

**City of Keene**  
**NEW HAMPSHIRE**

**TRUSTEES OF TRUST FUNDS**  
**MEETING MINUTES**

**Wednesday, October 18, 2017      9:30 AM      City Hall-2<sup>nd</sup> Floor Conference Room**

**Members Present:**

Marilyn Gemmell, Vice Chair  
Katherine Snow  
Susan Silver  
Brian Mattson

**Staff Present:**

Karen Gray, Senior Staff Accountant  
Sherrie Curtis, Secretary

**Absent:**

Michelle Howard, Chair

**Other:**

Judith Noel, Cambridge Trust  
Maureen Kelliher, Cambridge Trust

**Approval of the September Meeting Minutes**

Ms. Snow made a motion to approve the September 2017 minutes as presented, Ms. Silver seconded. Motion carried unanimously.

**Cambridge Trust Quarterly Review of Portfolio**

Mrs. Kelliher reported the portfolio has done extremely well this year, congrats to the Trustees! Mrs. Kelliher reviewed various charts as they pertain to the economy and the portfolio. The market value of the Trust Portfolio as of September 30, 2017 was \$9,021,653, with an estimated income of \$285,272 and an estimated yield of 3.16%. With regards to the Capital Reserve Portfolio, Mrs. Kelliher stated that the authorized investments are being made with staggered maturity dates. The market value of the portfolio as of September 30, 2017 was \$11,206,403 with estimated annual income of \$147,056 with estimated yield of 1.31%.

The Library Renovation Trust continues to receive donations, the market value as of September 30, 2017 was \$2,858,984, with estimated annual income of \$25,158 and an estimate annual yield of 0.88%. Mrs. Gemmell inquired as to whether or not the earnings have begun to offset the fees of the portfolio. Mrs. Kelliher stated the income is starting to offset the fees. Mrs. Gray advised that there is still the chance the Trustees may need to hold a special meeting with regards to the funding and the loan closing.

Mrs. Gray stated that the Investment Policies for each portfolio are up for their annual review this month. Mrs. Gray inquired with Cambridge Trust for input regarding the policies. Mrs. Kelliher advised that all policies are solid. However, a future consideration would be to allow the Common Trust to invest up to 30% in international securities. Mrs. Kelliher advised that this is bullet four under the constraints of the Common Trust policy. The Trustees thanked Mrs. Kelliher for her guidance.

## **Common Trust Fund**

### **DISBURSEMENTS**

#### **Frank Wright Trust #581**

- Tia Auger's November 2017 off-campus housing in the amount of \$550.00 payable to Thomas Little. Ms. Silver made a motion to approve as presented, Mr. Matson seconded. Motion carried unanimously.
- Tia Auger's reimbursement for a KSC parking pass in the amount of \$154.95. Proof of purchase receipt was attached for review. Ms. Silver made a motion to approve as presented, Mr. Mattson seconded. Motion carried unanimously.

#### **Police Benevolent Trust #510**

- A disbursement to reimburse the City for maintenance and equipment replacement in the amount of \$1,430.48, this was pre-approved by the Trustees on 6/15/16. Ms. Silver made a motion to approve as presented, Mr. Mattson seconded. Motion carried unanimously.
- Mrs. Gray presented a disbursement from the Gym Maintenance non-lapsing account #90255-B in the amount of \$2,738.99 for treadmill replacement previously pre-approved 8/16/17. This account is the City project account however the agreement states that the Trustees approve the transactions from this account as well. Mr. Mattson made a motion to approve as presented, Ms. Silver seconded. Motion carried unanimously.

## **Capital Reserve Portfolio**

Mrs. Gray presented the following transactions with supporting documentation for trustee review.

### **RECEIPTS**

- Bridges - \$16,989.20 – This deposit is a result of Council approved closing of the FY15 Road Rehab project to Bridges - Main Street over Beaver Brook.
- Transportation Improvements - \$22,160.00, quarterly collections (July 2017-September 2017) of the \$5.00 surcharge on motor vehicle registrations.

Mr. Mattson made a motion to accept the deposits as presented, Ms. Snow seconded. Motion carried unanimously.

### **DISBURSEMENTS**

- Fleet Equipment - \$42,470.00
- Sewer Infrastructure - \$1,120.50

Ms. Snow made a motion to accept the disbursements as presented, Ms. Silver seconded. Motion carried unanimously.

## **Follow up RFP Trust Investment Advisory Services**

Mrs. Gray reported that she has spoken with Attorney Mullins with regards to offering an extension to the current financial advisor. Attorney Mullins stated that there are no state RSA's that dictate the RFP/BID process for Investment Advisory Services, what does bind the Trustees the RFP /BID process is the investment policy. Mrs. Gray pointed out that on the Common Trust investment policy under the review section it states "*Every five years they will evaluate the performance of the investment advisor and request RFP's from approved State of NH financial institutions.*" Attorney Mullins recommended amending the investment policy to allow for contract extensions.

### **Annual Investment Policy Review**

The Trustees reviewed the Capital Reserve and Library Renovations Investment Policies, after discussion no changes are needed. Ms. Snow made a motion to leave policies as currently written, Mr. Mattson seconded. Motion carried unanimously.

With regards to the Common Trust Investment Policy, after discussion the Trustees agreed to make the following changes.

- Under Constraints item #4-increase the investment in international securities up to **30%** as suggested by Cambridge Trust.
- Under Reviews-amend adding the word “may”. The section will be revised to read as follows: *The Trustees of Trust Funds will meet monthly to review the accounts and act on requested disbursements. Every five years they will evaluate the performance of the investment advisor and **may** request RFP’s from approved State of NH financial institutions.*

Ms. Snow made a motion to increase international securities up to 30% and add the word to *may before request*, Mr. Mattson seconded. Motion carried unanimously.

Mrs. Gray stated that she will make the approved changes, revise the review and effective dates. Copies will be provided to Cambridge Trust, State of NH and the Trustees.

### **Trustee Vacancies**

Mrs. Gray distributed a biography to be considered for the board vacancy in December. After reviewing the biography the Trustees agreed to move the recommendation on to the Mayor for consideration.

Mrs. Gray also stated that she has been told that a former Trustee can return to the board after taking a break from service.

### **Cambridge Trust Investment Advisory Contract Extension**

The Trustees requested that Mrs. Gray draft a letter to Cambridge Trust offering a two year extension under the current terms of service and fees schedule. This extension would be effective June 2018 – June 2020. The Trustees would like a response deadline of December 1, 2017. Mrs. Gray stated she would draft a letter and email it to the Trustees for review and approval.

The meeting adjourned at 10:40 a.m.

Respectfully submitted,  
Sherrie Curtis