

A regular meeting of the Retirement Board was held at Town Hall, Wednesday July 26, 2017 at 3:00PM.

Members present: Wayne Marquis, Chairman/Appointed Member; Steve Swanson, Fifth Member; Joe Collins, Elected Member; Mike Hagan, Elected Member.

Others present: Travis Ahern (Administrator); Susan Little (Staff); Isabelle Eckel (Consultant).

The Board meeting is being recorded with a digital audio recorder.

Wayne read agenda item: Minutes of the June 28, 2017 meeting to be accepted and signed. Wayne asked the Board if everyone has had a chance to review the minutes. Wayne asked if anyone would like to make a motion to accept the Minutes. **(Vote: Steve Swanson motioned, Joe Collins seconding and the Board unanimously approving).**

The bills payable and payroll warrants were unanimously accepted and signed. **(Vote: Mike Hagan motioned with Steve Swanson seconding and the Board unanimously approving).**

July Payroll 07312017	\$994,984.45
July Expenses 0717	\$ 95,951.30

Purchases were unanimously accepted **(Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving).**

Sales were unanimously accepted **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).**

SECURITIES PURCHASED:

		<u>Twin Capital July</u>	
390	Chevron Corporation Common	140	Sherwin-Williams Co Com
610	International Game Technology PLC Com	1170	Domtar Corp Com New
390	Liberty Broadband Corporation	860	XL Group Ltd New
1950	Oracle Corp Com		

		<u>BMO June</u>	
<u>1493</u>	<u>American Equity Invt Life HL</u>	<u>336</u>	<u>Northwestern Corp</u>
<u>563</u>	<u>ArcBest Corp</u>	<u>9188</u>	<u>Pacific Ethanol Inc</u>
<u>1661</u>	<u>Ashford Hospitality Prime Inc</u>	<u>357</u>	<u>Phibro Animal Health Corp-A</u>
<u>3355</u>	<u>Barnes & Noble Education Inc</u>	<u>5782</u>	<u>Preferred Apartment Communities-A</u>
<u>313</u>	<u>Boise Cascade Co</u>	<u>1305</u>	<u>Progress Software Corp</u>
<u>752</u>	<u>Chesapeake Lodging Trust</u>	<u>5007</u>	<u>Rowan Companies PLC-A</u>
<u>416</u>	<u>Convergys Corp</u>	<u>969</u>	<u>RPX Corp</u>
<u>1681</u>	<u>Fidelity Southern Corp</u>	<u>1207</u>	<u>Sandy Spring Bancorp Inc</u>
<u>1329</u>	<u>Hawaiian Holdings Inc</u>	<u>141</u>	<u>Southwest Gas Holdings Inc</u>
<u>2424</u>	<u>Hibbett Sports Inc</u>	<u>690</u>	<u>Travelport Worldwide Ltd</u>
<u>2301</u>	<u>Kimball International-B</u>	<u>399</u>	<u>Tinseo SA</u>
<u>1789</u>	<u>Kraton Corp</u>	<u>1465</u>	<u>US Silica Holdings Inc</u>
<u>3412</u>	<u>McDermott Intl Inc</u>	<u>939</u>	<u>Xenia Hotels & Resorts Inc</u>
<u>3123</u>	<u>Myriad Genetics Inc</u>		

SECURITIES SOLD:

Twin Capital July

<u>566</u>	<u>Cars.Com Inc</u>	<u>820</u>	<u>Nike Inc Cl B</u>
<u>1350</u>	<u>Chicago Bridge & Iron Shs</u>	<u>310</u>	<u>Nucor Corp Com</u>
<u>550</u>	<u>CME Group Inc Com Stk</u>	<u>420</u>	<u>Paychex Inc Com</u>
<u>370</u>	<u>Dow Chemical Co</u>	<u>600</u>	<u>Reliance Steel & Aluminum Com</u>
<u>350</u>	<u>Morningstar Inc Common Stock</u>		

BMO June

<u>238</u>	<u>Ameris Bancorp</u>	<u>997</u>	<u>Innospec Inc</u>
<u>1745</u>	<u>Atlas Air Worldwide Holdings</u>	<u>150</u>	<u>LHC Group Inc</u>
<u>6618</u>	<u>Atwood Oceanics Inc</u>	<u>280</u>	<u>Molina Healthcare Inc</u>
<u>220</u>	<u>Bancfirst Corp</u>	<u>344</u>	<u>Myr Group Inc/Delaware</u>
<u>1165</u>	<u>Boston Private Finl Holdings</u>	<u>236</u>	<u>Nelnet Inc-Cl A</u>
<u>887</u>	<u>Cooper Tire & Rubber</u>	<u>1740</u>	<u>Omnova Solutions Inc</u>
<u>1161</u>	<u>Dana Inc</u>	<u>2210</u>	<u>Photronics Inc</u>
<u>1570</u>	<u>Dupont Fabros Technology</u>	<u>472</u>	<u>Rudolph Technologies Inc</u>
<u>370</u>	<u>Entegris Inc</u>	<u>835</u>	<u>Saia Inc</u>
<u>2615</u>	<u>Finisar Corporation</u>	<u>1678</u>	<u>Sanmina Corp</u>
<u>403</u>	<u>First Interstate BancSystem-A</u>	<u>1296</u>	<u>Spartannash Co</u>
<u>1378</u>	<u>First Merchants Corp</u>	<u>522</u>	<u>TTM Technologies</u>
<u>391</u>	<u>HCI Group Inc</u>	<u>357</u>	<u>Walker & Dunlop Inc</u>
<u>1963</u>	<u>Hersha Hospitality Trust</u>		

Matt Kinnear & Bill Ryan (via conference call) of **Gerber Taylor** reviewed portfolio performance. Matt explained Danvers is invested in the Gerber Taylor Palladian Fund 7. He explained the firm is in Memphis and was founded in 1990. They are employee owned with \$5.5 billion in assets under management. The average tenure with the firm is 13 years. Bill Ryan joined the meeting via conference call. Matt explained he reviewed the firm structure and Bill will review the details of Fund 7. Bill explained Fund 7 is made up of 18 managers and has had 50% of the capital called with 0.0% distributed. He explained to say 0.0% distributed is a bit misleading. He explained they typically have 3 to 4 capital calls per year and 3 to 4 distributions per year. When they have funds to distribute they have also had a capital call so they net the figures. He said they have made a concerted effort with Fund 7 to reduce exposure to energy and it has served them well. He explained Palladian Fund 7 has an estimated IRR of 11.3% as of 3/31/2017. Bill briefly reviewed Gerber Taylor's Investment philosophy. Wayne asked if they have any thoughts on the markets in general. Bill said, obviously, we don't get into predicting but based on their research the investment team feels opportunities are expensive right now. The presentation ended and the Board thanked them for their time.

The Board unanimously approved the membership of Erika Moretti, Program Coordinator with the Recreation Dept., start date 7/17/2017 (new position); Michael Martin, Equipment Operator with the Water Dept., start date 7/24/2017 (replaces Alex Bann). (**Vote: Steve Swanson motioned Joe Collins seconding and the Board unanimously approving**).

The noted with sympathy the passing of **Bessie Thomas**, retired Cafeteria worker, died 7/14/2017.

Approvals received from PERAC: **Christine Crowley, Frederick Ingraham, William Carleton**

The Board unanimously approved the refund of **Melanie Longo**, direct refund totaling \$595.13, 3 months C/S; **Justin Bullis**, rollover to ICMA totaling \$23,773.97, 5 yrs. 1 month C/S; **Alex Bann**, W&S Equipment Operator, direct refund totaling \$9,079.65, 2 yrs. C/S (5 months Danvers **(Vote Mike Hagan motioned with Joe Collins seconding and the Board unanimously approving)**).

Travis Ahern, Administrator/Finance Director reviewed PERAC Memo's and other items of interest. Travis reviewed PERAC Memo 21/2017 quarterly training schedule; Save the date – PERAC Administrator and Board training; PERAC Memo 22/2017 PROSPER legal review of disabilities; PERAC Memo 23/2017 MTRS 38C reimbursement; PERAC 24/2017 Dependent Allowance COLA; PERAC Memo 25/2017 Repeal of age 70 affirmation.

Isabelle Eckel of Morgan Stanley/Graystone reviewed the grading matrix for the Master Trust Custody RFP. She explained we received two proposals and their recommendation is for People's Bank. The Board discussed each proposal (**Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving to hire People's Bank based on the Consultant's recommendation and pending PERAC acknowledgement**). Travis explained a procurement package has been created in PERAC's PROSPER. He explained PERAC is no longer accepting the paper forms. The Board will receive an email notification to electronically sign the required Board forms. The procurement package will not be released to PERAC until all necessary forms have been signed.

The Board unanimously approved removing the monthly manager draw from Hillswick effective June 2017 and replaced it with a \$500K monthly manager draw from BMO effective September 2017 **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving)**.

Isabelle Eckel of Morgan Stanley/Graystone updated the Board on portfolio performance. Isabelle explained, as of June 30, 2017 the YTD results are +7.82% versus the Strategic Benchmark of +7.28%. She explained we are in compliance with our Investment Policy. She said, at this time, Graystone is not recommending any significant changes to the portfolio. Wayne asked if they have any thoughts on the markets in general. Isabelle said our recommendation is for clients to think globally. The presentation ended and the Board thanked Isabelle for her time.

The Board voted unanimously to appoint Wayne Marquis to another 2-year term as Chairman. **(Mike Hagan motioned with Steve Swanson seconding and the Board approving. Wayne abstained from the vote because there was a quorum and the motioned was about him)**.

Meeting Adjourned: 4:05 **(Mike Hagan motioned with Joe Collins seconding and Board unanimously approving)**

NEXT MEETING: August 30, 2017

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Did not attend

Corinna Grace, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member