

Town of Swanzey, New Hampshire
TRUSTEES OF TRUST FUNDS
Emergency Meeting Minutes – March 28, 2013

Note: Minutes are not final until reviewed and approved by the Committee. Review and approval of minutes generally takes place on the next regularly scheduled meeting of the Committee.

CALL TO ORDER: The meeting was called to order by Chairman Richard Scaramelli at 10:00 a.m. Also present was Steven Bittel. Scaramelli noted that notice of the meeting requested through Sara Carbonneau had not been posted due to her illness absence the prior day.

Motion by Bittel that the meeting continue on an emergency basis as certain non-policy bookkeeping transactions involving quarterly financial statements urgently need to be discussed by a quorum.

Motion passed.

NEW BUSINESS

Vanguard Transfer Status: Bittel reported that all funds were now transferred from Bank of America to Vanguard and reviewed a reconciliation of the most recent Common Funds, noting that certain bookkeeping transaction are required.

1. As previously discussed, Bittel presented confirmations of executed trades to return certain reinvested income dividend to the Common Fund cash account, noting that the total trades amounted to \$224.52. The trades were to bring the accounts into Investment Policy compliance. During the initial transfer period of custodial assets held by Vanguard seven income dividends were reinvested in the respective Principal Fund accounts. The trades reversed those entries and placed the cash in the Income Fund money management account.
2. As discussed in previous meetings, the Prime Money Market Fund currently contains both Income Fund and Principal Fund money. Accordingly, the Principal Fund needs a designated (cash) trading account. Bittel noted that the Trustees had indicated that the Short-Term Vanguard Federal Fund would be designated as such, which it has been for the Cemetery Fund. However, the Federal Fund investment now resides in the Income Fund. To correct, the Income Fund position has to be liquidated and a new Principal Fund account opened over two separate trading days.
3. The last correction concerns dual investments in the Vanguard Short-Term Investment Grade Fund in both the Income Fund and Principal Fund. As Vanguard is unable to differentiate between the two funds, one position needs to be liquidated.

Accordingly, Bittel suggested the following corrective trades:

Day 1 - Resetting accounts	
SELL: ST FED FD	\$ 149,174.48
BUY: Prime MMF	\$ 149,174.48
To liquidate ST FED FD in Income Fund.	
SELL: ST INV GR FD	13,812 shares
BUY: ST Bond Index Fd	Proceeds
To liquidate ST INV GD FD in Principal Fund.	
Proceeds estimated at 12/31/12 value.	
Day 2 - Reinvesting:	
SELL: Prime MMF	\$ 36,426.35
BUY: ST FED FD	\$ 36,426.35
To establish ST FED FD in Principal Fund at cash cost.	
Ending BOA Balance (as reconciled)	\$ 56,389.05
AAPL purch	<u>(19,962.70)</u>
Net Cash	<u>\$ 36,426.35</u>
SELL: Prime MMF	\$ 100,000.00
BUY: ST INV GD FD	\$ 100,000.00
To reinvest Income Fund accounts.	

It was resolved by mutual consent to authorize Bittel to proceed forward with the forgoing transaction as well as other purely bookkeeping -related transactions valued at less than \$1,000 at his discretion.

ADJOURNMENT

By mutual consent, adjournment at 11:15 a.m.

Steven Bittel, Trustee