

Town of Westmoreland: Draft Minutes of meeting of the **Trustees of Trust Funds** on May 5, 2015; 9:55 to 10:35am. In attendance: Committee members Pat Baker and Tim Thompson, Charter Trust representatives Kim Lacoste and Bryan Sanford.

- After introductions Tim explained to the Charter reps that the Trustees were planning their long-term future, which may involve hiring professionals to manage the town's trust funds and capital reserves.
- The Trustees learned that Charter represents around 25 NH towns/cities, including the Monadnock Region's Dublin and Jaffrey. Kim L. indicated she would send a list of their municipal clients to the Trustees.
- Bryan S. then described how Charter begins the process of building a portfolio with the Trustees' investment policy. In general Charter strives for a balanced portfolio that may be made up of 50% stocks and bonds and 50% cash. Charter gives their municipal clients much leeway in the asset allocation of the portfolio. Generally, Charter invests in index funds for smaller towns, but since Westmoreland has over \$250,000 in common trust funds, its portfolio might include individual stocks. Bryan indicated that there may be some turbulence in the bond market when interest rates rise, but Charter's strategy of focusing on short-term bonds gives the company a hedge.
- A discussion about the make-up of a Capital Reserves portfolio ensued. Typically Charter invests the funds needed to cover trust fund expenditures in money markets and CD's. The balance is invested in NH state bonds and in NH municipal bonds. Bryan believes that investing in public sector NH bonds satisfies the collateral requirements of NH statute as it applies to investing capital reserve funds.
- In the area of performance Bryan stated that Charter had beaten the S&P 500 in the past 3-5 years and bonds had trumped a common bond index.
- Kim distributed a handout on Charter fees. Westmoreland would pay 1% on the market value of Common Trust Funds and .4% on Capital Reserve Funds. Additionally, Charter charges \$1,000 for MS9 and MS10 preparation and \$500 for cemetery sub-accountings.

Respectfully Submitted, Tim Thompson