

TOWN OF ALLENSTOWN  
Trustees of the Trust Funds and Cemetery Trustees  
Town Hall, 16 School Street  
Allenstown, New Hampshire 03275  
January 29, 2020

Michael O'Meara called to order the January 29, 2020 meeting of the Trustees of the Trust Funds and Cemetery Trustees at 10:00 am. He then called for the Pledge of Allegiance.

**Roll Call**

Present on the Committee: Mike O'Meara, Rich Caruso, Roger Laflamme

Others present: Debbie Bender, Finance Director; Matt Prifti, VP and Investment Advisor, TD Wealth Management

**Agenda Items**

- **Review Q4, 2019 financial statements (Oct – Dec 2019) and/or YE 2019 financial results.**

Mr. O'Meara presented the month-end balances for the fourth quarter of 2019:

October	\$1,856,586.34
November	\$1,922,297.86
December	\$1,924,826.82

Mr. O'Meara said that they added to the funds and benefitted from positive market activity. He said that the market value of the funds at the beginning of 2019 was \$1,659,592.72. Receipts and Income for the year totaled \$265,897.66. Expenses and disbursements totaled \$31,933.20. The Realized Gain/Loss was \$1,600.08; The Unrealized Gain/Loss was \$32,930.72. The net gain was over \$200,000. It was a very good year, but we keep in mind that it is market dependent.

Mr. Laflamme noted that the net gain in prior years has been \$20,000 to \$25,000.

- **Meet with Matthew Prifti – Vice President/Investment Advisor - TD Private Client Group, to review results and investment account status, and to discuss any potential portfolio changes or recommendations.**

Mr. Prifti stated that they had dabbled in equities in prior years, but the State was concerned about that. The current investment policy is to play it safe with a portfolio of one to five-year government and corporate bonds. These types of portfolios, he said are averaging 1.6%. He said they are in a low interest rate environment. The benefit, he said, is that interest rates globally are negative, so lots of investments are flowing into the United States. Allenstown's return on its fixed income portion of the trust fund investments is just over four percent. The investments selected have an average AA rating, with only a bit of BBB investment. He continued, saying that the stock market increased 31% in 2019, the pullback

and oversell at the end of 2018 being a significant factor. He said the headwinds were the trade wars with China. Recession is not a near term fear; the household debt ratio is low. People are spending, which drives 70% of the economy. Unemployment is at a 15-year low. Wage growth is moderate. 401K's are up. US exports are the lowest of the developed nations, at eight percent. Based on the average length of economic cycles, this has been a longer, muted recovery. Continued opportunities may not be so great. The long-term scare, he said, is the deficit and debt, with its drag on GNP growth. Turning to Allenstown's portfolio, most of it will mature in the next two years, and the standard deviation is now over-weighted on zero to two (0-2) years.

Mr. O'Meara said that the Trustees must stay in line with their investment policy, so they need to stay the course at this point. The Trustees are, however, open to feedback on our policy and to investment suggestions because we are always looking for opportunities to improve the yield, without making risky investments.

Mr. Caruso said that TD Wealth should not hesitate to let the Trustees know if there is a good investment which they are not aware of.

Mr. Prifti next explained that, the way the account is set up now, they have a managed account with Joint Authority, meaning that a purchase or sale cannot be executed without approval of the Trustees. An account with Sole Authority, on the other hand, allows TD Wealth to actively manage the account with discretion.

Ms. Bender said that Sole Authority could be better for the Trust Fund Trustees.

Ms. Bender said that trust fund dollars are put aside to be spent later. The purpose is not to make money. General Fund investments are different and can have slightly more risk.

Mr. Laflamme made a motion to change to Sole Authority management of the trust funds. Mr. Caruso seconded the motion, which carried unanimously.

As a final word, Mr. Prifti cautioned against shortening '2020' to '20' because other digits could easily be added to the '20'.

- **Library Trustees request to withdraw funds in the amount of \$14,425.00 from the Library CRF to cover the balance of costs for Library Ramp and Railing repairs. The request covers the following invoice:**

**Seal Pro LLC in the total invoice amount of \$19,425.00.**

Mr. O'Meara said that the funds are to be moved to the General Fund because the Town has already paid this invoice.

Ms. Bender said that is correct. The account number ends in -8125.

Mr. O'Meara noted that all Trustees signed the request, and it is therefore approved.

▪ **Review/approve minutes from prior Trustee meeting(s).**

Mr. O'Meara asked for a motion to approve the minutes of the October 30, 2019 and November 4, 2019 meetings.

Mr. Laflamme made a motion to approve the minutes of the October 30, 2019 and November 4, 2019 meetings. Mr. Caruso seconded the motion, which carried unanimously.

▪ **Other business as necessary.**

- a. Mr. O'Meara stated that next they needed to hold an election. He said that Mr. Laflamme does not wish to continue as Chair. He asked Mr. Caruso if he would be willing to serve as Chair.

Mr. Caruso said that he would serve as Chair.

Mr. O'Meara asked Mr. Laflamme if he would serve as Vice Chair.

Mr. Laflamme said that he would serve as Vice Chair.

Mr. O'Meara said he would serve as Bookkeeper.

Mr. Laflamme made a motion to elect Mr. Caruso as Chair, himself as Vice Chair, and Mr. O'Meara as Bookkeeper. Mr. Caruso seconded the motion, which carried unanimously.

- b. Mr. O'Meara announced that TD Wealth Management is changing its Investment Management Platform to Envestnet, LLC. TD Wealth says that its clients will be offered enhanced capabilities and will have a broader array of solutions. Gaining the consensus of the Trustees, Mr. O'Meara said he will sign the document and provide Ms. Bender with a copy.
- c. Ms. Bender presented a list of trust funds which are not used or which have very small balances. Her plan is to present warrant articles to remove them at the 2021 Town Election. The list included the following eight trust funds:
- ✓ Waste Vehicle
  - ✓ Capital Reserve Equipment
  - ✓ Capital Expandable Trust
  - ✓ Master Plan
  - ✓ Old Allentown Meeting House
  - ✓ Police Safety Equipment
  - ✓ Recycling
  - ✓ Tax Map

**Solid Adjournment**

Mr. Laflamme made a motion to adjourn at 10:53 am. Mr. Caruso seconded the motion, which carried unanimously, and the meeting was adjourned.

TRUSTEES OF THE TRUST FUND & CEMETERY TRUSTEES

SIGNATURE PAGE

JANUARY 29, 2020

Richard Caruso, Chair	<u>Yes - Via Remote Roll-Call Vote<sup>1</sup></u>
	Date Signed <u>29-April-2020</u>
Roger Laflamme, Vice Chair	<u>Yes - Via Remote Roll-Call Vote<sup>1</sup></u>
	Date Signed <u>29-April-2020</u>
Michael O'Meara, Bookkeeper	<u><i>Michael H. O'Meara</i></u>
	Date Signed <u>29-APR-2020</u>

<sup>1</sup>The Allenstown Trustee of the Trust Fund & Cemetery Trustees meeting of 29-April-2020 was conducted via Remote Teleconference/video conference due to the COVID-19 Public Health Emergence in effect in the State of New Hampshire at that time. Approval of the minutes by the members of the Trustees of the Trust Fund & Cemetery Trustees is documented in the minutes of that meeting.