

Trustees of the Trust funds

Meeting with the Facilities and Finance Committee of the Mascoma VRSD School Board

September 1, 2016

In attendance: Cindy Neilly, Stella Butterfield, Steve Ward and Doug Tengdin (Charter Trust)

The School Board requested a meeting with the Trustees and Charter Trust to discuss the investment of their capital reserve funds and the current deficit.

Cindy stated that poor investment results at the NH Public Deposit Investment Pool caused the Trustees to seek an alternative investment manager, and Charter, manager of Canaan's Common Fund (principally cemetery perpetual care funds) since 1986 was selected.

Steve reviewed with the Committee our conservative investment policy revised last summer specifically for capital reserve funds upon the transfer of investments previously managed by the NH PDIP to Charter in June, 2015. He affirmed that, when fully invested, net income after management fees will exceed that earned in 2014 with NHPDIP by a factor of approximately ten. He went on to explain that the deficit (income minus management fees) was due to the delay in investing in higher yielding Treasuries because the newly executed revised investment policy was lost in transit. He stated that if the investment in Treasuries had occurred in August rather than October, income for the period ending June 30, 2016, the end of the Mascoma's fiscal year, would have been about \$1,000 higher, and there would have been no deficit.

Doug mentioned that Charter was negotiating with its money market bank vendors for improved interest rates. He is confident that Charter's leverage with the banks will result shortly in increased interest income on our money market investments.

Brewster Gove of the Committee observed that a meeting with the Trustees was requested after an Enfield member of the Board had expressed concern about the safety of our capital reserve fund investments in light of the recent difficulty encountered with Enfield's capital reserve investments.

Wayne Morrison, Chairman of the School Board Budget Committee, expressed satisfaction with the explanations provided by the Trustees and thanked us for our participation.