

## **Trustees of the Trust Funds**

Town of Lincoln, NH

### **Meeting Minutes**

July 18, 2019, 3:00 pm, Lincoln Town Hall

**Present:** Herbert Gardner, Chair, Beverly Hall, Vice Chair  
**Absent:** Jeanne Beaudin  
**Guests:** From Bank of New Hampshire:  
Charles Mathews, Senior Vice President, Private Banking Officer  
Frank Anderson, Senior Vice President, Private Banking Officer

1. Meeting called to order at 3:00 pm.

2. Discussion with Bank of New Hampshire:

- Frank Anderson stated that we are getting into a routine and today's meeting will be similar to future meetings. He asked if we had been receiving monthly account statements but apparently they are only going to Jeanne. He will see that we all get them.
- Teri Linden sends out report that includes current MS-9 and MS-10 positions.
- From the reports that are sent, TTF must ensure that funds have been allocated properly.
- Fees are charged monthly to individual sub accounts. Jeanne Beaudin had a question (asked by Herb Gardner) about the fee schedule and was it going to be +/- \$1,000 every month. Frank Anderson replied yes, that it would be approximately \$12,000 per year, or .3%, as we had discussed earlier.
- Charlie Mathews next presented a quarterly account review, with the stock market telling them that everything is terrific which is helpful to the TTF, but the bond market is telling us that things are not so terrific, with a flat yield curve, with yields of 3-month maturity very close to 10-year maturity. This means investors expect inflation to be low over the next ten years, equating low growth. They would like to see a more positive slope to the yield curves indicating more economic growth, and expectation of some future inflation.
- Overseas, interest rates on 10-year U.S. bonds are about 2%, whereas Swiss bonds are around -0.16, German -0.15, and Japan -0.2. Due to conditions in Europe and Japan, foreign investors are more likely to invest in the US at present. Foreign flow of capital into the US is helping the dollar, but leaves concerns about the economy over the next 6 – 12 months.
- Feds are saying they are going to cut interest in the near future, but historically when that happens, it is usually followed by one or two more cuts. This is making it a difficult environment to find yields so they (BNH) have decided to buy into bonds that have the highest yields, longest maturity, at today's rates. They are using funds that will not be needed right away so as not to risk having to sell assets at a loss when funds are needed for town projects. They are trying to eliminate as much interest risk as possible.
- We are in an unusual global environment and trying to limit risk first. Must always keep aware of future needs for funds that must be kept liquid. They are leaving a good amount in money market funds so as to maintain that liquidity.

## APPROVED

- Bond market vs. stock market: Bond market has more government debt than corporate debt and is subsequently lower yielding. Corporate debt is higher yielding as it does not have government guarantees, i.e. higher risk = higher yield.
- In our portfolio, bonds have been bought with longer yield periods and stocks with shorter maturity dates to reflect yields of each investment.
- They believe our portfolio right now is well-diversified and balanced.
- Fees for the first report we received were for June. Next report will be cumulative, for June and July.

### 3. Review and approve minutes:

**MOTION:** TO APPROVE MINUTES JUNE 6, 2019

Motion made by Bev Hall

Motion seconded by Herb Gardner

Motion passed unanimously

### 4. Disbursement check was signed by Bev Hall and Herb Gardner.

### 5. Old and new business:

- Herb Gardner read from a very complimentary article in the Union Leader on June 27, 2019 regarding Primary Bank, where the TTF has a CD account: "Primary Bank ranks first in New England as the healthiest bank in New England, according to depositsaccounts.com. Primary Bank, which opened in 2015, is New Hampshire's newest state-chartered FDIC-insured Bank."
- Herb Gardner reported he had talked with Keith Pike at TD Bank and interest on that CD is now \$954.50. Interest on CD at Primary Bank on May 31 was \$2,397.18.

### 6. Next meeting scheduled for August 29, 3:00 pm.

### 7. **MOTION:** TO ADJOURN

Motion made by Bev Hall  
Motion passed unanimously  
Meeting adjourned 4:10 pm.

Motion seconded by Herb Gardner

Respectfully submitted

  
Beverly A. Hall

Minutes approved: 8/29/2019

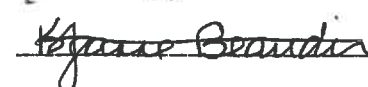
Signed: Herbert Gardner, Chairman

Bev Hall, Vice Chairman

Jeanne Beaudin, Chief Financial Officer







*not present*

\*\* REMINDER: Video of this meeting can be viewed at [www.lincolnnh.org](http://www.lincolnnh.org) \*\*