

Town of Lincoln
Trustees of Trust Funds
Meeting Minutes
Tuesday, October 19, 2016, 10:00 am
Lincoln Town Hall, 148 Main Street, Lincoln, NH

Trustees Present: Lutz Wallem (LW), Herbert Gardner (HG), Beverly Hall (BH)
Guest: Lyn M. Gelinas (LG), Senior VP, Relationship Mgr., Government Banking, Citizens Commercial Bank

1. **Call to Order** Meeting called to order at 10:00 am.
2. Lyn Gelinas reviewed interest rates; our rate today is the highest they are offering: .45%--what they call their "premium rate". She went on to discuss CDS. Today, the minimum amount for a CD is \$100,000. She would not even quote a rate for less than six months, as it would be less than what we are getting now on our Concentration Account Program (CAP) account. For anything from six months to two years, the rate is .50%. As that is so close to what we are getting now, she does not recommend we transfer anything into a CD. There is no change in the Fed. Rate anticipated this month or next, but there is a 66% chance of an increase in December. So it would be wise to wait and see what happens with the rates before making any decisions. Another reason not to go with a CD is the penalties incurred for early withdrawal. Those penalties can be several months' interest. Also, there would be no sub-accounting on a CD account.

Another thing is an upcoming upgrade to our CAP account which will enable everything to be done online, including transfers of funds, opening or closing sub-accounts. One person needs to be designated as the administrator of the program. In the meantime, the program is being tested with a few pilot clients, to work out any problems that may exist within it. New program will be called **accessESCROW**. She gave us some paperwork on how it will work. Bev said she may prefer to use this new program on Town computers, rather than at home.

HG asked, regarding the CD penalties, if there would be any consideration given if something totally unexpected were to occur, "an act of God", so to speak and Town was totally unprepared. LG said it was possible but would have to be taken on a case-by-case basis. HG said he had asked other institutions about this and was told no. LG said she would willing to put it in writing, extenuating circumstances happen, such as flooding.

She also passed out some information regarding Citizens Bank since it became a public company two years ago, with assets, locations, etc. She also reminded us that the Town of Lincoln is fully collateralized for any amount above the federally-insured FDIC limit of \$250,000.

LG reiterated that she would recommend we leave our liquid funds as is for now and perhaps talk with her again after the first of the year. There is no telling what may happen with interest rates. Right now we are getting the best possible rate plus we are not charged for the sub-account accounting that they do.

APPROVED

HG: if we did decide to go with a CD in the future, is there a lot of extra paper work for that? LG: there is a one-page form that would need to be filled out.

LW: were we not told that early withdrawal of funds from a CD would mean we would get no interest at all? HG: that was another bank. LG: typically, if we broke a 6-month CD early, typically we would have to forfeit three months of interest. If we invested in a 12-month CD, then possibly the penalty would be six months.

Prior to leaving, LG asked us to call her anytime if we wish to have her come and talk with us again.

3. LW asked if we could reiterate precisely when the interest rates changed. First increase, to .25% in January, and second increase, to .45% in July.
4. There was a discussion of how often Trustees should meet. LW suggested that we meet monthly. No decision was made.
5. HG had asked Joann Klatskin of NH-PDIP for 5-year review of rates. She did think they had anything more than one year as they had only started with the Pool in August of 2015. She said she would get back to HB with what she could find. HG reported that he never heard back from her on this question.
6. LW asked that minutes be read aloud as he was unable to read them due to his recent eye surgery. BH read July minutes and HG read September minutes.

7. Review and approve minutes from July 27 and September 14

MOTION: TO APPROVE MINUTES OF JULY 27, 2016

Motion by: HG

Second by HG

Approved unanimously

MOTION: TO APPROVE MINUTES OF SEPTEMBER 14, 2016

Motion by: BH

Second by HG

Approved unanimously

8. HG thanked BH for her work on the business cards and the minutes.
9. BH wrote out a series of checks and HG and LW signed them.
10. Next meeting scheduled for November 30, 2016.

Meeting adjourned at 11:30 am.

Respectfully submitted,
Bey Hall

Approval Date____/____/____

Lutz Wallem, Chairman Herbert Gardner, Vice-Chairman

Beverly A. Hall