

Approved: September 19, 2014



**Trustees of Trust Funds
Meeting Minutes
Friday, August 22, 2014
Conference Room, Merrimack Town Hall, East Wing**



The meeting was called to order at 8:34 a.m. Trustees present were Wilkes and Christensen. Also present was Tom Boland, the Deputy Finance Director for the Town of Merrimack.

On a motion by Wilkes, second by Christensen, the minutes of June 20, 2014 were approved, 2-0-0.

It was announced that an email had been received from the School District advising us that school repairs were planned for the fall and that \$100,000 would be requested from the School Repairs CRF. The School is aware that we do not meet in December and will act accordingly for scheduling reimbursement. Cambridge Trust was advised of the pending transaction for liquidity purposes.

The Trustees Investment Policy was reviewed and approved 2-0-0 on a motion by Wilkes, second by Christensen. There were no changes from the policy approved in 2013. When signed, a copy will be forwarded to our investment advisors and to the Town Manager's office for website posting.

A preliminary questionnaire from our new auditors, Plodzik & Sanderson, was completed, signed and given to Tom Boland to include in the auditor's packet.

The MS-9 and MS-10 reports were reviewed. There was brief discussion about the unrealized capital gains or losses column. It was noted that the School funds showed a small loss while other accounts showed modest gains. All accounts (Town, School, and MVD) are similarly invested. Jeffrey Cole from Cambridge Trust reviewed the situation and attributed this to two factors. The School funds are much smaller than the Town and MVD. Although the primary investment is in CD's the laddering of the School funds does not have the diversity that exists in the other accounts and for the snapshot on June 30, the market value showed a small loss. He noted that since we hold CD's to maturity, the snapshot which implies premature sale can be misleading.

For the permanent funds, the parallel columns on unrealized gains/losses in principal were still to be added to the spreadsheets. In previous years, we had attached this as a separate report. After discussion, it was agreed that we would match the format for all reports and Tom Boland will make the adjustments.

Approved: September 19, 2014

The MS-9 and MS-10 reports were approved conditional on the addition of the gain/loss columns.

Recently passed legislation was discussed, specifically HB297. The effective date was July 26, 2014. The Trustees are now directed to give copies of the details of perpetual care funds to the Selectmen/Town Council. i.e. each individual cemetery plot. We have about 200. Previously, a summary was printed in the annual Town Report. Most of the funds we hold are for plots at Last Rest Cemetery, a private entity. Also, the Town is now required to specifically approve payment of advisor's fees from income of Capital Reserve Funds. Previously, the law had been silent on this issue, although fees to mutual fund managers and the Public Deposit Investment Pool were addressed and specifically allowed. Through Tom Boland, we will ask Finance Director Paul Micali to draft an appropriate resolution for us to present to the Town Council. Contact with the Charitable Trust Division of the NH Department of Justice indicated that there is no model resolution since there is no directed language in the law. Most Towns will not address this until the 2015 Town Meeting.

Our next meetings are scheduled for Friday, September 19, October 24 and November 21, 2014 at 8:30 a.m. There is no meeting planned for December.

On a Motion by Christensen, second by Wilkes, 2-0-0, the meeting adjourned at 9:40a.m.

Respectfully submitted,

Chris Christensen
Trustee Secretary/Treasurer