

Town of Swanzey, New Hampshire
TRUSTEES OF TRUST FUNDS
Meeting Minutes – April 28, 2016

CALL TO ORDER: The meeting was called to order by Chairman Richard Scaramelli at 9:33 a.m. Present were Chair Scaramelli, Steven Bittel, Ed Morenz and Recording Secretary Beverly Bernard.

OTHERS PRESENT: None. Lynn Rust was not able to be present at this meeting.

MINUTES:

- Minutes of February 11, 2016 were considered. Bittel **moved** to accept the Minutes of February 11, 2016. There was a second by Morenz and all were in favor without further discussion. ***Motion passed.***
- Minutes of April 20, 2016 were considered. Scaramelli **moved** to accept the Minutes of April 20, 2016. There was a second by Morenz and all were in favor without further discussion. ***Motion passed.***

NEW BUSINESS:

Transition of Chair to the Senior Trustee (SDB)

Motion was made by Scaramelli to name senior Trustee Steven Bittel Chair. There was a second by Morenz and no further discussion. All were in favor. ***Motion passed.***

Bittel asked that his first role as Chair begin with the next meeting of the Trustees and Scaramelli agreed to Chair this meeting.

Nomination of Alternate Member of the Trustees of Trust Funds

The Trustees discussed the need for an Alternate Trustee. Bittel recommended Beverly Bernard as Alternate Trustee.

Motion was made by Bittel to recommend to the Selectmen Beverly Bernard as Alternate Trustee. There was a second by Scaramelli and no further discussion. All were in favor. ***Motion passed.***

OLD BUSINESS:

Transition of Accounts to Lynn Rust LLC

Discussion took place regarding Rust taking over accounts. He has been away overseas and has not provided a letter of engagement yet. Bittel will follow up with Rust to take over the Common Fund.

NEW BUSINESS:

New Non-Restricted Accounts

Scaramelli noted two new non-restricted funds. The authorization for the First Responders Fund was approved at Town Meeting in 1997. This fund had been unfunded but is now designed for donations to the Fire and Police Department from which expenditures can be used to support families of first responders. The other new account is the CMH (Charles M Hanrahan) Foundation Scholarship for music and the fine arts, which is an existing account at the high

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school. Check donated is for \$9,600 and supports up to two students per year. Merit is the sole criterion.

Scheduling for the Advanced Trustee Seminar at the Division of Charitable Trusts

The seminar has been set for Wednesday June 15, 2016 in Concord from 1 to 4 p.m. at the Holiday Inn, 172 North Main St., exit 14 off I-93. The Trustees and Alternate Trustee will be attending.

PDIP Report

A report from the New Hampshire Public Deposit Investment Pool (PDIP) was considered, including the composition of the portfolio. A new listing was noted: Customers Bank based in Pennsylvania. Bittel suggested doing some research regarding Customers Bank before making any decisions. Bittel noted that PDIP is yielding 0.50%, superior to current rates at Mascoma. Discussion was held with regard to the yield on ICS (Mascoma), presently 15 basis points versus 50 basis points on PDIP. The Trustees agreed to consider a transfer of funds from Mascoma into PDIP for next meeting.

Common Fund and State of the Markets Review

Scaramelli reviewed a report of the Common fund in terms of increases in value March 31, 2016 versus 12/31/2015 balances and compared the percent of the net portfolio to S&P recommended industry shares. Morenz reviewed Edward Jones research for opinions on a number of stocks.

Morenz noted Utilities with recommended "Buy" rating. Bittel noted the regulatory nature of this sector. Discussion was held about profit taking. Morenz said that taking profit from Consolidated Edison (Con Ed) makes sense because of a significant run up of stock value. Various stocks were considered. Ventas, Inc. (VTR) was discussed with a yield of 4.6%. Bittel said that he was in favor of selling some Con Ed shares and buying Ventas which is a publicly owned real estate investment trust with a diversified portfolio of seniors housing and healthcare properties located throughout the United States, Canada and the United Kingdom. Morenz agreed to sell all shares of Con Ed.

Motion was made by Scaramelli to sell all of Consolidated Edison (ED) stock and buy Ventas (VTR) stock together with an appropriate transfer of funds between cash income fund and principal fund. There was a second by Bittel and no further discussion. All were in favor. **Motion passed.** The chairman asked Bittel to make the trade.

Discussion was held about concerns for Duff and Phelps (DNP) which will be addressed further at the next meeting.

ADJOURNMENT: Morenz **moved** to adjourn, seconded by Bittel. Adjournment occurred at 11:18 a.m.

Next meetings: June 15 in Concord NH at 1 PM; July 28, 2016 at 9:30 a.m.

Respectfully Submitted,

Beverly Bernard, Recording Secretary

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