

A regular meeting of the Retirement Board was held at Town Hall, Wednesday September 26, 2018 at 3PM.

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

Others present: 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 August 29, 2018 meeting to be accepted and signed. Wayne asked the Board if everyone has had a chance to review the minutes and if anyone would like to make a motion to accept the Minutes. **(Vote: Steve Swanson motioned with Cory Grace seconding and the Board unanimously approving).**

Wayne read agenda item: Executive Session Minutes of the August 29, 2018 meeting to be accepted and signed. Wayne asked the Board if everyone has had a chance to review the executive session minutes and if anyone would like to make a motion to accept the Minutes. **(Vote: Joe Collins 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).**

September Payroll 09282018	\$ 1,040,846.73
September Expenses	\$ 182,318.35

Purchases were unanimously accepted **(Vote: Joe Collins motioned with Mike Hagan 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:

**Hillswick September**

51000                      US Treasury Note

**Hillswick August**

45000                      Federal Farm Credit Bank Cons Bd                      140000                      Tennessee Valley Authority Strip

**Twin September**

<u>780</u>	<u>Archer-Daniels-Midland Co</u>	<u>220</u>	<u>Marathon Petroleum Corp</u>
<u>230</u>	<u>Dover Corp</u>	<u>90</u>	<u>Mastercard Inc</u>
<u>390</u>	<u>Electronic Arts Inc</u>	<u>70</u>	<u>OGE Energy Corp</u>
<u>600</u>	<u>Intercontinental Exchange Inc</u>	<u>460</u>	<u>Oracle Corp</u>
<u>80</u>	<u>Lear Corp</u>	<u>950</u>	<u>Synopsys Inc</u>
<u>180</u>	<u>Lions Gate Entertainment Corp</u>	<u>580</u>	<u>Zendesk Inc</u>
<u>60</u>	<u>Madison Square Garden Co</u>		

## SECURITIES SOLD:

		<b><u>Twin September</u></b>	
<u>1020</u>	<u>Lions Gate Entertainment Corp</u>	<u>1400</u>	<u>Noble Energy Inc</u>
		<b><u>BMO August</u></b>	
<u>21</u>	<u>1st Source Corp</u>	<u>58</u>	<u>International Bancshares Corp</u>
<u>134</u>	<u>ACCO Brands</u>	<u>201</u>	<u>Investors Bancorp Inc</u>
<u>68</u>	<u>American Assets Trust Inc</u>	<u>136</u>	<u>Iridium Communications Inc</u>
<u>134</u>	<u>American Axle &amp; Manufacturing</u>	<u>13</u>	<u>Johnson Outdoors Inc</u>
<u>80</u>	<u>American Equity Investment Life Ins.</u>	<u>6</u>	<u>Kaiser Aluminum Corp</u>
<u>201</u>	<u>Amkor Technology Inc</u>	<u>85</u>	<u>KB Home</u>
<u>41</u>	<u>Angiodynamics Inc</u>	<u>44</u>	<u>Kimball International Inc</u>
<u>22</u>	<u>Apogee Enterprises Inc</u>	<u>40</u>	<u>Koppers International Inc</u>
<u>37</u>	<u>Arcbest Corp</u>	<u>18</u>	<u>Korn/Ferry International</u>
<u>40</u>	<u>Argo Group International Holdings</u>	<u>49</u>	<u>Kraton Corp</u>
<u>79</u>	<u>Ashford Hospitality Trust Inc</u>	<u>66</u>	<u>Lantheus Holdings Inc</u>
<u>136</u>	<u>Assertio Therapeutics Inc</u>	<u>102</u>	<u>Louisiana-Pacific Corp</u>
<u>20</u>	<u>Bancfirst Corp</u>	<u>66</u>	<u>Matrix Service Co</u>
<u>40</u>	<u>Banner Corp</u>	<u>39</u>	<u>Meridian Bioscience Inc</u>
<u>48</u>	<u>Benchmark Electronics Inc</u>	<u>35</u>	<u>Merit Medical Services Inc</u>
<u>47</u>	<u>Black Hills Corp</u>	<u>46</u>	<u>Meritor Inc</u>
<u>42</u>	<u>Boise Cascade Co</u>	<u>47</u>	<u>Myriad Holdings Inc</u>
<u>80</u>	<u>Brandywine Realty Trust</u>	<u>74</u>	<u>National General Holdings Inc</u>
<u>4</u>	<u>CACI International Inc</u>	<u>30</u>	<u>Natus Medical Inc</u>
<u>87</u>	<u>Callon Petroleum Co</u>	<u>23</u>	<u>Nelnet Inc</u>
<u>21</u>	<u>Cambrex Co</u>	<u>164</u>	<u>Newpark Resources Inc</u>
<u>64</u>	<u>Cathay General Bancorp</u>	<u>85</u>	<u>NMI Holdings Inc</u>
<u>31</u>	<u>Central Garden &amp; Pet Co</u>	<u>43</u>	<u>Northwestern Corp</u>
<u>59</u>	<u>Central Pacific Financial Corp</u>	<u>25</u>	<u>Orthofix Medical Inc</u>
<u>83</u>	<u>Chesapeake Lodging Trust</u>	<u>53</u>	<u>Owens-Illinois Inc</u>
<u>77</u>	<u>Ciena Corp</u>	<u>26</u>	<u>PDC Energy Inc</u>
<u>64</u>	<u>CNO Financial Group Inc</u>	<u>23</u>	<u>Peapack Gladstone Financial Co</u>
<u>41</u>	<u>Cohu Inc</u>	<u>16</u>	<u>Peoples Bancorp Inc/OH</u>
<u>24</u>	<u>Columbus McKinnon Corp/NY</u>	<u>30</u>	<u>Perficient Inc</u>
<u>18</u>	<u>Community Trust Bancorp Inc</u>	<u>47</u>	<u>Phibro Animal Health Corp</u>
<u>29</u>	<u>Computer Programs &amp; Systems Inc</u>	<u>135</u>	<u>Piedmont Office Realty Trust I</u>
<u>53</u>	<u>Comtech Telecommunications Corp</u>	<u>70</u>	<u>PNM Resources Inc</u>
<u>16</u>	<u>Conmed Corp</u>	<u>67</u>	<u>Portland General Electric Co</u>

<u>19</u>	<u>Cooper-Standard Holdings Inc</u>	<u>110</u>	<u>Preferred Apartment Communities</u>
<u>40</u>	<u>Covenant Transportation Group</u>	<u>67</u>	<u>Quanex Building Products Corp</u>
<u>31</u>	<u>CSG Systems International Inc</u>	<u>91</u>	<u>Realogy Holdings Corp</u>
<u>68</u>	<u>Customers Bancorp Inc</u>	<u>52</u>	<u>Rexnord Corp</u>
<u>13</u>	<u>Deckers Outdoor Corp</u>	<u>59</u>	<u>Rudolph Technologies Inc</u>
<u>37</u>	<u>Delek US Holdings Inc</u>	<u>43</u>	<u>Rush Enterprises Inc</u>
<u>51</u>	<u>Diodes Inc</u>	<u>17</u>	<u>S&amp;T Bancorp Inc</u>
<u>21</u>	<u>Domtar Corp</u>	<u>16</u>	<u>Safety Insurance Group Inc</u>
<u>82</u>	<u>DSW Inc</u>	<u>11</u>	<u>Saul Centers Inc</u>
<u>30</u>	<u>Eagle Bancorp Inc</u>	<u>38</u>	<u>Sinclair Broadcast Group Inc</u>
<u>33</u>	<u>El Paso Electric Co</u>	<u>172</u>	<u>Smart &amp; Final Stores Inc</u>
<u>25</u>	<u>Emcor Group Inc</u>	<u>348</u>	<u>Southwestern Energy Co</u>
<u>27</u>	<u>Emergent Biosolutions Inc</u>	<u>147</u>	<u>SRC Energy Inc</u>
<u>50</u>	<u>Employers Holdings Inc</u>	<u>45</u>	<u>Stag Industrial Co</u>
<u>46</u>	<u>Entegris Inc</u>	<u>130</u>	<u>Steelcase Inc</u>
<u>29</u>	<u>Enterprise Financial Services</u>	<u>23</u>	<u>Stepan Co</u>
<u>14</u>	<u>Esterline Technologies Corp</u>	<u>42</u>	<u>Stifel Financial Corp</u>
<u>50</u>	<u>Exterran Corp</u>	<u>70</u>	<u>Stoneridge Inc</u>
<u>21</u>	<u>Financial Institutions Inc</u>	<u>47</u>	<u>Sykes Enterprises Inc</u>
<u>22</u>	<u>First Defiance Financial Corp</u>	<u>56</u>	<u>Tailored Brands Inc</u>
<u>45</u>	<u>First Industrial Realty Trust</u>	<u>23</u>	<u>Tech Data Corp</u>
<u>21</u>	<u>Franklin Financial Network Inc</u>	<u>24</u>	<u>Tenneco Inc</u>
<u>21</u>	<u>Genesco Inc</u>	<u>347</u>	<u>Tetra Technologies Inc</u>
<u>25</u>	<u>Global Brass &amp; Copper Holdings</u>	<u>34</u>	<u>Tower International Inc</u>
<u>9</u>	<u>Great Southern Bancorp Inc</u>	<u>127</u>	<u>Travelport Worldwide Ltd</u>
<u>64</u>	<u>Great Western Bancorp Inc</u>	<u>34</u>	<u>Trico Bancshares</u>
<u>116</u>	<u>Gulfport Energy Corp</u>	<u>30</u>	<u>Trinseo SA</u>
<u>46</u>	<u>Hancock Whitney Corp</u>	<u>71</u>	<u>Trueblue Inc</u>
<u>70</u>	<u>Hanmi Financial Corp</u>	<u>126</u>	<u>Trustco Bank Corp/NY</u>
<u>53</u>	<u>Hawaiian Holdings Trust</u>	<u>122</u>	<u>TTM Technologies Inc</u>
<u>52</u>	<u>Herman Miller Inc</u>	<u>10</u>	<u>Unifirst Corp/MA</u>
<u>113</u>	<u>Hersha Hospitality Trust</u>	<u>61</u>	<u>US Silica Holdings Inc</u>
<u>76</u>	<u>Hibbett Sports Inc</u>	<u>31</u>	<u>Virtusa Corp</u>
<u>107</u>	<u>Hilltop Holdings Inc</u>	<u>101</u>	<u>Vishay Intertechnology Inc</u>
<u>35</u>	<u>HMS Holdings Corp</u>	<u>349</u>	<u>W&amp;T Offshore Inc</u>
<u>53</u>	<u>Horace Mann Educators Corp</u>	<u>71</u>	<u>Waddell &amp; Reed Financial Inc</u>
<u>34</u>	<u>ICF International Inc</u>	<u>44</u>	<u>Walker &amp; Dunlop Inc</u>
<u>33</u>	<u>Idacorp Inc</u>	<u>25</u>	<u>Washington Federal Inc</u>
<u>42</u>	<u>Independent Bank Corp/MI</u>	<u>23</u>	<u>Wintrust Financial Crop</u>
<u>35</u>	<u>Insight Enterprises Inc</u>	<u>113</u>	<u>Xenia Hotels &amp; Resorts Inc</u>
<u>34</u>	<u>Integer Holdings Corp</u>	<u>34</u>	<u>XO Group Inc</u>

**Hillwick August**

160000

US Treasury Note 2.250% 02/15/2027

The Board unanimously approved the following new members:

- Debra Allenbrook**, Teacher Aide @ Thorpe School, start date 8/29/2018 (new position)
  - Krista Burke**, Teacher Aide @ Highlands School, start date 8/29/2018 (new position)
  - Natalie Caponigro**, Fun Club Site Coordinator @ Smith School, start date 8/28/2018 (replaces Lisa Bennett)
  - Emily Carlson**, Teacher Aide @ Riverside School, start date 8/29/2018 (replaces Brian Trefrey)
  - Bridget Corcoran**, Teacher Aide @ Thorpe School, start date 8/29/2019 (replaces Grace Boerger)
  - Michelle Desmond**, Teacher Aide @ Riverside School, start date 8/29/2018 (replaces Nouvelle Farid)
  - Hannah Fortin**, Teacher Aide @ Great Oak School, start date 8/29/2018 (replaces Beth van Duzer)
  - Brenna Kenney**, Teacher Aide @ Great Oak School, start date 9/04/2018 (new position)
  - Ethan McLean**, Equipment Operator with Grounds Division, start date 8/31/2018 (replaces Ray Delaney - promotion)
  - Erin Money Berrigan**, Teacher Aide @ Riverside School, start date 8/29/2018 (replaces Mark Servello)
  - Spencer Mooney**, Teacher Aide @ H-R Middle School, start date 8/29/2018 (new position)
  - Victoria Pike**, Teacher Aide @ H-R Middle School, start date 8/29/2018 (replaces Anne Ezepek)
  - Estelle Rand**, Teacher Aide @ Thorpe School, start date 8/29/2018 (replaces Tinamarie Sheckells)
  - Erin Schaeffer**, Planner, start date 9/10/2018 (replaces Georgia Wilson)
  - Anne Smith**, Teacher Aide @ Riverside School, start date 8/29/2018 (replaces Tracy Crocker)
  - Adrienne Young**, Teacher Aide @ Riverside School, start date 9/10/2018 (replaces Torey Krugle)
  - Mary Brainard**, Teacher Aide @ Thorpe School, start date 9/20/2018 (replaces Mark Servello)
- (Vote: Cory Grace motioned with Mike Hagan seconding and the Board unanimously approving).**

The Board noted with sympathy the passing of **Kendra Bethune.**, retired Danvers School Guidance Assistant, DOD 9/5/2018; **John Duffill, Jr.**, retired Firefighter, DOD 8/28/2018.

The Board unanimously approved the transfer of **Dillon McTiernan**, trans. to Middlesex, totaling \$6,026.56 with 1 year 11 months C/S; **Jessica Kanach**, trans. to Winchester, totaling \$4,066.22 with 2 yrs. 9 months C/S; **Nicholas Martinez** trans. to MTRS, totaling \$1,882.20 with 1 yr. 4 months; **Travis Ahern**, trans. to MWRA, totaling \$58,101.86 with 7 yrs. 1 month C/S **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).**

Approvals received from PERAC: **None**

The Board unanimously approved the following refund: **Alexander Hardy**, AMI Tech., totaling \$75,426.49 with 8 yrs. 8 months C/S **(Vote: Cory Grace motioned with Joe Collins seconding and the Board unanimously approving).**

Susan Little, Retirement Assistant reviewed PERAC Memo's and other items of interest.

- Provided a copy Rodney Conley's resume
- PERAC Memo's #26, 27,28
- Informed the Board the office move went well
- Consulting RFP is ready to be advertised. Board waiting for Finance Director/Admin.
- All actuarial valuations are complete Retirement Valuation, OPEB, GASB 67/68 (Rodney & Susan to review)

Cliff White and Isabelle Eckel of Morgan Stanley/Graystone reviewed the investment performance. Cliff explained at this time they do not recommend any changes to their tactical viewpoint. Cliff advised Danvers has \$121.4 Million in assets. As of August 31, 2018, the YTD performance is +2.24% vs. the strategic benchmark of +3.58%.

Cliff reviewed Lyrical and explained his recommendation is that Lyrical is the right manager and they are positioned for when value style will be rewarded. He recommends the Board have patience, so they don't miss the swing back. Graystone is tilting the portfolio 2/3 value and 1/3 growth. He advised a few things could impact the International Equity sector (Mueller investigation, Brexit 3/29/2019, mid-terms and tariff wars).

Meeting Adjourned: 4:05PM (**Cory Grace motioned with Joe Collins seconding and Board unanimously approving**)

NEXT MEETING: October 31, 2018

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Joseph Collins, Elected Member

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Michael Hagan, Elected Member

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Corinna Grace, Ex-Officio Member

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Wayne P. Marquis, Chairman

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Stephen Swanson, Fifth Member