

**TOWN OF BEDFORD
TRUSTEES OF THE TRUST FUNDS
MEETING MINUTES
22 Mar 2018**

A meeting of the Bedford Trustees of the Trust Funds was held on Thursday, 22 Mar 2018, in the Town Manager's Office Bedford Town Office Building, 24 North Amherst Road, Bedford, NH. Members present were: Ken Peterson (Chair), Larr Cheetham (Treasurer), and Mac McMahan (Member). Also attending were Deno Mokus and Laurie Leduc of Citizens Bank.

The meeting was called to order by the Chair at 9:00am.

The minutes of the 16 Nov 2017 meeting were approved unanimously.

Annual Organizational Meeting:

Mr. Peterson was reelected as a Trustee of the Trust Funds for a three year term during the Town of Bedford March election cycle.

Mr. Peterson was reelected as the Chair and Mr. Cheetham was reelected as the Treasurer of the Bedford Trustees of the Trust Funds.

Old Business:

--Mr. McMahan updated the Trustees on the BCOCA situation. Mr. McMahan reminded Mr. Woodbury of the need for the BCOCA to create a "hold harmless" document to be included with the funds due to the fact that the funds principle had been depleted from its original bequeath. He also will seek a copy of the signature page.

--Mr. Cheetham stated the new software for financial reporting to the State will go into "testing" mode on 01 May 2018. It is scheduled to go "live" on 31 Dec 2018. The Town of Bedford will "shadow" the system for six months, since Bedford is on a calendar fiscal year. It is planned to input the Bedford data for 2017 into the system (for historical purposes) although the 2018 data will be the first actually used in the system.

--A general discussion took place about the need for space on the town server to be able to store additional documents generated or received by the Trustees.

New Business:

--At 10:00 am Mr. Deno Mokus and Ms. Laurie Leduc from Citizens Bank Private Wealth Management arrived and gave a quarterly update on the funds in their investment program.

--The Capital Reserve Funds (high grade fixed income instruments only) had a total fund return of 0.21% or approximately \$8,000.00 from Feb 2017 through Feb 2018. Although this return is significantly less than the last report, it includes unrealized losses

of approximately (\$57,000). Since the underlying investments will not be sold at a loss, but held to maturity and par value, this (\$57k) is actually moot.

--The Private Trust Funds (mandated to be invested to maintain purchasing power over the long term and therefore are in stocks as well as fixed income vehicles) yielded a return of 10.25% or approximately \$7,100 in the same time frame.

--Mr. Mokus stated that since the Fed is planning to have several more rate hikes this year, the yield curve is tending to flatten out. Therefore we are staying in shorter term investments (less than two years) until rate hikes taper off.

--Mr. Cheetham will provide the bank with written instructions that the BCOCA fund will be reclassified as all principle after it is back to its original \$21k (+) amount. He will do this annually with specific amounts stated in the letter of instructions to the bank.

--Mr. Mokus and Ms. Leduc completed their presentation and Q&A with the Trustees and departed at 11:30am

--The Annual Schedule of Events was reviewed and acted on.

Trustees' Comments:

--There was a general discussion of the presentation made by the Investment Advisers and it was agreed their performance with the two types of funds (Capital Improvement and Private Trusts) was adequate. There is no need to seek (at this time) a new investment adviser.

--Discussed placing BCOCA history MFR as an attachment to TTF Handbook

--Discussed addressing above MFR "Recommendations" at next TTF meeting

--Mr. Cheetham noted a line item on the MS-9 attributing \$1,049 to the SAU when in fact it should be allocated to the Town's funds. He will pursue this issue.

--Mr. Peterson asked if there would be value added for a list of duties generally performed by each Trustee. It was agreed there would be and Mr. Peterson will create such list.

--Mr. Peterson will codify the procedure for executing the annual Carbonneau Scholarship program.

--It was agreed the next meeting would be the annual report to the Town via a session with the Town Council on 25 April 2018

The meeting was adjourned at 11:55am.

Respectfully submitted by:

Kenneth S. Peterson