

A regular meeting of the Retirement Board was held at Town Hall, Wednesday August 29, 2018 at 4PM.

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 July 25, 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: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving – Joe Collins and Wayne Marquis abstained because they didn't attend the July Mtg.)**.

Wayne read agenda item: Executive Session Minutes of the July 25, 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: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving – Joe Collins and Wayne Marquis abstained because they didn't attend the July Mtg.)**.

Board reviewed and unanimously approved the June Cashbooks. **(Mike Hagan motioned with Joe Collins seconding and the Board unanimously approving)**.

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

August Payroll 08312018	\$ 1,039,274.11
August Expenses	\$ 72,195.07

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

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

SECURITIES PURCHASED:

**Hillswick July**

30000                      Medtronic Inc

**Hillswick August**

114000                      US Treasury Note 2.25% 02/15/27

**Twin August**

<u>620</u>	<u>Copart Inc</u>	<u>350</u>	<u>Phillips 66</u>
<u>1350</u>	<u>Kimco Realty Corp</u>	<u>650</u>	<u>Textron Inc</u>
<u>200</u>	<u>Microsoft Corp</u>	<u>900</u>	<u>Ingersoll-Rand Plc</u>

**BMO August**

<u>108</u>	<u>1st Source Corp</u>	<u>291</u>	<u>International Bancshares Corp</u>
<u>1253</u>	<u>Abraxas Petroleum Corp</u>	<u>1014</u>	<u>Investors Bancorp Inc</u>

<u>675</u>	<u>Acco Brands</u>	<u>687</u>	<u>Iridium Communications Inc</u>
<u>334</u>	<u>American Assets Trust Inc</u>	<u>67</u>	<u>Johnson Outdoors</u>
<u>675</u>	<u>American Axle &amp; Manufacturing</u>	<u>49</u>	<u>Kaiser Aluminum Corp</u>
<u>403</u>	<u>American Equity Investment Life Ins</u>	<u>428</u>	<u>KB Home</u>
<u>3184</u>	<u>Amkor Technology Inc</u>	<u>222</u>	<u>Kimball International Inc</u>
<u>208</u>	<u>Angiodynamics Inc</u>	<u>202</u>	<u>Koppers Holdings Inc</u>
<u>403</u>	<u>Apogee Enterprises</u>	<u>117</u>	<u>Korn/Ferry International</u>
<u>189</u>	<u>Arcbest Corp</u>	<u>247</u>	<u>Kraton Corp</u>
<u>204</u>	<u>Argo Group International Holdings</u>	<u>333</u>	<u>Lanthreus Holdings Inc</u>
<u>401</u>	<u>Ashford Hospitality Trust Inc</u>	<u>189</u>	<u>La-Z-Boy Inc</u>
<u>101</u>	<u>Bancfirst Corp</u>	<u>515</u>	<u>Louisiana-Pacific Corp</u>
<u>204</u>	<u>Banner Corp</u>	<u>170</u>	<u>Mack-Cali Realty Corp</u>
<u>243</u>	<u>Benchmark Electronics Inc</u>	<u>334</u>	<u>Matrix Service Co</u>
<u>236</u>	<u>Black Hills Corp</u>	<u>199</u>	<u>Meridian Bioscience Inc</u>
<u>256</u>	<u>Boise Cascade Co</u>	<u>175</u>	<u>Merit Medical Systems Inc</u>
<u>1828</u>	<u>Brandywine Realty Trust</u>	<u>234</u>	<u>Meritor Inc</u>
<u>23</u>	<u>CACI International Inc</u>	<u>112</u>	<u>Minerals Technologies Inc</u>
<u>439</u>	<u>Callon Petroleum Co</u>	<u>236</u>	<u>Myriad Genetics Inc</u>
<u>106</u>	<u>Cambrex Corp</u>	<u>1181</u>	<u>National General Holdings Corp</u>
<u>322</u>	<u>Cathay General Bancorp</u>	<u>152</u>	<u>Natus Medical Inc</u>
<u>155</u>	<u>Central Garden &amp; Pet Co</u>	<u>118</u>	<u>Nelnet Inc</u>
<u>298</u>	<u>Central Pacific Financial Corp</u>	<u>828</u>	<u>Newpark Resources Inc</u>
<u>417</u>	<u>Chesapeake Lodging Trust</u>	<u>428</u>	<u>NMI Holdings Inc</u>
<u>391</u>	<u>Ciena Corp</u>	<u>218</u>	<u>Northwestern Corp</u>
<u>322</u>	<u>CNO Financial Group Inc</u>	<u>252</u>	<u>Orthofix International Inc</u>
<u>209</u>	<u>Cohu Inc</u>	<u>268</u>	<u>Owens-Illinois Inc</u>
<u>123</u>	<u>Columbus McKinnon Corp/NY</u>	<u>131</u>	<u>PDC Energy Inc</u>
<u>89</u>	<u>Community Trust Bancorp Inc</u>	<u>116</u>	<u>Peapack Gladstone Financial Co</u>
<u>148</u>	<u>Computer Programs &amp; Systems Inc</u>	<u>81</u>	<u>Peoples Bancorp Inc/OH</u>
<u>268</u>	<u>Comtech Telecommunications Corp</u>	<u>241</u>	<u>Perficient Inc</u>
<u>83</u>	<u>Conmed Corp</u>	<u>237</u>	<u>Phibro Animal Health Corp</u>
<u>393</u>	<u>Convergys Corp</u>	<u>681</u>	<u>Piedmont Office Realty Co</u>
<u>96</u>	<u>Cooper-Standard Holdings Inc</u>	<u>356</u>	<u>PNM Resources Inc</u>
<u>200</u>	<u>Covenant Transportation Group</u>	<u>340</u>	<u>Portland General Electric Co</u>
<u>219</u>	<u>CSG Systems International Inc</u>	<u>558</u>	<u>Preferred Apartment Communities</u>
<u>345</u>	<u>Customers Bancorp Inc</u>	<u>340</u>	<u>Quanex Building Products Corp</u>
<u>93</u>	<u>Deckers Outdoor Corp</u>	<u>459</u>	<u>Realty Holdings Corp</u>
<u>189</u>	<u>Delek US Holdings Inc</u>	<u>263</u>	<u>Renord Corp</u>
<u>690</u>	<u>Depomed Inc</u>	<u>296</u>	<u>Rudolph Technologies Inc</u>
<u>307</u>	<u>Diodes Inc</u>	<u>219</u>	<u>Rush Enterprises Inc</u>
<u>108</u>	<u>Domtar Corp</u>	<u>88</u>	<u>S&amp;T Bancorp Inc</u>

<u>412</u>	<u>DSW Inc</u>	<u>80</u>	<u>Safety Insurance Group Inc</u>
<u>1523</u>	<u>Eagle Bancorp Inc</u>	<u>55</u>	<u>Saul Centers Inc</u>
<u>166</u>	<u>El Paso Electric Co</u>	<u>238</u>	<u>Sikes Enterprises Inc</u>
<u>144</u>	<u>Emcor Group Inc</u>	<u>169</u>	<u>Sinclair Broadcast Group Inc</u>
<u>136</u>	<u>Emergent Biosolutions Inc</u>	<u>871</u>	<u>Smart &amp; Final Stores Inc</u>
<u>226</u>	<u>Employers Holdings Inc</u>	<u>1757</u>	<u>Southwestern Energy Co</u>
<u>72</u>	<u>Enanta Pharmaceuticals Inc</u>	<u>741</u>	<u>SRC Energy Inc</u>
<u>232</u>	<u>Entegris Inc</u>	<u>227</u>	<u>Stag Industrial Inc</u>
<u>1080</u>	<u>Enterprise Financial Services</u>	<u>3262</u>	<u>Steelcase Inc</u>
<u>72</u>	<u>Esterline Technologies Corp</u>	<u>116</u>	<u>Stepan Co</u>
<u>254</u>	<u>Exterran Corp</u>	<u>214</u>	<u>Stifel Financial Corp</u>
<u>162</u>	<u>Fidelity Southern Corp</u>	<u>354</u>	<u>Stoneridge Inc</u>
<u>106</u>	<u>Financial Institutions Corp</u>	<u>238</u>	<u>Sykes Enterprises Inc</u>
<u>111</u>	<u>First Defiance Financial Corp</u>	<u>284</u>	<u>Tailored Brands Inc</u>
<u>328</u>	<u>First Industrial Realty Trust</u>	<u>114</u>	<u>Tech Data Corp</u>
<u>108</u>	<u>Franklin Financial Network Inc</u>	<u>121</u>	<u>Tenneco Inc</u>
<u>107</u>	<u>Genesco Inc</u>	<u>1752</u>	<u>Tetra Technologies Inc</u>
<u>128</u>	<u>Global Brass &amp; Copper Holdings</u>	<u>883</u>	<u>Tower International Inc</u>
<u>44</u>	<u>Great Southern Bancorp Inc</u>	<u>643</u>	<u>Travelport Worldwide Ltd</u>
<u>325</u>	<u>Great Western Bancorp Inc</u>	<u>172</u>	<u>Trico Bancshares</u>
<u>270</u>	<u>Gulfport Energy Corp</u>	<u>239</u>	<u>Trinseo SA</u>
<u>235</u>	<u>Hancock Whitney Corp</u>	<u>399</u>	<u>Trueblue Inc</u>
<u>352</u>	<u>Hanmi Financial Corp</u>	<u>638</u>	<u>Trustco Bank Corp NY</u>
<u>270</u>	<u>Hawaiian Holdings Inc</u>	<u>616</u>	<u>TTM Technologies Inc</u>
<u>264</u>	<u>Herman Miller Inc</u>	<u>307</u>	<u>Umpqua Holdings Corp</u>
<u>571</u>	<u>Hersha Hospitality Trust</u>	<u>48</u>	<u>Unifirst Corp/MA</u>
<u>384</u>	<u>Hibbett Sports Inc</u>	<u>238</u>	<u>United Community Banks Inc/GA</u>
<u>1329</u>	<u>Highpoint Resources Corp</u>	<u>308</u>	<u>US Silica Holdings Inc</u>
<u>539</u>	<u>Hilltop Holdings Inc</u>	<u>179</u>	<u>Virtusa Corp</u>
<u>179</u>	<u>HMS Holdings Corp</u>	<u>509</u>	<u>Vishay Intertechnology Inc</u>
<u>270</u>	<u>Horace Mann Educators Corp</u>	<u>1257</u>	<u>W&amp;T Offshore Inc</u>
<u>62</u>	<u>Hyster-Yale Materials Handling</u>	<u>298</u>	<u>Walker &amp; Dunlop Inc</u>
<u>173</u>	<u>ICF International Inc</u>	<u>126</u>	<u>Washington Federal Inc</u>
<u>381</u>	<u>Idacorp Inc</u>	<u>104</u>	<u>Watts Water Technologies Inc</u>
<u>213</u>	<u>Independent Bank Corp/MI</u>	<u>116</u>	<u>Wintrust Financial Corp</u>
<u>737</u>	<u>Insight Enterprises Inc</u>	<u>573</u>	<u>Xenia Hotels &amp; Resorts Inc</u>
<u>187</u>	<u>Integer Holdings Corp</u>	<u>172</u>	<u>XO Group Inc</u>

SECURITIES OLD:

<u>Twin August</u>			
<u>470</u>	<u>Deere &amp; Co</u>	<u>100</u>	<u>Johnson &amp; Johnson</u>
<u>220</u>	<u>Facebook Inc</u>	<u>450</u>	<u>Manpowergroup Inc</u>
<u>4500</u>	<u>General Electric Co</u>		

<u>BMO August</u>			
<u>3294</u>	<u>Abraxas Petroleum Corp</u>	<u>58</u>	<u>Kaiser Aluminum Corp</u>
<u>315</u>	<u>Convergys Corp</u>	<u>173</u>	<u>Korn/Ferry International</u>
<u>284</u>	<u>CSG Systems Inc</u>	<u>105</u>	<u>Minerals Technology Inc</u>
<u>52</u>	<u>Enanta Pharmaceuticals Inc</u>	<u>568</u>	<u>Perficient Inc</u>
<u>911</u>	<u>Fidelity Southern Corp</u>	<u>859</u>	<u>Umpqua Holdings</u>
<u>300</u>	<u>First Industrial Realty Trust</u>	<u>852</u>	<u>United Community Banks Inc/GA</u>
<u>2322</u>	<u>Highpoint Resources Corp</u>	<u>158</u>	<u>Virtusa Corp</u>
<u>350</u>	<u>Hyster-Yale Materials Handling</u>	<u>144</u>	<u>Watts Water Technology Inc</u>

Steve Bartha reviewed items of interest with the Board. Steve notified the Board the process has begun to find Travis' replacement. Initial interviews have taken place of 8 candidates. He explained there were two panels, a skill panel and a fit panel, and both Joe Collins and Susan Little were on the skills panel. The panels got together with Steve and recommended 3 to 4 candidates to be interviewed by Steve. Steve will then make the decision in about two weeks. Due to the level of the position he anticipates anyone he chooses will likely need to give a months' notice. He expects to have the replacement onboard around mid October.

Steve also informed the Board of the Market study which is being conducted of management and non-union staff. He advised he anticipates the results will be in early October for Susan's position. There may be a need for a new title that better reflects the duties of the position and possibly, depending on what the market study shows, a pay adjustment. He explained the Management group results are due in first and then the non-union which would include Susan in early October. He advised either he or the consultant conducting the study will be coming back to the Board to explain the results. The Board thanked him, and Steve left the meeting.

Adam Schauer and Jackie Hattler of **Barings** updated the Board on portfolio performance of the U.S. HY Bond Fund and provided a general discussion of their Investment approach, organizational team, and portfolio makeup. The Board thanked Adam and Jackie for their time and they left the meeting @4:30PM.

The Board unanimously approved the following new members:

**Alexa Hamelburg**, Teacher aide @ Riverside School, start date 8/29/2018 (replaces K. Chiocchi).  
**Emily Carlson**, Teacher Aide @ Riverside School, start date 8/29/2018 (replaces Brian Trefrey).  
**Estelle Rand**, Library Teacher Aide @ Thorpe School, start date 8/29/2018 (replaces Tina Marie Sheckells).  
**Victoria Pike**, Teacher Aide @ HRMS, start date 8/29/2018 (replaces Anne Ezepek).  
**Bridget Corcoran**, Teacher Aide @ Smith School, start date 8/29/2018 (replaces Grace Boerger).  
**Angela Montano**, ABA Teacher Aide @ Thorpe School, start date 07/23/2018 (replaces Courtney Raymond).  
**Nathan Frost**, First Class Lineman, Electric Division, start date 08/20/2018 (replaces Alex Hardy).  
**Catherine Lamoly**, Teacher Aide-HRMS, start date 08/29/2019 (replaces Robert Coughlin)  
**Anne Ziavras**, Computer Paraprofessional-DHA, start date 08/29/2018 (replaces Karen Mansfield)  
**Spenser Mooney**, Teacher Aide @ HRMS, start date 8/29/2018 (New position).  
**Hannah Fortin**, Teacher Aide @ Great Oak, start date 8/29/2018 (Beth Van Duzer).  
**(Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving).**

The Board unanimously approved the retirement of Olivia Silva, Superannuation Option B, effective 9/7/2018  
**(Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving).**

The Board noted with sympathy the passing of **John Duffill, Jr.**, retired firefighter, DOD 9/28/2018.

The Board unanimously approved the retirement of Olivia Silva, Superannuation Option B, effective 9/7/2018.

The Board unanimously approved the transfer of Daniel Cox, trans. To MTRS, totaling \$3,258.39 with 1 year 11 months C/S; Chelsie Boudreau, trans. To MTRS, totaling \$3,618.23 with 1 year 9 months C/S **(Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving).**

Approvals received from PERAC: **Richard Beaulieu, John Walke, Mary Bishop, Nancy Blanchette, Karen Nelson, Robert Bettencourt, Richard Rodgers, Kevin Farrell.**

The Board unanimously approved the following refund: Rollover LPL, Financial fbo **Carolyn Joslin** (teacher aide), ` Totaling 8 yrs. 9 months C/S \$17,806.08; **Kayla Santangelo** (Teacher Aide) refund directly to member, totaling 9 months C/S \$1,578.91 **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).**

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

- Cash account – confirmed held in a money market, rate changes daily – most recent 1.8%
- PERAC notice – search for replacement of Joe Connarton, Executive Dir. of PERAC
- Informed the Board Attorney is still reviewing the Investment Consultant RFP

Board received and signed acknowledgement of annual receipt of Open Mtg. Law.

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 \$121.9 Million in assets. As of July 31, 2018, the YTD performance is +1.96% vs. the strategic benchmark of +2.71%.

Cliff reviewed Lyrical and explained his recommendation is that Lyrical is the right manager and he is not concerned. Cliff advised he believes, based on historical data, that after years of Growth style out performing Value style the market will swing toward Value and Lyrical will be rewarded. He recommends the Board have patience, so they don't miss the swing back.

Cliff recommended investment changes to pull back US Equities from an overweight to a neutral position. The Board unanimously approved reallocating \$1.5 Million from Lyrical to PRIT Intl. **(Vote: Joe Collins motioned with Cory Grace seconding and the Board unanimously approving).**

The Board unanimously reaffirmed investment of excess cash of \$708K received from BPG Fund 8 in compliance with The Danvers asset allocation with \$212,400 invested in Hillswick and \$495,600 invested in Rhumblin S&P **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).**

The Board unanimously approved changing the monthly cash draw down of \$500K from BMO to Twin Capital. Based on Cliff's recommendation **(Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving).**

Cliff and Isabelle left the meeting.

Board reviewed and voted to request a medical panel for the Accidental Disability Application of **John Walke.**

Board voted with a roll call vote to go into Executive Session to discuss medical particulars of **John Walke (roll call vote: Mike "yes"; Joe "yes"; Steve "yes; Wayne "yes"; Cory "yes").**

Board voted to come out of Executive Session to vote on request for a Medical Panel **(roll call vote: Joe "yes"; Cory Grace "yes"; Mike "yes"; Steve "yes"; Wayne "yes").**

Board voted unanimously to request a medical panel for the Accidental Disability application of **John Walke (Vote: Cory Grace motioned with Joe Collins seconding and the board unanimously voting to request a medical panel).**

Meeting Adjourned: 5:15PM **(Joe Collins motioned with Mike Hagan seconding and Board unanimously approving)**

NEXT MEETING: September 26, 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