

Minutes of the February 25, 2021 Retirement Board meeting:

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

Absent: None

NEW MEMBERS: (6) Ryan Kennedy, Paula Gageiro, Firefighters; Meredith Mills, Anthony Sanchez, Custodians; Michael Garfinkle, Ann Cupples, Student Support Instructors

RETIREMENTS: (1) John Daley, Firefighter, 03/02/2021

DEATHS: (1) James Catalano, Retired Firefighter, 02/21/2021

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 022621 Warrant and the February payroll. The January minutes and December financials were reviewed and approved.

Robert Cunha reviewed the February agenda with all Board members and staff in attendance. It was noted the Board received a distribution from Monroe for \$203,642.00 on 02/18/2021. The Fidelity Plan expense reimbursement for Q4 2020 was in the amount of \$16,118.00. Vanguard received \$562,000.00 wire transfer from the Town.

The Board discussed the PERAC Cost of Living Notice for Fiscal Year 2022. Bob Cunha made a motion to approve the 3% increase on the first \$14,000.00 for members retired a minimum twelve (12) months. This motion was seconded by Joseph Foley, and unanimously approved by Frederick Weiss, Carolyn Kosnoff and Alan Fields.

Michael DeLuca, patrolman, requested to buyback four (4) years of Military service. Mr. DeLuca has submitted the necessary paperwork and request for the purchase. A motion was made by Robert Cunha to approve this buyback, which was seconded by Joseph Foley, and unanimously approved by Alan Fields, Fred Weiss, and Carolyn Kosnoff.

Ann McKean, municipal assistant, submitted paperwork to buyback ten (10) months of service. Ms. McKean was not benefit eligible until 07/01/2016. She would like to buyback time to 08/31/2015. Robert Cunha made the motion to approve this request, which was seconded by Joseph Foley, and unanimously approved by Alan Fields, Carolyn Kosnoff, and Fred Weiss.

The Board discussed and voted on the Actuarial candidates to replace Dan Sherman Actuarial Service. After a discussion on Stone Actuarial and Segal Actuarial services, the Board decided to vote on who would become the next Actuarial. Joseph Foley made a motion to select Stone

Actuarial. This motion was seconded by Robert Cunha, and unanimously approved by Fred Weiss, Alan Fields, and Carolyn Kosnoff.

In the matter regarding Robert Magarian, there was no motion to reconsider and waive the debt he owes the Lexington Retirement Board. Going forward, Mr. Magarian's pension payments will remain zero, while enough funds are left to cover his health and dental benefits.

Henry Jaung and Thomas Dunleavy presented the Meketa portfolio update at 8:45 am. The portfolio balance as of January 31, 2021 is \$205,281,987.00, up \$2.2m from the previous month. As the economy works to rebound from the Pandemic, our positioning in the fund remains solid. It has outperformed the 60/40 benchmark and PRIT Core to date. Domestic equity is off to a slow start in 2021, while International is trending upward. Both have done extremely well the past year. Both were over 25% the past 12 months. Matthew and Driehaus remain strong in the portfolio. Henry advised the Board we are well positioned for now. However, it is time to consider a new Private Debt Manager to add to the portfolio. Meketa has started the RFP process. It expects around 15 responses will come back to them for review. All would be well qualified companies with years of experience. Meketa would like to review some at the March 25, 2021 Board meeting.

Scott Brymer and Julie Snaman presented the Acadian portfolio review at 9:05 am. They reported that everything remains business as usual. No services were interrupted during the ongoing Pandemic. Assets under Management have exceeded \$108b in part to an outstanding Equity Market. The non-US strategy is doing extremely well over the past year. Currently 4% higher than the benchmark set in 2020. There appears to be no slowdown was we near Q2. Acadian continues to predict performances by using their four main drivers: Value, Quality, Growth, and Technical aspects. These drivers all contributed in a unique way. When a particular driver was underperforming, it led to another driver to overperform. Unique performance attribution charts were discussed and reviewed on page 28 of the Acadian handout. The review of Acadian then concluded at 9:35 am.

Ken Solano, Scott Chandler and Ken Baumgartner presented the Wellington Enduring and Opportunistic funds at 9:40 am. It was first noted that Enduring Assets had a very disappointing year in 2020. The past year performed at 2.1%. Against the Global equity market, the Enduring sector had a terrible performance. Some highlights though did include regulated utilities, renewable electric, and cable/satellite. Wellington is at its highest holdings ever in N. America for Enduring Assets. They are hoping for near double digit returns in 2021. On the Opportunistic side, this sector was up 21.1% in our portfolio the past twelve months. Very solid number despite being down almost 20% in Q1 2020. This sector will be leaning more towards International exposure in 2021. It is showing models of more value. With the Global economy slowly reopening, and a third vaccine for Covid-19 on the horizon, much value is expected to come in 2021. The review concluded at 10:20 am.

Fossil Fuel remains unchanged as of this meeting. Exposure is at 2.6%. A new update could be available at the next Board meeting.

Robert Cunha motioned to adjourn the meeting at 10:25 am, which was seconded by Joseph Foley, and unanimously approved by Alan Fields, Carolyn Kosnoff, and Fred Weiss.

The next Retirement Board meeting will be held via Zoom on Thursday, March 25, 2021 at 8:30 am. Stone Actuarial will present.

Robert Cunha, Chairman

Alan Fields, Appointed Member

Carolyn Kosnoff, Ex Officio Member

Joseph Foley, Elected Member

Frederick Weiss, Appointed Member