



CITY OF DOVER

## TRUSTEE OF THE TRUST FUNDS MINUTES

Meeting Type: Regular Meeting  
Meeting Location: Finance Conference Room, City Hall  
Meeting Date: **Tuesday, September 8, 2009**  
Meeting Time: **9:00 am**

### 1. CALL TO ORDER

Meeting was called to order by Dan Lynch at 9:37 am  
Members Present: Daniel Lynch, Earle Goodwin, Donald Cichon, Kim Nunan and Michael Murphy- Newly Confirmed member. (One vacant seat remains)

### 2. OLD BUSINESS

#### A. Approval of July 14, 2009 Minutes

Mr. Cichon made a motion to approve the minutes; seconded by Mr. Goodwin and Mr. Lynch. Mr. Murphy abstained since he was not present for that meeting.  
Vote: 3/0.

Mr. Cichon thought it would be of value to provide Mr. Murphy with some background information: ie: How many trust funds are there?

Mr. Lynch will provide Mr. Murphy with a copy of the Citizens Bank Trust Booklet and Investment Policy.

Mr. Lynch provided general background of common trust and capital reserve accounts to Mr. Murphy.

### 3. NEW BUSINESS

#### A. Status update on transition to Citizens Bank Investment Advisory Services

Mr. Lynch reminded the board that during the last meeting in July, Capital reserve funds, PDIP investments needed to move to newly established accounts, "Concentration Account" with Citizens bank. As of August 25, 2009, investments have been moved into Citizens "Concentration Account" Citizens bank will provide monthly Statement. Online, we can view the balance in the account but the Statement will break the account down by Capital reserve.

Mr. Cichon commented on the balance showing. Mr. Lynch explained that at the moment we tend to have monies going into the account more often than coming out: Investment Fees, Vehicle Reclamation fees, Transportation Improvements Fees. The City will be receiving Grant money to cover 50% of Pump Station Upgrade project, this will require less need of capital reserve funds for the project as compared to what was budgeted as part of CIP program.

Mr. Goodwin brought up a question he was asked by Mr. Gary Green of the DUC. Mr. Green seemed to have concerns with the Investment Fees. He receives a report on what is billed every month, but he wants to see more specific detail, specifically, what portion of the Investment fees were received and placed into the Capital Reserve fund.



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Additionally, New Financial Software, Unifund, will hopefully be up and running the general ledger portion of the City Financial Statements by January 1, 2010 (Final time table still to be determined). The board acknowledged Mr. Greens concerns and will address this question to Unifund to see if they can create a report that will address Mr. Green's concerns. Since our software has not been implemented yet, we can not promise that this report can be obtained.

10:20 Earl Goodwin announces he will need to excuse himself from the meeting at 10:30.

Mr. Cichon inquires about having access to the Capital Reserve online Cash Account. Mr. Lynch explains that a Security token is needed. Security is much higher. There are two separate Investments:

- Capital Reserve online Cash Account (High Security)
- Common Trust Accounts (All Trustees can view online)

Finance has it's own back up data to reconcile with Citizens Bank Report

One account still remains to be moved from PDIP for Trust Account.  
TD Banknorth checking also needs to be closed out and moved over to Citizens.  
This will be done as soon as we can wrap up the MS9

10:30 Mr. Goodwin excuses himself from the meeting. He verbally requests Minutes for remaining meeting.

Possible candidates for the remaining seat on the Board of Trustees:

- Jim Brannon – CEO Federal Savings Bank
- Dave Duponts- Declined due to scheduling difficulty

We currently have 2.4 Million in the Common Trust account which includes PDIP and TD Banknorth-both of which remain to be moved into Citizens.

Mr. Lynch will assist in setting Michael Murphy up online with Citizens bank to view the Trust Account reports.

### **C. Update and Revisions to Investment Policy**

Diversification- room for improvement ie: Asset Allocation  
Board needs to think about a little more about balanced approach as compared to growth and Income or a more aggressive investment style.

Recommended Invest Asset Allocations (Provided Attachment A)

Board needs to decide between Growth and Income or Fixed Income on Investments

Template (Attachment B) Investment Policy and Guidelines: Confirm with Citizens that they are approved by Charitable Trust Division.

Motion by Don Cichon to approve Existing policy as is for FY10



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2<sup>nd</sup> by Daniel Lynch  
Michael Murphy Abstained, hasn't received policy yet.  
Vote: 2/0

With 5<sup>th</sup> Member – Possible October/November meeting to discuss and focus on Investment Policy. If in November, include Citizens for the quarterly advisory services meeting.

Mr. Murphy will be unavailable October 22-27<sup>th</sup>

### **B. Disbursement Approval process and thresholds**

Purchasing Agent knowledge: Any purchase over 4k relating to Trust Accounts needs to be signed off by the trustees on a Resolution prior to PO's being released. Finance Director relates any purchase over 3K relating to Trust accounts needs to be signed off by the Trustees.

Is the actual rule 3K or 4K – We need to identify a policy clarifying

(Attachment C and Attachment D) List of Disbursements for FY09 and FY10 ytd.

Elliot Hospital \$3,700  
Pitbull Painting \$2,500 Arena Lift Truck  
Weston and Sampson \$15,000 – Pumps for floors at Arena

Don Cichon requests that we attach additional background information to the Resolution when forwarding to Trustees (such as the Bid document) In order to satisfy the following 3 questions:

1. What is the purpose of the Account it's being funded from.
2. What is the source of funding
3. What is the Item of Purchase.

Put on Next Agenda

Mr. Murphy questioned how does City Audit affect Trust Accounts and Capital Reserve Accounts.

Dan Lynch explained there is a component of the Audit that does affect the Trust. We do provide MS9 and MS10 (Investments).

Mr. Murphy questioned if they review Investment Policy. Dan Lynch explained that because this is the first time we've used this auditing firm, that he anticipates that they will be more inquisitive in order to get to know the Municipality and double check Investments vs the policy.

Mr. Lynch will review notes from prior Trust meetings. Citizens denoted we need to provide Correspondence to the AG's office that we are operating under the Prudent investor Rule. We can include a letter with the MS9 and MS10.

Vote: 2/0



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#### 4. ADJOURN

Mr. Cichon moved to adjourn; seconded by Mr. Lynch.

Vote: 2/0.

Meeting adjourned at 11:27 am.