

A regular meeting of the Retirement Board was held at Town Hall, Wednesday January 30, 2019 at 3PM.

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

Others present: Rodney Conley, Director of Admin. and Finance; Susan Little (Retirement Manager); Cliff White and Isabelle Eckel (Investment Consultants).

Wayne read agenda item: Minutes of the January 9, 2019 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 Mike Hagan seconding and the Board unanimously approving).**

The Board unanimously approved the January 9, 2019 Executive Session minutes. **(Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving).**

The Board unanimously approved the November and December pre-close Cashbooks **(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: Steve Swanson motioned with Mike Hagan seconding and the Board unanimously approving).**

January Payroll 01312019	\$ 1,042,986.16
January Expenses	\$ 129,898.11

Purchases were unanimously accepted **(Vote: Mike Hagan motioned with Steve Swanson 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:

BMO January

<u>1973</u>	<u>Allscripts Healthcare Solutions</u>	<u>145</u>	<u>Kraton Corp</u>
<u>29</u>	<u>Apogee Enterprises Inc</u>	<u>9</u>	<u>Masonite International Corp</u>
<u>841</u>	<u>Belden Inc</u>	<u>577</u>	<u>Meridan Bioscience Inc</u>
<u>385</u>	<u>Boise Cascade Inc</u>	<u>2368</u>	<u>Milicron Holdings Corp</u>
<u>4155</u>	<u>Caretrust Reit Inc</u>	<u>1899</u>	<u>National Storage Affiliates Trust</u>
<u>173</u>	<u>Energys</u>	<u>126</u>	<u>PS Business Parks Inc</u>
<u>771</u>	<u>First Bancorp/Southern Pines NC</u>	<u>1003</u>	<u>Red Robin Gourmet Burgers Inc</u>
<u>3532</u>	<u>FTS International Inc</u>	<u>2054</u>	<u>Spartannash Co</u>
<u>1185</u>	<u>Getty Realty Corp</u>	<u>1614</u>	<u>SPX Flow Inc</u>
<u>447</u>	<u>Iberiabank Corp</u>	<u>30</u>	<u>Sykes Enterprises Inc</u>
<u>379</u>	<u>International Bancshares Corp</u>	<u>32</u>	<u>Trinseo SA</u>

Hillswick January

347000 US Treasury Note 2.25% 02/15/2027

Lyrical January

<u>669</u>	<u>Alliance Data Systems Corp</u>	<u>8446</u>	<u>Hanes Brands</u>
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<u>140</u>	<u>Adient PLC</u>	<u>144</u>	<u>HCA Healthcare Inc</u>
<u>225</u>	<u>AECOM</u>	<u>109</u>	<u>Hertz Global Holdings Inc</u>
<u>206</u>	<u>AerCap Holdings NV</u>	<u>603</u>	<u>Johnson Controls International</u>
<u>76</u>	<u>Affiliated Managers Group Inc</u>	<u>299</u>	<u>Lincoln National Corp</u>
<u>411</u>	<u>Aflac Inc</u>	<u>258</u>	<u>Microchip Technology Inc</u>
<u>166</u>	<u>Ameriprise Financial Inc</u>	<u>544</u>	<u>National Oilwell Varco Inc</u>
<u>122</u>	<u>Arrow Electronics Inc</u>	<u>223</u>	<u>Owens-Illinois Inc</u>
<u>89</u>	<u>Assurant Inc</u>	<u>4367</u>	<u>Quanta Service Inc</u>
<u>106</u>	<u>Avis Budget Group Inc</u>	<u>631</u>	<u>Qurate Retail Inc</u>
<u>77</u>	<u>Broadcom Inc</u>	<u>631</u>	<u>Suncor Energy Inc</u>
<u>196</u>	<u>Celanese Corp</u>	<u>51</u>	<u>Tech Data Corp</u>
<u>269</u>	<u>Commscope Holding Co Inc</u>	<u>109</u>	<u>Tenneco Inc</u>
<u>191</u>	<u>Crown Holdings Inc</u>	<u>456</u>	<u>Western Digital Corp</u>
<u>197</u>	<u>EOG Resources Inc</u>	<u>91</u>	<u>Whirlpool Corp</u>
<u>786</u>	<u>Flex Ltd</u>	<u>123</u>	<u>Willis Towers Watson PLC</u>
<u>361</u>	<u>Goodyear Tire & Rubber Co</u>		

Twin January

<u>600</u>	<u>Agilent Technologies</u>	<u>960</u>	<u>Macy's Inc</u>
<u>5</u>	<u>Amazon.com Inc</u>	<u>540</u>	<u>Newmont Mining Corp</u>
<u>450</u>	<u>CBOE Global</u>	<u>450</u>	<u>OGE Energy Corp</u>
<u>500</u>	<u>Fortinet Inc</u>	<u>230</u>	<u>Zendesk Inc</u>
<u>550</u>	<u>Host Hotels & Resorts Inc</u>	<u>330</u>	<u>Zillow Group Inc</u>

SECURITIES SOLD:

BMO January

<u>969</u>	<u>Angiodynamics Inc</u>	<u>258</u>	<u>Idacorp Inc</u>
<u>2468</u>	<u>Brandywine Realty Trust</u>	<u>113</u>	<u>Integer Holdings Corp</u>
<u>2543</u>	<u>Chesapeake Lodging Trust</u>	<u>547</u>	<u>Northwestern Corp</u>
<u>911</u>	<u>Ciena Corp</u>	<u>136</u>	<u>PNM Resource Inc</u>
<u>2104</u>	<u>Columbia Property Trust Inc</u>	<u>3297</u>	<u>Southwestern Energy Co</u>
<u>1634</u>	<u>Comtech Telecommunications Corp</u>	<u>437</u>	<u>Stoneridge Inc</u>
<u>1150</u>	<u>Entegris Inc</u>	<u>700</u>	<u>Trico Bancshares</u>
<u>300</u>	<u>Fabrinet</u>	<u>928</u>	<u>Trueblue Inc</u>
<u>169</u>	<u>Horace Mann Educators Corp</u>		

Hillswick January

<u>342000</u>	<u>US Treasury Note .875% 7/31/19</u>
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Lyrical January

<u>723</u>	<u>Anthem, Inc</u>	<u>10941</u>	<u>Western Union Co</u>
<u>1685</u>	<u>NCR Corp</u>		

Twin January

<u>40</u>	<u>Adobe Inc</u>	<u>170</u>	<u>Madison Square Garden Co</u>
<u>20</u>	<u>Apple Inc</u>	<u>280</u>	<u>S&P Global Inc</u>
<u>450</u>	<u>Lear Corp</u>	<u>600</u>	<u>Lazard Ltd</u>

Twin December

<u>50</u>	<u>Abbvie Inc</u>	<u>50</u>	<u>Johnson & Johnson</u>
<u>50</u>	<u>Accenture PLC</u>	<u>80</u>	<u>JPMorgan Chase & Co</u>
<u>40</u>	<u>Adobe Inc</u>	<u>210</u>	<u>Kimco Realty Corp</u>
<u>20</u>	<u>Allergan PLC</u>	<u>50</u>	<u>Lazard Ltd</u>
<u>120</u>	<u>Ally Financial Inc</u>	<u>20</u>	<u>Lear Corp</u>
<u>120</u>	<u>Annaly Capital Management Inc</u>	<u>50</u>	<u>Liberty Media Corp-Liberty Formula One</u>
<u>20</u>	<u>Anthem Inc</u>	<u>50</u>	<u>Lincoln National Corp</u>
<u>50</u>	<u>AO Smith Corp</u>	<u>50</u>	<u>Lyondellbasell Industries NV</u>
<u>100</u>	<u>Apple Inc</u>	<u>50</u>	<u>Marathon Petroleum Corp</u>
<u>50</u>	<u>Archer-Daniels-Midland Inc</u>	<u>120</u>	<u>Marathon Oil Corp</u>
<u>240</u>	<u>AT&T Inc</u>	<u>20</u>	<u>Mastercard Inc</u>
<u>50</u>	<u>Athene Holding Ltd</u>	<u>50</u>	<u>McKesson Corp</u>
<u>50</u>	<u>Automatic Data Processing</u>	<u>60</u>	<u>Merck & Co Inc</u>
<u>340</u>	<u>Bank of America Corp</u>	<u>50</u>	<u>Micron Technology Inc</u>
<u>50</u>	<u>Baxter International Inc</u>	<u>170</u>	<u>Microsoft Corp</u>
<u>50</u>	<u>Berkshire Hathaway Inc</u>	<u>50</u>	<u>Mondelez International Inc</u>
<u>20</u>	<u>Boeing Co</u>	<u>50</u>	<u>National Instruments Corp</u>
<u>50</u>	<u>Bristol-Myers Squibb Co</u>	<u>50</u>	<u>Newmont Mining Corp</u>
<u>20</u>	<u>Centene Corp</u>	<u>100</u>	<u>News Corp</u>
<u>50</u>	<u>CH Robinson Worldwide Inc</u>	<u>50</u>	<u>Nike Inc</u>
<u>50</u>	<u>Chevron Corp</u>	<u>20</u>	<u>Norfolk Southern Corp</u>
<u>80</u>	<u>Chimera Investment Corp</u>	<u>50</u>	<u>NXP Semiconductors NV</u>
<u>100</u>	<u>Cisco Systems Inc</u>	<u>70</u>	<u>OGE Energy Corp</u>
<u>110</u>	<u>Citigroup Inc</u>	<u>100</u>	<u>Old Republic International Corp</u>
<u>130</u>	<u>Coco-Cola Co</u>	<u>50</u>	<u>Oracle Corp</u>
<u>100</u>	<u>Comcast Corp</u>	<u>130</u>	<u>Paramount Group Inc</u>
<u>60</u>	<u>ConocoPhillips</u>	<u>60</u>	<u>PepsiCo Inc</u>
<u>50</u>	<u>Copart Inc</u>	<u>160</u>	<u>Pfizer Inc</u>
<u>50</u>	<u>Crown Castle International Corp</u>	<u>50</u>	<u>Phillips 66</u>
<u>50</u>	<u>Cubesmart</u>	<u>20</u>	<u>PNC Financial Services Group I</u>

<u>50</u>	<u>CVS Health Corp</u>	<u>100</u>	<u>Procter & Gamble Co</u>
<u>50</u>	<u>Darden Restaurants Inc</u>	<u>70</u>	<u>Prologis Inc</u>
<u>70</u>	<u>Domtar Corp</u>	<u>50</u>	<u>Public Service Enterprise Group</u>
<u>50</u>	<u>Dover Corp</u>	<u>100</u>	<u>PulteGroup Inc</u>
<u>60</u>	<u>DowDuPont Inc</u>	<u>50</u>	<u>Regal Beloit Corp</u>
<u>50</u>	<u>East West Bancorp Inc</u>	<u>50</u>	<u>Robert Half International Inc</u>
<u>50</u>	<u>Eaton Corp PLC</u>	<u>50</u>	<u>Ross Stores Inc</u>
<u>50</u>	<u>Eli Lilly & Co</u>	<u>20</u>	<u>S&P Global Inc</u>
<u>20</u>	<u>Everest RE Group Ltd</u>	<u>20</u>	<u>Salesforce.com Inc</u>
<u>70</u>	<u>Exelon Corp</u>	<u>50</u>	<u>Schlumberger Ltd</u>
<u>50</u>	<u>Expeditors International of WA</u>	<u>50</u>	<u>Snap-On Inc</u>
<u>70</u>	<u>Exxon Mobil Corp</u>	<u>50</u>	<u>Southwest Airlines Co</u>
<u>50</u>	<u>Facebook Inc</u>	<u>50</u>	<u>Starbucks Corp</u>
<u>140</u>	<u>FirstEnergy Corp</u>	<u>50</u>	<u>State Street Corp</u>
<u>50</u>	<u>FMC Corp</u>	<u>20</u>	<u>Steris PLC</u>
<u>50</u>	<u>Foot Locker Inc</u>	<u>50</u>	<u>Tyson Foods Inc</u>
<u>50</u>	<u>Gap Inc</u>	<u>20</u>	<u>United Therapeutics Corp</u>
<u>70</u>	<u>General Motors Inc</u>	<u>50</u>	<u>UnitedHealth Group Inc</u>
<u>70</u>	<u>Gentex Corp</u>	<u>50</u>	<u>Valero Energy Corp</u>
<u>60</u>	<u>Hawaiian Electric Industries Inc</u>	<u>80</u>	<u>Verizon Communications Inc</u>
<u>50</u>	<u>Home Depot Inc</u>	<u>50</u>	<u>Walgreens Boots Alliance Inc</u>
<u>120</u>	<u>Host Hotels & Resorts Inc</u>	<u>50</u>	<u>Walmart Inc</u>
<u>50</u>	<u>Ingersoll-Rand PLC</u>	<u>50</u>	<u>Walt Disney Co</u>
<u>120</u>	<u>Intel Corp</u>	<u>50</u>	<u>Wells Fargo & Co</u>
<u>80</u>	<u>International Game Technology</u>	<u>50</u>	<u>Western Digital Corp</u>
<u>50</u>	<u>ITT Inc</u>	<u>50</u>	<u>Williams-Sonoma Inc</u>
<u>20</u>	<u>Jack Henry & Associates Inc</u>	<u>50</u>	<u>Zillow Group Inc</u>

The Board unanimously approved the following new members:

Stacie Hanson, Teacher Aide @ Riverside, start date 1/14/2019 (new position)

George Parkhurst, Operator II-DPW Water Dept., start date 1/2/2019 (replaces Miles Freeman)

Laura Olson, Teacher Aide @ Great Oak, start date 12/13/2018 (new position)

Chantal Robichaud, Teacher Aide @ Riverside, start date 12/19/2018 (replaces Ann Ezepeck)

Jesse Craig, Teacher Aide @ Riverside, start date 11/13/2018 (replaces Christina Vittoria).

Andrew Sandelin, Info. System Project Mgr. with MIS, start date 1/17/19 (Maria Grillo - transfer).

Lois Firicano, Teacher Aide @ Thorpe, start date 02/05/2019 (replaces Gina Reardon)

The Board noted with sympathy the passing of **Elizabeth Andrews**, retired Hunt Hospital employee, died 01/09/2019.

The Board unanimously approve the following retirements:

Barbara Downs, Sr. Secretary with Inspectional Services, Superannuation Opt. C, effective 4/13/2019

David Joyce, Police Sergeant, Superannuation Opt. C effective 2/8/19.

Marybeth Burak-Condon, Conf. Secretary with Inspectional Services, Superannuation Opt. B, effective 2/23/2019.
(**Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving**).

The Board unanimously approved the transfer of Jordan Ciaramitaro to MTRS, totaling \$1,547.37, 11 months C/S
(**Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving**).

Approvals received from PERAC: **Peter Pierce, Madeline Marchand**

The Board unanimously approved the following refunds:

Greg Ahmed, refund directly to member totaling \$28,695.09 3 yrs. 4 months C/S (MIS Dept.)

Darcy Bucchiere, refund directly to member totaling \$3,814.51, 1 yr. 11 months C/S (School Dept.)

Carolyn Gent, refund directly to member totaling \$13,355.03, 2 yrs. 11 months C/S (School Dept.)

Rollover to VFTC fbo **Yrinee Michaelidis** totaling \$21,290.36, 2 yrs. 4 months C/S (Engineering)
(**Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving**).

Cliff White and Isabelle Eckel of MS/Graystone updated the Board on portfolio performance/Investment Policy and other items of interest.

Board discussed and unanimously approved the updated Statement of Investment objectives and Guidelines as written
(**Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving**).

Cliff and Isabelle provided some educational information to the Board on Capital Markets, putting 2018 into context and MS/Graystones current outlook for 2019. They explained 2018 was defined by the rolling bear market. Earnings likely peaked in 3Q2018. To close out 2018, the S&P 500 recorded its worst quarter since 2011, and in December, its worst month since February 2009. The BOEA estimated that real GDP increased at an annualized rate of 3.4% in 3Q18, in comparison to a 4.2% increase in 2Q18. The ISM's (NMI) has now been above 50 for 103 consecutive months, indicating non-manufacturing expansion since February 2010. They explained in 2019, they expect US stocks will be constrained by slowing economic growth, a likely earnings recession and Price to Earnings multiples compressing further by rising real interest rates. They expect Value stocks should outperform growth and momentum. Value style has massively underperformed for nearly a decade. Emerging Mkt. Equities outperform as China's growth rebounds.

Cliff and Isabelle reviewed portfolio performance as of December 31, 2018 with a 1-month Return of -4.26 vs. the Strategic Benchmark of -4.85% and a YTD return of -6.60% vs. the Strategic Benchmark of -5.78%. Cliff and the Board discussed Lyrical's Performance with a 1 month return of -11.35% vs. the Russell 1000 Value benchmark of -9.60% and a YTD underperforming return of -18.05% vs. the benchmark of -8.27%. Cliff explained he is still confident and recommends having patience with Lyrical.

Rodney Conley, Dir. of Admin. and Finance reviewed PERAC Memo's and other items of interest.

- Reminded the Board of **Scheduled PERAC training in Danvers 3/21 10AM – 1PM (snow date 3/28)**.
- Susan provided an example of a typical monthly cap. call from PRIT and provided the Board with a tally sheet of their educational credits.

4:10PM Cliff and Isabelle left the meeting. Board thanked them for their time.

Board reviewed and voted on the Accidental Disability Retirement Application of John Walke.

Board voted with a roll call vote to go into Executive Session Pursuant to G.L. c. 30A, § 21(a) to discuss medical particulars (physical condition) of John Walke (**roll call vote: Mike “yes”; Joe “yes”; Steve “yes; Wayne “yes”**).

Board voted to come out of Executive Session to vote on the accidental disability application (**roll call vote: Joe “yes”; Mike “yes”; Steve “yes”; Wayne “yes”**).

Board voted unanimously to approve the Accidental Disability Retirement Application of John Walke based on the medical panel results and pending PERAC legal review (**Vote: Steve Swanson motioned with Joe Collins seconding and the board unanimously approving**).

Meeting Adjourned: 4:25PM (**Steve Swanson motioned with Joe Collins seconding and Board unanimously approving**).

NEXT MEETING: February 27, 2019

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Did Not Attend

Corinna Grace, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member