

Trustees of the Trust Funds

Town of Lincoln, NH

Meeting Minutes

June 6, 2019, 3:00 pm, Lincoln Town Hall

Present: Herbert Gardner, Jeanne Beaudin, Beverly Hall

Guests: From Bank of New Hampshire:

Charles Mathews, Senior Vice President, Private Banking Officer;

Frank Anderson, Senior Vice President, Private Banking Officer;

Therese Linden, Vice President Wealth Management Client Support Manager

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

2. Discussion with Bank of New Hampshire:

- Mr. Anderson distributed booklets showing the status of the Town of Lincoln's portfolio;
- Brief discussion of what had been and would be submitted to the Trustees from BNH;
- Mr. Mathews reviewed Capital Reserve and CIP accounts, projected approximate expenditures submitted by Jeanne Beaudin and the disposition of those funds. Currently most of the funds are in Money Market accounts earning approximately 2.32%. The bonds they have purchased are yielding slightly more, at 2.43%; these bonds are diversified into corporate and government issues. Mr. Mathews reported that bond yields have weakened considerably since our last meeting.
- BNH is anticipating lower rates in the near future, especially for the shorter term due to expected cuts from the Federal Reserve. If possible, they would like to have better idea of timeline of outflows and inflows, in order to make better informed decision about locking in to 2.32% money market accounts. They believe economies are starting to contract globally, with some countries in the -% yields
- Mr. Anderson brought up the topic of accrued interest to make sure Trustees understand what it is and how it affects accounts. Assume bond pays interest twice a year. It is unlikely that purchase will actually take place on one of those days, so the buyer has to pay the seller interest that has accrued from the last payment date until sale date. At next payment date, the buyer will collect interest on the bond from the previous payment date until current payment date, thus recouping what was paid to the seller. Example: bond payments occur on April 30 and October 30. Sale takes place on May 20. Buyer pays seller accrued interest from April 30 through May 20. At next payment date, new owner receives payment of interest from April 30 through October 30, even though buyer did not buy it until May 20. Basically, receives back the accrued interest he had given to seller on May 20. If we are selling bond, same things happens, but we would receive accrued interest on date of sale.

APPROVED

- Jeanne Beaudin asked about BNH fees and where on the reports to find them. Trustees were informed they would start to appear on June statement and would be calculated on the 10th of each month going forward. The June statement will show fees for May. To calculate: Market value of portfolio x rate (.003) ÷ 12 (months). The monthly fees will reflect the value of the portfolio, which can go up or down.
- Mr. Anderson distributed forms for disbursements and deposits.
- BNH asked about CDs at TD Bank and Primary Bank. We are receiving statements from TD, but not from Primary. We should be receiving from both—email or phone call will probably resolve this.

3. Review and approve minutes:

MOTION: TO APPROVE MINUTES APRIL 25, 2019

Motion made by Bev Hall

Motion seconded by Jeanne Beaudin

Motion passed unanimously

MOTION: TO APPROVE MINUTES APRIL 30, 2019

Motion made by Bev Hall

Motion seconded by Jeanne Beaudin

Motion passed unanimously

4. Old and new business: None

5. Next meeting scheduled for July 18.

6. **MOTION: TO ADJOURN**

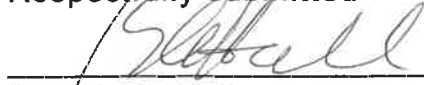
Motion made by Bev Hall.

Motion seconded by Jeanne Beaudin.

Motion passed unanimously

Meeting adjourned at 3:50 pm.

Respectfully submitted



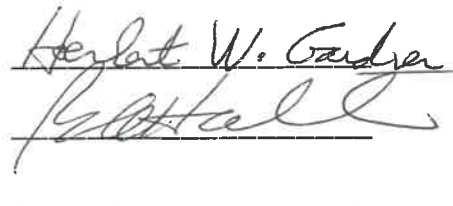
Beverly A. Hall

Minutes approved: 7/18/19

Signed: Herbert Gardner, Chairman

Bev Hall, Vice Chairman

Jeanne Beaudin, Chief Financial Officer



**** REMINDER: Video of this meeting can be viewed on the Town of Lincoln's website. ****

June 6, 2019