

City of Laconia, NH
Trustees of the Trust Funds
January 28, 2019

Meeting called to order at 2:00 PM. Present were Peggy Selig, Jon Nivus, Randy Haas Trustees; Charlie Nason and Laurie Leduc, Citizens Bank. Also present was Glenn Smith, Finance Director for the city of Laconia; and Michael Feeney an interested Laconia resident.

Investment Review:

Charlie Nason went over the year end 2018 performance of the portfolio. He noted that the trust funds are worth \$4.2M. The trust funds lost \$32,221.99 in 2018 or approximately -0.77%. Citizens Bank is trimming equities and adding bonds.

The national unemployment rate is 3.9% and in New Hampshire the unemployment rate is 2.5%. Charlie noted that Citizens is sorting its way through the government shutdown and the China trade agreement. He also noted that there has been a 20% correction in the market from the highs. They are watching low and stable inflation which is a goal of the Federal Reserve System. The GDP was 3% due to rate hikes and government tensions. Interest rates were raised four times in 2018. Charlie noted that the Federal Reserve was not re-investing \$600B over 2019. Thus, less economic stimulus and perhaps the Federal Reserve will slow down the quantitative process.

The portfolio has a yield of 1.88% for 2018. The PE was 17.63% of the account vs the S&P at 17.24%. The three sectors that are long term in the account are: Financials, Health Care and Technology. This is a high quality portfolio. Charlie also expects the earnings to slow in 2019, but still be positive with 9-10% earnings this year. There are risks in the economy and perhaps a slow down or recession? Citizens is positioning the trust funds to do a good job without risk. Money has been made on security selection.

Next Meeting:

The next meeting will be **April 20, 2019** at **2 PM** in the Upstairs Conference room at Laconia City Hall.

Charlie and Laurie left the meeting.

Minutes:

Minutes of the October 22, 2018 meeting were approved.

Communications:

None.

Meeting was adjourned at 3:30 PM.

Respectively Submitted,

Peggy Selig, Secretary