



**Trustees of Trust Funds
Meeting Minutes
Friday, January 4, 2013 at 8:30 AM
Conference Room, Merrimack Town Hall, East Wing**



The meeting was called to order at 8:30 a.m. Trustees present were Balcom, Christensen and Wilkes. Also present were representatives from Cambridge Trust Co. Susan Martore-Baker, Julie Alix and Kathryn Hersey.

On a motion by Balcom, second by Wilkes, the minutes of November 23, 2012 were approved as distributed, 3-0-0.

Susan Martore-Baker presented on behalf of Cambridge Trust, indicating that funds had been successfully transferred from Merrill Lynch and established in four primary accounts: Town, School, MVD and Scholarships. Sub accounts would be established to mirror the specific Capital Reserve Funds. Discussion followed regarding the needs for liquidity in the various accounts. We had detailed spreadsheets from the Town for FY13 and FY14. The MVD had indicated via email that their expected disbursements would be about \$100,000 for the rest of FY13 for facilities maintenance. Plans were not formalized for FY14 yet. CRF expenditures for the school district had not been received as of meeting date. Scholarship awards will be about \$8500 as always.

It was generally agreed that laddering of investments in CD's was a reasonable approach for current conditions. Most funds would be in three month maturities to provide the needed liquidity for year-end disbursements in June. The balance would be distributed up to a two year and occasionally a three year maturity. It was agreed that approximately \$1.3MM would be needed in cash at year end and that \$750,000 should be kept in cash for immediate liquidity in the municipal account. For the MVD, it was noted that such things as land acquisition had a long lead time, and therefore less liquidity could be tolerated. However, the laddering is still appropriate so that as interest rates rise we will not lag significantly. Ultimately, for CRF, preservation of principal is a key goal. School funds will be treated similarly. It was noted that some funds, such as roofing and paving

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were routinely active and that Special Ed needs could be drawn upon in September.

Scholarship funds were to be aimed more towards growth and income. It was noted that with only \$150,000, significant diversity would be difficult. As in the past, these funds might benefit from mutual fund investments.

We have received one request for scholarship funds so far. The process will be to scan the documents and email to Cambridge Trust (Julie Alix) for direct payment to the specific school.

On a motion by Balcom, second by Wilkes, payment of all scholarships for this year were so authorized, vote 3-0-0.

Susan Martore-Baker distributed a sample investment policy for us to consider. The policy in place needs revision as it refers to specific custodians that we no longer use. It was agreed that this is a good time to review and rewrite the entire policy. Chris was authorized to consult with the Town for their input, as their funds come under the same policy.

Review of Funds A, B, C, and D will commence with the receipt of the December, 2012 statements which will be copied and mailed, probably the week of January 7, 2013.

The meeting adjourned at 9:45 a.m.

Respectfully submitted,

Chris Christensen
Trustee Secretary/Treasurer

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