

A regular meeting of the Retirement Board was held remotely via Webex on Wednesday May 27, 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; Heather Varney, Ex Officio

Others verbally confirmed their presence: Rodney Conley (Director of Admin. and Finance); Susan Little (Retirement Manager); Isabelle Eckel (Investment Consultant); Cliff White (Investment Consultant); Linda Bournival (Actuary).

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

Heather Varney, Ex-officio was sworn into by Town Clerk Joseph Collins.

Linda Bournival of KMS Actuaries reviewed the 1/1/2020 valuation results. **(Vote: A motion was made by Steve Swanson with Mike Hagan seconding to reduce the Assumed Investment Rate of Return to 7.35%.** Board discussed the pros and cons. Cliff White was asked to provide his thoughts. Cliff explained in his analysis the 7.50% assumption is doable. The next 7 years will be below the 7.50% with the hope interest rates will increase in the future bring things closer to the target. When pressed to provide more information he explained there is not a lot of room for error. Rodney was asked to provide his thoughts. Rodney explained moving to 7.35% would greatly impact the Electric Divisions results. They would need to make additional contributions of over \$500K over the next two years. Their intent was to pay off their unfunded liability and to stay fully funded. **Wayne explained we have a motion by Steve with a second by Mike to reduce the Assumed Rate of Return to 7.35% Board voted via roll call vote Steve “yes”; Mike “no”; Heather “no”; Joe “no”; Wayne “no” motioned failed in a 1 to 4 vote) (Vote: a motioned was made by Joe Collins with Mike Hagan seconding and the Board approving to remain at 7.50% Assumed Rate of Return via roll call vote: Joe “yes”; Mike “yes”; Steve “no”; Heather “yes”; Wayne “yes” motion passed in 4 to 1 vote).** The Board approved Funding Schedule B2 **(Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving via roll call vote Joe “yes”; Mike “yes”; Steve “yes”; Heather “yes”; Wayne “yes”).**

The Board unanimously approved the minutes of the April 29, 2020 meetings **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote Joe “yes”; Mike “yes”; Steve “yes”; Wayne “yes”).** It was noted Heather Varney did not vote since she was not on the Board in April.

The Board unanimously approved the Executive Session minutes of the April 29, 2020 meetings with the understanding they will officially sign once in-person meetings resume **(Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving via roll call vote Joe “yes”; Mike “yes”; Steve “yes”; Wayne “yes”).** It was noted Heather Varney did not vote since she was not on the Board in April.

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

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

May Payroll \$1,074,321.80
May Expenses \$ 35,116.63

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

SECURITIES PURCHASED:

BMO April

<u>716</u>	<u>ELF Beauty Inc</u>	<u>734</u>	<u>MTS Systems Corp</u>
<u>107</u>	<u>Inspire Medical Systems Inc</u>	<u>423</u>	<u>Patrick Industries Inc</u>
<u>84</u>	<u>Inter Parfums Inc</u>		

Twin May

<u>150</u>	<u>American Water Works Co Inc</u>	<u>10</u>	<u>Home Depot Inc</u>
<u>130</u>	<u>Citrix Systems Inc</u>	<u>10</u>	<u>Netflix</u>
<u>70</u>	<u>Clorox Co</u>	<u>60</u>	<u>Pultegroup Inc</u>
<u>20</u>	<u>Darden Restaurants Inc</u>		

SECURITIES SOLD:

BMO April

<u>113</u>	<u>Masonite International Corp</u>	<u>924</u>	<u>Natus Medical Inc</u>
<u>610</u>	<u>Modine Manufacturing Co</u>	<u>2260</u>	<u>Xenia Hotels & Resorts Inc</u>

Twin May

<u>0.26</u>	<u>Abbie Inc</u>	<u>140</u>	<u>Expedia Group Inc</u>
<u>130</u>	<u>Aspen Technology Inc</u>	<u>450</u>	<u>Hawaiian Electric Industries Inc</u>
<u>550</u>	<u>Chimera Investment Corp</u>	<u>60</u>	<u>Williams-Sonoma Inc</u>

Twin April

0.22

Raytheon Technologies Corp

The Board noted with sympathy the passing of: **Stanley Simon**, retired School Employee, died 5/11/2020; **Phyllis Stelline**, surviving spouse of Albert Morin (Water Dept.), died 4/6/2020; **Edward Holden**, Retired Hunt Hospital employee, died 5/11/2020.

The Board unanimously approved the following retirements: **Colette Hennessey**, Admin. Assistant to the School Athletic Director, Superannuation Opt. A, Effective 6/30/2020 (age 62 with 16 yrs., 9 months C/S); **Marc Smorzewski**, Fire Lieutenant, Superannuation Opt. C, effective 6/23/2020 (age 56 with 30 yrs. C/S). (**Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving via roll call vote (Joe “yes”; Mike “yes”; Steve “yes”; Heather “yes”; Wayne “yes”).**

The Board discussed and unanimously approved a 3% COLA for retirees on the first \$13 Thousand of the retirement allowance. (**Vote: Mike Hagan motioned with Joe Collins seconding and the Board unanimously approving via roll call vote (Joe “yes”; Mike “yes”; Steve “yes”; Heather “yes”; Wayne “yes”).** The Board noted it has been determined by the AG’s Office there is no ethics violation of a Board Member voting an increase even if they will also receive a benefit.

The Board discussed and unanimously approved waiving interest on delayed appropriation payments due to current COVID 19 crises. Rodney discussed and Joe Collins, Treasurer/Collector for the Town of Danvers said it would make sense from a cashflow perspective to waive interest until August 1st. (**Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote to waive interest until August 1st on delayed appropriation payments (Joe “yes”; Mike “yes”; Steve “yes”; Heather “yes”; Wayne “yes”).**

Rodney Conley reviewed items of interest with the Board: PERAC Memo (Delayed Appropriation payments); Budget FY21, BOS/Fin Comm. Steve asked if the Town anticipates any layoffs? Rodney said potentially some part-time seasonal not coming back, not filling vacancies will save \$600K if kept vacant.

Cliff White and Isabelle Eckel of Morgan Stanley Graystone updated the Board on portfolio performance/investment policy and other items of interest.

The Board, based on Graystone’s recommendations, and with the understanding the approved changes will occur overtime, unanimously approved rebalancing the portfolio by terminating TWIN Capital and moving the funds to Rhumbline S&P account; move \$1Million from PRIT Real Estate into cash account; move \$500K from Western Asset into Barings account; and issuing two RFP’s 1.) issue a Russell 2000 Index RFP for \$1 Million commitment; 2.) issue a Real Estate Partnership RFP for \$1 Million commitment; fund both RFP’s from PRIT International withdrawal of \$2Million once contracts are executed and partnerships are ready to be funded.

Meeting Adjourned: 4:58PM (Vote: **Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote (Joe “yes”; Steve “yes”; Heather “yes”; Mike “yes”; Wayne “yes”)**).

NEXT MEETING: June 24, 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