

A regular meeting of the Retirement Board was held at Town Hall, Wednesday March 28, 2018 at 3:10PM.

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

Others present: Travis Ahern (Administrator/Finance Director); Susan Little (Staff); Cliff White; Isabelle Eckel (Investment Consultants).

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

Wayne read agenda item: Minutes of the February 28, 2018 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 with Mike Hagan seconding and the Board unanimously approving).**

Travis Ahern, Administrator/Finance Director reviewed PERAC Memo's and other items of interest. Travis introduced the new actuary Linda L. Bournival, FSA, EA from KMS Actuaries. Linda reviewed with the Board the upcoming 1/1/2018 valuation study. The Board thanked her for her time and Linda left the meeting. Travis reminded the Board of MACRS Spring Conference dates and advised anyone interested in attending she let Susan know.

Geoff Gerber, President and CIO of **TWIN Capital Management** updated the Board on portfolio performance. Geoff reviewed the organization. He explained he created TWIN in 1990. They developed TWIN Prime strategy in 2003 and implement in January 2004. They have \$2 Billion in assets under management. They have no investment team departures in over 20 years. They received a "no deficiency" letter from the SEC. He explained the TWIN Prime composite (net of fees) has outperformed its benchmark in ten of fourteen full years since inception. The Board thanked Geoff for his time and he left the meeting.

The Board unanimously approved the **January cashbooks (Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving).**

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

March Payroll 03302018	\$ 986,745.76
March Expenses	\$ 42,855.87

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

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

SECURITIES PURCHASED:

<u>BMO March</u>			
<u>962</u>	<u>American Renal Associates Hold</u>	<u>262</u>	<u>Penn National Gaming Inc</u>
<u>275</u>	<u>Black Hills Corp</u>	<u>1423</u>	<u>Quanex Building Products Corp</u>
<u>2330</u>	<u>Bristow Group Inc</u>	<u>663</u>	<u>Quanex Building Products Corp</u>
	<u>CSG Systems</u>		
<u>534</u>	<u>International Inc</u>	<u>3823</u>	<u>SRC Energy Inc</u>
<u>584</u>	<u>Customers Bancorp Inc</u>	<u>3870</u>	<u>Smart & Final Stores Inc</u>
<u>2010</u>	<u>Essendant Inc</u>	<u>262</u>	<u>Stoneridge Inc</u>
	<u>First Industrial Realty</u>		
<u>214</u>	<u>Trust</u>	<u>390</u>	<u>Sykes Enterprises Inc</u>

<u>492</u>	<u>Great Western Bancorp Inc</u>	<u>2036</u>	<u>TTM Technologies Inc</u>
<u>837</u>	<u>Horace Mann Educators Corp</u>	<u>234</u>	<u>Virtusa Corp</u>
<u>1236</u>	<u>Investors Bancorp Inc</u>	<u>126</u>	<u>Virtusa Corp</u>
<u>139</u>	<u>Kraton Corp</u>	<u>182</u>	<u>Watts Water Technologies Inc</u>
<u>1132</u>	<u>La-Z-Boy Inc</u>	<u>2588</u>	
<u>1102</u>	<u>Lantheus Holdings Inc</u>	<u>272</u>	

Lyrical March

<u>3267</u>	<u>Crown Holdings Inc</u>	<u>290</u>	<u>Tech Data Corp</u>
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Hillswick March

<u>40000</u>	<u>Bank of America Corp</u>	<u>87000</u>	<u>Sysco Corp</u>
	<u>JPMorgan Chase & Co</u>		
<u>60000</u>	<u>3.2% 01/25/23</u>	<u>40000</u>	<u>United Healthcare Group Inc</u>
<u>80000</u>	<u>Medtronic Inc</u>	<u>86000</u>	<u>U.S. Treasury Note 1.625% 02/15/2026</u>
<u>90000</u>	<u>Microsoft Corp</u>	<u>97000</u>	<u>Verizon Communications Inc</u>
	<u>Occidental Petroleum Corp</u>		
<u>42000</u>	<u>Pepsi-Cola Metropolitan Bottling</u>	<u>30000</u>	<u>Wells Fargo & Co</u>
<u>80000</u>			

Twin March

<u>360</u>	<u>Abbvie Inc</u>	<u>1200</u>	<u>Lions Gate Entertainment Corp</u>
<u>400</u>	<u>Centene Corp</u>	<u>170</u>	<u>Madison Square Garden Co</u>
<u>1080</u>	<u>Kimco Realty Corp</u>	<u>220</u>	<u>Mastercard Inc</u>
<u>800</u>	<u>Lazard Ltd</u>	<u>300</u>	<u>Toro Co</u>

Lyrical February

<u>363</u>	<u>Tech Data Corp</u>
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SECURITIES SOLD:

BMO March

<u>591</u>	<u>A Schulman Inc</u>	<u>1134</u>	<u>K12 Inc</u>
<u>306</u>	<u>Arcbest Corp</u>	<u>369</u>	<u>Moog Inc</u>
	<u>Benchmark Electronics Inc</u>		
<u>510</u>	<u>Inc</u>	<u>1381</u>	<u>NMI Holdings Inc</u>
<u>763</u>	<u>Carrizo Oil & Gas Inc</u>	<u>5444</u>	<u>Pacific Ethanol Inc</u>
<u>1624</u>	<u>CNO Financial Group Inc</u>	<u>1356</u>	<u>Pebblebrook Hotel Trust</u>
	<u>Comtech Telecommunications Corp</u>		
<u>219</u>	<u>Corp</u>	<u>611</u>	<u>RSP Permian Inc</u>

<u>2559</u>	<u>Dana Inc</u>	<u>1043</u>	<u>Southwest Gas Holdings Inc</u>
	<u>Enanta Pharmaceuticals</u>		
<u>231</u>	<u>Inc</u>	<u>804</u>	<u>Triple-S Management Corp</u>
<u>526</u>	<u>Entegris Inc</u>	<u>1197</u>	<u>Umpqua Holdings Corp</u>
	<u>Heartland Financial USA</u>		
<u>468</u>	<u>Inc</u>		

BMO February

<u>19</u>	<u>1st Source Corp</u>	<u>32</u>	<u>K12 Inc</u>
<u>17</u>	<u>A Schulman Inc</u>	<u>18</u>	<u>Kaiser Aluminum Corp</u>
<u>220</u>	<u>Abraxas Petroleum Corp</u>	<u>75</u>	<u>KB Home</u>
<u>118</u>	<u>ACCO Brands Corp</u>	<u>39</u>	<u>Kimball International Inc</u>
<u>77</u>	<u>Aircastle Ltd</u>	<u>11</u>	<u>KLX Inc</u>
	<u>Allscripts Healthcare</u>		
<u>93</u>	<u>Solution</u>	<u>36</u>	<u>Koppers Holdings Inc</u>
	<u>American Equity Investment</u>		
<u>71</u>	<u>Life Ins</u>	<u>28</u>	<u>Korn/Ferry International</u>
<u>22</u>	<u>Analogic Corp</u>	<u>39</u>	<u>Kraton Corp</u>
<u>36</u>	<u>Angiodynamics Inc</u>	<u>27</u>	<u>Lantheus Holdings Inc</u>
<u>58</u>	<u>Arcbest Corp</u>	<u>59</u>	<u>Louisiana-Pacific Corp</u>
<u>77</u>	<u>Archrock Inc</u>	<u>92</u>	<u>Mack-Cali Realty Group</u>
	<u>Argo Group International</u>		
<u>28</u>	<u>Holdings</u>	<u>42</u>	<u>Marten Transport Ltd</u>
<u>18</u>	<u>Bancfirst Corp</u>	<u>59</u>	<u>Matrix Service Ltd</u>
<u>66</u>	<u>Bancorpsouth Bank</u>	<u>31</u>	<u>Merit Medical Systems Inc</u>
<u>7</u>	<u>Bank of Marin Bancorp</u>	<u>20</u>	<u>Minerals Technologies Inc</u>
<u>36</u>	<u>Banner Corp</u>	<u>18</u>	<u>Moog Inc</u>
	<u>Benchmark Electronics</u>		
<u>57</u>	<u>Inc</u>	<u>53</u>	<u>Myriad Genetics Inc</u>
<u>233</u>	<u>Bill Barrett Corp</u>	<u>27</u>	<u>Natus Medical Inc</u>
<u>10</u>	<u>Black Hills Corp</u>	<u>21</u>	<u>Nelnet Inc</u>
<u>48</u>	<u>Boise Cascade Co</u>	<u>145</u>	<u>Newpark Resources Inc</u>
<u>58</u>	<u>Caesarstone Ltd</u>	<u>117</u>	<u>NMI Holdings Inc</u>
<u>77</u>	<u>Callon Petroleum Co</u>	<u>42</u>	<u>Northwestern Corp</u>
<u>22</u>	<u>Carrizo Oil & Gas Inc</u>	<u>33</u>	<u>Orthofix International NV</u>
<u>56</u>	<u>Cathay General Bancorp</u>	<u>156</u>	<u>Pacific Ethanol Inc</u>
<u>27</u>	<u>Central Garden & Pet Co</u>	<u>264</u>	<u>PDL Biopharma Inc</u>
	<u>Central Pacific Financial</u>		
<u>52</u>	<u>Corp</u>	<u>20</u>	<u>Peapack Gladstone Financial</u>
<u>103</u>	<u>CNO Financial Group Inc</u>	<u>39</u>	<u>Pebblebrook Hotel Trust</u>
<u>37</u>	<u>Cohu Inc</u>	<u>36</u>	<u>Penn National Gaming Inc</u>
<u>22</u>	<u>Columbux McKinnon Corp/NY</u>	<u>14</u>	<u>Peoples Bancorp Inc/OH</u>
	<u>Comtech Telecommunications</u>		
<u>37</u>	<u>Corp</u>	<u>42</u>	<u>Perficient Inc</u>

<u>26</u>	<u>Convergys Corp</u>	<u>26</u>	<u>Perry Ellis International Inc</u>
	<u>Cooper-Standard</u>		
<u>17</u>	<u>Holdings Inc</u>	<u>42</u>	<u>Phibro Animal Health Corp</u>
	<u>Covenant Transportation</u>		
<u>35</u>	<u>Group</u>	<u>62</u>	<u>PNM Resources Inc</u>
	<u>CSG Systems</u>		
<u>23</u>	<u>International Inc</u>	<u>60</u>	<u>Portland General Electric Co</u>
<u>44</u>	<u>Customers Bancorp Inc</u>	<u>98</u>	<u>Preferred Apartment Communities</u>
<u>71</u>	<u>Dana Inc</u>	<u>13</u>	<u>Preferred Bank/Los Angeles CA</u>
<u>27</u>	<u>DCT Industrial Trust Inc</u>	<u>39</u>	<u>Progress Software Corp</u>
<u>88</u>	<u>Dean Foods Co</u>	<u>85</u>	<u>Rowan Cos Plc</u>
<u>21</u>	<u>Deckers Outdoor Corp</u>	<u>122</u>	<u>RPX Corp</u>
<u>54</u>	<u>Diodes Inc</u>	<u>17</u>	<u>RSP Permian Inc</u>
<u>40</u>	<u>DSW Inc</u>	<u>45</u>	<u>Rudolph Technologies Inc</u>
<u>38</u>	<u>El Paso Electric Co</u>	<u>38</u>	<u>Rush Enterprises Inc</u>
<u>25</u>	<u>Emcor Group Inc</u>	<u>24</u>	<u>S&T Bancorp Inc</u>
	<u>Emergent Biosolutions</u>		
<u>31</u>	<u>Inc</u>	<u>14</u>	<u>Safety Insurance Group Inc</u>
<u>29</u>	<u>Employers Holdings Inc</u>	<u>29</u>	<u>Sandy Spring Bancorp Inc</u>
	<u>Enanta Pharmaceuticals</u>		
<u>26</u>	<u>Inc</u>	<u>10</u>	<u>Saul Centers Inc</u>
<u>15</u>	<u>Enpro Industries Inc</u>	<u>13</u>	<u>Selective Insurance Group Inc</u>
<u>56</u>	<u>Entegris Inc</u>	<u>30</u>	<u>Southwest Gas Holdings Inc</u>
<u>45</u>	<u>Exterran Corp</u>	<u>56</u>	<u>Stag Industrial Inc</u>
<u>28</u>	<u>Fidelity Southern Corp</u>	<u>20</u>	<u>Stepan Co</u>
<u>19</u>	<u>Financial Institutions Inc</u>	<u>16</u>	<u>Stifel Financial Corp</u>
	<u>First Defiance Financial</u>		
<u>10</u>	<u>Corp</u>	<u>55</u>	<u>Stoneridge Inc</u>
	<u>First Industrial Realty</u>		
<u>71</u>	<u>Trust</u>	<u>89</u>	<u>Sunstone Hotel Investors Inc</u>
	<u>Franklin Financial</u>		
<u>19</u>	<u>Network Inc</u>	<u>24</u>	<u>Sykes Enterprises Inc</u>
<u>19</u>	<u>Genesco Inc</u>	<u>50</u>	<u>Tailored Brands Inc</u>
	<u>Global Brass & Copper</u>		
<u>22</u>	<u>Holdings Inc</u>	<u>7</u>	<u>Tech Data Corp</u>
<u>102</u>	<u>Gray Television Inc</u>	<u>307</u>	<u>Tetra Technologies Inc</u>
	<u>Great Southern Bancorp</u>		
<u>8</u>	<u>Inc</u>	<u>149</u>	<u>Travelport Worldwide Ltd</u>
	<u>Great Western Bancorp</u>		
<u>38</u>	<u>Inc</u>	<u>30</u>	<u>Trico Bancshares</u>
<u>49</u>	<u>Hanmi Financial Corp</u>	<u>16</u>	<u>Trinseo PA</u>
<u>42</u>	<u>Hawaiian Holdings Inc</u>	<u>23</u>	<u>Triple-S Management Corp</u>
	<u>Heartland Financial USA</u>		
<u>13</u>	<u>Inc</u>	<u>70</u>	<u>Trueblue Inc</u>
<u>46</u>	<u>Herman Miller Inc</u>	<u>112</u>	<u>Trustco Bank Corp NY</u>
<u>100</u>	<u>Hersha Hospitality Trust</u>	<u>37</u>	<u>U.S. Silica Holdings Inc</u>

<u>67</u>	<u>Hibbett Sports Inc</u>	<u>125</u>	<u>Umpqua Holdings Corp</u>
<u>85</u>	<u>Hilltop Holdings Inc</u>	<u>8</u>	<u>Unifirst Corp/MA</u>
<u>38</u>	<u>Homestreet Inc</u>	<u>67</u>	<u>United Community Banks Inc/GA</u>
	<u>Hyster-Yale Materials</u>		
<u>11</u>	<u>Handling</u>	<u>14</u>	<u>Virtusa Corp</u>
<u>22</u>	<u>ICF International Inc</u>	<u>89</u>	<u>Vishay Intertechnology Inc</u>
<u>10</u>	<u>Idacorp Inc</u>	<u>221</u>	<u>W&T Offshore Inc</u>
	<u>Independent Bank</u>		
<u>22</u>	<u>Corp/MI</u>	<u>35</u>	<u>Walker & Dunlop Inc</u>
<u>57</u>	<u>Innoviva Inc</u>	<u>65</u>	<u>Washington Federal Inc</u>
<u>39</u>	<u>Integer Holdings Corp</u>	<u>10</u>	<u>Watts Water Technologies Inc</u>
	<u>International Bancshares</u>		
<u>51</u>	<u>Corp</u>	<u>28</u>	<u>Wintrust Financial Corp</u>
<u>116</u>	<u>Investors Bancorp Inc</u>	<u>101</u>	<u>Xenia Hotels & Resorts Inc</u>
	<u>Iridium Communications</u>		
<u>81</u>	<u>Inc</u>	<u>30</u>	<u>XO Group Inc</u>
<u>12</u>	<u>Johnson Outdoors Inc</u>		

Hillswick March

<u>37000</u>	<u>U.S. Treasury Note 1.625%</u> <u>10/31/2023</u>	<u>364093</u>	<u>U.S. Treasury Note 1.625% 02/15/2016</u>
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Lyrical March

3437 Microsemi

Twin March

<u>250</u>	<u>Alexion Pharmaceuticals Inc</u>	<u>550</u>	<u>Lowe's Cos Inc</u>
<u>1150</u>	<u>Centurylink Inc</u>	<u>200</u>	<u>Microsoft Corp</u>
<u>700</u>	<u>Edison International</u>	<u>150</u>	<u>Nvidia Corp</u>
<u>100</u>	<u>Johnson & Johnson</u>	<u>750</u>	<u>XL Group Ltd</u>

The Board unanimously approved the following new members: **Grace Boeger**, Teacher Aide with Smith School, start date 2/08/2018 (new position) (**Vote: Steve Swanson motioned with Mike Hagan seconding and the Board unanimously approving**).

The Board unanimously approved the following retirements: **Richard Beaulieu**, Supervisor of Dispatchers, Superannuation Option B, effective 5/29/18; **Richard Rodgers**, town Engineer, Superannuation Option C, effective 6/9/18; **Paul Stone**, Sergeant With Danvers Police, Superannuation Option C, effective 3/9/2018; **John Walke**, W&S Inspector, Superannuation Option C, Effective 4/3/2018 (**Vote: Cory Grace motioned with Joe Collins seconding and the Board unanimously approving**).

The Board unanimously approved the following transfers: Transfer-in from Saugus Retirement fbo **Lisa Crowley**, totaling \$22,611.03; Transfer-in from Norfolk Retirement fbo **Alex Lent**, totaling \$26,028.16; Transfer to MTRS fbo **Lindsay Little**, Totaling 9 months c/s \$2,139.46; Transfer to MTRS fbo **Kathryn Coggeshall**, totaling 1 yr. 9 months c/s \$3,030.41 (**Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving**).

Approvals received from PERAC: **William Kerwin**

The Board unanimously approved the following refund: **Krystina Spiridigliozzi**, direct refund totaling \$7,692.24; Evan Lacey, direct refund totaling \$2,849.73 (**Vote: Cory Grace motioned with Joe Collins seconding and the Board unanimously approving**).

Cliff White and Isabelle Eckel of Morgan Stanley/Graystone updated the Board on portfolio performance. Cliff explained the portfolio results as of February 28, 2018 were -3.08% versus the benchmark of -2.80%. Cliff explained the portfolio is purposely underweighted in fixed income and over weighted in equity (underweighted in US Equity and over weighted in International Equity). Steve asked how International compares to US. Cliff answered International Equity compares favorably. Cliff advised they are in favor of keeping the alternatives slightly over weighted. He added we are really starting to see the positive returns from the initial Private Equity investments.

Meeting Adjourned: 4PM (**Cory Grace motioned with Steve Swanson seconding and Board unanimously approving**)

NEXT MEETING: April 25, 2018

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Corinna Grace, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member