

Town of New Castle
Trustees of Trust Funds
Meeting Minutes
March 21, 2023
Location: Town Hall (in person) 10:00 AM

Present: Tim Driscoll, Jim Wilbur, Dave Fitts and Julia Thomas
Absent: Ruth Zikaras

1. Chairman Driscoll called the meeting to order at 10:00 AM.
2. Upon motion by Jim and a second by Tim the minutes of the meeting of December 13, 2022 were approved.
3. Investment and Financial: A quick review of the Investment Statements for the end of February prepared by Cambridge Trust Company revealed that the principal of the various trust funds managed by it had held their value despite the unsettled market for equities and fixed income securities. There was a review of the status of the CD's maturing within one and two years in view of their reduced redemption value today versus the potential gain by reinvestment of the funds at today's higher interest rates. The committee decided that there was very little, if any, to be gained by such a swap especially when we considered the transaction costs and the volatility of current interest rates.
4. Trust Fund Activities: Jim Wilbur reviewed his spreadsheets reflecting receipts of principal and income and disbursements to date for FY ending June 30, 2023. He noted the receipts included the funding of the accounts for Road/Streets, Town Buildings & Facilities and Vehicle & Equipment plus other line items totaling \$685,075 less disbursements of \$145,081 from Road/Streets, \$44,000 from Town Buildings & Facilities, \$51,556 from Water and several smaller items all resulting in a favorable balance of principal of \$1,830,514. The income balance after expenses is \$140,134.

Information of anticipated expenses from Town Department heads and Town Manager included the purchase of a pickup truck (Ford F150) and a snow blower.

5. Other Business:

a. The Library Trustees have reported that they are considering a potential capital improvement to the Library facility which would include some outside space suitable for Library activities. In that regard they anticipate fund raising and are inquiring whether the funds raised could be added to the current trust account held by TOTF. We reviewed the terms of the Library Trust and determined that any funds now held by TOTF and any funds to be added via fund raising would be totally subject to the control of the Library Trustees for expenses, capital or otherwise, at their discretion. There was additional discussion of the best way to handle the income earned by the funds in the Trust in light of the fact that in spite of the trust provision which specifies any income earned on the funds should be used "for the purchase of books." In fact these funds have been held in the account each year and at the request of the Trustees have not been used for the purchase of books. If that retention of income is to be continued, the Committee asked that the Library Trustees vote to modify the terms of the Trust by providing that all income earned in any fiscal year and not used for the purchase of books be transferred to the principal account of the Trust which is subject to expenditure of the Library Trustees as they may determine. Chairman Driscoll will speak with the Chair of the Library Committee to determine next steps.

b. No feedback for the TOTF Reference Manual.

c. Dave reported that the TOTF Investment Policy, updated for FY 2023 by vote of this Committee at its September 6, 2022 is posted on the Town's website.

6. Next Meeting: Tuesday, June 13, 2023, 10AM at Town Hall.

7. Adjournment: Upon Motion made and seconded, the meeting was adjourned at 10:50 AM.

Respectfully Submitted,



David W. Fitts, Secretary