



TOWN OF PEMBROKE TRUSTEES OF TRUST FUNDS MEETING MINUTES

June 3, 2019
Pembroke Town Hall
311 Pembroke Street

ATTENDANCE:

Present:

Gerard Fleury - Chairman – Trustee of Trust
Courtney Eschbach – Trustee of Trust Funds
Sharon Wickens – Trustee of Trust Funds

The meeting was called to order at 6:32 p.m.

The first order of business was the approval of the minutes of the meeting of May 2, 2019. Chairman Fleury entertained a motion to approve which came from Trustee Eschbach with a second from Trustee Wickens. The vote was taken and the motion passed.

The next order of business was the ratification of poll votes taken as follows:

1. Ratify poll votes of April 27, 2019 pursuant to requested from the Pembroke School District, The Pembroke Water Works, and the Town of Pembroke as follows:

Instructional Materials	10-8200288284	\$3,642.28
Water Works	10-8200288282	\$40,000.00
Water Works Equipment	10-8200288283	\$10,000.00
Municipal Facilities	10-8200288288	\$16,150.00
Police Small Equipment	10-8200288291	\$2,634.40
Cemetery Improvements	10-8200288299	<u>\$3,625.00</u>
		<u>\$76,051.68</u>

2. Ratify the poll vote of May 10, 2019 to fund the 2019 Scholarships at Pembroke Academy pursuant to a request from Headmaster Paul Famulari.
3. Ratify the poll vote of May 28, 2019 pursuant to a request from the Pembroke School District dated May 20, 2019 for \$27,812.00 from the School Buildings & Grounds Capital Reserve Fund.

The motion to ratify came from Trustee Eschbach with a second from Trustee Wickens. There were no questions or discussion. Chairman Fleury called for the vote and it was all in favor.

The Trustees then discussed plans to issue an RFP for Trust Services. Chairman Fleury reported that at least three financial institutions have expressed interest in providing those services but he expressed concerns over how much that could conceivably cost the Town and how it might impact the way in which the trust and capital reserve funds operate. Concerns were expressed over the growing complexity of reporting standard to the Department of Justice and the Department of Revenue Administration. Chairman Fleury described reporting as an onerous task which should not be undertaken lightly by an individual but he expressed concerns that financial institutions able to product and submit such reports on behalf of the Town would charge management fees on all deposits including capital reserve funds in order to make the arrangement lucrative. As has been the case in the past, Chairman Fleury expressly stated that he finds it morally reprehensible to assess a management fee on cash accounts and worries that the actual management skills on equity and fixed income portfolio might not be in line with performance of the funds.

The trustees discussed possible options and how they might impact of objective being sought in the RFP. Possibilities included requesting a flat fee for the production of annual reporting which could be budgeted and funded through the operating budget with expenses spread between the departments and enterprise funds with trust and capital reserve accounts. Also discussed were stipulation on the management of fixed income, mutual funds and equity portfolios which would prohibit trading without the prior consent of the trustees. Such as process would involve more frequent meeting where fund managers would present their proposed changes to the portfolio and explain the rationale for such changes before the trades could be made.

These concepts were acceptable to all of the trustees so Chairman Fleury indicated that he would continue work on the RFP to achieve those objectives and would share the draft with the trustees and town officials.

The subject of timelines then came up. It was decided that the RFP would be targeted for completion and issuances by late July. Responses would be due by the end of August and daytime interviews of prospective bidders would be conducted at Town Hall shortly after Labor Day. The continued objective would be to have a service provided in place before the end of the calendar year to handle 2019 reports.

There being no further business to conduct, Trustee Wickens offered a motion to adjourn which received a second from Trustee Eschbach. The vote was all in favor and the meeting adjourned at 7:26 PM