

Approved: March 23, 2018

Posted: March 26, 2018



**Trustees of Trust Funds
Meeting Minutes
Friday, January 26, 2018
Memorial Room, Merrimack Town Hall, East Wing**



The meeting was called to order at 8:30 am. Trustees present were Wilkes, and Christensen. Also present was Tom Boland, Deputy Finance Director for the Town, Paul Micali, Merrimack Director of Finance and Assistant Town Manager. Present from Cambridge Trust were Judith Noel, Eric Jussaume, Lindsey Donovan and Kate Gallagher. Present from the Merrimack School District was Nancy Rose.

The minutes of November 17, 2017, were approved as distributed. Motion by Wilkes, second by Christensen, 2-0-0.

Paul Micali discussed issues that the Town Council would likely be interested in for an as yet unscheduled joint meeting. These included the advisor relationship with Cambridge Trust, the investment policy and investment results Judy Noel volunteered that Cambridge Trust would prepare a brief graph/analysis for distribution at the meeting. It was suggested that we might use this to give an overview of our investment philosophy Other potential topics included cemetery funds.

Liquidity needs for the next six months were discussed. Trustee Balcom arrive during this discussion. The Town will be looking to have capital reserve funds reimbursed in mid-June for an estimated \$1.5 million. It was noted that the Town had recently deposited approximately \$1.9 million into a variety of capital reserve funds following December tax receipts. The school district has a very low capital reserve fund balance relative to their overall budget, so current levels of cash are sufficient. They will be withdrawing \$150,000 from the school repair fund in the near future. The current levels of cash are sufficient for MVD. They usually add to their funds in April following the annual meeting. We are presently holding small sums on the income side of the paving and roofing school CRF following major withdrawals. On a motion by Christensen, second by Balcom, it was agreed that these sums should be moved to the principal side of the ledger for investment. Motion carried, 3-0-0.

Nancy Rose presented information on the JMUES Library, for which funds had been encumbered March 17, 2017, \$110,000 from the Watkins Fund. Motion by Wilkes, second by Christensen to pay the final invoice of \$101,390.02, with the now unencumbered balance going back to accumulated income. Motion carried 3-0-0.

Discussion followed presentation of an invoice for \$9191.64 for LEGO League equipment for various grade levels. SMotion by Balcom, second by Wilkjes to pay this bill. 3-0-0, to come from \$50,000 in funds encumbered April 29, 2016 from the Watkins Fund.

Nancy Rose presented an outline of proposed expenditures, electronic equipment purchases, for the same purpose in the amount of \$39,200.00. By consensus, this was approved pending final invoice.

Christensen reported that \$5000 had been received from the Watson Foundation for 5 \$1000 scholarships and \$1000 received for the LEGO League. These Scholarships are being paid as requests come in at this time of year.

Discussion with the Cambridge Trust team reviewed the overall economy followed by a look at our capital reserve funds We remain focused on laddered CD's to allow periodic access without

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penalties. Varying amounts of cash and cash equivalent are held depending on the purpose of the funds (Town, MVD, School, scholarship). Discussion of the common funds focused more on yields and growth with a long term horizon. It was agreed that there was little need for immediate cash on the principal and that could be more fully invested.. Both the principal and income balances have prospered over the last 12 months. Our defensive portfolio from the recession years has been transitioned for a growth economy. Our traditionally (last 10 years) weighting on fixed income will be eased as interest rates climb. We plan to meet with CTC again at our August meeting.

Future meeting is scheduled for February16, 2018

Motion to adjourn by Christensen, second by Balcom. 3-0-0, meeting adjourned at 10:15 am.

Respectfully submitted,

Chris Christensen, Trustee Secretary/Treasurer