

Board of Trustees Meeting

MINUTES FRIDAY NOVEMBER 30, 2007 2:00 PM

OFFICE OF DANIEL R. LYNCH

MEETING CALLED TO ORDER BY	Daniel R. Lynch
SECONDED BY	Don Cichon
TYPE OF MEETING	Board of Trustees
FACILITATOR	Daniel R. Lynch
NOTE TAKER	Kimberly Nunan
TIMEKEEPER	Kimberly Nunan
ATTENDEES	Earle Goodwin, Don Cichon, Dan Lynch, Kimberly Nunan

Meeting was called to order at 2:10 PM by Daniel R. Lynch

December 12th city council meeting is scheduled. Mr. Goodwin notes LDA suppose to be signed December 5th to get on the December 12th agenda. City Council will meet twice in January, we could get the info on LDA (2 parts of project) – Perpetual Maintenance comes out of Trust to take bourdon off the taxpayer. The Trustees do not want to request a special meeting just for this. The dates for the city council meeting are scheduled for January 9th and 23rd. Trustees should have a brief meeting scheduled before the city council meeting (Meeting Scheduled for January 11th Friday at 2:00 pm) another tentative date we could meet if necessary or if the Friday date does not work out is January 14th (Monday at 2pm)

From July session we should do a more in depth look at the portfolio.

A Resolution needs to be put together for this meeting –Perpetual Care- 100,000.00 Water Front Committee

Copies of MS 9 & 10 hand out by Mr. Lynch to Mr. Cichon and Mr. Goodwin: In regards to Charitable Trust Division questions about new Scholarships, Mr. Lynch addressed questions about 2006 Library Fund – not a 2006 Library Fund. He explained where the questions came out, confusion with a donation to an existing trust fund for purchase of library books. Mr. Cichon had a question in regards to the MS 9 & 10 – Report as of 6/30/07 but column balance at end of year under investment principal; the balance end of year – does that reflect 6/30/07 or 12/31/07. Mr. Lynch confirmed it is a Fiscal Year so it reflects 6/30/07.

Mr. Goodwin reminded the Trustees that his term would be up on 6/30/08

Mr. Lynch brought up other interests to the Trustees and turned the conversation to the latest quarter Morning Star reviews. Accounting produces a value Report monthly. Mr. Lynch will give copies to Mr. Cichon should he need it. Portfolio asset allocations explained by Mr. Cichon to Mr. Lynch. Each fund is classified by security. We tend to be conservative, it's where we're most comfortable. Recently we've inched up into the Conservative Growth Model. Page 2 shows were we (trustees) are.

We need to decide at the next meeting if we are comfortable where we are or if we need to make adjustments and go more conservative or more aggressive.

Don Cichon - Morning Star – We don't need ALL the morning star reports for all the mutual funds we have.

Earl Goodwin – The simpler the better

Don Cichon – As long as they're informative and accurate. Mr. Cichon needs a report generated to get the most recent balance in dollars on these funds.

Mr. Lynch spoke about the PDIP, Fidelity and Wasach Statements. Then the value report gets produced.

Mr. Cichon requested once these are generated, he would like them emailed to him so he can do his analysis.

Mr. Goodwin notes in Money Market we're conservative.

Mr. Cichon explains we are restricted to what we can buy. Investment policy is set by state and locally designed. Mutual Funds, no load funds, no sales charges. Some mutual funds will have within them preferred stock but it's always managed by the Mutual fund Manager. Mr. Cichon is curious how the City's Funds have faired over the last quarter. We did gradually move more Bond Funds into Equity Funds. Bond Funds have recently Increased and Equity funds have recently decreased. We need to be prudent with Trust funds.

Mr. Lynch gave a brief overview of gains and losses in City funds.

Mr. Cichon looks over MS 10 and questions whether the numbers are correct. Wasach is the only number that has changed.

Mr. Goodwin asked Mr. Cichon what should have changed?

Mr. Cichon replies "We should see proceeds from sales or capital gains. He continues to note, a Purchase of 45K is the only change he saw on this report. He repeats that he would expect to see Capital Gains.

Mr. Lynch confirms this has already been submitted to the State and concludes if this IS incorrect we would have to send a corrected version into the state.

Mr. Cichon asks if in the future the Trustee's could receive these (MS 9 & 10) forms ahead of time, before the meeting, so they can look them over more carefully.

Mr. Goodwin asks if the MS 9 looks ok and asks if it is created from software -- Is it automatically generated or human error?

Mr. Lynch confirms it is automatic, that we use Quickbooks. Mr. Lynch looks back at prior years and notices the number seem to match and everything cross references. He concludes that the report is accurate and that it reflects from the value Report.

Mr. Cichon recalls prior Finance Director Jeff Harrington's explanation that we have investments structured so all capital gains go into the Money Market and this would explain why capital gains are zero. The past report from June does show the info he was looking for.

Mr. Lynch explains it is a revised 6/30/07 report, There must have been a statement which came in after the initial report.

Mr. Cichon would like to see the December 31st version of the report and confirms that everything does seem to "mesh". He recalled the Capital gains explanation that Mr. Harrington provided in the past.

He would like to see a spreadsheet comparison through the year as long as it doesn't call for extra calculations by Mr. Lynch.

Mr. Lynch – Regarding new funds, new Scholarships (3 or 4) have been established since He (Mr. Lynch) began. In August we were addressing co-mingled funds within School student activity funds.

Issacson, Mary Ellen Driscoll, Donahue, Rider Book -- Through City Council Resolution, each was established as separate Scholarship funds and turned over by school to City.

6/30/07 Audit asked us (the City) to confirm – Student Activity, School, Private Accounts (ski club, Music Club). From passbook accounts we moved these: M. Wilson 2,760.03, Alan Sheldon 1, 477.56, Linda Ivy 5,879.70, into trust accounts, from school to City Trust. School board approved a school district scholarship policy to clearly define procedure for establishing scholarships. Mr. Lynch hopes we won't have any future issues like these due to the new policy in place. Scholarships are to now be under the control of the Trust funds.

Around March time we can look at these. There will be \$ in and out of those funds & perpetual care.

Wasach notified us of a new sm. Cap fund.

Reminder that school looked to draw out full amount to complete Woodman park from School facilities Capital Reserve Fund. We signed off on Resolution.

CONCLUSIONS	Meeting adjourned at 3:00 PM