MEMORANDUM TO: Jen Berry, Administrative Assistant

FROM: Trustees of Trust Funds

SUBJECT: Trustee’s Input to Town Report

DATE: December 01, 2017

Accomplishments:

1. Operation of Investment Account. The trusts and reserves in the custody of the Trustees continue to be invested with the Wealth Management Division of People’s United Bank.

We are pleased to report that the income from reserve and trust investments for 2016 was $62,354.68, a yield to the end-of-year market value of 1.99%. The end-of-year market value reflects capital gains, additions and withdrawals made during the year so the actual return was a bit higher. Capital gains distributions and gains from sales increased principal by $6066.51 during 2016. Market value for investments held increased by $51,541.51 for the 2016 year. Part of this income was spent for the purposes of the various trusts and reserves, and the remainder was accumulated to the balances of the funds. The income received in the first half of 2017 was $33,640.12. As of October 30th it appears that the total 2017 income will exceed last year’s.

As always, it is important to understand that investment results are dependent on investment markets, and that future results are dependent on being able to adjust to future market conditions. The Trustees have adopted a conservative investment policy with the primary goal of preserving the ability to carry out the purposes of the Town’s reserves and trusts. This policy is posted on the Trustee’s web page on the Town web site.

During our annual meeting with the Town Council we were asked, “Why do you have an investment advisor who charges a relatively large fee in relation to earnings; why not just invest the funds in an indexed mutual fund?” Since this question may be of general interest, we prepared a response which is posted on the Trustee’s web page.

1. Description of the Process of Engaging an Investment Advisor. A detailed record of the process the Trustees used to select and engage People’s United Bank Wealth Management as investment advisor to the Trustees is available in the Town Administrator’s office.
2. Continuing to Improve Management of Doe Farm, We are working with the Land Stewardship Sub-Committee to define the issues which are important to the future of Doe Farm as a community asset. The current focus of this effort is defining uses for the farm in the future. We are working to proceed with an invasive species removal plan which is a necessary precursor to harvesting timber in the next 2-3 years and other potential future uses. We expect the program we develop for the longer term use of Doe Farm will incorporate existing stewardship/management plans, the will of Mr. Doe, and Town needs.
3. Continuing Our Transparency Efforts. The Trustees have improved the timeliness of posting agendas and minutes. We have generally been able to respond to communications from residents quickly, although in some instances our response been delayed by the complexity of the issues raised, or when the issues required us to do research and consider carefully our response. We have improved our coordination and cooperation with Town departments/committees. We meet at the call of the Chair when there is business for us to conduct, and typically meet at the venerable Young’s Restaurant, on Main Street in Durham at 7:30 AM on a Friday morning. Our meetings are open to the public, Young’s is easily accessible to all and there is ample room for anyone to attend.
4. Continuing to Improve Record Keeping. We have barely begun assembling records which show how, when and why the various funds in our custody were established. The work in this effort is enormous, and will likely require years to complete.
5. Working with the Department of Public Works. We have continued our excellent and productive relationship with Mr. Lynch, Director of Durham DPW. His cooperation, perspective and support are a major part of our efforts to carry out the purposes of many of the trusts we administer.
6. Investment Policy.

The Trustees revised the previous Trustee’s Investment Policy, and adopted the revised policy during our 25 August 2017 meeting. (See Trustee’s web page)

1. Internal Controls Policy. The Trustees adopted an Internal Controls Policy at our November 2016 meeting. (See Trustee’s web page)

The Future:

1. We will continue our efforts to be prudent custodians of the funds entrusted to us while seeking sound returns on the investment of these funds.
2. We will continue to seek a way to accomplish the organization of the Trustee’s paper records.
3. We will continue to work on those projects/issues shown above which are “continuing”.
4. We believe the Town’s role in locating, documenting and preserving the private burial grounds located throughout the Town has been given a tremendous boost by the efforts of the HDC/HC, and in particular, Ms. Andrea Bodo. Ms. Bodo has arranged training on burial ground maintenance and engaged civic organizations and volunteers to address the neglect and deterioration of the burial grounds. The Trustees plan to continue to work with the HDC/HC and other Town agencies to initiate an action plan and help enlist the support of everyone who has an interest in maintaining and preserving these valuable historical resources.