

**Trustee of the Trust Funds**  
**Friday, 23 June 2017**  
**At Pelham Police Community Room**  
**Meeting Minutes**  
**Approved July 21, 2017**

**Attendance:**

***Trustees of the Trust Funds:***

Cindy Ronning, Chair; Demetra Bergeron, Secretary; and Ed Gleason, Bookkeeper

***Enterprise Bank:***

Lauren Mersereau, Vice President, Senior Relationship Manager; Jeffery McDonald- Chief Investment Officer

**Meeting Summary:**

***Minutes Review:***

- All trustees approve the meeting minutes of May 31, 2017 as prepared.

***New Business:***

- **Terry Knowles Response Letter**
  - The trustees reviewed the letter received by Terry Knowles from the DOJ. The trustees discussed the payback plan; all funds will be repayed by the end of fiscal year 2017 with the exception of John and Glenys Wolfendend which will be repaid over three years.
  - Chair, Cindy Ronning will draft a letter to the DOJ specifying the payback plan.
- **BOS Policy**
  - Trustees Ed Gleason and Demetra Bergeron informed Cindy Ronning of the meeting with the BOS regarding the minimum requirements for establishing future trust funds. The trustees decided that in order to create a trust fund the minimum dollar amount should be \$10,000. Trustee Bergeron informed the other trustees she contacted the DOJ for samples of proposals for the minimum requirement policy.
- **Deposits**
  - The trustees received \$1,000 to be deposited into principal of the Lanseigne Case Trust Fund.
  - The trustees received to checks from Citizens in the amounts of \$250 and \$400 from scholarships that had not been cashed. Those funds are being deposited back into the original trust funds.
- **Discussion with Enterprise Bank**
  - The trustees along with Enterprise Bank conducted a quarterly review of the portfolio. The portfolio is averaging about 5.3%. Currently the Town of Pelham portfolio is doing very well. There will be roughly a \$10,000 fee from Enterprise for managing our accounts, even with the fee we are still making a profit.
  - The trustees discussed taking more risk to get a better return on investment. In order to do so it is required that Enterprise finds a way to protect the principal, potentially by utilizing third party collateral. Jeff will look into this option and let the trustees know if this is a potential avenue.
  - Discussions about reallocating the portfolio so income earned gains more than the principal without violating any regulations. The trustees along with Enterprise

discussed possibly having a set percentage for principal inflation. Currently the majority of earned interest goes directly back into the principal, leaving little money earned to be spent for the intents and purposes of the trust funds.

- Enterprise is responsible for transferring the earned income back into the principal for repayment of the trust funds. The MS 9 must reflect repayment at the end of 2017.
- Trustees made sure Enterprise knows that any time there is a withdrawal it can only be taken from the income side of the MS9 not the principal.
- Enterprise along with Trustee Gleason will restructure the MS 9/10 with categories:
  - Capital Reserve Funds
  - Non Capital Reserve Funds
  - Expendable Trust Funds
  - Restricted Expendable Trust Funds
- The restructuring will allow the MS9/10 to be easily reviewed and to make sure the restricted trust funds being withdrawn from in according with the RSAs and rules and regulations of the DOJ. The restructuring will be done by the end of fiscal year 2017.
- Enterprise will need to supply the necessary reports for the Schools Audit in July. The trusts will need to be broken down by earnings, value, starting amount, ending amount, etc.

***Outstanding Actions:***

- Chair, Cindy Ronning will draft letter to DOJ with payment plan.
- Bookkeeper Ed Gleason will reach out to the DRA to discuss possible changes to the MS9/10.
- Bookkeeper Ed Gleason will meet with Enterprise Bank to re-organize the MS9.

***Scheduling of Next Meeting:***

- Trustee meeting TBD
- Next meeting with Enterprise will be held in October for another quarterly review.

**Meeting Adjourned:**

The meeting adjourned at 12:07pm.

Respectfully Submitted,

Demetra Bergeron  
Trustee/Secretary