

A regular meeting of the Retirement Board was held remotely via WebEx on Wednesday September 30, 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.

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

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

The Board unanimously approved the minutes of the August 26, 2020 meeting (**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 unanimously approved the May Cashbooks (**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”**).

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”**).

September Payroll	\$1,098,645.55
September Expenses	\$ 27,722.04

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: Mike Hagan motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote: Joe “yes”; Mike “yes”; Steve “yes”; Heather “yes”; Wayne “yes”**).

SECURITIES PURCHASED:

<u>BMO August</u>			
<u>6711</u>	<u>American Axle & Manufacturing</u>	<u>1490</u>	<u>Graham Holdings Co</u>
<u>1003</u>	<u>Associated Banc-Corp</u>	<u>1842</u>	<u>Gray Television Inc</u>
<u>1406</u>	<u>Bancorp Inc</u>	<u>749</u>	<u>Heartland Financial USA Inc</u>
<u>445</u>	<u>Banner Corp</u>	<u>464</u>	<u>Huron Consulting Group Inc</u>
<u>2272</u>	<u>Carpenter Technology Corp</u>	<u>56</u>	<u>Korn Ferry</u>
<u>432</u>	<u>Cathay General Bancorp</u>	<u>109</u>	<u>l-Z-Boy Inc</u>
<u>1109</u>	<u>Commercial Metals Co</u>	<u>2725</u>	<u>Primoris Services Corp</u>

<u>2189</u>	<u>Cowen Inc</u>	<u>4259</u>	<u>Properto Holding Corp</u>
<u>1376</u>	<u>DXP Enterprises Inc/Tx</u>	<u>1752</u>	<u>Stag Industrial Inc</u>
<u>686</u>	<u>Emcor Group Inc</u>	<u>1347</u>	<u>Trueblue Inc</u>
<u>1084</u>	<u>Encore Capital Inc</u>	<u>2098</u>	<u>US Concrete Inc</u>
<u>1882</u>	<u>First Merchant's Corp</u>	<u>554</u>	<u>WSFS Financial Corp</u>
<u>706</u>	<u>Getty Realty Corp</u>	<u>7266</u>	<u>Tronox Holdings PLC</u>

SECURITIES SOLD:

BMO August

<u>2455</u>	<u>American Equity Investment Life Ins.</u>	<u>730</u>	<u>National Storage Affiliates Inc</u>
<u>2597</u>	<u>BMC Stock Holdings INC</u>	<u>326</u>	<u>Nuvasive Inc</u>
<u>269</u>	<u>Boise Cascade Co</u>	<u>203</u>	<u>Portland General Electric Co</u>
<u>525</u>	<u>Builders Firstsource Inc</u>	<u>805</u>	<u>Sandy Spring Bancorp Inc</u>
<u>638</u>	<u>CTS Corp</u>	<u>1009</u>	<u>Site Centers Corp</u>
<u>87</u>	<u>Conmed Corp</u>	<u>1027</u>	<u>Spirit Realty Capital Inc</u>
<u>1767</u>	<u>Easterly Government Properties</u>	<u>1755</u>	<u>Sprouts Famers Market Inc</u>
<u>200</u>	<u>Emergent Biosolutions Inc</u>	<u>1092</u>	<u>Ultra Clean Holdings Inc</u>
<u>246</u>	<u>Enpro Industries Inc</u>	<u>2087</u>	<u>Umpqua Holdings Corp</u>
<u>587</u>	<u>Hancock Whitney Corp</u>	<u>147</u>	<u>Unifirst Corp/MA</u>
<u>415</u>	<u>Inter Parfums Inc</u>	<u>921</u>	<u>Walker & Dunlop Inc</u>
<u>1127</u>	<u>KBR Inc</u>	<u>552</u>	<u>Watts Water Technologies Inc</u>
<u>211</u>	<u>Luminex Corp</u>	<u>1780</u>	<u>Webster Financial Corp</u>
<u>115</u>	<u>Masonite International Corp</u>	<u>2625</u>	<u>Xenia Hotels & Resorts Inc</u>

The Board noted with sympathy the passing of **Stanley Simon**, School Dept. employee, died 5/11/2020; **Warren McCarthy**, Police Officer, died 8/31/2020; Barbara Christie, surviving spouse of John Christie, died 9/5/2020; **Al Ortins**, Custodian, died 9/24/2020.

The Board unanimously approved the following retirement: **Shirley Harris**, Cafeteria Worker, Superannuation Opt. A, effective 9/18/2020 (age 59 with 20 yrs. 10 months C/S) (**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”**).

Approvals received from PERAC: **None**

Rodney Conley reviewed items of interest with the Board: Rodney informed the Board staff has returned to the office effective 9/28 but there will be no walk-in traffic; Legal is reviewing the MSGraystone AIA Addendum for the Intercontinental and Boyd Watterson GSA investments. He will likely be providing further information at the October Brd. Mtg.

Cliff White and Isabelle Eckel of Morgan Stanley Graystone updated the Board on portfolio performance/investment policy and other items of interest. Cliff provided an overview of the economy. He explained US interest rates stay near zero through 2021 with 13 or 17 members of Fed.

Reserve indicating they supported rates remaining low through 2023. Volatility returns by year end with 12/31/ Brexit deadline, US Elections, and need for a COVID vaccine. Isabelle provided a review of April's Morgan Stanley Global Investment Committees forecast. This is used by Graystone to formulate our asset allocation. The 7-year view of the Danvers asset allocation is forecasted to return +6.30% with the 20 yr. view forecasting a return of +7.70%. Cliff commented it will be a rocky road, but we should make our actuarial assumption of 7.50%. Cliff provided the regular monthly overview of portfolio performance. He advised the August 31, 2020 YTD performance is +1.71% vs the Strategic Benchmark of +2.31 with Lyrical still pulling the YTD results down. The Monthly performance is +3.93% vs the Strategic Benchmark of +3.86%. Cliff explained the System has \$130 Million in the portfolio as of 8/31/2020. Isabelle mentioned we are in full compliance with our Investment Policy. Cliff noted they see the newest Fixed Income number for PRIM is 11%. Which he suspects he means they must have pushed the bond maturity far out. This appears to have worked for them but can also be considered a risky move.

Cliff recommended some changes to the portfolio. The changes are for rebalancing purposes and include pulling \$2 Million from Rhumblin and investing with Western Asset Mgmt. Steve asked if the pulling from equities is reducing the risk in equities. Cliff answered yes. The further recommendation, once a contract is signed with Boyd Watterson GSA and Intercontinental, pull \$1 Million from Rhumblin Russell Growth and \$1 Million from PRIT Real Estate and invest \$1 Million each with Boyd and Intercontinental. These changes replace the recommended change from last month to pull money from High Yield to fund Boyd Watterson. **(Vote: Steve Swanson motioned with Joe Collins seconding and the Board unanimously approving via roll call vote (Heather “yes”; Mike “yes”; Joe “yes”; Steve “yes”; Wayne “yes”).**

Meeting Adjourned: 3:55PM **(Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote (Heather “yes”; Mike “yes”; Joe “yes”; Steve “yes”; Wayne “yes”).**

NEXT MEETING: October 28, 2020 @ 3PM via WebEx

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Heather Varney, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member