

TRUSTEES OF TRUST FUNDS

Minutes January 27, 2012

Meeting was called to order at 8:02a.m. with Trustees Jack Balcom, Bill Wilkes and Chris Christensen present. Also present was Paul Micali, Town of Merrimack Finance Director.

It was noted that Bill had been appointed to fill the seat opened due to the passing of John Lyons. Bill announced that he had been sworn in by the Town Clerk.

The agenda sequence was modified in deference to guests.

Paul Micali presented the report from the Town's auditors, Melanson and Heath, including a management letter. He also noted his response. As in past years, it was pointed out that the Trustees permanent funds should be incorporated into the Town's general ledger. As combined funds, only a percentage of the funds have anything to do with the Town. Both the Trustees and the Finance Director have researched this issue with the New Hampshire Department of Justice. The Attorney General's office indicates that they disagree with the auditor's request, noting that they have addressed the issue with the auditors to no avail. The Trustees agreed that they would provide whatever information the Town might request. We currently provide monthly statements on Capital Reserve Funds to the Town and to the Merrimack Village District, and quarterly statements to the School District. (Secretary's note: The school district uses the same auditing firm. We asked the school district: there has never been a request for them to bring permanent funds into their general ledger.)

At 8:15 a.m. Nancy Burt and Larry Hodkinson arrived and a discussion of our workings with Ameriprise ensued. Larry pointed out that we had, in totals for the last 12 months, \$34,730 in total expenditures, supported by over \$348,891 in change in

value, for a return of 10.9%. It was noted that because of the size of our holdings, we do not pay transaction fees in most trades. They do not charge us a management fee at this time.

A general discussion of the funds and reports followed to introduce Bill to more detail on the operations of the Trustees.

A history of the Mandarin program at the High School was discussed. Informally, Ken Johnson, Principal, had advised the Trustees that the program would cost about \$26,000 this year, although we had set aside \$50,000. He hoped we would be able to continue for a second year. Trustees Balcom and Christensen had visited the program on the occasion of a visit from former Ambassador to China, John Huntsman. Everybody believes the program is very successful and it works well with the China exchange program conducted by the school.

At 8:55 a.m. Jack Balcom excused himself to go to work.

The remaining agenda items on AG Seminar in June and Elections, were addressed with Bill, and there was agreement that future meetings on Friday mornings would work.

Minutes were held until the next meeting.

Bill and Chris reviewed the portfolio, noting that Fund B has a concentration of energy holdings and that Fund D could be a little more aggressive. No changes were recommended at this time.

Meeting adjourned at 9:55 a.m.

Respectfully submitted,

Chris Christensen
Trustee Secretary