright Investment Counsel, Q4 2023 consultant fee \$ 30,000.00
- M&T Bank, November 2023 custodial fee \$ 4,947.74
- EARNEST Partners, Q4 2023 management fee \$ 41,298.19
- RhumbLine Advisers (Growth), Q4 2023 management fee \$ 1,031.00
- RhumbLine Advisers (S&P 400), Q4 2023 management fee \$ 710.00
- RhumbLine Advisers (Value), Q4 2023 management fee \$ 1,248.00
- RhumbLine Advisers (S&P 600), Q4 2023 management fee \$ 713.00
- RhumbLine Advisers (MSCI EAFE), Q4 2023 management fee \$ 731.00

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. 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 VY 2022, a capital call payable on 1/2/2024 in the amount of \$41,124.57

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

Mr. Slivinski moved to approve the payment, as noted, of the above-mentioned capital call. 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

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

- Lexington Capital Fund VII, a distribution received on 12/27/2023 in the amount of \$15,084.00
- Mesirow Financial Fund IV, a distribution received on 12/27/2023 in the amount of \$25,500.00
- PRIT Private Equity Fund VY 2018, a distribution received on 1/2/2024 in the amount of \$11,665.42
- PRIT Private Equity Fund VY 2020, a distribution received on 1/2/2024 in the amount of \$5,697.76

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

- John G. Jensen; date of retirement is 12/30/2023 from the Town of Falmouth, D.P.W. Wastewater Division; Group One

The board members then noted the following new members of the Falmouth Retirement System:

- Arthur C. McCarver; Laborer, Town of Falmouth, D.P.W. Parks & Forestry Division, Group One; DOM 12/18/2023, 9% + 2%
- Karen E. Metell; Communications Officer, Town of Falmouth, Communications Department, Group One; DOM 12/31/2023, 9% + 2%
- Carol A. Lourie; Student Activities/Athletic Secretary, Town of Falmouth, Falmouth Public Schools, Group One; DOM 1/16/2024, 9% + 2%

- Matthew B. Crowell; Master Mechanic, Town of Falmouth, Fire Rescue Department, Group One; DOM 1/16/2024, 9% + 2%
- Peter Manos; Custodian, Town of Falmouth, D.P.W. Facilities Maintenance Division, Group One; DOM 1/16/2024, 9% + 2%

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

- Brian D. Pecci; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while lifting a patient into the ambulance, employee was injured. Date of Injury 12/13/2023
- Jeffry H. Waggett; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while conducting firefighter operations at a house fire, employee was injured. Date of Injury 12/17/2023
- Jake A. Hanafin; Firefighter, Town of Falmouth, Fire Rescue Department, Group Four; while lifting a firefighter from a burning house, employee was injured. Date of Injury 12/17/2023

The board members then reviewed the following correspondence from PERAC:

- PERAC memo #01/2024 840 CMR 10:13(3) & 10:15(1)(c) – Annual Review of Medical Testing Fee
- PERAC memo #02/2024 2024 Interest Rate set at 0.1%
- PERAC memo #03/2024 Required Minimum Distribution: Now Age 73 for This Year’s Notification
- PERAC memo #04/2024 2024 Limits under Chapter 46 of the Acts of 2002
- PERAC memo #05/2024 2024 Limits under Section 23 of Chapter 131 of the Acts of 2010
- PERAC memo #06/2024 COLA Notice

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 November, and Mr. Fabrizio reviewed the plan results. Through the end of November, the plan’s estimated gross market value was approximately \$192.1 million. Year-to-date, the plan is up 5.95% versus the policy benchmark which is up 6.17%. Compared to its policy benchmark (up 9.37%), the domestic equity sector (up 7.28%) is behind but all of the domestic equity funds are positive for the month. Yet, the performance of LMCG Investments continues to be a strain on this sector. The international equity sector (up 11.80%) is ahead of its benchmark (up 10.90%). All of the international equity funds in this portfolio are double-digit positive for the month. The domestic fixed income strategy (up 3.24%) is ahead of its benchmark (up 2.54%). The performance of these fixed income funds is positive and all, apart from the Lord Abbett High Yield Core, are indexed. Currently, the performance of the real estate sector is down 4.65% versus a benchmark that is down 5.07%. It is likely that this sector is showing 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 7.51% versus a benchmark that is presently up 5.52%. 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 7.42% versus a benchmark that is up 3.95%. Lastly, the cash balance is approximately \$1.4 million. Wainwright Investment Counsel noted that “the economy continues to be volatile. Still, there are a lot of positive returns for the month, and they anticipate this trend will continue with a decent close to the year.”

To follow-up, Mr. Dwyer reminded the board members that, in September 2023, Thomas Capobianco and Christopher Sabo from LMCG Investments had reviewed with the board members their Mid Cap Core Equity strategy. At that time, the board members voted to send to LMCG Investments a letter as notification that they had been placed on the “watch list” due to their lack of performance. Today, it is the recommendation of Wainwright Investment Counsel to terminate the relationship with LMCG Investments due to their lack of performance and to allocate the funds to the existing RhumbLine Advisers S&P 400 Mid Cap Pooled Index Fund. After some discussion, the board members entertained a motion to terminate the relationship with LMCG Investments and to allocate the funds to the existing RhumbLine Advisers S&P 400 Mid Cap Pooled Index Fund.

Mr. Slivinski moved to terminate the relationship with LMCG Investments and to allocate the funds to the existing RhumbLine Advisers S&P 400 Mid Cap Pooled Index Fund.

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

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

The board members then reviewed the report of the P.E.R.A.C. examiner’s audit on the condition of the retirement system for the period of January 1, 2016 through December 31, 2020. As the report notes, “the financial records are being maintained and the management functions are being performed in conformity with the standards established by PERAC.” Thus, a written response to P.E.R.A.C. is not necessary. After some discussion, the board members entertained a motion to accept the P.E.R.A.C. examiner’s audit on the condition of the retirement system for the period of January 1, 2016 through December 31, 2020.

Ms. Philbin moved to accept the P.E.R.A.C. examiner’s audit on the condition of the retirement system for the period of January 1, 2016 through December 31, 2020.

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 Director noted that presently there are no pending legal updates.

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

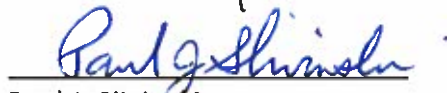
Ellen K. Philbin, Chair	YES
Paul J. Slivinski	YES
Scott T. Starbard	YES
Victoria A. Rose	YES
Craig B. O'Malley, Vice Chair	YES

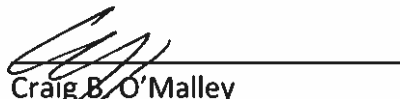
At approximately 2:45 p.m., the board members concluded the open session meeting. The next scheduled board meeting will begin at 2:00 p.m. on Thursday, February 15, 2024 at the office of the Falmouth Retirement System which is located at 80 Davis Straits, Suite 102 in Falmouth, MA.


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


 Scott T. Starbard
 Elected Member


 Francis X. St. Germaine III
 Director