

TOWN OF HANOVER
TRUSTEES OF TRUST FUNDS
Meeting Minutes

Thursday, April 14, 2011 at 7:30 a.m.

In attendance: P. Gardent (Trustee), J. Pierson (Trustee); B. McClain (Town Administration)

Review of 2011 Town Meeting Warrant

Trustees reviewed the seven warrant articles on the proposed May 10, 2011 Town Meeting Warrant that relate to funds in their custody:

- Article #8 – deposit of 50% of the Land Use Change Tax collected during FY2010 into the Land and Capital Improvements Fund
- Article #10 – deposit of 100% of the \$5.00/vehicle registration surcharge collected during FY2010 into the Municipal Transportation Improvement Fund
- Article #11 – authorize deposit of amounts established during the FY2012 budget development process into a series of established Capital Reserve Funds
- Article #12 – authorize deposit of amount established during the FY2012 budget development process into the newly established Water Treatment and Distribution Equipment and System Capital Reserve Fund
- Article #13 – authorize withdrawal of amounts established during the FY2012 budget development process from a series of established Capital Reserve Funds
- Article #14 – authorize withdrawal of amount established during the FY2012 budget development process from the Municipal Transportation Improvement Fund
- Article #15 – terminate the Howe Library Building Repair and Equipment Fund and effect the transfer of any remaining balance to the existing Building Maintenance and Improvement Capital Reserve Fund

Trustees confirmed that their review of the Town Meeting Warrant was for advisory purposes only with the goal to avoid any action taken at Town Meeting that the Trustees might consider difficult to execute for whatever reason. Trustees agreed that the articles noted were in keeping with the format and substance of what has been acceptable in the past and did not identify any potential issues.

Transaction Authorization

Trustees approved the following transactions:

- Withdrawal of \$150,000.00 from the Hanover School District Tax Stabilization Fund
- Withdrawal of \$274.00 from the Dartmouth Class of 1958 Clock Maintenance Fund
- Deposit of \$3,589.00 to the Etna Library Expendable Trust Fund

Other Business

Trustee Pierson moved to approve the minutes of the January 26, 2011 Trustees Meeting with noted changes; Trustee Gardent seconded the motion, and the motion passed unanimously. Trustee Gardent asked that the open action items summarized on these minutes be carried forward in the minutes to facilitate follow-up with Bank of America.

Trustee Gardent had asked the meeting minutes to record an administrative correction made by the New Hampshire Public Deposit Investment Pool (NHPDIP) during the month of March 2011. A correction was necessary as the \$161,000 withdrawal from the Ambulance Equipment Capital Reserve Fund requested by Trustees on June 21, 2010 was inadvertently drawn by NHPDIP against the Highway Construction and Maintenance Equipment Capital Reserve Fund. The adjusting entry was back-dated by NHPDIP so that the appropriate interest income would be reflected.

Trustees agreed to hold the discussion on the Total Return Spending Policy Statement received from Michael Wrenn, Bank of America, until Trustee Doyle, Mr. Wrenn and Mr. Wesson were at an upcoming Trustees meeting to have a fuller discussion on what to do next and to clarify any questions with the statement.

The Trustees asked that Ms. McClain ask Bank of America to e-mail the March 31, 2011 Performance Reports to the Trustees and to reaffirm that they will be attending semi-annual meetings: one in late July/early August to present June 30 results and the MS-10; and one in mid-late February to present December 31 results.

Trustee Gardent executed a *Participation Certificate, Exhibit D* to re-establish its desire to participate in the NHPDIP. This paperwork needed to be executed as a result of the NHPDIP advisory committee completing a contract review process and electing to remain with Cutwater Asset Management (formerly MBIA) as the Program Administrator. This new contract was approved by a vote of the advisory committee on March 28, 2011.

Ms. McClain will try to schedule the next Trustees meeting for sometime the week of June 13 or June 20, 2011.

Open Action Items

- **Mr. Wesson** will develop a custom composite benchmark to include in future Investment Performance reporting.
- **Mr. Wesson** will include the performance benchmark of CPI plus 3.0% in future Investment Performance reporting.
- **Mr. Wesson** will pursue whether the fund managers being used consider ins/outs to/from the fund when making investment decisions.