



TOWN OF HUDSON NH

Trustees of Trust Funds

Edmond Duchesne Harry A. Schibanoff Leonard T. Lathrop



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MINUTES OF THE December 19, 2013 MEETING

1. **CALL TO ORDER** – by Trustee Lathrop the meeting of December 29, 2013 at 3:00 p.m. In the Buxton Community Development Meeting Room at Town Hall.

2. **ATTENDANCE**

Trustees of Trust Funds: Ed Duchesne, Harry Schibanoff, and Len Lathrop

Staff/Others: Kathy Carpentier, Finance Director; Paula DeAngelis, Clerk to Trustees

3. **PUBLIC INPUT**

Vendors: Warren Mackensen of Mackensen & Co. Inc.

4. **CONSENT ITEMS**

Acceptance of Minutes

Motion by Trustee Duchesne to accept the minutes of October 24th, seconded by Trustee Schibanoff, carried 3-0.

5. **OLD BUSINESS**

- A. Bookkeeping of all assets by Mackensen, review at a later date.
- B. Ed reported on Loomis fund – Loomis is a bond fund which includes several bonds. It has a five star rating and thus far its income has offset any raising interest rates. The bonds within the fund are constantly maturing but at a 5 – 10 year range. Harry questioned having foreign bonds within Loomis, Warren commented that they were at a minimum. Ed also quoted an article regarding bond sensitivity with fluctuating interest rates. Ed plans to review the Putnam mutual fund next month.
- C. Review of Investment options, ongoing – see 6A.

6. **NEW BUSINESS**

- A. People's United nine month CD did not roll forward instead funds were moved to the checking account. Len had a discussion with Beth Bartlett regarding interest earned on all funds at People's including the funds in the savings accounts. These funds will now be

yielding a higher return due to a policy change. Paula questioned the sub accounting of the four funds which had been in the nine month CD. Len planned a further discussion with People's. Len further discussed the recent deposit of \$10,000 invested with Mackensen & Co., with the issue being how to pay the investment fee on the account. In this instance, these fees may have to come from the Trustee budget which would be approximately \$500. A further discussion involved House Bill #297, which is currently still not a law – this now includes a Town vote to empower Trustees to invest funds. Currently investing is limited due to budget limitations on paying the investment fees. The only funds currently invested are Sewer funds, in which the Sewer budget covers the investment fees. (The Sewer fund budgets \$30,000 for these costs, however the cost will more likely be \$45,000.) If the Trustees were to invest all \$15million of funds, the investment fee rate would decrease, but fees would be approx. \$60,000 overall. This led to the discussion of having a line item in the Trustee budget to cover investment fees for all of the other non-sewer funds of \$15,000. RSA31.24 includes “incidental expenses for the Town”. By investing Town funds with Mackensen & Co., the Town would get a rate of return of 1.4 net fees on all \$15million. Nine million is currently invested with Mackensen & Co., \$6million is at People's United which has a .02% rate of return on funds. Mackensen & Co. invests according to the law: 35% Government Agencies and 65% Corporate Bonds (50%)/Stocks (15%). The Trustees agreed to meet early in January to review this discussion further in order to go to the Board of Selectman with a proposal to increase the Trustee budget to include a line item of \$15,000 for investment fees. We have until Feb. 8th to request a budget change. Mackensen & Co. plans to chart interest yields for both People's and Mackensen including fee costs. Paula will send to Mackensen the People's U. statements from Jan. 2013 – Nov. 2013. Len will ask Donna Graham to put the Trustees on the Selectman's agenda in January.

B. Trustees Policies & Procedures – Harry, tabled until February.

C. Town report due to BOS by 1/10/14. Len to review.

D. Invoice from Mackensen & Co. from 9/1/13 – 11/30/13 for \$10,486.28, signed off.

7. OTHER BUSINESS/CORRESPONDENCE -

8. ADJOURNMENT/SCHEDULING OF NEXT MEETING

Motion to adjourn at 4:32 p.m. by Trustee Duchesne, carried 3-0.

Next meeting scheduled for Thursday, January 9, 2014 at 2:30 pm.

cc. Trustees
Finance Director
Town Clerk
Board of Selectmen
School Administration
File