

A regular meeting of the Retirement Board was held at Town Hall, Tuesday June 19, 2018 at 3PM.

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

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

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

Wayne read agenda item: Minutes of the May 30, 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: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving).**

Board reviewed and unanimously approved the April Cashbooks. **(Steve Swanson motioned with Mike Hagan seconding and the Board unanimously approving).**

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

June Payroll 06292018	\$ 1,025,968.07
June Expenses	\$ 55,886.99

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

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

#### SECURITIES PURCHASED:

		<u><b>BMO June</b></u>	
<u>973</u>	<u>American Assets Inc</u>	<u>1089</u>	<u>Piedmont Office Realty Trust Inc</u>
<u>21</u>	<u>Chesapeake Lodging Trust</u>	<u>305</u>	<u>Rexnord Corp</u>
<u>206</u>	<u>Independent Bank Corp/MI</u>	<u>2616</u>	<u>Southwestern Energy Co</u>
<u>606</u>	<u>Meritor Inc</u>	<u>174</u>	<u>Tech Data Corp</u>
<u>442</u>	<u>National General Holdings Corp</u>	<u>358</u>	<u>TTM Technologies Inc</u>
<u>93</u>	<u>Owens-Illinois Inc</u>		

		<u><b>Twin June</b></u>	
<u>260</u>	<u>Liberty Broadband Corp</u>	<u>400</u>	<u>Verizon Communications Inc</u>
<u>450</u>	<u>Salesforce.com Inc</u>	<u>150</u>	<u>Walgreens Boots Alliance Inc</u>

		<u><b>BMO May</b></u>	
<u>167</u>	<u>American Assets Trust Inc</u>	<u>366</u>	<u>Meritor Inc</u>
<u>901</u>	<u>Chesapeake Lodging Trust</u>	<u>139</u>	<u>National General Holdings Inc</u>
<u>77</u>	<u>Community Trust Bancorp Inc</u>	<u>1445</u>	<u>Owens-Illinois Inc</u>
<u>132</u>	<u>Comtech Telecommunications Corp</u>	<u>3</u>	<u>PDC Energy Inc</u>
<u>20</u>	<u>Delek US Holdings Inc</u>	<u>521</u>	<u>Piedmont Office Realty Trust Inc</u>

<u>21</u>	<u>Domtar Corp</u>	<u>474</u>	<u>Rexnord Corp</u>
<u>128</u>	<u>Esterline Technologies Corp</u>	<u>2565</u>	<u>Southwestern Energy Co</u>
<u>741</u>	<u>HMS Holdings Corp</u>	<u>115</u>	<u>Stifel Financial Corp</u>
<u>582</u>	<u>Hancock Whitney Corp</u>	<u>314</u>	<u>TTM Technologies Inc</u>
<u>57</u>	<u>Hilltop Holdings Inc</u>	<u>58</u>	<u>Tech Data Corp</u>
<u>119</u>	<u>Independent Bank Companies MI</u>		

SECURITIES  
SOLD:

**BMO June**

<u>939</u>	<u>Bancorpsouth Bank</u>	<u>112</u>	<u>Moog Inc</u>
<u>133</u>	<u>DCT Industrial Trust Inc</u>	<u>566</u>	<u>Penn National Gamin Inc</u>
<u>1301</u>	<u>Gray Television Inc</u>	<u>1558</u>	<u>Rowan Cos Plc</u>
<u>550</u>	<u>Homestreet Inc</u>	<u>890</u>	<u>Xcerra Corp</u>

**Twin June**

<u>1050</u>	<u>Corecivic Inc</u>	<u>230</u>	<u>Microsoft Corp</u>
<u>200</u>	<u>Marathon Petroleum Corp</u>	<u>450</u>	<u>Walmart Inc</u>

**BMO May**

<u>25</u>	<u>1st Source Corp</u>	<u>20</u>	<u>Kaiser Aluminum Corp</u>
<u>287</u>	<u>Abraxas Petroleum Corp</u>	<u>98</u>	<u>KB Home</u>
<u>155</u>	<u>Acco Brands Corp</u>	<u>51</u>	<u>Kimball International Inc</u>
<u>121</u>	<u>Allscripts Healthcare Solutions</u>	<u>292</u>	<u>KLX Inc</u>
<u>122</u>	<u>American Axle &amp; Manufacturing</u>	<u>46</u>	<u>Koppers Holdings Inc</u>
	<u>American Equity Investment Life</u>		
<u>92</u>	<u>Ins.</u>	<u>37</u>	<u>Korn/Ferry International</u>
<u>36</u>	<u>American Renal Associates Holdings</u>	<u>56</u>	<u>Kraton Corp</u>
<u>399</u>	<u>Angiodynamics Inc</u>	<u>76</u>	<u>Lantheus Holdings Inc</u>
	<u>Argo Group International Holdings</u>		
<u>47</u>	<u>Ltd</u>	<u>57</u>	<u>La-Z-Boy Inc</u>
<u>92</u>	<u>Ashford Hospitality Trust Inc</u>	<u>78</u>	<u>Louisiana-Pacific Corp</u>
<u>23</u>	<u>Bancfirst Corp</u>	<u>39</u>	<u>Mack-Cali Realty Corp</u>
<u>160</u>	<u>Bancorpsouth Bank</u>	<u>76</u>	<u>Matrix Service Co</u>
<u>9</u>	<u>Bank of Marin Bancorp</u>	<u>46</u>	<u>Meridian Bioscience Inc</u>
<u>47</u>	<u>Banner Corp</u>	<u>40</u>	<u>Merit Medical Systems Inc</u>
<u>56</u>	<u>Benchmark Electronics Inc</u>	<u>26</u>	<u>Minerals Technologies Inc</u>
<u>43</u>	<u>Black Hills Corp</u>	<u>45</u>	<u>Moog Inc</u>
<u>63</u>	<u>Boise Cascade Co</u>	<u>69</u>	<u>Myriad Genetics Inc</u>
<u>87</u>	<u>Bristow Group Inc</u>	<u>35</u>	<u>Natus Medical Inc</u>
<u>5</u>	<u>CACI International Inc</u>	<u>27</u>	<u>Nelnet Inc</u>
<u>76</u>	<u>Caesarstone Ltd</u>	<u>190</u>	<u>Newpark Resources Inc</u>

<u>101</u>	<u>Callon Petroleum Co</u>	<u>98</u>	<u>NMI Holdings Inc</u>
<u>74</u>	<u>Cathay General Bancorp</u>	<u>50</u>	<u>Northwestern Corp</u>
<u>35</u>	<u>Central Garden &amp; Pet Co</u>	<u>43</u>	<u>Orthofix International NV</u>
<u>68</u>	<u>Central Pacific Financial Corp</u>	<u>30</u>	<u>PDC Energy Inc</u>
<u>74</u>	<u>CNO Financial Group Inc</u>	<u>345</u>	<u>PDL Biopharma Inc</u>
<u>48</u>	<u>Cohu Inc</u>	<u>26</u>	<u>Peapack Gladstone Financial Co</u>
<u>28</u>	<u>Columbus McKinnon Corp/NY</u>	<u>528</u>	<u>Penn National Gaming Inc</u>
<u>19</u>	<u>Commed Corp</u>	<u>18</u>	<u>Peoples Bancorp Inc/OH</u>
<u>49</u>	<u>Comtech Telecommunications Corp</u>	<u>55</u>	<u>Perficient Inc</u>
<u>22</u>	<u>Cooper-Standard Holdings Inc</u>	<u>33</u>	<u>Perry Ellis International Inc</u>
<u>46</u>	<u>Covenant Transportation Group</u>	<u>54</u>	<u>Phibro Animal Health Corp</u>
<u>50</u>	<u>CSG Systems International Inc</u>	<u>81</u>	<u>PNM Resources Inc</u>
<u>79</u>	<u>Customers Bancorp Inc</u>	<u>78</u>	<u>Portland General Electric Co</u>
<u>310</u>	<u>DCT Industrial Trust Inc</u>	<u>128</u>	<u>Preferred Apartment Communities</u>
<u>1688</u>	<u>Dean Foods Co</u>	<u>17</u>	<u>Preferred Bank/Los Angeles CA</u>
<u>27</u>	<u>Deckers Outdoor Corp</u>	<u>190</u>	<u>Progress Software Corp</u>
<u>43</u>	<u>Delek US Holdings Inc</u>	<u>78</u>	<u>Quanex Building Products Corp</u>
<u>70</u>	<u>Diodes Inc</u>	<u>1042</u>	<u>Rowan Cos Plc</u>
<u>94</u>	<u>DSW Inc</u>	<u>2614</u>	<u>RPX Corp</u>
<u>38</u>	<u>El Paso Electric Co</u>	<u>68</u>	<u>Rudolph Technologies Inc</u>
<u>33</u>	<u>Emcor Group Inc</u>	<u>50</u>	<u>Rush Enterprises Inc</u>
<u>41</u>	<u>Emergent Biosolutions Inc</u>	<u>31</u>	<u>S&amp;T Bancorp Inc</u>
<u>45</u>	<u>Employers Holdings Inc</u>	<u>18</u>	<u>Safety Insurance Group Inc</u>
<u>22</u>	<u>Enanta Pharmaceuticals Inc</u>	<u>461</u>	<u>Sandy Spring Bancorp Inc</u>
<u>53</u>	<u>Entegris Inc</u>	<u>13</u>	<u>Saul Centers Inc</u>
<u>16</u>	<u>Esterline Technologies Corp</u>	<u>17</u>	<u>Selective Insurance Group Inc</u>
<u>58</u>	<u>Exterran Corp</u>	<u>144</u>	<u>Smart &amp; Final Stores Inc</u>
<u>37</u>	<u>Fidelity Southern Corp</u>	<u>170</u>	<u>SRC Energy Inc</u>
<u>24</u>	<u>Financial Institutions Inc</u>	<u>52</u>	<u>Stag Industrial Inc</u>
<u>13</u>	<u>First Defiance Financial Corp</u>	<u>27</u>	<u>Stepan Co</u>
<u>101</u>	<u>First Industrial Realty Trust</u>	<u>81</u>	<u>Stoneridge Inc</u>
<u>25</u>	<u>Franklin Financial Network Inc</u>	<u>54</u>	<u>Sykes Enterprises Inc</u>
<u>25</u>	<u>Genesco Inc</u>	<u>65</u>	<u>Tailored Brands Inc</u>
<u>29</u>	<u>Global Brass &amp; Copper Holdings</u>	<u>401</u>	<u>Tetra Technologies Inc</u>
<u>54</u>	<u>Gray Television Inc</u>	<u>147</u>	<u>Travelport Worldwide Ltd</u>
<u>10</u>	<u>Great Southern Bancorp Inc</u>	<u>39</u>	<u>Trico Bancshares</u>
<u>74</u>	<u>Great Western Bancorp Inc</u>	<u>31</u>	<u>Trinseo SA</u>
<u>81</u>	<u>Hanmi Financial Corp</u>	<u>92</u>	<u>Trueblue Inc</u>
<u>62</u>	<u>Hawaiian Holdings Inc</u>	<u>146</u>	<u>Trustco Bank Corp NY</u>
<u>60</u>	<u>Herman Miller Inc</u>	<u>70</u>	<u>Umpqua Holdings Corp</u>
<u>131</u>	<u>Hersha Hospitality Trust</u>	<u>11</u>	<u>Unifirst Corp/MA</u>

<u>88</u>	<u>Hibbett Sports Inc</u>	<u>55</u>	<u>United Community Banks Inc/GA</u>
<u>305</u>	<u>Highpoint Resources Corp</u>	<u>49</u>	<u>US Silica Holdings Inc</u>
<u>123</u>	<u>Hilltop Holdings Inc</u>	<u>41</u>	<u>Virtusa Corp</u>
<u>93</u>	<u>Homestreet Inc</u>	<u>116</u>	<u>Vishay Intertechnology Inc</u>
<u>62</u>	<u>Horace Mann Educators Corp</u>	<u>288</u>	<u>W&amp;T Offshore Inc</u>
<u>14</u>	<u>Hyster-Vale Materials Handling</u>	<u>45</u>	<u>Walker &amp; Dunlop Inc</u>
<u>40</u>	<u>ICF International Inc</u>	<u>62</u>	<u>Washington Federal Inc</u>
<u>74</u>	<u>Innoviva Inc</u>	<u>24</u>	<u>Watts Water Technologies Inc</u>
<u>51</u>	<u>Integer Holdings Corp</u>	<u>37</u>	<u>Wintrust Financial Corp</u>
<u>67</u>	<u>International Bancshares Corp</u>	<u>1186</u>	<u>Xcerra Corp</u>
<u>232</u>	<u>Investors Bancorp Inc</u>	<u>131</u>	<u>Xenia Hotels &amp; Resorts Inc</u>
<u>106</u>	<u>Iridium Communications Inc</u>	<u>40</u>	<u>XO Group Inc</u>
<u>15</u>	<u>Johnson Outdoors Inc</u>		

Frank Tedesco and Mark McDonnell of **Hillswick Asset Management** updated the Board on portfolio performance and provided a general discussion of Bonds. The Board thanked Frank and Mark for their time and they left the meeting @3:15PM.

Cliff White and Isabelle Eckel of Morgan Stanley/Graystone reviewed the investment policy, specifically asset allocation. Isabelle explained annually in March the Morgan Stanley Global Investment Committee provides the 7 yr. and 20 yr. "Forecast of Asset Class Returns". Isabelle and Cliff reviewed tweaks that could be made to the asset allocation to increase return. However, the changes would increase risk from 11.3% to 12.1% for an increase in return of .4%. Cliff and Isabelle advised no changes at this time. **(Vote: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving to make no changes to the asset allocation based on the consultant's recommendation).** The Board thanked Cliff and Isabelle for their time and they left the meeting @3:38PM.

The Board unanimously approved the following new members: **Myles Freeman**, Water Distribution Operator, start date 5/28/2018 (replaces John Freitas - transfer); **Aaron Henry**, Director of Land Use and Community Services, start date 6/4/2018 (new position – reorganization) **(Vote: Steve Swanson motioned with Cory Grace seconding and the Board unanimously approving).**

The Board noted with sympathy the passing of **Phyllis Kelly**, Non-contrib. surviving spouse of retiree **Joseph E. Kelley, Jr.**

The Board unanimously approved the following retirements: **Kevin Farrell**, Superannuation Option C, effective 7/17/18; **Karen Nelson**, Superannuation Option C, effective 6/30/18. **(Vote: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving).**

Approvals received from PERAC: **Paul Stone**

Travis Ahern, Administrator/Finance Director reviewed PERAC Memo's and other items of interest.

- Travis reviewed the CY2017 PERAC Investment Report
- Travis informed the Board the Town is conducting a non-union Mkt. study which includes retirement staff.
- Travis mentioned the June Retirement newsletter is being released to members and retirees.

Travis advised the Board that the current Investment Consulting contract expires February 2019. He reviewed the different options available. The Board unanimously approved issuing an RFP for traditional investment consulting. Staff will instruct counsel to review and provide an RFP document. **(Vote: Steve Swanson motioned with Cory Grace seconding and the Board unanimously approving).**

Meeting Adjourned: 4:15PM **(Cory Grace motioned with Steve Swanson seconding and Board unanimously approving)**

NEXT MEETING: July 25, 2018

Did not attend

\_\_\_\_\_  
Joseph Collins, Elected Member

\_\_\_\_\_  
Michael Hagan, Elected Member

\_\_\_\_\_  
Corinna Grace, Ex-Officio Member

\_\_\_\_\_  
Wayne P. Marquis, Chairman

\_\_\_\_\_  
Stephen Swanson, Fifth Member