

Minutes of the January 28, 2021 Retirement Board meeting:

Present: Robert Cunha, Joseph Foley, Alan Fields, Fred Weiss, Carolyn Kosnoff, Marguerite Oliva and James Condon

Absent: None

NEW MEMBERS: (12) Maureen Adema, Dept. Asst.; Kate DeAngelis, Therapeutic Specialist; Nicole Magliozzi, Secretary; Tracy Breen, Diana Chea, Student Support Instr's.; Carrissa Cho, Kaliska Ross, Student Instr. Assistants; Brigid Grogan, School Support; Christopher Dowd, Facility Maint.; Phelps Trobaugh, Heavy Equip. Operator; Rowan Wolf, HR Specialist; Nicholas Dell'Anno, Police Officer

RETIREMENTS: (1) Steven Musto, Firefighter, 02/28/2021

DEATHS: None

The Lexington Retirement Board met remotely through Zoom tele-conferencing during the Covid-19 Pandemic. The Town Clerks Office posted the meeting, which included the information for any interested party to join the call. All Board members were present for this meeting. Chairman Robert Cunha called the meeting to order at 8:30 am.

The Board accepted the 012921 Warrant and the January payroll. The December minutes and November financials were reviewed and approved.

Bob Cunha reviewed the January agenda with all Board members and staff in attendance. It was noted the Board will receive a distribution from Angelo Gordon on 1/29/21 for \$60,773.00. The Vanguard balance on 12/31/20 was \$20,951,107.00

The Board discussed the matter of Robert Magarian and his overpay status. As of 01/27/21, the Board has taken no action on Mr. Magarian's monthly pension payment. Under the advice of Attorney Michael Sacco, it has been noted the Board should take immediate action until both parties agree on a resolution. The Board discussed the proper way to handle this situation. It was determined to stop Mr. Magarian's pension payments, but leave enough to cover his health and dental benefits for one month. Bob Cunha made a motion to stop the monthly pension benefit to Mr. Robert Magarian effective February 2021. The motion was seconded by Joseph Foley, and unanimously approved by Fred Weiss, Carolyn Kosnoff and Alan Fields. Mr. Magarian will receive health and dental benefits through March.

Henry Jaung, Stephan MacLellan, and Tom Dunleavy presented the Meketa portfolio update at 8:50. The portfolio balance as of December 31, 2020 was \$203,035,815.00, up \$4.9m from the prior month. The portfolio finished up 13.7% for the year 2020. Despite the pandemic and worldwide financial issues, the portfolio was able to withstand the turbulence. We finished significantly higher than other local retirement systems. Domestic equities finished up 27% YTD. Contrafund and KAR were dominate holdings within the portfolio. Steve informed the Board that the RFP for Contrafund went out earlier in the month per PERAC. A venture capital RFP should be going out later this spring. Our cash holding remains high, \$18.6m in reserve. With interest rates rising slightly, Henry advises holding the cash a bit longer. He also spoke of the new capital market assumptions coming out this February and March. We will consider lowering the 7.5% assumption rate at the February or March meeting. Meketa suggests

the Board should consider new RFP's in private loans, venture capital, and or other asset classes. Henry concluded that the portfolio is structurally sound at this point. No major changes for now.

Fossil Fuel exposure is approximately 2.6%. Within this exposure, 0.5% of the total System is invested in the Carbon Underground 200 Companies, down from 0.8% in September.

Kathleen Riley, Lisa VanDermark, and Ken Gordon gave the presentation on behalf of Segal Actuarial Consulting Services at 9:10 am. The firm employs fifty staff members in the Boston Office and would always be available for meetings at the Boards request. They work specifically with their clients to be sure all assumptions are reviewed and prepared properly. Segal currently contracts with over 100 MA Public Plans, working on technically areas such as investment return, payroll, and mortality rates.

At 9:30 am, Colin Edgar, Larry Stone, and Joan Moreau gave the presentation for Stone Actuarial Consulting, Inc. This company holds many contracts with MA Public Pension boards. Their employees are capable of handling the specific provisions of any Chapter 32 system. It was noted that all employees have extensive Chapter 32 knowledge and experience. Stone frequently fine-tunes their reports based on input from their clients, as well as incorporate plan provisions when preparing funding schedules. The presentation wrapped up at 10:00 am.

The Board members will meet next month to discuss the Actuarial search to replace Dan Sherman.

Robert Cunha motioned to adjourn the meeting at 10:05 am, which was seconded by Joseph Foley, and unanimously approved by Carolyn Kosnoff, Alan Fields, and Fred Weiss.

The next Retirement Board meeting will be held on Thursday, February 25, 2021 at 8:30 am. The meeting will be held remotely via Zoom, Inc.

Robert Cunha, Chairman

Alan Fields, Appointed Member

Carolyn Kosnoff, Ex Officio Member

Joseph Foley, Elected Member

Frederick Weiss, Appointed Member