

A regular meeting of the Retirement Board was held remotely via WebEx on Wednesday February 24, 2021 at 3PM Per Governor Bakers Executive Order on Remote Participation & Remote Conduct for Open Meetings. The Board will be voting per roll call vote.

Board Members confirmed their presence via roll call Joe Collins “here”; Steve Swanson “here”; Mike Hagan “here”; Heather Varney “here”; Wayne Marquis “here”.

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

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

The Board unanimously approved the minutes of the January 27, 2021 meeting (**Vote: Steve Swanson seconding and the Board unanimously approving via roll call vote: Mike “yes”; Heather “yes”; Steve “yes”; Joe “yes”; Wayne “yes”**).

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

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

February Payroll	\$1,110,911.49
February Expenses	\$ 53,930.17

Denise D’Entremont, President and General Partner of Rhumblin Advisers provided a review of the portfolio to the Board. Denise explained January pulled back, but February looks better. She explained Danvers is invested in Russell 1000 Growth (27 investors with a MV of roughly \$9 Million) and S&P 500 (15 investors with a MV of \$18 Million). She explained they have roughly \$84.1 Billion of Assets under management. They handle three asset classes, Dom. Equity; Dom. Fixed; International Equity. She ended by explaining they have had no turnover in the firm. The Board thanked Denise for her time.

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

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

SECURITIES PURCHASED:

<u>BMO February</u>			
<u>1494</u>	<u>Amkor Technology Inc</u>	<u>407</u>	<u>Myr Group Inc</u>
<u>969</u>	<u>Astec Industries Inc</u>	<u>212</u>	<u>Meritage Homes Corp</u>
<u>1877</u>	<u>Century Communities Inc</u>	<u>918</u>	<u>Movado Group Inc</u>
<u>730</u>	<u>Computer Programs and Systems</u>	<u>568</u>	<u>National Storage Affiliates Trust</u>
<u>1830</u>	<u>Digi International Inc</u>	<u>1627</u>	<u>Now Inc</u>
<u>433</u>	<u>Eastgroup Properties Inc</u>	<u>1619</u>	<u>Potlatchdeltic Corp</u>
<u>2060</u>	<u>Federated Hermes Inc</u>	<u>3082</u>	<u>Proassurance Corp</u>
<u>819</u>	<u>First Industrial Realty Trust</u>	<u>2559</u>	<u>Schneider National Inc</u>
<u>447</u>	<u>Flagstar Bancorp Inc</u>	<u>2504</u>	<u>Tegna Inc</u>
<u>1149</u>	<u>Gray Television Inc</u>	<u>1135</u>	<u>Trustmark Corp</u>
<u>681</u>	<u>Kimball International Inc</u>	<u>2041</u>	<u>UMH Properties Inc</u>
<u>1801</u>	<u>Lexington Realty Trust</u>	<u>1344</u>	<u>Virtu Financial Inc</u>
<u>404</u>	<u>M/I Homes Inc</u>		

<u>Eagle February</u>			
<u>412</u>	<u>Comcast Corp</u>	<u>113</u>	<u>Liberty Broadband Corp</u>

SECURITIES SOLD:

<u>BMO February</u>			
<u>1515</u>	<u>Alexander & Baldwin Inc</u>	<u>954</u>	<u>Hilltop Holdings Inc</u>
<u>7615</u>	<u>Boston Private Financial Holdings</u>	<u>3421</u>	<u>Kar Auction Services Inc</u>
<u>2551</u>	<u>CBIZ Inc</u>	<u>1771</u>	<u>KB Home</u>
<u>737</u>	<u>Cadence Bancorp</u>	<u>748</u>	<u>Korn Ferry</u>
<u>968</u>	<u>Carpenter Technology Corp</u>	<u>912</u>	<u>Netscout Systems Inc</u>
<u>3797</u>	<u>Commercial Metals Co</u>	<u>4126</u>	<u>Physicians Realty Trust</u>
<u>248</u>	<u>Crane Co</u>	<u>1574</u>	<u>Red Rock Resorts Inc</u>
<u>183</u>	<u>Echo Global Logistics Inc</u>	<u>173</u>	<u>Seneca Foods Corp</u>
<u>1528</u>	<u>HMS Holdings Corp</u>	<u>232</u>	<u>Southwest Gas Holdings Inc</u>
<u>547</u>	<u>Hancock Whitney Corp</u>	<u>693</u>	<u>Surgery Partners Inc</u>
<u>461</u>	<u>Heartland Financial USA Inc</u>	<u>507</u>	<u>WSFS Financial Corp</u>
<u>1700</u>	<u>Heritage Insurance Holdings Inc</u>		

Eagle January

<u>152</u>	<u>Facebook Inc</u>	<u>448</u>	<u>Marriot International Inc/MD</u>
<u>278</u>	<u>Hilton Worldwide Holdings Inc</u>		

Eagle February

<u>43</u>	<u>Alphabet Inc-Cl C</u>	<u>115</u>	<u>Microsoft Corp</u>
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The Board unanimously approved the following new members:

Elinor Stockman, Rec. Dept. – remote Group Leader, start date 9/21/2020 (**Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote: Heather “yes”; Steve “yes”; Mike “yes”; Joe “yes”; Wayne “yes”**).

The Board unanimously approved the military buyback of: Frank Backry, 2 yrs. Military service, totaling \$5,673.76 (**Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote: Heather “yes”; Steve “yes”; Mike “yes”; Joe “yes”; Wayne “yes”**).

Rodney Conley reviewed items of interest with the Board:

Rodney updated on the FY22 balanced budget; S&P reaffirmed the AAA rating.

Cliff White and Isabelle Eckel of Morgan Stanley Graystone updated the Board on portfolio performance/investment policy and other items of interest. Cliff explained January took a breather with performance -07 versus the strategic benchmark of -.05. The 1-year results are all COVID +13.26 versus strategic benchmark of +11.84%, Three-year results still contain Lyrical and the “since inception” results +7.67% versus benchmark +7.73% (inline with our actuarial assumption. Isabelle explained are MV is \$138 Million versus October 2020 of \$124 Million. PRIT International is the largest allocation of \$25 Million. The portfolio is in complete compliance. Cliff explained the recovery depends on the Vaccine rollout reaching 60 – 70%. Wayne asked if stimulus would do anything. Cliff answered, stimulus is priced into the market, with the middle class banking their payments, this will help fuel the takeoff. Mike asked if BMO performance made sense. Is this something they thought would do well but did not. Cliff answered yes, but they are positioned to do well in the recovery, the pandemic changed the field.

Cliff White and Isabelle Eckel of Morgan Stanley Graystone reviewed underperforming managers as triggered by the Board policy. Cliff explained they looked at Barings and BMO. Barings and BMO are not monitored by Morgan Stanley, so they needed to approach the managers directly. With both Managers they found 1. They understand their approach 2. They did waiver in conviction and did not change their approach 3. COVID resulted in sectors not being rewarded. Barings returned +5.85 versus the benchmark of +7.11 during the full 2020 CY. Transportation and Energy were the largest detractors. Steve requested Cliff provide any 2019 and 2020 return for Barings and BMO. BMO's results were nearly inline with the benchmark -21.92% versus the benchmark of -21.54%. Relating the market to BMO's investment philosophy of an emphasis on company fundamentals during low quality, have the potential to outperform over the long run. Joe motion with Mike seconding and the board unanimously approving to revisit BMO, Barings, and Gerber Taylor performance in three months. **(Vote: Joe Collins motioned with Mike Hagan seconding and the Board unanimously approving via roll call vote: Heather "yes"; Steve "yes"; Mike "yes"; Joe "yes"; Wayne "yes").**

Meeting Adjourned: 4:03PM **(Vote: Joe Collins motioned with Steve Swanson seconding and the Board unanimously approving via roll call vote (Joe "yes"; Steve "yes"; Heather "yes"; Mike "yes"; Wayne "yes").**

NEXT MEETING: March 31, 2021 @ 3PM via WebEx

Joseph Collins, Elected Member

Michael Hagan, Elected Member

Heather Varney, Ex-Officio Member

Wayne P. Marquis, Chairman

Stephen Swanson, Fifth Member