

Trustees of the Trust Funds  
Scheduled Meeting  
July 1, 2022

Meeting Minutes

Present: John Berger, Chair  
Patrick Fine, Trustee  
Shannon Martinez, Town Manager  
Bonnie Leamy, Finance Office

1. The chairman convened the meeting at 10:05 and declared a quorum to proceed with the two current Trustees being present.
2. The first agenda item concerned the filing of the Town's MS-9 financial report. Patrick Fine reported that the MS-9 report, filed on June 3<sup>rd</sup>, 2022, reported the following trust balances as of December 31, 2021 as:

a. Capital Reserve Accounts:	\$2,733,106.32
b. Expendable Trust Funds:	540,346.55
c. Non-Expendable Trusts:	<u>337,780.56</u>
Total	\$3,611,234.56

Mr. Fine noted that there was a 20 cents discrepancy between the town records and the MS-9 report as a result of a rounding error, most probably associated with the many cemetery perpetual care unexpendable trusts.

### 3. New business

#### a. Investment Policy

Mr. Berger presented a revised investment policy that sets out three guiding principles to govern investments: safety, liquidity, and investment return. The revised investment policy also more clearly sets out the methodology for governing allocation of assets in accordance with the stated investment principles. Following review and discussion, the Trustees approved the revised investment policy and submitted it to the town for posting on the website.

#### b. Investing the Principle of Unexpendable Trusts

There was agreement that the principle amounts in unexpendable accounts should be placed in the highest yielding, safe investment vehicles available to the town. It was believed that this will require three steps:

- Determine the base principle amounts for each unexpendable subaccount
- Identify high yield, safe investment vehicles that comply with the investment policy
- Move unexpendable funds into higher yield investments

#### c. Capital Reserve and expendable trust funds

There is a desire to maximize the yield on funds held in expendable trusts by investing a portion of the funds in instruments that are safe and liquid but provide a higher return than savings accounts. There was

general agreement to obtain from the town a forecast of its use of funds over the course of the fiscal year in order to determine an amount that could be invested in term (3 month, 6 month or one year) instruments. The trustees recommended a conservative approach that would maintain a healthy balance in accounts with no withdrawal restrictions. The trustees will research available and compliant investment options by no later than the end of the current fiscal year. Ideally, a more beneficial investment plan could be in place by January, and possibly before.

## Other Business

Several items of new business were raised:

- Annual clean up of the accounts. It was agreed that the Trustees will determine what accounts are dormant and should be closed and determine the proper process for closing an account. This should be done by the end the fiscal year and continued on an annual basis.
- Ms. Martinez suggested that the trustees provide a delegation of authority to the town to deposit checks into the TD bank trust subaccounts on behalf of the Trustees. The trustees supported this proposal.
- Ms. Martinez requested to be given access rights to the on-line TD Bank account portal in order to view subaccounts. The Trustees agreed this would be a good idea and Mr. Fine indicated he would work with TD Bank to provide the requested permission.

- The trustees discussed the advantages of greater automation in the management of the accounts to allow for electronic funds transfers and deposits. The trustees agreed to work with TD Bank to modernize the current banking arrangements.

There being no other business, the Chair adjourned the meeting at 11:30 am.