

# WINCHESTER COMMISSION OF TRUST FUNDS

## Meeting of March 27, 2019

A meeting of the Board of Commissioners of Trust Funds was held on Wednesday, March 27, 2019, in the Mystic Valley Room at Town Hall. Commissioners Hayes Miller (Chair), Bob MacIntosh (Secretary) and David Risgin, as well as Town Treasurer Sheila Tracy and Town Comptroller Stacie Ward were in attendance.

The first order of business was the annual review of officer roles, with the following outcomes: Commissioner Miller retained the role of Chair; Commissioner Risgin took over as Secretary from Commissioner MacIntosh.

Next, the Commissioners approved – with one immaterial change – the *minutes* from the previous meeting on February 27, 2019. These *minutes* will be placed on file at the Town Library by Ms. Tracy.

### Old business

A note was made for Commissioner Miller to follow up on certain uncompleted trades from the prior month.

### New business

#### *Cash flows acknowledged/approved*

\$1,795 inflow into the Dell Cemetery Permanent Care Fund.

\$6,050 inflow into the Cemetery Permanent Care Fund from the sale of cemetery lots

(\$360.60) outflow from the Cemetery Permanent Care Fund for flowers

(\$737.02) outflow from the Brown Cemetery Trust.

The Commissioner acknowledged total receipts of \$31, 065.00 from the Cemetery to the Treasurer.

The Commissioners approved an expense to the Asa Fletcher Fund for \$113.31

### Discussion

The attendees engaged in a discussion regarding the Housing Capital Fund, with some attention to the scheduled transfer of roughly \$65,000 from the prior month. Attendees noted an article on the spring Town Warrant for a housing trust. The Comptroller offered to seek information on how this new trust might affect the Commission's responsibilities, if at all; whether the new trust will be in compliance with relevant state statutes (e.g., the "prudent person" rule); and whether the Commission will have any oversight authority or responsibility.

The Commission turned its attention once again to questions regarding the Asa Fletcher Fund (the "Fund"). The Needs Assessment Group (NAG) recently reconvened but neglected to invite the Treasurer or the Comptroller. The Chair expressed concern that the NAG might act prior to establishment of a new Select Board or, with the current Select Board, execute transactions beyond the Commission's spending recommendations with regard to the purpose and capacity of the Fund or its trust documents. The Treasurer has requested of Town Manager Wong that the Commission have representation regarding any discussions related dispensation of the Fund. Both the Treasurer and Comptroller are to be commended for their diligence in pursuing these matters.

The Commission of Trust Funds then discussed the Municipal Affordable Housing Trust being proposed at the 2019 Spring Town Meeting. The Commission will discuss operations and implementation of the Housing Trust's policies and attempt to ascertain whether the Housing Trust will be invested similar to other trusts with respect to the "prudent person" rule.

The Commission engaged in a discussion regarding the Winchester Other Post-Employment Benefits ("OPEB") trust, which is at a \$3.2MM funding level versus its full-funding goal of \$59MM. The Treasurer was to discuss with the Town Clerk the OPEB trustee meeting requirements (e.g., open versus closed) and whether the Commission will act as an investment authority or provide advice in compliance with state "safe statute"

regulations. Ms. Tracy agreed to forward relevant trust explanations and documents to Commission members. The Treasurer is to secure a tax ID and act as custodian for the trust. Investment authority may be vested with the Commission of Trust Funds or with a to-be-enacted Board of Trustees of elected and appointed officials (to include the Treasurer). The Commission offered to review relevant documents and discuss possible recommendations at its next meeting.

Next, the Commissioners discussed the investments held in the various portfolios. Current allocations were deemed sufficient, with no changes recommended. The allowed equity range is from 60% to 75%; current allocation is roughly 64%. Accounts performed well versus their indexes. Commissioner Miller was to make certain trades in the Library Endowment Fund. The Commission also was reminded that the Treasurer typically makes transfers after the monthly meeting; occasionally, settlement times can cause expenditure reports to lag actual meeting dates. Nevertheless, discussion and review showed all accounts to be in order.

<u>Security</u>	<u>Main</u>	<u>Endowment</u>	<u>Retiree Health</u>	<u>Library Trusts</u>
<b><u>Buys:</u></b> --- None --- (“---”)	-----	-----	-----	-----
<b><u>Sells:</u></b> --- None --- (“---”)	-----	-----	-----	-----

The market values of the Funds as of February 28, 2019 were:

<b>Main Account*:</b>	<b>\$4,224,880</b>
<b>Library Endowment*:</b>	<b>\$1,985,848</b>
<b>Retiree Health Care Trust*:</b>	<b>\$3,206,508</b>
<b>Library Trust Funds*:</b>	<b>\$870,591</b>
<b>Housing Capital Account**:</b>	<b>\$1,010,930</b>

\* custodied at Fidelity Investments

\*\* an MMDT account

The Commissioners agreed to meet again on Wednesday, April 24, 2019 at 8:00am.

Respectfully submitted,

*David A Risgin*

David Risgin, CFA  
Secretary