

A regular meeting of the Retirement Board was held remotely via WebEx on Wednesday July 29, 2020 at 3PM Per Governor Bakers Executive Order on Remote Participation & Remote Conduct for Open Meetings. The Board will be voting per roll call vote.

Members confirmed verbally their presence: Wayne Marquis, Chairman; Mike Hagan, Elected Member; Joe Collins, Elected Member; Steve Swanson, Fifth Member; Heather Varney, Ex Officio

Others present Rodney Conley (Director of Admin. and Finance); Susan Little (Retirement Manager); Isabelle Eckel (Investment Consultant); Cliff White (Investment Consultant); Joe Nahas of Berwin/Equus.

Wayne Marquis, Chairman read the Town of Danvers script for remotely conducted open meetings.

The Board unanimously approved the minutes of the June 24, 2020 meetings (**Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Wayne “yes”**).

Board reviewed and voted to approve the March 2020 Cashbooks (**Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Wayne “yes”**).

The bills payable warrants were unanimously approved (**Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Wayne “yes”**).

July Payroll \$1,094,873.46
July Expenses \$ 309401.25

Purchases were unanimously accepted (**Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Heather “yes”; Wayne “yes”**).

Sales were unanimously accepted (**Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Wayne “yes”**).

SECURITIES PURCHASED:

		<u>BMO June</u>	
<u>3205</u>	<u>Alexander & Baldwin Inc</u>	<u>1036</u>	<u>Mueller Industries Inc</u>
<u>569</u>	<u>Associated Banc-Corp</u>	<u>70</u>	<u>Northwest Pipe Co</u>
<u>598</u>	<u>Banner Corp</u>	<u>228</u>	<u>Oppenheimer Holdings Inc</u>
<u>2002</u>	<u>Boyd Gaming Inc</u>	<u>3013</u>	<u>Physicians Realty Trust</u>
<u>521</u>	<u>Covenant Transportation Group</u>	<u>998</u>	<u>Red Rock Resorts Inc</u>
<u>338</u>	<u>Emcor Group Inc</u>	<u>2980</u>	<u>Sally Beauty Holdings Inc</u>
<u>293</u>	<u>Evercore Inc</u>	<u>189</u>	<u>Solaris Oilfield Infrastructure</u>
<u>2402</u>	<u>Healthcare Realty Trust Inc</u>	<u>257</u>	<u>Tri Pointe Group Inc</u>
<u>470</u>	<u>Heritage Insurance Holdings Inc</u>	<u>215</u>	<u>Trico Bancshares</u>
<u>386</u>	<u>Hub Group Inc</u>	<u>467</u>	<u>WSFS Financial Corp</u>
<u>280</u>	<u>INTL FCStone Inc</u>	<u>1162</u>	<u>Xenia Hotels & Resorts Inc</u>
<u>229</u>	<u>Myr Group Inc</u>	<u>397</u>	<u>Zumiex Inc</u>
<u>627</u>	<u>Miller Industries Inc/TN</u>		

		<u>BMO July</u>	
<u>916</u>	<u>Alexander & Baldwin Inc</u>	<u>816</u>	<u>Mueller Industries Inc</u>
<u>808</u>	<u>Amerisafe Inc</u>	<u>430</u>	<u>Myr Group Inc</u>
<u>2400</u>	<u>Associated Banc-Corp</u>	<u>171</u>	<u>Northwest Pipe Co</u>
<u>747</u>	<u>Banner Corp</u>	<u>635</u>	<u>Oppenheimer Holdings Inc</u>
<u>644</u>	<u>Boyd Gaming Corp</u>	<u>950</u>	<u>Red Rock Resorts Inc</u>
<u>509</u>	<u>Covenant Transportation Group</u>	<u>2326</u>	<u>Solaris Oilfield Infrastructure</u>
<u>355</u>	<u>Covenant Logistics Group Inc</u>	<u>993</u>	<u>Sprouts Farmers Market Inc</u>
<u>129</u>	<u>Emcor Group Inc</u>	<u>672</u>	<u>Stonex Group Inc</u>
<u>55</u>	<u>Graham Holdings Co</u>	<u>3610</u>	<u>Tri Pointe Group Inc</u>
<u>479</u>	<u>HCI Group Inc</u>	<u>592</u>	<u>Trico Bancshares</u>
<u>1110</u>	<u>Heritage Insurance Holdings Inc</u>	<u>1323</u>	<u>WSFS Financial Corp</u>
<u>18</u>	<u>Hub Group Inc</u>	<u>1843</u>	<u>Xenia Hotels & Resorts Inc</u>
<u>108</u>	<u>INTL. FCStone Inc</u>	<u>773</u>	<u>Zuminez Inc</u>
<u>224</u>	<u>Miller Industries Inc/TN</u>		

SECURITIES SOLD:

		<u>BMO June</u>	
<u>217</u>	<u>Achusnet Holdings Corp</u>	<u>185</u>	<u>Emergent Biosolutions Inc</u>
<u>221</u>	<u>Amkor Technology Inc</u>	<u>1553</u>	<u>First Industrial Realty Trust</u>
<u>411</u>	<u>Benchmark Electronics Inc</u>	<u>178</u>	<u>HMS Holdings Corp</u>
<u>7</u>	<u>Caci International Inc</u>	<u>98</u>	<u>Inspire Medical Systems Inc</u>
<u>969</u>	<u>Chef's Warehouse Inc</u>	<u>172</u>	<u>KBR Inc</u>

<u>90</u>	<u>Comtech Telecommunications Corp</u>	<u>306</u>	<u>Luminex Corp</u>
<u>889</u>	<u>Crocs Inc</u>	<u>29</u>	<u>Murphy USA Inc</u>
<u>244</u>	<u>Deckers Outdoor Corp</u>	<u>35</u>	<u>Sandy Spring Bancorp Inc</u>
<u>964</u>	<u>Digi International Inc</u>	<u>12</u>	<u>Saul Centers Inc</u>
<u>245</u>	<u>Elf Beauty Inc</u>	<u>76</u>	<u>Ultra Clean Holdings Inc</u>

BMO July

<u>7</u>	<u>1st Source Corp</u>	<u>2817</u>	<u>KBR Inc</u>
<u>1502</u>	<u>Acushnet Holdings Corp</u>	<u>15</u>	<u>Kimball International Inc</u>
<u>47</u>	<u>Alexander & Baldwin Inc</u>	<u>28</u>	<u>Knowles Corp</u>
<u>20</u>	<u>Alkermes PLC</u>	<u>20</u>	<u>Koppers Holdings Inc</u>
<u>27</u>	<u>American Equity Investment Life Ins</u>	<u>12</u>	<u>Lakeland Bancorp Inc</u>
<u>9</u>	<u>Amerisafe Inc</u>	<u>17</u>	<u>La-Z-Boy Inc</u>
<u>2688</u>	<u>Amkor Technology Inc</u>	<u>71</u>	<u>Lexington Realty Trust</u>
<u>24</u>	<u>Angiodynamics Inc</u>	<u>33</u>	<u>Liberty Oilfield Services Inc</u>
<u>16</u>	<u>Arcbest Corp</u>	<u>331</u>	<u>Luminex Corp</u>
<u>21</u>	<u>Associated Banc-Corp</u>	<u>17</u>	<u>Lydall Inc</u>
<u>15</u>	<u>Atlantic Capital Bancshares Inc</u>	<u>6</u>	<u>M/I Homes Inc</u>
<u>18</u>	<u>Axos Financial Inc</u>	<u>6</u>	<u>Masonite International Corp</u>
<u>35</u>	<u>Bancorp Inc</u>	<u>6</u>	<u>Matrix Service Co</u>
<u>10</u>	<u>Banner Corp</u>	<u>8</u>	<u>Meritage Homes Inc</u>
<u>406</u>	<u>Benchmark Electronics Inc</u>	<u>6</u>	<u>Miller Industries Inc/TN</u>
<u>10</u>	<u>Black Hills Corp</u>	<u>13</u>	<u>MTS Systems Corp</u>
<u>27</u>	<u>BMC Stock Holdings Inc</u>	<u>15</u>	<u>Mueller Industries Inc</u>
<u>18</u>	<u>Boise Cascade Co</u>	<u>269</u>	<u>Murphy USA Inc</u>
<u>39</u>	<u>Boston Private Financial Holdings</u>	<u>6</u>	<u>Myr Group Inc</u>
<u>12</u>	<u>Boyd Gaming Corp</u>	<u>2773</u>	<u>National General Holdings Corp</u>
<u>6</u>	<u>Bryn Mawr Bank Corp</u>	<u>18</u>	<u>National Storage Affiliates Trust</u>
<u>28</u>	<u>Builders Firstsource Inc</u>	<u>8</u>	<u>Nelnet Inc</u>
<u>93</u>	<u>CACI International Inc</u>	<u>14</u>	<u>Netscout Systems Inc</u>
<u>5</u>	<u>Castle Biosciences Inc</u>	<u>24</u>	<u>NMI Holdings Inc</u>
<u>26</u>	<u>Cathay General Bancorp</u>	<u>9</u>	<u>Northwest Pipe Co</u>
<u>24</u>	<u>CBiz Inc</u>	<u>3</u>	<u>Nuvasive Inc</u>
<u>18</u>	<u>Central Garden & Pet Co</u>	<u>4</u>	<u>One Gas Inc</u>
<u>25</u>	<u>Central Pacific Financial Corp</u>	<u>8</u>	<u>Oppenheimer Holdings Inc</u>
<u>1263</u>	<u>Chef's Warehouse Inc</u>	<u>24</u>	<u>Orasure Technologies Inc</u>
<u>15</u>	<u>City Office Reit Inc</u>	<u>46</u>	<u>Orion Engineered Carbons SA</u>
<u>7</u>	<u>Clean Harbors Inc</u>	<u>11</u>	<u>Orthofix Medical Inc</u>
<u>17</u>	<u>Coherus Biosciences Inc</u>	<u>9</u>	<u>Patrick Industries Inc</u>
<u>13</u>	<u>Columbus McKinnon Corp</u>	<u>8</u>	<u>Peapack-Gladstone Financial</u>

<u>22</u>	<u>Commercial Metals Co</u>	<u>31</u>	<u>Photronics Inc</u>
<u>6</u>	<u>Community Trust Bancorp Inc</u>	<u>21</u>	<u>Physicians Realty Trust</u>
<u>10</u>	<u>Computer Programs & Systems</u>	<u>42</u>	<u>Piedmont Office Realty Trust Inc</u>
<u>1644</u>	<u>Comtech Telecommunications Corp</u>	<u>8</u>	<u>Plexus Corp</u>
<u>7</u>	<u>Conmed Corp</u>	<u>18</u>	<u>Portland General Electric</u>
<u>12</u>	<u>Covenant Logistics Inc</u>	<u>9</u>	<u>Preferred Bank/Los Angeles CA</u>
<u>13</u>	<u>CTS Corp</u>	<u>5</u>	<u>QCR Holdings Inc</u>
<u>47</u>	<u>Dana Inc</u>	<u>23</u>	<u>Quanex Building Products Corp</u>
<u>243</u>	<u>Deckers Outdoor Corp</u>	<u>11</u>	<u>Red Rock Resorts Inc</u>
<u>2140</u>	<u>Digi International Inc</u>	<u>7</u>	<u>Regal Beloit Corp</u>
<u>6</u>	<u>Dine Brands Global Inc</u>	<u>18</u>	<u>Sally Beauty Holdings Inc</u>
<u>12</u>	<u>Diodes Inc</u>	<u>882</u>	<u>Sandy Spring Bancorp Inc</u>
<u>15</u>	<u>Easterly Government Properties</u>	<u>14</u>	<u>Sanmina Corp</u>
<u>23</u>	<u>Echo Global Logistics Inc</u>	<u>640</u>	<u>Saul Centers Inc</u>
<u>2243</u>	<u>ELF Beauty Inc</u>	<u>19</u>	<u>Schnitzer Steel Industries Inc</u>
<u>8</u>	<u>Emcor Group Inc</u>	<u>48</u>	<u>Select Energy Services Inc</u>
<u>77</u>	<u>Emergent Biosolutions Inc</u>	<u>30</u>	<u>Site Centers Corp</u>
<u>15</u>	<u>Employers Holdings Inc</u>	<u>6</u>	<u>Sleep Number Corp</u>
<u>4</u>	<u>Enpro Industries Inc</u>	<u>17</u>	<u>Solaris Oilfield Infrastructure</u>
<u>17</u>	<u>Essent Group Ltd</u>	<u>8</u>	<u>Southwest Gas Holdings Inc</u>
<u>9</u>	<u>Evercore Inc</u>	<u>12</u>	<u>Spartannash Co</u>
<u>9</u>	<u>Fabrinet</u>	<u>7</u>	<u>Spectrum Brands Holdings Inc</u>
<u>7</u>	<u>Financial Institutions Inc</u>	<u>9</u>	<u>Spirit Realty Capital Inc</u>
<u>11</u>	<u>First Bancorp/Southern Pines NC</u>	<u>12</u>	<u>Sprouts Farmers Market Inc</u>
<u>39</u>	<u>First Commonwealth Financial</u>	<u>7</u>	<u>Stag Industrial Inc</u>
<u>12</u>	<u>First Industrial Realty Trust</u>	<u>37</u>	<u>Steelcase Inc</u>
<u>18</u>	<u>Flagstar Bancorp Inc</u>	<u>7</u>	<u>Stepan Co</u>
<u>26</u>	<u>Foundation Building Materials</u>	<u>16</u>	<u>Stifel Financial Corp</u>
<u>12</u>	<u>Getty Realty Corp</u>	<u>13</u>	<u>Stoneridge Inc</u>
<u>12</u>	<u>Gladstone Commercial Corp</u>	<u>6</u>	<u>Stonex Group Inc</u>
<u>1</u>	<u>Graham Holdings Co</u>	<u>27</u>	<u>Surgery Partners Inc</u>
<u>3</u>	<u>Great Southern Bancorp Inc</u>	<u>22</u>	<u>Sykes Enterprises Inc</u>
<u>26</u>	<u>Great Western Bancorp Inc</u>	<u>28</u>	<u>Tri Point Group Inc</u>
<u>13</u>	<u>H&E Equipment Services Inc</u>	<u>28</u>	<u>Trico Bancshares</u>
<u>25</u>	<u>Hancock Whitney Corp</u>	<u>22</u>	<u>Trueblue Inc</u>
<u>5</u>	<u>HCI Group Inc</u>	<u>44</u>	<u>Trustco Bank Corp NY</u>
<u>11</u>	<u>Healthcare Realty Trust Inc</u>	<u>1230</u>	<u>Ultra Clean Holdings Inc</u>
<u>14</u>	<u>Healthstream Inc</u>	<u>23</u>	<u>Umpqua Holdings Corp</u>
<u>7</u>	<u>Heartland Financial USA Inc</u>	<u>3</u>	<u>Unifirst Corp/MA</u>
<u>14</u>	<u>Heidrick & Struggles International</u>	<u>6</u>	<u>Unitil Corp</u>
<u>6</u>	<u>Herc Holdings</u>	<u>8</u>	<u>Universal Electronics Inc</u>

<u>12</u>	<u>Heritage Insurance Holdings Inc</u>	<u>10</u>	<u>Univest Financial Corp</u>
<u>19</u>	<u>Hibbett Sports Inc</u>	<u>4</u>	<u>Valmont Industries Inc</u>
<u>30</u>	<u>Hilltop Holdings Inc</u>	<u>8</u>	<u>Verint Systems Inc</u>
<u>447</u>	<u>HMS Holdings Corp</u>	<u>43</u>	<u>Vishay Intertechnology Inc</u>
<u>14</u>	<u>Homestreet Inc</u>	<u>7</u>	<u>Vishay Precision Group Inc</u>
<u>8</u>	<u>HUB Group Inc</u>	<u>10</u>	<u>Waddell & Reed Financial Inc</u>
<u>8</u>	<u>Huron Consulting Group Inc</u>	<u>12</u>	<u>Walker & Dunlop Inc</u>
<u>6</u>	<u>Idacorp Inc</u>	<u>4</u>	<u>Watts Water Technologies Inc</u>
<u>14</u>	<u>Independent Bank CorpMI</u>	<u>18</u>	<u>Webster Financial Corp</u>
<u>180</u>	<u>Inspire Medical Systems Inc</u>	<u>13</u>	<u>Wintrust Financial Corp</u>
<u>7</u>	<u>Integer Holding Corp</u>	<u>21</u>	<u>World Fuel Services Corp</u>
<u>4</u>	<u>Inter Parfums Inc</u>	<u>14</u>	<u>WSFS Financial Corp</u>
<u>22</u>	<u>International Bancshares Corp</u>	<u>21</u>	<u>Xenia Hotels & Resorts Inc</u>
<u>3</u>	<u>Johnson Outdoors Inc</u>	<u>9</u>	<u>Zions Bancorp NA</u>
<u>24</u>	<u>K12 Inc</u>	<u>8</u>	<u>Zumiez Inc</u>
<u>20</u>	<u>KB Home</u>		

Joe Nahas of BPG/Equus Partners updated the Board on portfolio performance. Joe explained Fund 8 will have a return of approximately 3.4% IRR with little or no further return. Fund 9 will hopefully have a closing 7/30th of a Medical Office Bldg. Fund 9 will have 1 more asset which is in Indianapolis. Although there is still interest they will likely be waiting for the market to stabilize. May need to move the fund closing to next year. The Board thanked Joe for his time, and he left the meeting.

The Board unanimously approved the following retirements: **Joseph Collins**, Superannuation Option C, effective 8/1/2020 (age 70 with 46 yrs. C/S (Vote: Mike Hagan motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Wayne “yes”).

Approvals received from PERAC: **Robert Pyburn, Shawn Blanchard, Don Yeaton** Ordinary Disability calc.

The Board unanimously approved the following refund: **Mary Brainard**, former School employee, direct refund totaling \$2,010.84 with 9 months C/S. (Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Steve “yes”; Mike “yes”; Wayne “yes”).

Rodney Conley reviewed items of interest with the Board: S&P reaffirmed to Town’s AAA rating; PERAC Investment report. Rodney explained Danvers came in the top 26 of the 106 Public Pension Systems. Cliff explained the majority of the 25 better performing systems had one of 2 consultants with a heavy allocation to US Large Cap. With little to no International exposure.

Cliff White and Isabelle Eckel of Morgan Stanley Graystone updated the Board on portfolio performance/investment policy and other items of interest. Cliff provided the regular monthly overview of portfolio performance. He provided a Market and Economic update. He provided a portfolio review. He advised the June 30, 2020 YTD performance is -5.88% vs the Strategic Benchmark of -4.31. The QTD performance is +12.36% vs the Strategic Benchmark of +13.10%. Cliff also mentioned the slight underperformance to the benchmark is being caused by PRIT Hedge Fund exposure and Lyrical/Twin performance. Isabelle explained the System has \$113,542 Million in the portfolio as of 6/30/2020. She mentioned we are in full compliance with our Investment Policy. Cliff advised we will be holding off on updating the Investment Objective until the R.E. Manager is hired. At which time he will make the change from TWIN to Eagle. PRIT held a virtual mtg. They made no comment on why the Hedge Fund is underperforming. Mike Hagan said he is confused to why PRIT would not provide an explanation. Cliff said it was apparent they did not do their homework and said they would get back to us. Cliff said no need to change Investment Policy to change the Benchmark Index Barings is being measured against because the Investment Policy already had the correct benchmark. He only needed to change the Graystone system.

The Board reviewed the proposals from the Open-Ended Real Estate Fund RFP. The Board agreed to interview the top 3 providing 20 minutes to each firm (**Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Wayne “yes”**).

Board agreed agenda items #21 (Investment to take the place of the Russell RFP) and #22 (The investment of the 7/8/2020 \$7.8 Million appropriation payment) should be taken together. Cliff explained as of 7/10th he looked at rebalancing the portfolio. He recommends pulling \$2.5 Million from Rhumblin S&P and investing \$2 Million with Eagle Asset Mgmt. and \$500K with Barings. Pulling \$1 Million from PRIT Core R.E. Fund and investing with the firm hired from the Open-Ended R.E. RFP. This recommendation replaced the prior vote to invest \$1 Million BMO and \$1 Million R.E. (**Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote. Based on Cliff’s 7/10th review to reallocate as recommended: Joe “yes”; Heather “yes”; Mike “yes”; Steve “yes”; Wayne “yes”**).

Meeting Adjourned: 4:40PM (**Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote (Joe “yes”; Heather “yes”; Steve “yes”; Mike “yes”; Wayne “yes”).**

NEXT MEETING: August 26, 2020 @ 3PM likely via WebEx

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Heather Varney, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member