

A regular meeting of the Retirement Board was held at Town Hall, Wednesday September 25, 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 August 28, 2019 meeting accepted and signed. **(Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving).**

The Board unanimously approved the July 2019 Cashbooks **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).**

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

September Payroll	\$1,061,836.36
September Expenses	\$ 36,996.29

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

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

SECURITIES PURCHASED:

BMO September

<u>295</u>	<u>Allette Inc</u>	<u>4812</u>	<u>Lexington Realty Trust</u>
<u>514</u>	<u>American Equity Investment Life Ins.</u>	<u>1111</u>	<u>Lydall Inc</u>
<u>307</u>	<u>Axos Financial Inc</u>	<u>779</u>	<u>Meritage Homes Corp</u>
<u>594</u>	<u>Belden Inc</u>	<u>2449</u>	<u>Modine Manufacturing Co</u>
<u>144</u>	<u>Bryn Mawr Bank Corp</u>	<u>513</u>	<u>National General Holdings Corp</u>
<u>394</u>	<u>Central Garden & Pet Co</u>	<u>1493</u>	<u>Newpark Resources Inc</u>
<u>3600</u>	<u>City Office REIT Co</u>	<u>2752</u>	<u>Photronics Inc</u>
<u>923</u>	<u>Comtech Telecommunications Corp</u>	<u>169</u>	<u>Preferred Bank Los Angeles CA</u>
<u>637</u>	<u>ConnectOne Bancorp Inc</u>	<u>3819</u>	<u>Propertro Holding Corp</u>
<u>666</u>	<u>Enpro Industries Inc</u>	<u>762</u>	<u>Regal Beloit Corp</u>
<u>316</u>	<u>Essent Group Ltd</u>	<u>1931</u>	<u>Schnitzer Steel Industries Inc</u>
<u>1678</u>	<u>Essential Properties Realty Trust</u>	<u>702</u>	<u>Sunstone Hotel Investors Inc</u>
<u>3307</u>	<u>FTS International Inc</u>	<u>507</u>	<u>Vishay Precision Group Inc</u>
<u>262</u>	<u>Hancock Whitney Corp</u>	<u>4051</u>	<u>W&T Offshore Inc</u>
<u>63</u>	<u>IberiaBank Corp</u>	<u>345</u>	<u>Watts Water Technologies Inc</u>
<u>443</u>	<u>Independent Bank Corp</u>	<u>216</u>	<u>World Fuel Services Corp</u>
<u>172</u>	<u>Integer Holdings Corp</u>		

Twin September

<u>170</u>	<u>Choice Hotels International Inc</u>	<u>60</u>	<u>Madison Square Garden Co</u>
<u>800</u>	<u>HCP Inc</u>	<u>1100</u>	<u>ON Semiconductors Corp</u>
<u>600</u>	<u>Macy's Inc</u>	<u>20</u>	<u>Walt Disney Co</u>

SECURITIES SOLD:

BMO September

<u>3676</u>	<u>American Eagle Outfitters Inc</u>	<u>4147</u>	<u>Physicians Realty Trust</u>
<u>543</u>	<u>Assertio Therapeutics Inc</u>	<u>245</u>	<u>PNM Resources Inc</u>
<u>162</u>	<u>Black Hills Corp</u>	<u>396</u>	<u>Portland General Electric Co</u>
<u>546</u>	<u>CareDx Inc</u>	<u>1960</u>	<u>Preferred Apartment Communities</u>
<u>91</u>	<u>Conmed Corp</u>	<u>3460</u>	<u>Presidio Inc</u>
<u>1078</u>	<u>Enterprise Financial Services</u>	<u>1726</u>	<u>Rush Enterprises Inc</u>
<u>224</u>	<u>Herman Miller Inc</u>	<u>309</u>	<u>Ryder System Inc</u>
<u>322</u>	<u>Idacorp Inc</u>	<u>14677</u>	<u>SRC Energy Inc</u>
<u>642</u>	<u>Insight Enterprises Inc</u>	<u>363</u>	<u>Stag Industrial Inc</u>
<u>1301</u>	<u>Investors Bancorp Inc</u>	<u>538</u>	<u>Steelcase Inc</u>
<u>635</u>	<u>Herman Miller Inc</u>	<u>44</u>	<u>Unifirst</u>
<u>2465</u>	<u>Louisiana-Pacific Corp</u>	<u>536</u>	<u>Wesco International Inc</u>
<u>2283</u>	<u>Phibro Animal Health Corp</u>		

Twin September

<u>770</u>	<u>Altice USA Inc</u>	<u>20</u>	<u>Madison Square Garden Co</u>
<u>670</u>	<u>CBRE Group Inc</u>	<u>10</u>	<u>Texas Instruments Inc</u>
<u>150</u>	<u>Choice Hotels International Inc</u>		

Twin August

<u>50</u>	<u>Expeditors International of WA</u>	<u>50</u>	<u>Johnson & Johnson</u>
<u>50</u>	<u>Abbvie Inc</u>	<u>50</u>	<u>JPMorgan Chase & Co</u>
<u>30</u>	<u>Accenture PLC</u>	<u>260</u>	<u>Kimco Realty Corp</u>
<u>130</u>	<u>Aecom Inc</u>	<u>100</u>	<u>Lincoln National Corp</u>
<u>50</u>	<u>Alexion Pharmaceuticals Inc</u>	<u>40</u>	<u>Lockheed Martin Corp</u>
<u>30</u>	<u>Allergan PLC</u>	<u>50</u>	<u>LPL Financial Holdings Inc</u>
<u>140</u>	<u>Ally Financial Inc</u>	<u>50</u>	<u>LyondellBlastell Industries NV</u>
<u>30</u>	<u>Amazon.com Inc</u>	<u>100</u>	<u>Macy's Inc</u>
<u>150</u>	<u>Annaly Capital Management Inc</u>	<u>50</u>	<u>Madison Square Garden Co</u>

<u>60</u>	<u>Apple Inc</u>	<u>150</u>	<u>Marathon Oil Corp</u>
<u>150</u>	<u>AT&T Inc</u>	<u>50</u>	<u>Marriot International Inc</u>
<u>50</u>	<u>Automatic Data Processing Inc</u>	<u>50</u>	<u>Merck & Co Inc</u>
<u>350</u>	<u>Bank of America Corp</u>	<u>100</u>	<u>Micron Technology Inc</u>
<u>50</u>	<u>CBOE Global Markets Inc</u>	<u>140</u>	<u>Microsoft Corp</u>
<u>50</u>	<u>Chevron Corp</u>	<u>100</u>	<u>National Instruments Corp</u>
<u>100</u>	<u>Chimera Investment Corp</u>	<u>160</u>	<u>News Corp</u>
<u>100</u>	<u>Ciena Corp</u>	<u>30</u>	<u>Nvidia Corp</u>
<u>150</u>	<u>Cisco Systems Inc</u>	<u>150</u>	<u>OGE Energy Corp</u>
<u>100</u>	<u>Citigroup Inc</u>	<u>100</u>	<u>Old Republic International Inc</u>
<u>100</u>	<u>Coco-Cola Co</u>	<u>160</u>	<u>ON Semiconductor Corp</u>
<u>100</u>	<u>Cognizant Technology Solutions</u>	<u>100</u>	<u>Oracle Corp</u>
<u>150</u>	<u>Comcast Corp</u>	<u>50</u>	<u>Pepsico Inc</u>
<u>100</u>	<u>Conocophillips</u>	<u>100</u>	<u>Pfizer Inc</u>
<u>50</u>	<u>Crown Castle International Corp</u>	<u>110</u>	<u>Premier Inc</u>
<u>100</u>	<u>Domtar Corp</u>	<u>110</u>	<u>Procter & Gamble Co</u>
<u>100</u>	<u>Dover Corp</u>	<u>50</u>	<u>Prologis Inc</u>
<u>100</u>	<u>Dow Inc</u>	<u>110</u>	<u>Pultegroup Inc</u>
<u>100</u>	<u>Ebay Inc</u>	<u>50</u>	<u>Ross Stores Inc</u>
<u>50</u>	<u>Eli Lilly & Co</u>	<u>50</u>	<u>Salesforce.com Inc</u>
<u>70</u>	<u>Exxon Mobile Corp</u>	<u>30</u>	<u>Snap-On Inc</u>
<u>50</u>	<u>Facebook Inc</u>	<u>50</u>	<u>Steris PLC</u>
<u>100</u>	<u>First Solar Inc</u>	<u>50</u>	<u>Tyson Foods Inc</u>
<u>150</u>	<u>FirstEnergy Corp</u>	<u>140</u>	<u>Under Armour Inc</u>
<u>100</u>	<u>Foot Locker Inc</u>	<u>50</u>	<u>United Technologies Inc</u>
<u>100</u>	<u>General Motors Co</u>	<u>30</u>	<u>Veeva Systems Inc</u>
<u>100</u>	<u>Hawaiian Electric Industries Inc</u>	<u>100</u>	<u>Verizon Communications Inc</u>
<u>120</u>	<u>HCP Inc</u>	<u>100</u>	<u>Vistra Energy Corp</u>
<u>210</u>	<u>Host Hotels & Resorts Inc</u>	<u>110</u>	<u>Walgreens Boots Alliance Inc</u>
<u>150</u>	<u>Intel Corp</u>	<u>50</u>	<u>Walmart Inc</u>
<u>150</u>	<u>Invitation Homes Inc</u>	<u>100</u>	<u>Walt Disney Co</u>

The Board unanimously approved the following new members:

Kimberly Foley, Teacher Aide, start date 8/28/2019 (replacing Ann Molk); **Annmarie Joyal**, Teacher Aide, start date 08/28/2019 (replaces Amanda Porter); **Alissa Kostopoulos**, School Dept. BCBA, start date 08/28/2019 (replaces Eric Greenberg); **Julianny Vittini**, Human Resources Assistant, start date 09/16/2019 (new position); **William Pretzer**, Teacher Aide DHS, start date 08/28/2019 (replaces Kayla Corbett); **Jessica Brennan**, Teacher Aide, start date 08/28/2019 (new position); **Amanda Whyman**, Teacher Aide, start date 08/28/2019 (replaces Sarah Duzz); **Margaret Kinsella**, Teacher Aide, start date 08/28/2019 (replaces Georgiann Bonaventura); **Madison Lawlor**, Teacher Aide, start date 8/28/2019 (replaces Kayla Awiszus); **Leah Walsh**, Teacher Aide, start date 8/28/2019 (replaces Alexa Hamelburg); **Breana Porcello**, Teacher Aide, start date 8/28/2019 (replaces Elizabeth Wdow); **Maureen Constantino**, Teacher Aide, start date 8/28/2019 (new position); **Richard Souza**, Director of Operations, start date 9/9/2019 (replaces Brett Gonzalves); **Emily Sheedy**, Teacher Aide, start date 8/28/2019 (replaces Aleksandr DeAmario); **Courtney Cadagan**, Teacher Aide, start date 08/28/2019 (replaces Brenna Kenny).

(Vote: Cory Grace motioned with Mike Hagan seconding and the Board unanimously approving).

Adam Schauer of **Barings U.S. High Yield Bond Fund** updated the Board on portfolio performance. Adam explained Barings is a \$325+ Billion global financial services firm. They are a subsidiary of Mass Mutual. He advised the current overall low yield mkt. environment is driving high yield bond returns. The portfolio is cautiously underweighted to CCC and overweight to BBB and BB rated bonds. He explained this change has occurred naturally occurred as CCC short term bonds mature and pay the funds are reinvested in BB. He said they have a structural underweight to Energy. They have decreased the exposure to energy by 50% because it is becoming too difficult to predict. Wayne asked if Chinese tariffs are a concern. Adam explained Chinese trade is not a specific factor to high yield. More of a concern is credit risk due to the election cycle and health care litigation i.e. Purdue pharma the maker of the prescription painkiller OxyContin. Adam said Barings is reducing overall portfolio risk by underweighting energy knowing defaults are mostly within the energy sector. The Board thanked Adam for his time, and he left the meeting.

The Board noted with sympathy the passing of **Juliette Lemieux**, retired Hunt Hospital employee, died 8/26/2019.

The Board unanimously approved the retirement of **Margaret Winskowisc**, former Teacher Aide, Superannuation Option B, effective 9/10/2019; **Mary Jane Welch**, Student Services Admin. Assist., Superannuation Opt. C, effective 11/16/2019; **Cheryl Howard**, School Guidance Admin. Assist, Superannuation Opt. A, effective 11/2/2019 **(Vote: Steve Swanson motioned with Mike Hagan seconding and the Board unanimously approving).**

The Board unanimously approved the following transfers:

Trans to MTRS fbo **Sara Allen**, totaling \$653.62 with 3 mons C/S.

(Vote: Cory Grace motioned with Steve Swanson seconding and the Board unanimously approving).

APPROVALS received from PERAC: **None**

The Board unanimously approved the following refunds:

Refund fbo **Andrew Smith** (Town Bldg.'s.), totaling \$7,251.03, with 1 yr. 7 mons C/S.

Direct Rollover to Edward Jones fbo **Courtney Begin** (Teacher Aide), totaling \$1,651.24, 10 mons C/S.
(Vote: Joe Collins 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

- Citizens Academy
- MACRS petition (Board took no action).
- Potential Electric Division full funding

Susan and Rodney reviewed with the Board BCBA and Behavioral Technician job descriptions in preparation of October's Agenda, item, at which time the Board will review and potentially approve a new by-law allowing these School year positions membership in the Danvers system.

The Board unanimously approved issuing an RFP for Financial audit services.

(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. Cliff reviewed the August 31, 2019 Danvers investment returns. Cliff explained the market is still experiencing highly concentrated returns. Thus far 2019 has been a strong year for equities with non-US picking up. He said the global economies need a Brexit decision which has proven difficult. Danvers had a YTD performance of +9.79% vs the Strategic Benchmark of +10.97% with a market value of \$118,246,000.

Board reviewed and unanimously approved, based on Graystone recommendation, and investment policy of excess cash.
(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving).

Cliff White and Isabelle Eckel of MS/Graystone reviewed RFP proposals for US Lrg. Cap Value Style Management with the Board. The Board unanimously approved scheduling interviews with Eagle Capital, Silvercrest, and Vaughan Nelson at 2PM (20-minute presentation each). **(Vote: Steve Swanson motioned with Mike Hagan seconding and the Board unanimously approving).**

Cliff and Isabelle left the meeting.

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 Shawn Blanchard **(roll call vote: Wayne "yes"; Cory "yes"; Mike "yes"; Joe "yes"; Steve "yes").**

Board voted to come out of Executive Session to vote to request a medical panel for Shawn Blanchard disability Application **(roll call vote: Wayne "yes"; Cory "yes"; Mike "yes"; Joe "yes"; Steve "yes").**

Board unanimously voted to request a medical panel for Shawn Blanchard **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously voting to request a medical panel).**

Meeting Adjourned: 4:50PM (**Cory Grace motioned with Steve Swanson seconding and Board unanimously approving**).

NEXT MEETING: October 30, 2019

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Corinna Grace, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member