

A regular meeting of the Retirement Board was held at Town Hall, Wednesday January 29, 2020 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 December 18, 2019 meeting accepted and signed. **(Vote: Steve Swanson motioned with Cory Grace seconding and the Board unanimously approving).**

The Board unanimously approved the November 2019 Cashbooks **(Vote: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving).**

The bills payable warrant was unanimously approved **(Vote: Cory Grace motioned with Mike Hagan seconding and the Board unanimously approving).**

January Payroll	\$1,062,726.85
January Expenses	\$ 145,558.54

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

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

SECURITIES PURCHASED:

BMO December

<u>271</u>	<u>Alexander & Baldwin Inc</u>	<u>1771</u>	<u>KBR Inc</u>
<u>342</u>	<u>Atlas Air Worldwide Holdings Inc</u>	<u>642</u>	<u>Koppers Holdings Inc</u>
<u>2575</u>	<u>Beazer Homes USA Inc</u>	<u>1029</u>	<u>Lakeland Bancorp Inc</u>
<u>204</u>	<u>BMC Stock Holdings Inc.</u>	<u>3904</u>	<u>Liberty Oilfield Services Inc</u>
<u>125</u>	<u>Comtech Telecommunications</u>	<u>274</u>	<u>Lydall Inc</u>
<u>156</u>	<u>Comtech Telecommunications Corp</u>	<u>905</u>	<u>M/I Homes Inc</u>
<u>243</u>	<u>CTS Corp</u>	<u>492</u>	<u>National General Holdings Corp</u>
<u>994</u>	<u>Customers Bancorp Inc</u>	<u>863</u>	<u>Natus Medical Inc</u>
<u>2233</u>	<u>Echo Global Logistics Inc</u>	<u>171</u>	<u>QCR Holdings Inc</u>
<u>192</u>	<u>First Defiance Financial Corp</u>	<u>465</u>	<u>Sandy Spring Bancorp Inc</u>
<u>1180</u>	<u>Flagstar Bancorp Inc</u>	<u>1857</u>	<u>Sanmina Corp</u>
<u>922</u>	<u>Heartland Financial USA Inc</u>	<u>113</u>	<u>Southwest Gas Holdings Inc</u>
<u>494</u>	<u>Heidrick & Struggles International</u>	<u>1110</u>	<u>Summit Hotel Properties Inc</u>
<u>3754</u>	<u>Helix Energy Solutions Group Inc</u>	<u>294</u>	<u>Trueblue Inc</u>
<u>310</u>	<u>Independent Bank Corp/MI</u>	<u>2705</u>	<u>Ultra Clean Holdings Inc</u>
<u>2165</u>	<u>K12 Inc</u>		

BMO January

<u>254</u>	<u>Customers Bancorp Inc</u>	<u>443</u>	<u>Koppers Holdings Inc</u>
<u>848</u>	<u>Echo Global Logistics Inc</u>	<u>190</u>	<u>Lakeland Bancorp Inc</u>
<u>49</u>	<u>First Defiance Financial Corp</u>	<u>382</u>	<u>QCR Holdings Inc</u>
<u>2912</u>	<u>FTS International Inc</u>	<u>343</u>	<u>Safety Insurance Group Inc</u>
<u>716</u>	<u>Heidrick & Struggles International</u>	<u>77</u>	<u>Trueblue Inc</u>
<u>75</u>	<u>Independent Bank Corp/MI</u>	<u>867</u>	<u>Ultra Clean Holdings Inc</u>
<u>461</u>	<u>KBR Inc</u>	<u>392</u>	<u>Valmont Industries Inc</u>

Twin January

<u>410</u>	<u>Emerson Electric Co</u>	<u>200</u>	<u>Paychex Inc</u>
<u>250</u>	<u>Onmicom Group Inc</u>	<u>120</u>	<u>Target Corp</u>

SECURITIES SOLD:

BMO December

<u>2325</u>	<u>Aircastle Ltd</u>	<u>1190</u>	<u>Getty Realty Corp</u>
<u>346</u>	<u>American Equity Investment Life Ins</u>	<u>729</u>	<u>Iberiabak Corp</u>
<u>1023</u>	<u>Amplify Energy Corp</u>	<u>376</u>	<u>Lantheus Holdings Inc</u>
<u>498</u>	<u>Argo Group International Inc</u>	<u>337</u>	<u>Otter Tail Corp</u>
<u>2968</u>	<u>Caretrust REIT Inc</u>	<u>3301</u>	<u>Realogy Holdings Corp</u>
<u>1619</u>	<u>Delek US Holdings Inc</u>	<u>210</u>	<u>Safety Insurance Group Inc</u>
<u>402</u>	<u>Encore Wire Corp</u>	<u>1140</u>	<u>Simply Good Foods co</u>
<u>284</u>	<u>Fabrinet</u>	<u>590</u>	<u>Stoneridge Inc</u>
<u>9468</u>	<u>FTS International Inc</u>	<u>609</u>	<u>Wabash National Corp</u>

BMO January

<u>123</u>	<u>Argo Group International Inc</u>	<u>388</u>	<u>Otter Tail Corp</u>
<u>2659</u>	<u>FTS International Inc</u>	<u>364</u>	<u>Realogy Holdings Corp</u>
<u>266</u>	<u>Getty Realty Corp</u>	<u>184</u>	<u>Safety Insurance Group Inc</u>
<u>124</u>	<u>Iberiabank Corp</u>	<u>1006</u>	<u>Wesco International Inc</u>

Twin December

<u>50</u>	<u>AECOM</u>	<u>120</u>	<u>Invitation Homes Inc</u>
<u>50</u>	<u>Agilent Technologies Inc</u>	<u>60</u>	<u>Johnson & Johnson</u>
<u>30</u>	<u>Allergan PLC</u>	<u>40</u>	<u>JP Morgan Chase & Co</u>
<u>100</u>	<u>Ally Financial Inc</u>	<u>130</u>	<u>Kimco Realty Corp</u>
<u>30</u>	<u>Amgen Inc</u>	<u>40</u>	<u>LPL Financial Holdings Inc</u>
<u>50</u>	<u>Apple Inc</u>	<u>100</u>	<u>Marathon Oil Corp</u>
<u>30</u>	<u>Arista Networks Inc</u>	<u>20</u>	<u>Marriott International Inc</u>

<u>50</u>	<u>Aspen Technology Inc</u>	<u>30</u>	<u>Mastercard Inc</u>
<u>150</u>	<u>AT&T Inc</u>	<u>50</u>	<u>McKesson Corp</u>
<u>30</u>	<u>Automatic Data Processing Inc</u>	<u>50</u>	<u>Merck & Co Inc</u>
<u>260</u>	<u>Bank of America Corp</u>	<u>50</u>	<u>Micron Technology Inc</u>
<u>20</u>	<u>Berkshire Hathaway Inc</u>	<u>150</u>	<u>Microsoft Corp</u>
<u>30</u>	<u>Biogen Inc</u>	<u>40</u>	<u>Mid-America Apartment Communities</u>
<u>40</u>	<u>Bristol-Myers Squibb Co</u>	<u>40</u>	<u>Mondelez International Inc</u>
<u>50</u>	<u>CBRE Group Inc</u>	<u>70</u>	<u>Morgan Stanley</u>
<u>100</u>	<u>Change Healthcare Inc</u>	<u>50</u>	<u>National Instruments Corp</u>
<u>50</u>	<u>Chevron Corp</u>	<u>30</u>	<u>Netflix Inc</u>
<u>50</u>	<u>Chimera Investment Corp</u>	<u>50</u>	<u>Newmont Goldcorp Corp</u>
<u>50</u>	<u>Ciena Corp</u>	<u>50</u>	<u>News Corp</u>
<u>40</u>	<u>Cincinnati Financial Corp</u>	<u>50</u>	<u>OGE Energy Corp</u>
<u>50</u>	<u>Cisco Systems Inc</u>	<u>50</u>	<u>Old Republic International Corp</u>
<u>50</u>	<u>Citigroup Inc</u>	<u>50</u>	<u>Oracle Corp</u>
<u>50</u>	<u>Coco-Cola Co</u>	<u>50</u>	<u>Pepsico Inc</u>
<u>50</u>	<u>Cognizant Technology Solutions</u>	<u>100</u>	<u>Pfizer Inc</u>
<u>120</u>	<u>Comcast Corp</u>	<u>40</u>	<u>PNC Financial Services Group Inc</u>
<u>50</u>	<u>ConocoPhillips</u>	<u>50</u>	<u>Premier Inc</u>
<u>30</u>	<u>Crown Castle International Corp</u>	<u>100</u>	<u>Procter & Gamble Co</u>
<u>50</u>	<u>CVS Health Corp</u>	<u>50</u>	<u>Prologis Inc</u>
<u>40</u>	<u>Darden Restaurants Inc</u>	<u>50</u>	<u>Public Service Enterprise Group</u>
<u>50</u>	<u>Domtar Corp</u>	<u>50</u>	<u>Pultegroup Inc</u>
<u>50</u>	<u>Dover Corp</u>	<u>30</u>	<u>Qualcomm Inc</u>
<u>60</u>	<u>Dupont de Nemours Inc</u>	<u>30</u>	<u>Raytheon Inc</u>
<u>50</u>	<u>East West Bancorp Inc</u>	<u>50</u>	<u>Robert Half International Inc</u>
<u>30</u>	<u>Eaton Corp PLC</u>	<u>40</u>	<u>Ross Stores Inc</u>
<u>50</u>	<u>Ebay Inc</u>	<u>30</u>	<u>S&P Global Inc</u>
<u>30</u>	<u>Eli Lilly & Co</u>	<u>30</u>	<u>Snap-On Inc</u>
<u>30</u>	<u>Everest RE Group Ltd</u>	<u>50</u>	<u>Starbucks Corp</u>
<u>50</u>	<u>Exelon Corp</u>	<u>50</u>	<u>Steris PLC</u>
<u>40</u>	<u>Expeditors International of WA</u>	<u>50</u>	<u>Texas Instruments Inc</u>
<u>40</u>	<u>Exxon Mobil Corp</u>	<u>50</u>	<u>Under Armour Inc</u>
<u>50</u>	<u>Facebook Inc</u>	<u>30</u>	<u>United Technologies Corp</u>
<u>90</u>	<u>FirstEnergy Corp</u>	<u>40</u>	<u>UnitedHealth Group Inc</u>
<u>50</u>	<u>Foot Locker Inc</u>	<u>30</u>	<u>Veeva Systems</u>
<u>40</u>	<u>Fortinet Inc</u>	<u>100</u>	<u>Verizon Communications Inc</u>
<u>50</u>	<u>General Motors Co</u>	<u>50</u>	<u>Vistra Energy Corp</u>
<u>50</u>	<u>Hawaiian Electric Industries Inc</u>	<u>50</u>	<u>Walgreens Boots Alliance Inc</u>
<u>30</u>	<u>Home Depot Inc</u>	<u>50</u>	<u>Walmart Inc</u>

<u>20</u>	<u>Honeywell International Inc</u>	<u>20</u>	<u>Walt Disney Co</u>
<u>120</u>	<u>Host Hotels & Resorts Inc</u>	<u>50</u>	<u>Wells Fargo & Co</u>
<u>20</u>	<u>Ingersoll-Rand PLC</u>	<u>50</u>	<u>Williams-Sonoma Inc</u>
<u>90</u>	<u>Intel Corp</u>	<u>40</u>	<u>Willis Towers Watson PLC</u>
<u>60</u>	<u>Interpublic Group of Cos Inc</u>		

Twin January

<u>10</u>	<u>Apple Inc</u>	<u>10</u>	<u>Netflix Inc</u>
<u>350</u>	<u>Eaton Corp PLC</u>	<u>70</u>	<u>Salesforce.com Inc</u>
	<u>Knight-Sweet Transportation</u>		
<u>330</u>	<u>Holdings</u>	<u>650</u>	<u>Under Armour Inc</u>

The Board unanimously approved the following new members: David Pieroni, Patrol Officer, start date: 01/06/2020 (replaces Jeff Bermami); Ryan Shallow, Patrol Officer, start date: 01/06/2020 (replaces Steven MacDonald - promotion); Angelina Bizari, Library-Asst, Head of Reference, start date:12/16/2019 (replaces Rebecca Crockett); James White, Behavioral Tech. @ Smith School, start date 8/18/2019 (new position).
(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).

The Board noted with sympathy the passing of: Jacqueline Getchell, retired Planning Dept. Secretary, died 12/21/2019; Simone Howland, retired Teacher Aide @ DHS, died 12/28/2019.

The Board unanimously approved the following transfers: Eric Richard trans. to Stoneham, totaling \$45,502.94 with 5 yrs. 6 mons. (3 yrs. 1 mon. Danvers liability); Yeimi Colon transferred to Marblehead, totaling \$30,113.17 with 5 yrs. 4-months C/S (1 yr. 9 mons. Danvers liability). **(Vote: Cory Grace motioned with Joe Collins seconding and the Board unanimously approving).**

Approvals received from PERAC: Lawrence Mullin, Margaret Winskowicz

The Board unanimously approved the following refund: Grace Boerger – total refund \$6410.40 (\$869.12 to Town and direct refund to Grace totaling \$5,541.28) 2 yrs. C/S. **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).**

The Board unanimously approved the refund of Diane Thibault excess deductions totaling \$18,627.90. Danvers Received a transfer from the State for time worked in 1981 29 days, making the members contribution rate 7+2% Instead of 9+2%. **(Vote: Joe Collins motioned with Cory Grace seconding and the Board unanimously approving).**

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

- PERAC revised appropriation letter; funding of Eagle Capital \$8Million; 2019 Statement of Financial Interest forms were emailed to the Board on 1/17/2020; Board Education 1Q; 2020 limits on regular comp.; 2020 Interest Rate set at .1%

Board unanimously appointed Susan Little election officer for June 30th term ending (**Vote: Steve Swanson motioned with Cory Grace seconding and the Board unanimously approving**).

Cliff White and Isabelle Eckel provided a fee analysis. Cliff advised the 2015 expense ratio reported by PERAC for Danvers Retirement was .65%. With the highest at .86%, the lowest at .30% and the median at .64%. For 2018 the expense ratio reported by PERAC for Danvers Retirement was .72%. With the highest at .99%, the lowest at .29% and the median at .64%. Graystone estimates the total cost for Danvers is currently .71%. Cliff advised PRIT fees in International Equity Funds have increased because those funds have changed in using less indexing and more active management. He explained the total cost could be reduced by indexing some or all of the active managers. Wayne asked why PRIT is leaning to more active managers. Cliff said Emerging Mkts. don't need to treat all investments the same. The Board continued to discuss. and asked Cliff to follow-up by providing more index data and negotiate with some of the active managers to see if they can shave anything off the management fee.

Cliff White and Isabelle Eckel of MS/Graystone updated the Board on portfolio performance, Investment Policy and other items of interest. Cliff advised the 12/31/2019 YTD 17.33% vs the Strategic Benchmark of 19.30. He believes the results are still reflecting the underperformance of Lyrical. He explained the 5- and 10-year returns are above the strategic benchmark.

The Board unanimously approved, based on Graystone recommendation, an investment of excess cash from 1/16 totaling \$272,500 (Vote: Joe Collins motioned with Cory Grace seconding and the Board unanimously approving).

The Board voted unanimously via a roll call vote to enter into executive session pursuant to G.L. c 30A ss 21a to discuss medical particulars of a member relative to an Accidental Disability Application (**Vote: Wayne “yes”, Steve “yes”, Joe “yes”, Mike “yes” Cory “yes”**).

Board voted unanimously via roll call vote to come out of Executive Session (**Vote: Wayne “yes”, Steve “yes”, Joe “yes”, Mike “yes” Cory “yes”**).

Board voted unanimously to grant an Accidental Disability to Shawn Blanchard based on the medical panel and pending PERAC's 30-day legal review (**Mike Hagan motioned with Steve Swanson seconding and Board unanimously approving**).

Meeting Adjourned: 4:30PM (**Cory Grace motioned with Steve Swanson seconding and Board unanimously approving**).

NEXT MEETING: February 26, 2020 @ 3PM

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Corinna Grace, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member