

CITY OF DOVER

TRUSTEE OF THE TRUST FUNDS MINUTES

Meeting Type: Regular Meeting
Meeting Location: 2nd Floor Conference Room, City Hall
Meeting Date: **Friday, May 20, 2011**
Meeting Time: **9:00 am**

Members Present: Finance Director Daniel Lynch, Donald Cichon, Michael Murphy, David Dupont, Kim Nunan and Citizens Bank Representatives Frank H. Anderson and Brian Bickford.

1. **CALL TO ORDER** by D. Lynch at 9:05 a.m.

2. OLD BUSINESS

A. Approval of February 18, 2011 Minutes

D.Cichon moves to approve February 18, 2011 minutes, 2nd by M.Murphy.
Brief discussion ensues on the minutes – no changes to minutes. Minutes approved
4/0

3. NEW BUSINESS

A. Review of Monthly Common Trust Account Statement with Citizens Bank Representatives

Citizens bank Representative Brian Bickford reviewed the Investment account statements and began with Accumulated Income. D. Lynch asked how he needs to communicate with Citizens bank to let B. Bickford know when the board would like to change the Accumulated income from one investment allocation guideline to another.

Board Inquired if \$169k should stay in the Current Assets – Income Cash
And \$300k get reallocated into “Common Trust Accumulated Income Assets”

Frank Anderson recommends all \$469k be moved to a “new” sub account – an Accumulated Income Account calling it – City of Dover Accumulated Income Fund where \$300k will be invested by B. Bickford among the Common Trust Accumulated Income Asset allocation guidelines for fixed Income and Equities.

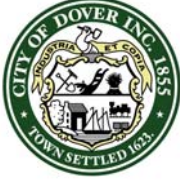
Referring to Page 6 on the Investment Policy –
Under Approved Allocation Guidelines
Common Trust Accumulated Income Assets

Combine: US Treasuries – AAA Government Agencies – and Fixed Income and create one account called Fixed Income with 0-75% keeping **

** No High Yield. Transfers to Fixed Income only at specific direction of Trustees.

A Motion was made by D. Cichon to Amend the Investment Policy to Common Trust Accumulated Income Assets as noted above.

2nd by M. Murphy.
4/0



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M. Murphy made a motion to Amend Page 7 of the Investment Policy Under Diversification:

a) And b) (cost basis) = Market Value.

Also change wording -

Add to b) Applies only to individual Equity securities excluding mutual funds.

2nd by D. Cichon

4/0

Frank Anderson will provide a letter to the Trustees for the Chair which will act as the certification of compliance with "Management Agreement" mentioned on page 3 - 6) a) of the Investment policy.

F. Anderson will also provide list of fees after June 30th - "Fee Schedule" as mentioned on page 3 - 6) d) of the investment Policy.

At 10:40 Citizens Bank exits the meeting.

B. Board reviewed Monthly Capital Reserve Account Statement

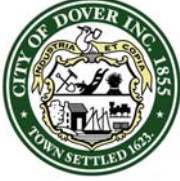
C. Board reviewed Trust Disbursements for fiscal year 2011 year to date.

D. Board reviewed and signed TWO RESOLUTIONS - Recycling Bins with Busch Systems and Computer Equipment from Dell Computers

Board members, as a matter of disclosure, expressed concern about potential conflict of interest with having any trust or capital reserve moneys on deposit at Federal Savings Bank (FSB). Finance Director D. Lynch informed the Board that the Federal Savings Bank came in to speak with City Manger M. Joyal and D. Lynch about programs available at Federal Saving Bank for deposit investments options. A portion of the discussion involved possibly working out a program for the Capital Reserve funds. D. Lynch reviewed that option and believes it would not work due to possible conflict of interest with a Board of Trustee member (basically removing that member from most if not all discussions on Capital Reserve funds.) There were concerns about the reporting capabilities as compared to currently existing services and the existing ease to use on-line banking services between the cities existing bank accounts. The city decided to examine other options to see if available programs at FSB would work for City deposit investments.

Board discussed letter provided by the American Bankers Association Regarding MSRB Rule for Municipal Investment Advisors.

Board discussed Parking Activity Capital Reserve fund sub account which has been established but does not appear on April 30th Capital Reserve Account Statement.



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Dan Lynch is working with the City's General Legal Counsel to determine the appropriate dollar amount to transfer into the Parking Activity Capital Reserves based on language in resolution approved by City Council.

4. Meeting ADJOURNED 11:08 AM

Motion by D. Lynch

2nd by M. Murphy

4/0

DRAFT