

A regular meeting of the Retirement Board was held at Town Hall, Wednesday March 27, 2019 at 3PM.

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

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

The Board unanimously approved minutes of the February 27, 2019 meeting to be accepted and signed. **(Vote: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving).**

The Board unanimously approved the February 27, 2019 Executive Session minutes. **(Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving).**

The Board unanimously approved the January 2019 Cashbooks **(Vote: Cory Grace motioned with Joe Collins seconding and the Board unanimously approving).**

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

March Payroll 03292019	\$ 1,050,439.11
March Expenses	\$ 682,880.65

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

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

**SECURITIES PURCHASED:**

		<b><u>BMO March</u></b>	
<u>450</u>	<u>CTS Corp</u>	<u>162</u>	<u>MSG Networks</u>
		<b><u>BMO February</u></b>	
<u>246</u>	<u>Boise Cascade Co</u>	<u>422</u>	<u>MSG Networks Inc</u>
<u>841</u>	<u>Boston Private Financial Holdings</u>	<u>772</u>	<u>Owens-Illinois Inc</u>
<u>258</u>	<u>CTS Corp</u>	<u>46</u>	<u>Sykes Enterprises Inc</u>
<u>759</u>	<u>Darling Ingredients Inc</u>	<u>21</u>	<u>Trinseo SA</u>
<u>62</u>	<u>Getty Realty Corp</u>	<u>532</u>	<u>WSFS Financial Corp</u>
<u>837</u>	<u>Luminex Corp</u>		
		<b><u>Hillswick March</u></b>	
241000	<u>US Treasury Bond 3.750% 11/15/43</u>		

**Lyrical March**

<u>77</u>	<u>Adient PLC</u>	<u>233</u>	<u>Hanesbrands Inc</u>
<u>99</u>	<u>Aecom</u>	<u>72</u>	<u>HCA Healthcare Inc</u>
<u>109</u>	<u>Aercap Holdings NV</u>	<u>587</u>	<u>Hertz Global Holding Inc</u>
<u>34</u>	<u>Affiliated Managers Group Inc</u>	<u>250</u>	<u>Johnson Controls International</u>
<u>185</u>	<u>Aflac, Inc</u>	<u>135</u>	<u>Lincoln National Corp</u>
<u>35</u>	<u>Alliance Data Systems Corp</u>	<u>106</u>	<u>Microchip Technology Inc</u>
<u>72</u>	<u>Ameriprise Financial Inc</u>	<u>274</u>	<u>National Oilwell Varco Inc</u>
<u>57</u>	<u>Arrow Electronics Inc</u>	<u>98</u>	<u>Owens-Illinois Inc</u>
<u>38</u>	<u>Assurant Inc</u>	<u>94</u>	<u>Quanta Services Inc</u>
<u>40</u>	<u>Avis Budget Group Inc</u>	<u>360</u>	<u>Qurate Retail Inc</u>
<u>34</u>	<u>Broadcom Inc</u>	<u>275</u>	<u>Suncor Energy Inc</u>
<u>81</u>	<u>Celanese Corp</u>	<u>25</u>	<u>Tech Data Corp</u>
<u>124</u>	<u>Commscope Holding Co Inc</u>	<u>54</u>	<u>Tenneco Inc</u>
<u>84</u>	<u>Crown Holding Inc</u>	<u>387</u>	<u>United Rentals</u>
<u>104</u>	<u>EOG Resources Inc</u>	<u>54</u>	<u>United Rentals Inc</u>
<u>343</u>	<u>Flex Ltd</u>	<u>187</u>	<u>Western Digital Corp</u>
<u>155</u>	<u>Goodyear Tire &amp; Rubber Co</u>	<u>40</u>	<u>Whirlpool Corp</u>

**Lyrical February**

868      United Rentals Inc

SECURITIES SOLD:

**BMO March**

178      Horace Mann Educators

**BMO February**

<u>392</u>	<u>Banner Corp</u>	<u>979</u>	<u>Hersha Hospitality Trust</u>
<u>648</u>	<u>Cambrex Corp</u>	<u>667</u>	<u>Horace Mann Educators Corp</u>
<u>539</u>	<u>CNO Financial Group</u>	<u>228</u>	<u>Unit Corp</u>
<u>4284</u>	<u>Helix Energy Solutions Group Inc</u>		

**Hillswick March**

277000      US Treasury Note .0875% 07/31/19      65000      US Treasury Note 2.250% 2/15/17

**Lyrical March**

608      Willis Towers Watson PLC

**Lyrical February**

1036      Willis Towers Watson PLC

**Twin March**

470      Premier Inc

**Twin February**

<u>50</u>	<u>Adobe Inc</u>	<u>120</u>	<u>Intel Corp</u>
<u>50</u>	<u>Alexion Pharmaceuticals Inc</u>	<u>100</u>	<u>International Game Technology</u>
<u>50</u>	<u>Allergan PLC</u>	<u>50</u>	<u>Jack Henry &amp; Associates Inc</u>
<u>120</u>	<u>Ally Financial Inc</u>	<u>50</u>	<u>Johnson &amp; Johnson</u>
<u>50</u>	<u>Amgen Inc</u>	<u>100</u>	<u>JP Morgan Chase &amp; Co</u>
<u>120</u>	<u>Annaly Capital Management Inc</u>	<u>210</u>	<u>Kimco Realty Corp</u>
<u>50</u>	<u>Anthem Inc</u>	<u>50</u>	<u>LyondellBasell Industries NV</u>
<u>50</u>	<u>AO Smith</u>	<u>50</u>	<u>Macy's Inc</u>
<u>90</u>	<u>Apple Inc</u>	<u>120</u>	<u>Marathon Oil Corp</u>
<u>240</u>	<u>AT&amp;T Inc</u>	<u>50</u>	<u>Marriot International Inc/MD</u>
<u>50</u>	<u>Automatic Data Processing Inc</u>	<u>50</u>	<u>Mastermind Inc</u>
<u>340</u>	<u>Bank of America Corp</u>	<u>50</u>	<u>Merck &amp; Co Inc</u>
<u>40</u>	<u>Boeing Co</u>	<u>170</u>	<u>Microsoft Corp</u>
<u>50</u>	<u>Bristol-Myers Squibb Co</u>	<u>50</u>	<u>Mondelez International Inc</u>
<u>50</u>	<u>Caterpillar Inc</u>	<u>70</u>	<u>Newmont Mining Corp</u>
<u>50</u>	<u>CBOE Global Markets Inc</u>	<u>100</u>	<u>News Corp</u>
<u>50</u>	<u>Centene Corp</u>	<u>50</u>	<u>Norfolk Southern Corp</u>
<u>50</u>	<u>CH Robinson Worldwide Inc</u>	<u>50</u>	<u>NPX Semiconductors NV</u>
<u>50</u>	<u>Chevron Corp</u>	<u>50</u>	<u>Nvidia Corp</u>
<u>100</u>	<u>Chimera Investments Corp</u>	<u>100</u>	<u>OGE Energy Corp</u>
<u>100</u>	<u>Cisco Systems Inc</u>	<u>100</u>	<u>Old Republic International Corp</u>
<u>110</u>	<u>Citigroup inc</u>	<u>50</u>	<u>Oracle Corp</u>
<u>130</u>	<u>Coco-Cola Co</u>	<u>130</u>	<u>Paramount Group Inc</u>
<u>50</u>	<u>Cognizant Technology Solutions</u>	<u>60</u>	<u>Pepsico Inc</u>
<u>100</u>	<u>Comcast Corp</u>	<u>100</u>	<u>Pfizer Inc</u>
<u>70</u>	<u>Conocophillips</u>	<u>50</u>	<u>Phillips 66</u>
<u>50</u>	<u>Cullen/Frost Bankers Inc</u>	<u>50</u>	<u>PNC Financial Services Group Inc</u>
<u>50</u>	<u>CVS Health Corp</u>	<u>100</u>	<u>Procter &amp; Gamble Co</u>
<u>50</u>	<u>Darden Restaurants Inc</u>	<u>50</u>	<u>Prologis Inc</u>

<u>70</u>	<u>Domtar Corp</u>	<u>50</u>	<u>Public Service Enterprise Group</u> 100
<u>50</u>	<u>DowDupont Inc</u>	<u>100</u>	<u>Pultegroup Inc</u>
<u>50</u>	<u>East West Bancorp Inc</u>	<u>50</u>	<u>Ross Stores Inc</u>
<u>70</u>	<u>Ebay Inc</u>	<u>50</u>	<u>Salesforce.com</u>
<u>100</u>	<u>Exelon Corp</u>	<u>50</u>	<u>Snap-On Inc</u>
<u>50</u>	<u>Expeditors International of WA</u>	<u>50</u>	<u>Starbucks Corp</u>
<u>70</u>	<u>Exxon Mobil Corp</u>	<u>50</u>	<u>Steris PLC</u>
<u>50</u>	<u>Facebook Inc</u>	<u>50</u>	<u>Tyson Foods Inc</u>
<u>130</u>	<u>FirstEnergy Corp</u>	<u>50</u>	<u>United Therapeutics Corp</u>
<u>50</u>	<u>Gap Inc</u>	<u>50</u>	<u>UnitedHealth Group Inc</u>
<u>70</u>	<u>General Motors Co</u>	<u>50</u>	<u>Valero Energy Corp</u>
<u>50</u>	<u>Hawaiian Electric Industries Inc</u>	<u>50</u>	<u>Veeva Systems Inc</u>
<u>70</u>	<u>HCP Inc</u>	<u>100</u>	<u>Verizon Communications Inc</u>
<u>50</u>	<u>Home Depot Inc</u>	<u>50</u>	<u>Walt Disney Co</u>
<u>150</u>	<u>Host Hotels &amp; Resorts Inc</u>	<u>50</u>	<u>Wells Fargo &amp; Co</u>
<u>50</u>	<u>Ingersoll-Rand Plc</u>	<u>50</u>	<u>Williams-Sonoma Inc</u>

The Board unanimously approved the following new members:

**Kathleen Archambault**, Confidential Office Assistant with ZBA; start date 03/11/2019 (replaces Marybeth Condon)

**Nicole Pszeny**, Teacher Aide @ Highlands; start date 02/01/2019 (replaces Nichole Lowe)

Dan Lachcik, Managing Director (in person) and David Roeske, Associate Portfolio Manager with Lyrical Asset Mgmt. updated the Board on portfolio performance. David reviewed the investment results. He explained 2018 was their worst year of performance since inception. As a result, they did a deeper dive into their research and came away believing in their process and stock selection. They feel they were early to value being rewarded. He explained January was a great month for their performance but February and March look to be underperforming. They feel there are early signs of Value being rewarded but believe it will be up and down for awhile until value is consistently rewarded. Again, they advised they would not be making any major changes. The Board thanked them for their time and they left the meeting.

The Board unanimously approved the following transfers:

Trans. to MTRS fbo **Olivia Gale**, totaling 1 month C/S \$275.08 (Teacher Aide)

Trans. to Saugus fbo **Kyle Brosseau**, totaling 25 days C/S \$211.83 (Teacher Aide)

Trans. to Middlesex fbo **Emily Gotts**, totaling 1 yr. 4 months C/S \$2,585.40 (Teacher Aide)

Trans. to Methuen fbo **James Barry**, totaling 12 yrs. 8 months C/S \$55,287.44 (10 yrs. 8 months Danvers liability) - (DPW Sewer)

Trans. to Beverly fbo **Mollie Sweeney**, totaling 5 months C/S \$785.21 (Teacher Aide)

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

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

\*Joe Collins has been the only one to take out nomination papers. At the April Mtg. there will be an agenda item for the Board to declare him the winner of the third seat on the Board and no election shall be held.

Cliff White and Isabelle Eckel of MS/Graystone updated the Board on portfolio performance/Investment Policy and other items of interest. Cliff and Isabelle reviewed some educational material with the Board. They provided an overview of what they expect for the economy in CY2019. Cliff and Isabell provided a manager highlight of Lyrical. Cliff explained as of 2/28/2019 they have returned +14.83% YTD versus the benchmark of +11.23%. They added they still have a high level of confidence. Morgan Stanley internal analyst is very confident and will update Graystone on any significant items learned. They provided portfolio performance as of February 28, 2019 with a YTD Return of +7.54% vs. the Strategic Benchmark of +8.03%. Cliff and the Board continued to discuss Lyrical's performance with a 1 month return of +2.91% vs. the Russell 1000 Value benchmark of +3.20%.

Board discussed and unanimously approved issuing an RFP for Core Fixed Income due to a material change with Hillswick **(Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving).**

Meeting Adjourned: 4:05PM **(Steve Swanson motioned with Joe Collins seconding and Board unanimously approving).**

NEXT MEETING: April 16, 2019

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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