

City of Keene
NEW HAMPSHIRE

**TRUSTEES OF TRUST FUNDS
MEETING MINUTES**

Wednesday, October 19, 2016 9:30 AM City Hall-2nd Floor Conference Room

Members Present:

Martha Curtis -Chair
Michelle Howard
Katherine Snow

Staff Present:

Sherrie Curtis, Secretary
Karen Gray, Senior Staff Accountant
Andy Bohannon, Parks & Recreation Director

Absent:

Marilyn Gemmell-Vice Chair
Brian Mattson

Other:

Maureen Kelliher, Cambridge Trust
Judith Noel, Cambridge Trust
Joelle Travers, Cambridge Trust

Approval of September meeting minutes

Chair Curtis requested a motion to approve the minutes from September 2016 minutes. Ms. Snow made a motion to accept the minutes as presented, Mrs. Howard seconded. Motion carried unanimously.

Quarterly Portfolio Review-Cambridge Trust

Mrs. Kelliher gave the Trustees an overview of the economy. Upon portfolio review, Mrs. Kelliher reported that the Common Funds had a total market value of \$8,292,779.14 as of September 30, 2016. The estimate annual income is \$286,053.49 earning an estimate portfolio yield of 3.45%. Overall the trust portfolio continues to perform well.

With regards to the Capital Reserve Fund, Mrs. Kelliher stated that the total market value is \$12,741,950.00 with estimate annual earnings of \$24,273.01 earning an estimate portfolio yield of 0.19%. Mrs. Kelliher reported that currently the portfolio has about \$10.2 million invested in the money market funds earning a very low rate. Mrs. Kelliher stated that due to the rising T-bill rates she would like to propose a laddered maturity for about \$4.8 million of the capital reserve funds. Mrs. Kelliher advised that she would propose the investment of \$1.6 million in a 3, 5 and 6 month T-bills. Mrs. Kelliher inquired with Mrs. Gray as to whether or not the City's capital reserve cash flow would allow for these investments. Mrs. Gray stated that she does not see a problem with the proposed investments. With no objections from Mrs. Gray, Chair Curtis asked for a motion to authorize the investment of \$1.6 million in a 3, 5 and 6 month T-bills. Ms. Snow made a motion to approve the investments as proposed by Cambridge Trust, Mrs. Howard seconded. Motion carried unanimously.

Mrs. Kelliher reviewed the Library Renovation Trust Fund with a market value of \$1,392,485.59. The fund is currently invested 100% in money market funds and has an estimated portfolio yield of .01%. She suggested moving a portion of the funds into a very short-term bond fund to increase the yield. No action was taken by the Trustees at this time.

Mrs. Kelliher also reminded the Trustees that the Common Trust Funds annual investment policy review is due, at this time Cambridge is not recommending any changes. Mrs. Gray advised that even though not all policies are due for review at this time, the Trustees will a review of all investment policies at the November meeting. Mrs. Gray stated the goal is to get all three policies on the same review schedule. The Trustees recommended to Mrs. Gray that she touch base with the Library Trustees, extending a

meeting invitation and informing them the Library Investment Policy will be reviewed in November for the sole purpose of aligning the review dates with the Common Trust Fund and Capital Reserve policies. However, should the Library Trustees wish to recommend changes to the policy they should plan on attending the meeting.

Police Benevolent Trust

Mrs. Gray presented a disbursement request in the amount of \$2,865.19 for miscellaneous police gym repairs and equipment. Mrs. Gray stated that on June 15, 2016 the Trustees pre-approved up to \$4,300.00 for these expenses. Mr. Gray indicated that details of the expenses were attached to the request for Trustee review. Ms. Snow made a motion to approve the request as presented, Mrs. Howard seconded. Motion carried unanimously.

Frank A. Wright Trust

Mrs. Gray presented the November rent disbursement for Tia Auger in the amount of \$550.00 payable directly landlord Thomas Little. Mrs. Gray stated that the attached worksheet outlines the pre-approved expenses and any remaining balances of those approvals. Mrs. Howard made a motion to approve as presented, Ms. Snow seconded the motion. Motion carried unanimously.

Library Renovation Trust

Mrs. Gray reported the total fair market value as of September 30, 2016 was \$1,392,485.59.

Capital Reserve

Mrs. Gray reported the balance as of September 30, 2016 was \$12,736,052.78. Mrs. Gray presented disbursements from Equipment capital reserve \$143,644.00, Sewer Infrastructure \$466,585.10 and Water Infrastructure \$147,227.33. Supporting documentation was attached for trustee review. Ms. Snow made a motion to accept the disbursements as presented, Mrs. Howard seconded. Motion carried unanimously.

In addition, Mrs. Gray presented a deposit in the amount of \$24,517.00 to the Transportation Improvement Fund. This deposit represents year to date fees collected on motor vehicle registrations. Supporting documentation was attached for Trustee review. Ms. Snow made a motion to accept as presented, Mrs. Howard seconded. Motion carried unanimously.

Trust Fund Review Project

Andy Bohannon, Parks, Recreation and Facilities Director was in attendance for the Trust review project. Due to time constraints, Mr. Bohannon will be invited back to another meeting to discuss the Sumner Knight Chapel and the Marcus Knight Trust.

Frank Wright Scholarship Fund (581)

Purpose: To award a Keene resident who is a student of Keene High School a scholarship sufficient enough to assist with a four year college education. The award amount may vary depending on the projected available income, 20% of the annual income earned gets transferred back to principal. If there is insufficient income to fund one year of college and three subsequent years the income is allowed to accumulate until such time it is sufficient to pay tuition and expenses.

Current Practice: By March of each year the Trustees review the income balance and estimate approximate yearly earnings and determine if an award can be made and at what amount to fund a four year college education. The school district is notified of the award amount, and then chooses a recipient

before graduation. The recipient is advised to contact the City of Keene, Finance Department for further details.

2016 Trustee review and Recommendation: No recommend changes at this time.

Maurice Alger Scholarship (582)

Purpose: Provide necessary tuition for a Keene High School student for one year of college. The student shall be entitled to a sufficient part or whole of the income. If income is larger than a required one year of college the surplus may be allowed to accumulate until there is enough to pay one year tuition. If the income is insufficient for one year income may be allowed to accumulate until it's sufficient.

Current Practice: The Trustees review the income balance in March and provide tuition to the maximum amount that is supported by the income balance. The school district is notified of the award amount, and then chooses a recipient before graduation. The recipient is advised to contact the City of Keene, Finance Department for further details.

2016 Trustee review and Recommendation: No recommend changes at this time.

After discussion regarding these scholarships, the Trustees requested that Keene High School be invited to a future meeting to discuss how they view these scholarships and the process for choosing recipients. Sherrie Curtis stated that she could make contact with the High School.

Additional Trust Review

After discussion among the group, it was decided that at the November meeting to review the following trusts: Memorial Tree Fund, Ingersoll Trust, Marcus Knight, Sumner Knight and the Library Renovation Trust.

Mrs. Curtis distributed a very rough draft of the document that will be used to document the Trust review process. Once this project is complete the review document will become the tool to use for future reviews. The Trustees will provide feedback once they've had a chance to review. The final approved document will be filed in the Trust files within the Finance Department.

Trustee Vacancies

Mrs. Gray advised that the Trustees should be thinking about nominations for Martha Curtis replacement as her term ends December 2016. The Trustees felt the candidates should be community minded with financial background. There was some discussion on the process. Mrs. Gray stated that she understand that the Trustees give the nomination to the Mayor along with the candidates biography/professional background. The Trustees each stated that they have a few individuals in mind and thought that approaching the individuals to see if there was interest first would be a good step so that the nomination passed on are interested candidates. Mrs. Gray advised that she would clarify the process for making recommendation to the Mayor with the City Clerk's office and report back at November's meeting.

The meeting adjourned at 11:08 a.m.

Respectfully submitted,
Sherrie Curtis