

A regular meeting of the Retirement Board was held at Town Hall, Wednesday July 31, 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); Isabelle Eckel (Investment Consultant); Cliff White (Investment Consultant).

The Board unanimously approved minutes of the June 11, 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 May 2019 Cashbooks (**Vote: Joe Collins motioned with Cory Grace seconding and the Board unanimously approving**).

The bills payable warrant was unanimously accepted and signed. (**Vote: Cory Grace motioned with Joe Collins seconding and the Board unanimously approving**).

June Payroll	\$1,052,706.75
July Payroll	\$1,065,062.62
June Expenses	\$ 845.44
July Expenses	\$ 241,290.80

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

BMO July

<u>192</u>	<u>1st Source Corp</u>	<u>576</u>	<u>International Bancshares Corp</u>
<u>1196</u>	<u>ACCO Brands Corp</u>	<u>2115</u>	<u>Investors Bancorp Inc</u>
<u>505</u>	<u>Aircastle Ltd</u>	<u>119</u>	<u>Johnson Outdoors Inc</u>
<u>881</u>	<u>Alexander & Baldwin Inc</u>	<u>758</u>	<u>KB Home</u>
<u>391</u>	<u>American Assets Trust Inc</u>	<u>394</u>	<u>Kimball International Inc</u>
<u>798</u>	<u>American Axle & Manufacturing</u>	<u>503</u>	<u>Kraton Corp</u>
<u>828</u>	<u>American Eagle Outfitters Inc</u>	<u>591</u>	<u>Lantheus Holdings Inc</u>
	<u>American Equity Investment Life</u>		
<u>792</u>	<u>Ins</u>	<u>1890</u>	<u>Laredo Petroleum Inc</u>
<u>2026</u>	<u>Amkor Technology Inc</u>	<u>71</u>	<u>Livanova PLC</u>
<u>253</u>	<u>Apogee Enterprises Inc</u>	<u>555</u>	<u>Louisiana-Pacific Corp</u>
<u>335</u>	<u>ArcBest Inc</u>	<u>356</u>	<u>Luminex Corp</u>
<u>310</u>	<u>Argo Group International Holdings</u>	<u>263</u>	<u>Masonite International Corp</u>
<u>1223</u>	<u>Assertio Therapeutics Inc</u>	<u>687</u>	<u>Matrix International Corp</u>
<u>399</u>	<u>Atlantic Capital Bancshares Inc</u>	<u>706</u>	<u>Meridian Bioscience Inc</u>
<u>121</u>	<u>Atlas Air Worldwide Holdings Inc</u>	<u>502</u>	<u>Midstates Petroleum Co Inc</u>

<u>794</u>	<u>Axos Financial Inc</u>	<u>688</u>	<u>Milacron Holdings Corp</u>
<u>381</u>	<u>Bed Bath & Beyond Inc</u>	<u>648</u>	<u>MSG Networks Inc</u>
<u>244</u>	<u>Belden Inc</u>	<u>250</u>	<u>Myriad Genetics Inc</u>
<u>539</u>	<u>Benchmark Electronics Inc</u>	<u>385</u>	<u>National General Holdings Corp</u>
<u>321</u>	<u>Black Hills Corp</u>	<u>620</u>	<u>National Storage Affiliates Trust</u>
<u>584</u>	<u>BMC Stock Holdings Inc</u>	<u>269</u>	<u>Natus Medical Inc</u>
<u>607</u>	<u>Boise Cascade Co</u>	<u>209</u>	<u>Nelnet Inc</u>
<u>792</u>	<u>Boston Private Financial Holdings</u>	<u>1468</u>	<u>Newpark Resources Inc</u>
<u>697</u>	<u>Braemar Hotels & Resorts Inc</u>	<u>611</u>	<u>NMI Holdings Inc</u>
<u>801</u>	<u>Caretrust REIT Inc</u>	<u>255</u>	<u>Orthofix Medical Inc</u>
<u>681</u>	<u>Cathay General Bancorp</u>	<u>151</u>	<u>Otter Tail Corp</u>
<u>611</u>	<u>CBIZ Inc</u>	<u>248</u>	<u>PC Connection Inc</u>
<u>534</u>	<u>Central Garden & Pet Co</u>	<u>205</u>	<u>Peapack Gladstone Financial Co</u>
<u>528</u>	<u>Central Pacific Financial Corp</u>	<u>143</u>	<u>Peoples Bancorp Inc/OH</u>
<u>307</u>	<u>Chesapeake Lodging Trust</u>	<u>421</u>	<u>Phibro Animal Health Corp</u>
<u>280</u>	<u>Ciena Corp</u>	<u>934</u>	<u>Physicians Realty Trust</u>
<u>218</u>	<u>Columbus McKinnon Corp/NY</u>	<u>1207</u>	<u>Piedmont Office Realty Trust Inc</u>
<u>158</u>	<u>Community Trust Bancorp Inc</u>	<u>486</u>	<u>PNM Resources Inc</u>
<u>370</u>	<u>Computer Programs & Systems Inc</u>	<u>527</u>	<u>Portland General Electric Co</u>
			<u>Preferred Apartment</u>
<u>204</u>	<u>Conmed Corp</u>	<u>441</u>	<u>Communities</u>
<u>112</u>	<u>Cooper-Standard Holdings Inc</u>	<u>997</u>	<u>Presidio Inc</u>
<u>355</u>	<u>Covenant Transportation Group</u>	<u>555</u>	<u>Propetro Holdings Corp</u>
<u>425</u>	<u>Cowen Inc</u>	<u>107</u>	<u>PS Business Parks Inc</u>
<u>99</u>	<u>CRA International Inc</u>	<u>602</u>	<u>Quanex Building Products Corp</u>
<u>267</u>	<u>CTS Corp</u>	<u>814</u>	<u>Realogy Holdings Corp</u>
<u>795</u>	<u>Dana Inc</u>	<u>525</u>	<u>Rudolph Technologies Inc</u>
<u>1118</u>	<u>Darling Ingredients Inc</u>	<u>389</u>	<u>Rush Enterprises Inc</u>
<u>90</u>	<u>Deckers Outdoor Corp</u>	<u>297</u>	<u>Ryder System Inc</u>
<u>197</u>	<u>Defiance Financial Corp</u>	<u>142</u>	<u>Safety Insurance Group Inc</u>
<u>577</u>	<u>Delek US Holdings Inc</u>	<u>1249</u>	<u>Sandy Spring Bancorp Inc</u>
<u>544</u>	<u>Diodes Inc</u>	<u>164</u>	<u>Sanmina Corp</u>
<u>192</u>	<u>Domtar Corp</u>	<u>140</u>	<u>Saul Centers Inc</u>
<u>299</u>	<u>Eagle Bancorp</u>	<u>56</u>	<u>Selective Insurance Group Inc</u>
<u>194</u>	<u>Emergent Biosolutions Inc</u>	<u>596</u>	<u>SM Energy Co</u>
<u>495</u>	<u>Employers Holdings Inc</u>	<u>1581</u>	<u>Southwestern Energy Co</u>
<u>101</u>	<u>Encor Wire Corp</u>	<u>323</u>	<u>Spartannash Co</u>
<u>307</u>	<u>Enterprise Financial Services</u>	<u>352</u>	<u>SPX Flow Inc</u>
<u>315</u>	<u>Essent Group Ltd</u>	<u>1242</u>	<u>SRC Energy Inc</u>

<u>350</u>	<u>Fabrinet</u>	<u>253</u>	<u>Stag Industrial Inc</u>
<u>202</u>	<u>Federated Investors Inc</u>	<u>1429</u>	<u>Steelcase Inc</u>
<u>187</u>	<u>Financial Institutions Inc</u>	<u>206</u>	<u>Stepan Co</u>
<u>224</u>	<u>First Bancorp/Southern Pines NC</u>	<u>361</u>	<u>Stifel Financial Corp</u>
	<u>First Commonwealth Financial</u>		
<u>2258</u>	<u>Corp</u>	<u>501</u>	<u>Stoneridge Inc</u>
<u>699</u>	<u>First Industrial Realty Trust</u>	<u>1074</u>	<u>Sunstone Hotel Investors Inc</u>
<u>427</u>	<u>Foundation Building Materials</u>	<u>561</u>	<u>Sykes Enterprise Inc</u>
<u>1397</u>	<u>FTS International Inc</u>	<u>202</u>	<u>Tech Data Corp</u>
<u>189</u>	<u>Genesco Inc</u>	<u>115</u>	<u>Texas Capital Bancshares Inc</u>
<u>436</u>	<u>Getty Realty Corp</u>	<u>350</u>	<u>Trinseo SA</u>
<u>454</u>	<u>Great Lakes Dredge & Dock Corp</u>	<u>246</u>	<u>Trueblue Inc</u>
<u>78</u>	<u>Great Southern Bancorp</u>	<u>1131</u>	<u>Trustco Bank Corp NY</u>
<u>673</u>	<u>Great Western Bancorp Inc</u>	<u>139</u>	<u>Unifirst Corp/MA</u>
<u>597</u>	<u>Hancock Whitney Corp</u>	<u>248</u>	<u>Univest Financial Corp</u>
<u>624</u>	<u>Hanmi Financial Corp</u>	<u>659</u>	<u>Vera Bradley Inc</u>
<u>479</u>	<u>Hawaiian Holdings Inc</u>	<u>902</u>	<u>Vishay Intertechnology Inc</u>
<u>112</u>	<u>Herc Holdings Inc</u>	<u>1542</u>	<u>W&T Offshore Inc</u>
<u>477</u>	<u>Herman Miller Inc</u>	<u>428</u>	<u>Wabash National Corp</u>
<u>681</u>	<u>Hibbett Sports Inc</u>	<u>851</u>	<u>Waddell & Reed Financial Inc</u>
<u>808</u>	<u>Hilltop Holdings Inc</u>	<u>397</u>	<u>Walker & Dunlop Inc</u>
<u>505</u>	<u>HMS Holdings Corp</u>	<u>306</u>	<u>Wesco International Inc</u>
<u>334</u>	<u>Iberiabank Corp</u>	<u>282</u>	<u>Wintrust Financial Inc</u>
<u>193</u>	<u>Idacorp Inc</u>	<u>403</u>	<u>World Fuel Services Inc</u>
<u>390</u>	<u>Insight Enterprises Inc</u>	<u>1016</u>	<u>Xenia Hotels & Resorts Inc</u>
<u>143</u>	<u>Integer Holdings Corp</u>		

BMO June

<u>201</u>	<u>Atlas Air Worldwide Holdings Inc</u>	<u>387</u>	<u>HERC Holdings Inc</u>
<u>938</u>	<u>Axos Financial Inc</u>	<u>1402</u>	<u>Hilltop Holdings Inc</u>
<u>2010</u>	<u>BMC Stock Holdings Inc</u>	<u>518</u>	<u>Otter Tail Corp</u>
<u>1163</u>	<u>Chesapeake Lodging Trust</u>	<u>2016</u>	<u>Property Holding Corp</u>
<u>1376</u>	<u>Computer Programs & Systems Inc</u>	<u>1160</u>	<u>Sandy Spring Bancorp Inc</u>
<u>1333</u>	<u>Dana Inc</u>	<u>6468</u>	<u>Southwestern Energy Co</u>
<u>507</u>	<u>Delek US Holdings Inc</u>	<u>4275</u>	<u>SRC Energy Inc</u>
<u>208</u>	<u>Essent Group Ltd</u>	<u>241</u>	<u>Stifel Financial Corp</u>
	<u>First Commonwealth Financial</u>		
<u>2179</u>	<u>Corp</u>	<u>3828</u>	<u>Sunstone Hotel Investors Inc</u>
<u>1486</u>	<u>Foundation Building Materials</u>	<u>404</u>	<u>Texas Capital Bancshares Inc</u>

<u>1292</u>	<u>FTS International Inc</u>	<u>1579</u>	<u>Wabash National Corp</u>
<u>1683</u>	<u>Great Lakes Dredge & Dock Corp</u>	<u>1386</u>	<u>World Fuel Services Corp</u>

Twin July

<u>570</u>	<u>Alaska Air Group Inc</u>	<u>200</u>	<u>Five Below Inc</u>
<u>420</u>	<u>Best Buy Co Inc</u>	<u>1360</u>	<u>ON Semiconductor Corp</u>
<u>90</u>	<u>Chevron</u>	<u>250</u>	<u>Oracle Corp</u>
<u>690</u>	<u>Ciena Corp</u>	<u>140</u>	<u>Visa Inc</u>
<u>350</u>	<u>Cincinnati Financial Corp</u>	<u>870</u>	<u>Vistra Energy Inc</u>
<u>204</u>	<u>Dupont De Nemours Inc</u>	<u>110</u>	<u>Walmart Inc</u>

Twin June

<u>100</u>	<u>Abbvie Inc</u>	<u>220</u>	<u>Jazz Pharmaceuticals PLC</u>
<u>900</u>	<u>AECOM</u>	<u>380</u>	<u>LPL Financial Holdings Inc</u>

Hillswick July

<u>90000</u>	<u>US Treasury Bond 3.750% 11/15/2043</u>	<u>240000</u>	<u>US Treasury Note 2.250% 02/15/2027</u>
<u>648000</u>	<u>US Treasury Note 1.625% 08/15/2022</u>	<u>940000</u>	<u>US Treasury Note 2.250% 02/15/2027</u>
<u>651000</u>	<u>US Treasury Note 1.625% 10/31/2023</u>	<u>50000</u>	<u>US Treasury Note 2.250% 02/15/2027</u>
<u>639000</u>	<u>US Treasury Note 2.00% 02/15/2022</u>	<u>729000</u>	<u>US Treasury Note 2.250% 11/15/2024</u>
<u>545000</u>	<u>US Treasury Note 2.125% 08/31/2020</u>		

Hillswick June

<u>261000</u>	<u>Pfizer Inc</u>		
---------------	-------------------	--	--

SECURITIES SOLD:

BMO July

<u>1020</u>	<u>AMC Entertainment Holdings Inc</u>	<u>172</u>	<u>WSFS Financial Corp</u>
<u>375</u>	<u>Red Robin</u>		

BMO June

<u>560</u>	<u>AMC Entertainment Holdings Inc</u>	<u>224</u>	<u>Livanova PLC</u>
<u>312</u>	<u>American Assets Trust Inc</u>	<u>1088</u>	<u>NMI Holdings Inc</u>
<u>1370</u>	<u>American Axle & Manufacturing</u>	<u>3334</u>	<u>Oasis Petroleum Inc</u>
<u>895</u>	<u>Argo Group International Holdings</u>	<u>2977</u>	<u>Owens-Illinois Inc</u>

<u>588</u>	<u>Caretrust REIT Inc</u>	<u>85</u>	<u>PS Business Parks Inc</u>
<u>1159</u>	<u>Ciena Corp</u>	<u>665</u>	<u>Red Robin Gourmet Burgers</u>
<u>179</u>	<u>Cooper-Standard Holdings Inc</u>	<u>525</u>	<u>Scansource Inc</u>
<u>98</u>	<u>Deckers Outdoor Corp</u>	<u>218</u>	<u>Selective Insurance Group Inc</u>
<u>1229</u>	<u>El Paso Electric Co</u>	<u>1845</u>	<u>Sinclair Broadcast Group Inc</u>
<u>105</u>	<u>Idacorp Inc</u>	<u>1969</u>	<u>Stag Industrial Inc</u>
<u>3628</u>	<u>Keane Group Inc</u>	<u>1051</u>	<u>WSFS Financial Corp</u>

Twin July

<u>790</u>	<u>Archer-Daniels-Midland Co</u>	<u>450</u>	<u>Nike Inc</u>
<u>330</u>	<u>Arrow Electronics Inc</u>	<u>480</u>	<u>NXP Semiconductors NV</u>
<u>300</u>	<u>Citigroup Inc</u>	<u>350</u>	<u>Occidental Petroleum Corp</u>
<u>286</u>	<u>Corteva Inc</u>	<u>440</u>	<u>State Street Corp</u>
<u>300</u>	<u>Darden Restaurants Inc</u>		

Twin June

<u>40</u>	<u>AbbVie Inc</u>	<u>160</u>	<u>Host Hotels & Resorts Inc</u>
<u>40</u>	<u>Accenture PLC</u>	<u>40</u>	<u>Ingersoll-Rand PLC</u>
<u>30</u>	<u>Adobe Inc</u>	<u>130</u>	<u>Intel Corp</u>
<u>60</u>	<u>Aecom Inc</u>	<u>120</u>	<u>Invitation Homes Inc</u>
<u>40</u>	<u>Agilent Technologies Inc</u>	<u>40</u>	<u>ITT Inc</u>
<u>110</u>	<u>Ally Financial Inc</u>	<u>200</u>	<u>Jack Henry & Associates</u>
<u>5</u>	<u>Amazon.com Inc</u>	<u>50</u>	<u>Johnson & Johnson</u>
<u>30</u>	<u>Amgen Inc</u>	<u>70</u>	<u>JP Morgan Chase & Co</u>
<u>120</u>	<u>Annaly Capital Management Inc</u>	<u>210</u>	<u>Kimco Realty Corp</u>
			<u>Liberty Media Corp-Formula</u>
<u>30</u>	<u>Anthem Inc</u>	<u>560</u>	<u>One</u>
<u>40</u>	<u>AO Smith Corp</u>	<u>40</u>	<u>Lincoln National Corp</u>
<u>80</u>	<u>Apple Inc</u>	<u>40</u>	<u>LPL Financial Holdings Inc</u>
<u>50</u>	<u>Archer-Daniels-Midland Co</u>	<u>50</u>	<u>Macy's Inc</u>
<u>40</u>	<u>Arrow Electronics Inc</u>	<u>120</u>	<u>Marathon Oil Corp</u>
<u>190</u>	<u>AT&T Inc</u>	<u>30</u>	<u>Marriott International Inc/MD</u>
<u>40</u>	<u>Athene Holding Ltd</u>	<u>30</u>	<u>Mastercard Inc</u>
<u>30</u>	<u>Automatic Data Processing Inc</u>	<u>70</u>	<u>Merck & Co Inc</u>
<u>390</u>	<u>Bank of America Corp</u>	<u>40</u>	<u>Micron Technology Inc</u>
<u>40</u>	<u>Baxter International Inc</u>	<u>190</u>	<u>Microsoft Corp</u>
			<u>Mid-America Apartment</u>
<u>40</u>	<u>Berkshire Hathaway Inc</u>	<u>40</u>	<u>Communities</u>
<u>40</u>	<u>Booz Allen Hamilton Holding Co</u>	<u>50</u>	<u>Mondelez International Inc</u>

<u>50</u>	<u>Bristol-Myers Squibb Co</u>	<u>40</u>	<u>National Instruments Corp</u>
<u>30</u>	<u>Caterpillar Inc</u>	<u>60</u>	<u>Newmont Goldcorp Corp</u>
<u>40</u>	<u>CBOE Global Markets Inc</u>	<u>90</u>	<u>News Corp</u>
<u>40</u>	<u>Centene Corp</u>	<u>40</u>	<u>Nike Inc</u>
<u>40</u>	<u>CH Robinson Worldwide Inc</u>	<u>30</u>	<u>NVIDIA Corp</u>
<u>40</u>	<u>Chevron Corp</u>	<u>40</u>	<u>NXP Semiconductors NV</u>
<u>80</u>	<u>Chimera Investment Corp</u>	<u>40</u>	<u>Occidental Petroleum Corp</u>
<u>90</u>	<u>Cisco Systems Inc</u>	<u>90</u>	<u>OGE Energy Corp</u>
<u>100</u>	<u>Citigroup Inc</u>	<u>80</u>	<u>Old Republic International Corp</u>
<u>90</u>	<u>Coca-Cola Co</u>	<u>50</u>	<u>Oracle Corp</u>
<u>40</u>	<u>Cognizant Technology Solutions</u>	<u>501</u>	<u>PepsiCo Inc</u>
<u>90</u>	<u>Comcast Corp</u>	<u>90</u>	<u>Pfizer Inc</u>
			<u>PNC Financial Services Group</u>
<u>60</u>	<u>ConocoPhillips</u>	<u>40</u>	<u>Inc</u>
<u>40</u>	<u>Copart Inc</u>	<u>60</u>	<u>Premier Inc</u>
<u>0.667</u>	<u>Corteva Inc</u>	<u>90</u>	<u>Proctor & Gamble Co</u>
<u>40</u>	<u>CVS Health Corp</u>	<u>40</u>	<u>Prologis Inc</u>
<u>50</u>	<u>Darden Restaurants Inc</u>	<u>50</u>	<u>Public Service Enterprise Group</u>
<u>70</u>	<u>Domtar Corp</u>	<u>80</u>	<u>PulteGroup Inc</u>
<u>40</u>	<u>Dover Corp</u>	<u>40</u>	<u>Regal Beloit Corp</u>
<u>40</u>	<u>Dow Inc</u>	<u>40</u>	<u>Robert Half International Inc</u>
<u>0.667</u>	<u>DuPont De Nemours Inc</u>	<u>40</u>	<u>Ross Stores Inc</u>
<u>40</u>	<u>East West Bancorp Inc</u>	<u>40</u>	<u>Salesforce.com Inc</u>
<u>40</u>	<u>Eaton Corp PLC</u>	<u>50</u>	<u>Starbucks Corp</u>
<u>70</u>	<u>eBay Inc</u>	<u>30</u>	<u>State Street Corp</u>
<u>40</u>	<u>Eli Lilly & Co</u>	<u>40</u>	<u>Tyson Foods Inc</u>
<u>40</u>	<u>EOG Resources Inc</u>	<u>80</u>	<u>Under Armour Inc</u>
<u>40</u>	<u>Everest RE Group Ltd</u>	<u>40</u>	<u>United Technologies Corp</u>
<u>70</u>	<u>Exelon Corp</u>	<u>230</u>	<u>United Therapeutics Corp</u>
<u>390</u>	<u>Expeditors International of WA</u>	<u>30</u>	<u>UnitedHealth Group Inc</u>
<u>70</u>	<u>Exxon Mobil Corp</u>	<u>40</u>	<u>Valero Energy Corp</u>
<u>50</u>	<u>Facebook Inc</u>	<u>40</u>	<u>Veeva Systems Inc</u>
<u>140</u>	<u>First Energy Corp</u>	<u>80</u>	<u>Verizon Communications Inc</u>
<u>40</u>	<u>First Solar Inc</u>	<u>30</u>	<u>Visa Inc</u>
<u>40</u>	<u>FMC Corp</u>	<u>40</u>	<u>Walgreens Boots Alliance Inc</u>
<u>40</u>	<u>Foot Locker Inc</u>	<u>40</u>	<u>Walmart Inc</u>
<u>40</u>	<u>Fortinet Inc</u>	<u>60</u>	<u>Walt Disney Co</u>
<u>70</u>	<u>General Motors Inc</u>	<u>50</u>	<u>Wells Fargo & Co</u>
<u>60</u>	<u>Hawaiian Electric Industries Inc</u>	<u>50</u>	<u>Williams-Sonoma Inc</u>

<u>70</u>	<u>HCP Inc</u>	<u>40</u>	<u>Zendesk Inc</u>
<u>30</u>	<u>Honeywell International Inc</u>		

Hillswick July

<u>133000</u>	<u>Medtronic Inc</u>	<u>252000</u>	<u>Occidental Petroleum Corp</u>
---------------	----------------------	---------------	----------------------------------

Hillswick June

<u>278000</u>	<u>US Treasury Note</u>
	<u>1.625%08/15/2022</u>

Lyrical June

<u>4799</u>	<u>Aecom</u>	<u>7355</u>	<u>Lincoln National Corp</u>
<u>1856</u>	<u>Affiliated Managers Group Inc</u>	<u>7217</u>	<u>Microchip Technology Inc</u>
<u>4570</u>	<u>Air Lease Corp</u>	<u>12608</u>	<u>National Oilwell Varco Inc</u>
<u>2124</u>	<u>Alliance Data Systems Corp</u>	<u>5270</u>	<u>Owens-Illinois Inc</u>
<u>4323</u>	<u>Ameriprise Financial Corp</u>	<u>5624</u>	<u>Quanta Services Inc</u>
<u>3160</u>	<u>Arrow Electronics Inc</u>	<u>17254</u>	<u>Qurate Retail Inc</u>
<u>2054</u>	<u>Assurant Inc</u>	<u>15429</u>	<u>Suncor Energy Inc</u>
<u>2938</u>	<u>Avis Budget Group Inc</u>	<u>1316</u>	<u>Tech Data Corp</u>
<u>2235</u>	<u>Broadcom Inc</u>	<u>1924</u>	<u>Tenneco Inc</u>
<u>4725</u>	<u>Celanese Corp</u>	<u>3087</u>	<u>United Rentals Inc</u>
<u>61487</u>	<u>Commscope Holding Co</u>	<u>8152</u>	<u>Western Digital Corp</u>
<u>4702</u>	<u>Crown Holding Inc</u>	<u>2328</u>	<u>Whirlpool Corp</u>
<u>4889</u>	<u>EOG Resources Inc</u>	<u>4473</u>	<u>XPO Logistics Inc</u>
<u>8336</u>	<u>Goodyear Tire & Rubber Co</u>	<u>3375</u>	<u>Adient Inc</u>
<u>6396</u>	<u>HCA Healthcare Inc</u>	<u>5950</u>	<u>Aercap Holdings NV</u>
<u>13934</u>	<u>Hanesbrands Inc</u>	<u>18393</u>	<u>Flex Ltd</u>
<u>2851</u>	<u>Hertz Global Holdings Inc</u>		

The Board unanimously approved the following new members:

Daniel Connors, Firefighter, start date 7/1/2019 (replacing Ed Deroche).

James Gallo, Firefighter, start date 7/1/2019 (replacing Robert Parsons).

Bradley Cotran, Network Engineer with IT, start date 7/15/2019 (replacing Maria Grillo- transfer to Electric).

Daniel Stanton, Lineworker with Electric, start date 7/15/2019 (replacing Matt McDonough).

Rachel Ingraham, Teacher Aide @ Riverside School, start date 9/3/2019 (replaces Andrienne Young).

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

Greg Dow of **BMO** updated the Board on portfolio performance. Greg advised BMO has \$256 Billion in assets under management. He explained Danvers invests in their Small-Cap Value strategy. Their objective is to outperform the Russell 2000 Value Index by 3% - 4% per year over a full market cycle with risk like that of the benchmark. He reviewed their investment process with the board. He advised Danvers has \$6,992,489 million invested with a YTD rtn of +14.2% vs the benchmark of +13.5%. The Board thanked Greg for his time, and he left the meeting.

The Board noted with sympathy the passing of **Robert Osgood**, retired Firefighter, died 6/13/2019 (Opt A); **Frank Duest**, retired Hunt Hospital employee, died 7/3/2019 (Opt. B).

The Board unanimously approved the following transfers:

Trans to Reading Ret. Fbo **Erin Schaeffer** (planner), totaling \$25,623.19 with 4 yrs., 9 mons C/S (9 months Danvers Ret. Liability).

Trans to Lynn Ret. Fbo **Brendan Hurley** (Dispatcher), totaling \$10,350.89 with 2 yrs. C/S.

Trans to Concord Ret. Fbo **Matt McDonough** (lineworker), totaling \$74,489.85 with 9 yrs. 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 refunds:

Refund fbo **Lorna Boudreau** (Teacher aide didn't qualify for membership), totaling \$134.28, zero C/S.

Refund fbo **Chloe Johnson** (Teacher aide), totaling \$2,849.17, 1 year, 9 mons C/S.

Refund fbo **Alek DeAmario**, (Teacher aide), totaling \$4,147.21, 1 yr., 7 mons C/S.

Refund fbo **Cheryl Nelson**, (Cafeteria Worker), totaling 3,311.07, 1 yr., 10 mons C/S.

Refund fbo **Myles Freeman**, (Operator II - Water Distrib.), totaling \$2,263.05, 4 mons C/S.

Refund fbo **Shauna Hasty**, (Teacher aide), totaling \$6,127.32, 3 yrs., 5 mons C/S.

Rollover to Edward Jones fbo **Harrielle Boursiquot**, (Teacher aide), totaling \$2,191.32, 1 yr., 2 mons C/S.

Rollover to Ameriprise fbo **Christine Welch**, (Teacher aide didn't qualify for membership), totaling \$845.82, 5 mons C/S.

Refund fbo **Sarah Nicholson** (Teacher aide didn't qualify for membership), totaling \$154.52, zero C/S.
(Vote: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving).

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

- PERAC Memo #18/2019; Newsletter, Western Asset Mgmt. Contract; Finl Statements and governance letter for 12/31/2018 system audit; S&P Bond Rating; Fifth Member position

Board discussed and unanimously approved initiating the RFP process for a US Large Cap. Value manager with An estimated funding of \$6Million. (Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).

Cliff White and Isabelle Eckel of MS/Graystone updated the Board on portfolio performance, Investment Policy/Asset Allocation and other items of interest. Cliff reviewed Graystone's Investment outlook. He explained in the past 5 years, diversification failed. He explained an example would be in 2018 the best performing Mass. Public Pension systems were exclusively in US Securities with returns mostly driven by 4 – 6 mega-sized US growth stocks. He said this has been the longest economic recovery in US history and cautioned recoveries don't last forever. He said data shows signs of deterioration with an underappreciated risk of an earnings recession in the US. Expensive growth-style stocks remain very crowded and vulnerable. Board unanimously approved rebalancing the portfolio based on Cliff's recommendation by trimming US equities from 31% to 28% by pulling \$2 Mill from Rhumblin S&P and \$1 Mill from Rhumblin Russell and pulling \$2.2 Mill from PRIT Emerg.; depositing \$4.4 Mill to Western Core Bond and keeping the remaining \$800K in cash (**Vote: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving**).

Isabelle reviewed the recent asset allocation study. Graystone is not recommending any immediate changes to asset allocation. She said the longer-term 20-year returns forecast look highly supportive of the Danvers 7.50% actuarial assumed rate of return but cautioned they anticipate the coming near-term 7 year forecast return environment will be lower than historic norms. Steve asked how comfortable Graystone is with the numbers reaching the assumed rate of return. Cliff said the numbers are based on the mean. Steve asked if Brexit in the reason why Internationals haven't done well. Cliff said yes and the US currency. Isabelle presented two proposals of the asset allocation study. The Board unanimously approved adopting proposal 1 as a long-term goal of 8 – 10 yrs. Board will need to update the investment policy in August to include the long-term goal (**Vote: Cory Grace motioned with Joe Collins seconding and the Board unanimously approving**).

Cliff reviewed the June 30, 2019 Danvers investment returns. Danvers had a YTD performance of +10.52% vs the Strategic Benchmark of +12.28%. He explained even though Lyrical had been liquidated with an uptick in returns, their prior underperformance is still impacting the YTD, 1 yr. and since inception numbers in the portfolio.

Cliff explained TWIN in now the manager they are keeping an eye on. Cliff reviewed TWIN's underperformance. As of June their YTD performance is +17.74% vs the benchmark of +18.84%. Mike asked how long they can underperform before we need to do something. Wayne said Cliff told us PRIT has a 3-year policy. They have been with us for 2 ½ years so based on that scenario we would give the 6 months. Steve asked if in the meantime would we be giving them direction. Cliff explained TWIN PRIME has an allocation between large and mid-cap stocks. He explained his concern is they have looped in Mid-Small into the portfolio which outside of what we hired them to do. He said he will speak with them and have them attend the August Board Mtg. Rodney asked if Cliff would let them know we would like a copy of the presentation a few days prior to the mtg. so the Board can review.

Cliff reviewed what caused the 2018 Danvers underperformance. He explained he was providing the recap because at the June meeting he had to provide the review via conference call. He explained three things caused the 2018 underperformance. 1. Manager selection. Lyrical was not the right manager for Danvers. He said although they are a very good manager their characteristics are too volatile for Danvers. 2. Over-weight to US Value-Style.

He said we are still recommending a tilt to value. 3. Over-weight to International and Emerging and PRIT's underperformance in these sectors. Cliff and Isabelle left the meeting.

The Board continued discussion of the 2018 System's Investment underperformance and potential action steps. Wayne began the discussion by saying we all want to see an improvement. In my opinion we aren't looking to be number one each year but I feel top 25% of the Mass. Public Pension Systems is the goal. Board continued discussing different approaches moving forward. The Board settled on drafting an internal policy to direct the handling of an underperforming manager. The suggested internal policy would trigger a deeper investigation into poor performing managers by directing the Investment Consultant to provide the Board with a deep dive of the reasons for the underperformance. The Board agreed to have staff write a draft policy with an agenda item at the August meeting for the Board to discuss and potentially vote to approve.

Meeting Adjourned: 5:25PM (**Cory Grace motioned with Steve Swanson seconding and Board unanimously approving**).

NEXT MEETING: August 28, 2019

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Corinna Grace, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member