



**Trustees of Trust Funds
Meeting Minutes
Friday November 22, 2019
Memorial Room, Merrimack Town Hall, East Wing**



The meeting was called to order at 8:31 am. Trustees present were Balcom, and Christensen. Paul Micali, Merrimack Finance Director and Ass't Town Manager was also present. Guests were Michele Holton from the Merrimack Village District, Judith Noel, Eric Jussaume and Lindsey Donovan, all from Cambridge Trust Co.

The minutes of October 25, 2019, were approved as distributed. Motion by Balcom, second by Christensen. Motion passed 2-0-0.

Eric Jussaume presented information on current economic conditions as they affect our portfolios. Lindsey Doherty addressed specific portfolios and holdings. Capital Reserve Funds for the Town, School and MVD, are all invested, by law, in U.S. Government guaranteed securities, mostly Treasuries and CD's. It was noted that the Town's CRF portfolio has a return somewhat less (2.90%) than that of the MVD (3.30%). Discussion indicated that the Town uses CRF for operational purposes to a large degree, where the MVD is aimed more at savings accounts with lower turnover. This allows MVD funds to have a more extended ladder with higher interest on longer duration investments. It was agreed that Cambridge Trust would look into longer maturities for the stable portion of the municipal CRF accounts. Paul Micali suggested that the Town's upcoming budgets might focus CRF more on savings than operations.

The Common Funds are invested about 63% in equities, with an emphasis on dividends to generate income for distribution to the "income side" of the ledger. Overall yield is almost 3%. Growth has been slightly better than the S & P 500. For the "Common Income" fund this was 16.42% vs. an index of 15.52%. The return on the Common Principal was 17%.

Emails to the Merrimack Conservation Commission and the School District regarding future harvest at the Watkins Town Forests were sent. No significant comments in return.

A scholarship award for Leann Palmer was paid (Watson, \$1000).

A bill from Last Rest Cemetery for 20187 as received in the amount of \$11,883.72. Motion by Balcom to approve and pay, seconded by Christensen, passed 2-0-0.

A meeting with the new Merrimack School District Superintendent, Mark McLaughlin, has not yet been successfully scheduled. Christensen did discuss, by telephone, Trustee procedures with McLaughlin and School Finance Director Matt Shevenell.

Trustee training was attended by all Trustees and Tom Boland, Assistant Finance Director. A question of how to deposit to CRF, either by warrant or by operating budget remains unresolved. Paul Micali will follow up with DRA. It appears there is not a consistent method of reporting to Annual Town Meetings from one town to another. A condensed draft report was presented to the Assistant Town Manager for administrative discussion and decision.

Our next meetings are scheduled for January 17, 2020 and February 21. Cambridge Trust has been invited to the May meeting.

Motion to adjourn by Balcom, second by Christensen. 2-0-0. Meeting adjourned at 9:40 a.m.

Respectfully submitted
Chris Christensen, Trustee

Notes on Watkins Forest Site Walk

October 7, 2019

Trustees Jack Balcom and Chris Christensen met with Forester Eric Radlof. They were joined by Tom Boland, Town of Merrimack Assistant Finance Director. The purpose of the meeting was to conduct a site walk of the two parcels comprising the Watkins Town Forests. Per Eric Radlof "Both properties appear to be growing well at this time with no signs of damage or disease." The first parcel is located between Profile Circle and Mitchell Street (Mitchell Woods 6B224-1 Watkins Forest 6B-158). We met at the right of way on Profile Circle which provides access to the parcel. We observed that the ROW s overgrown with small saplings and mixed brush. It does not appear to have been infringed upon by abutters.

We removed to Mitchell Street where there is access to Town owned property (Mitchell Woods). A gated access road leads into a landing site that has been used for previous harvesting. The gate is in significant disrepair. This also provides access to the area where the MVD has plans for two additional water supply wells. The Trustees have granted an easement to the MVD for the required Sanitary Protection Zone around the well sites.

Eric Radlof noted that the landing area has invasive species growth of both "Autumn Olive" and "Oriental Bittersweet". These are mostly confined to Town property at this time but some control measures will likely be called for in the future, perhaps in 5-6 years in conjunction with a future harvest. Specific timelines for activities on the Town owned land by the Town and/or MVD are un known at this time.

There are trails through the property that are related to past harvests and appear to be used by hikers and snowmobilers.

Radlof pointed out evidence of previous harvests in 2004 and the mid 1990's. The various levels of growth that lead to long term sustainability were also pointed out. Harvest would consist of mostly White Pine. Hardwoods (Oak and Maple) are occasionally found on the property, along with some Beech and Birch.

Radlof's opinion was that the existing management plan makes sense. It calls for a harvest in 2026 or 2027, depending on intervening growth and the economics of the market at that time. No thinning or other activity is necessary at this time. Such work, done at the time of harvest, is adequate.

Compiled by Chris Christensen, Trustee. By consensus: attach to October 25, 2019 minutes