

City of Laconia, NH  
Trustees of the Trust Funds  
October 21, 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.

**Investment Review:**

Charlie Nason reviewed the 2019 3rd Quarter market review of the performance of the portfolio. He noted that the trust fund was worth \$4,605,842.00 and was up 1% this quarter.

The Federal Reserve lowered the interest rate by 25 basis points in September. The economy is showing multiple signs of weakness in various sectors. Bond yields are lower and the S&P is still high. There appears to be ample liquidity in the market. The Federal Reserve announced that it is getting back into Quantitative Easing (QE). There is beginning to be a slowing yield curve. People are forecasting a weakness in the market that has not yet happened.

Even though there are signs of slowing, the market is pretty well priced. The market expectation is that the Federal Reserve will drop rates again. The market is within 1% of its all time high.

The Laconia Trust Funds are invested in: 50% Stocks and 50% Bonds. The balance in the Trust Funds is \$4,605,842.00. The Funds are a little over weight in Large Cap Stocks. Treasuries make up 45% of the Bond portfolio. The return on the stock side of the portfolio is 7.45% for the year (September - September). Income from investments can only be spent.

The performance in the funds is consistent. \$324,165.10 represents a 7.45% return on investments. There is an improving earnings growth in the funds. AA is the credit rating of the portfolio. Total cash is only 1% of the portfolio, but it is yielding 2%.

Citizens Bank has built a high credit portfolio in equities and fixed income. Thus, they are not anticipating any major changes in how they invest for now. It was stated that the 4th quarter is usually the strongest quarter of the year.

It was noted that in 2019 the local cemeteries each received checks from the City in the amount of \$8,000.00. Due to the economy and investments of the Fund, this is up from the amount of \$5,000.00 in past years.

It was noted that Charlie and Laurie left the meeting.

**Putnam Fund (Motion):**

A motion was made and seconded to approve an appropriation of \$82,201.83 for the Putnam Fund for the year 2019-2020, based on a 7% Spending Policy (schedule attached to the minutes).

The Trustees reviewed the calculation of the Carryover Amount for the Fiscal Year 2019 ending and the amount is: \$62,365.06.

**Communications:**

**Scholarship Recipients 2019 "Thank You Notes:**

**Demark Fund:** Kaitlyn Brooks

**Priest Fund:** Jacob Miner and Ryan Fields

**Minutes:**

Minutes of the July 29, 2019 meeting were approved.

**Next Meeting:**

The next meeting will be **Monday, January 27, 2020 at 2 PM** in the Upstairs Conference room at Laconia City Hall.

Meeting was adjourned at 3:15 PM.

Respectively Submitted,

Peggy Selig, Secretary

**PUTNAM FUND MAXIMUM ALLOWABLE EXPENDITURE CALCULATION SHEET - FY 2020**

292-B:4 VI. The appropriation for expenditure in any year of any amount greater than 7 percent of the fair market value of an endowment fund, calculated on the fair market value determined at least quarterly and averaged over a period of not less than 3 years immediately preceding the year in which the appropriation for expenditure was made, creates a rebuttable presumption of imprudence.

9/30/2016	1,098,343.77
12/31/2016	1,105,488.21
3/31/2017	1,120,114.29
6/30/2017	1,152,051.75
9/30/2017	1,148,855.48
12/31/2017	1,158,464.99
3/31/2018	1,162,306.95
6/30/2018	1,151,222.60
9/30/2018	1,251,967.09
12/31/2018	1,257,669.14
3/31/2019	1,271,733.75
6/30/2019	<u>1,213,524.42</u>

Sum of Quarterly Balances

14,091,742.44

12.00

Average of Quarterly Balances

1,174,311.87

7%

82,201.83

Maximum amount that can be appropriated for FY19

City of Laconia  
Trustees of Trust Funds  
Putnam Fund  
Calculation of Prin to Income Transfer Amount

Year		Total	Prin	Income
2013-14	Income Earned	26,059.61		26,059.61
	Disbursed	(45,028.78)	(18,969.17)	(26,059.61)
	Tran from Prin to Income	<u>(18,969.17)</u>	<u>(18,969.17)</u>	-
2014-15	Income Earned	30,005.32		30,005.32
	Disbursed	(43,299.31)	(13,293.99)	(30,005.32)
	Tran from Prin to Income	<u>(13,293.99)</u>	<u>(13,293.99)</u>	-
	Total to be Tran from Prin to Income	32,263.16		
2015-16	Income Earned	25,704.89		25,704.89
	Disbursed	(57,615.63)	(31,910.74)	(25,704.89)
	Tran from Prin to Income	<u>(31,910.74)</u>	<u>(31,910.74)</u>	-
2016-17	Income Earned	29,066.73		29,066.73
	Disbursed	(60,178.65)	(31,111.92)	(29,066.73)
	Tran from Prin to Income	<u>(31,111.92)</u>	<u>(31,111.92)</u>	-
April 2018	Total to be transfered from Prin to Inc	63,022.66		
2017-18	Income Earned	26,659.80		26,659.80
	Disbursed	(80,854.62)	(54,194.82)	(26,659.80)
	Tran from Prin to Income	<u>(54,194.82)</u>	<u>(54,194.82)</u>	-
	Oct-18 Total to be transfered from Prin to Inc	54,194.82		
2018-19	Income Earned	33,025.13		33,025.13
	Disbursed	(77,374.04)	(44,348.91)	(33,025.13)
	Tran from Prin to Income	<u>(44,348.91)</u>	<u>(44,348.91)</u>	-

City of Laconia  
Trustees of Trust Funds  
Putnam Fund  
Calculation of Carryover Amount

Year		
2014-15	Appropriated 7/1/14	65,000.00
	Appropriated 4/20/15	6,240.58
	Disbursed	<u>(43,299.31)</u>
	Balance for the year ended 6/30/15	27,941.27
	Total balance to be carried forward	<u><u>32,912.49</u></u>
2015-16	Appropriated 10/19/15	73,615.79
	Disbursed	<u>(57,615.63)</u>
	Balance for the year ended 6/30/16	16,000.16
	Total balance to be carried forward	<u><u>48,912.65</u></u>
2016-17	Appropriated 10/17/16	75,759.00
	Disbursed	<u>(60,178.65)</u>
	Balance for the year ended 6/30/17	15,580.35
	Total balance to be carried forward	<u><u>64,493.00</u></u>
2017-18	Appropriated 11/15/17	77,303.13
	Disbursed	<u>(80,854.62)</u>
	Balance for the year ended 6/30/17	(3,551.49)
	Total balance to be carried forward	<u><u>60,941.51</u></u>
2018-19	Appropriated 10/22/18	78,797.59
	Disbursed	<u>(77,374.04)</u>
	Balance for the year ended 6/30/17	1,423.55
	Total balance to be carried forward	<u><u>62,365.06</u></u>