

TRUSTEES OF TRUST FUNDS
February 17, 2021; 4:00 pm via Zoom
Minutes

In attendance via Zoom: Karen Foss, Jan Cole and Carol Walker

Minutes of the January 21, 2021 Trustee's meeting were reviewed. With a motion made by Karen, seconded by Jan, all voted in favor of accepting the minutes as written. Carol will provide the approved January 21, 2021 minutes to Kim Cowles to post on the Town's website.

The Trustees reviewed the January 31, 2021 reports from Three Bearings and Fidelity. Based on the January 31, 2021 Three Bearings investment report, the Capital Reserve Fund (CRF) reported a beginning balance of \$2,393,688.61 at 1/01/2021 and a negative change or drop in investment value in January of (\$3,316.15) resulting in an ending account value of \$2,390,372.46 as of 1/31/2021.

Based on the January 31, 2021 Three Bearings investment report, the Common Trust Fund (CTF) reported a beginning balance of \$327,499.26 at 1/01/2021 and a net decrease or drop in investment value during the month of (\$605.85) resulting in an ending account value of \$326,893.41. There were no transactions during January 2021 that affected the CRF or the CTF.

With a motion from Carol, seconded by Jan, the Trustees voted unanimously in favor of accepting the MS-10 for 2020 as presented.

The trustees reviewed the Investment Policy for 2021. After the January Trustees meeting, Jan contacted David Mayes of Three Bearings to confirm that the target range and percentages indicated for both the CRF and CTF remained accurate in light of 2020 actual results. The Trustees are comfortable that the CRF target and range was still appropriate but wanted David to address the applicability of the target and range for the CTF given 2020 results before approving the Investment Policy for 2021. In an email exchange with the trustees on 2/3/2021, David explained that since some of the holdings used in the CTF portfolio fall into more than one category or are not straightforward to categorize, he uses Morningstar's X-Ray report to inform whether our overall asset allocation is within the guidelines of the Investment Policy Statement. For the CTF account, we currently stand at about 25.2% US stocks and 5.8% non-US stocks. The current allocation to common stocks is below the 35% upper limit imposed by the policy. On the basis of this explanation, the trustees agreed that the current Investment Policy remains appropriate for both the CRF and the CTF and approved it as written for 2021. The Investment Policy signature page will be signed and sent to Three Bearings for their records. The trustees may have a future conversation with David Mayes about the language in the investment policy, but not at this time. The 2021 Investment Policy will be provided to the Board of Selectmen again for their review and comments.

Regarding the request from 2020 to restate the beginning balance of the Cemetery Perpetual Care trust fund balances, the Trustees agreed that while the dollar amount may be helpful from an investment and funds standpoint, it does not seem appropriate to include this information on the MS-9 report. We remain interested in learning more about this issue in the future.

The next Trustee meeting will be held on Wednesday, March 17, 2021 at 4 pm via Zoom and on the 3rd Wednesday of each month thereafter.

There being no further business, the meeting was adjourned at 4:46 pm.

Respectfully submitted,

Carol J. Walker

