



## TRUSTEES OF TRUST FUNDS TOWN OF GILMANTON, NEW HAMPSHIRE

August 27, 2018

APPROVED AS AMENDED ON 11-05-18

**Members Present:** Fred Buchholz-Chairman, Bob Burdett, John Dickey, Neil Roberts-Treasurer and Stephen Hopkins

**Also Present:** Heather Carpenter-Recording

**Meeting Opened** – 8:35 A.M.

### **First Order of Business**

Chairman Buchholz- The large spreadsheet projection is quite good, still looking at a surplus of \$12,000 if the bills come in as they did last year.

\$199,000.00 sitting in the cash account/income accounts

Total principal is at \$425,958.00

John Dickey-Cemetery Maintenance disbursements: Last year it was discussed that instead of paying bills as they come in, bills will be paid at the end of the year to make the accounting simplified.

Chairman Buchholz- projected amount is based on last year's numbers of \$5,600, cumulative cash disbursements.

Discussion on the Cemetery budget, the historical data behind the numbers and the draw rate

Fidelity Spreadsheet- as of the market close on Friday-\$407,081.30, everything right now is within the 10% rule.

The only two in the negative territory are AT &T and Exxon/Mobil.

Exxon/Mobil-slowly climbing back

AT & T, the thought is once the Justice Dept. finishes with the Time Warner appeal, the stock should remain healthy and the stock pays a handsome dividend over 5%.

Stephen Hopkins discussed the portfolio stress test, which looks at how the portfolio might perform under different economic scenarios. The conclusion you draw from it is that it's a pretty conservative portfolio that holds up reasonably well. If you are looking at and had never seen it before, you might ask; Why is it so US stock based and given where equity values are today, which is pretty high and is that where you want to be?

Chairman Buchholz- That is one of the constraints we have, we are not allowed to invest in foreign stocks.

Stephen Hopkins- Are you allowed to invest in US mutual funds that invest in foreign countries?

The Chairman can not comment at this time but will look into it.

Discussion of the value of diversification, buying low, foreign investments, what is allowed with the Attorney General's Office. The prime mission of the monies is to provide income to the cemeteries in perpetuity. Growth has always been an issue because of the constraints, if we got into higher growth holdings we would have to hire an investment advisor, which the Trustees don't want to do. The

reason the yearly cost of the cemeteries is relatively low is because we have been able to hire locals, semiretired, that care for the grounds. Most communities have to contract with landscaping firms which drives the cost. There will be a request for an increase from \$10,500 to 13,000 because we haven't changed our hourly rate for ten years and we want to keep the people we do have. Review of the Investment Policy will be done at the following meeting.

Stephen Hopkins stated he would send out the rate sheet for the fidelity funds- Institutional money market funds.

Neil Roberts has been monitoring the rates for the NHPDIP and they are steadily increasing, as of August 17<sup>th</sup> the seven-day yield is 2%.

Investment policy will be reviewed at the following meeting and will be sent to each member prior to the meeting.

#### **Old Business**

Review of the Minutes- June 25, 2018 minutes: The Chairman has noted the following amendments to be made to the minutes as follows;

Line 31-Changed to- Prudent Man Rule

Line 33- needs to be changed to- You may go by the Prudent Investor Rule

Line 36-needs to be changed to- bank account or the NHPDIP

Line 62-needs to be changed to- Exxon is almost in the black

Line 97-needs to be changed to- your account gets .1%, ours gets 2.05%

**MOTION:** On a motion by John Dickey and seconded by Neil Roberts it was voted to approve the minutes of 06-25-18 approved as amended. (5-0)

#### **Conclusion-**

Next meeting will be Monday, October 29, 2018 at 8:30 am-Academy Building.

**Motion to Adjourn:** John Dickey

**Seconded:** Neil Roberts

Board votes unanimously to Adjourn at approximately 9:06 A.M. (4-0)

Respectfully submitted,

Heather Carpenter