

Re: **Trustee Meeting Minutes**

Date: February 21, 2023

Time: 5:30 pm

Location: Town Hall

Attended: Jeff Balboni, Chris Nee and Kerry Pope

Excused:

### **Meeting Minutes**

- Jeff called the meeting to order
- The Trustees reviewed and approved the September 20, 2022 meeting minutes (Jeff motioned to approve the minutes and Chris seconded the motion, all were in favor)
- As previously approved, the Trustees adopted the S&P Dividend Growers Index as the benchmark for the Trust Fund given the income oriented style of investing
  - The Investment Guidelines were updated and approved by the Trustees
- The Trustees reviewed Partners Bank's proposal for depository services.
  - The Trustees determined the proposed rate to be below current money market rates that are expected to remain elevated.
- The Trustees discussed the macro environment:
  - Labor market reflected the nonfarm payrolls increased by over 500k jobs in January, twice the anticipated level. Inflation caused by higher service costs reflected strength in consumer spending with the PCE increasing 0.6% for the month of January.
  - Increased volatility in the bond and equity markets is expected as these market find equilibrium with the Fed's more hawkish rate environment.
  - The Fed aggressively increased rates 450 bps since the start on the tightening cycle at the beginning of last year with more rate hikes expected in the first half of 2023 to combat inflation caused by tight labor conditions.
  - Quantitative Tightening continues on at caps of \$95B per month. The Fed's tightening will largely be offset by the rundown of the Treasury's TGA balances in order to fund the government's operations associated with debt ceiling constraints.
  - Once the debt ceiling is lifted, the Treasury will issue an estimated \$1 trillion in debt to rebuild its TGA balances and repay the extraordinary measures causing bill yields to trend higher, providing money market funds an opportunity to extend WAMs.
- The Trustees reviewed and discussed trust fund accounts and holdings

- The Library account (236) maintained three positions with concentration levels of over 10%. Given the high level of interest rates and the potential need for liquidity, the Trustees voted to reduce these allocations to below 10% and increase the account's liquidity profile.
- The library account executed the following trades 2-22-23:
  - Sold 60 shares AEE at a price of \$86.16
  - Sold 40 shares BMY at a price of \$70.92
  - Sold 17 shares PG at a price of \$140.32
- The Trustees adjourned the meeting at 6:00 pm.

Respectfully Submitted,

Kerry S. Pope, CFA

Rye Trustee of Trust Funds

February 27, 2023