

## Minutes of the Trust Fund Commission meeting of May 5, 2021

Present: Chairman Paul Foley, Commissioner Seth Pitts, Treasurer Sandra Flynn, Alex Bartholomew and Michelle Newcomb from Bartholomew and Company

Absent: Priscilla Lippert

First order of business acceptance of the previous meeting of November 19, 2020. Chairman Foley made Motion to Accept and Commissioner Pitts second. All in Favor. The portfolio review was taken out of order and Alex Bartholomew explained the rebound over the last year. A general discussion was held ranging from who produces the reports (Treasury with coordination of Bartholomew) to amounts that can be used versus amounts in the balance (underlying purposes). Commissioner Pitts was concerned about the risks involved in the trades of non-agency backed trades. He asked that Alex add the risks in the next portfolio review. Alex explained that Bartholomew has 100 percent investment grade portfolio and believes in diversity. He will provide that information in future reviews. Commissioner Pitts was looking for more information about all the areas involved so that the Commissioners could make better, more informed decisions moving forward. The high yield preferred equities make up a little less than 5 percent. Commissioner Pitts then asked Alex's opinion of the entire portfolio's risk profile. Alex said per the Investment Policy the risk profile is moderate based on his experience and goals for different market conditions and he would not recommend reducing now. Their recommendation would be to build direct real estate exposure 3-5 percent to generate cash flow for long term performance. A discussion was had about mortgages etc. but the actual real estate exposure asked about by Commissioner Foley was zero percent. Alex explained the differences between the term real estate and Chairman Foley asked about the risks of commercial space as it fluctuated. Alex explained the differences between the types across the country. Chairman Foley asked if they were looking for an answer today. Commissioner Pitts asked to table so that the Commissioners could meet separately to discuss the Investment Policy and get the reports earlier and with more information about the risks and anything else that may be helpful to the Commissioners. Commissioner Pitts asked for several changes in the quarterly reporting. Chairman Foley agreed with Commissioner Pitts but mentioned that any discussion would have to be at a public meeting. Treasurer Flynn agreed that it would be a public meeting. Commissioner Pitts agreed but just reiterated that it would be without Bartholomew and Company present. Chairman Foley thanked Bartholomew and Company for all of the information supplied and moved on to other business.

Commissioner Pitts explained what he was looking for in an overhaul of the policy. Chairman Foley wanted to ascertain how to identify what was distributed when and why in order to strategize about going forward and expending dollars. This was a general, not specific conversation so that the Commissioners could identify which Trust Funds were not being utilized at all. The Treasurer explained that the amount that could be used was only the income reserve. Commissioner Pitts suggested the next step would be to identify different ways to approach the departments in terms of an awareness campaign. The Treasurer explained that an individual commissioner could reach out to the varying departments. Commissioner Pitts said once the clarity he asked for from Bartholomew and Company was given they could discuss. The Treasurer was asked about the two year extension and she believed it was rewarded by the then acting Treasurer/CFO, Thomas Zidelis in her absence. Commissioner Pitts

then asked who was in charge of the rewarding of process and the Treasurer explained that as Trustee/Custodian of the funds it would be the Treasurer not the Commissioners. Chairman Pitts disagreed and the Treasurer said she would check. Commissioner Pitts asked for the statute so that he would know whose job it was.

Last item was the funding request number 050521, from Robert Antonelli, Assistant Commissioner of Parks, in the amount of \$59,589.00 from the Hope Cemetery Perpetual Care Fund. Chairman Foley made a motion to accept Commissioner Pitts seconded. Chairman Foley then asked about the scholarships and the Treasurer said despite reaching out they had not been received. Chairman asked that a June meeting be set up so that the Commissioners could discuss the Investment Policy. He added that he had not yet taken up the list to divide amongst the Commissioners but would do so. Commissioner Pitts informed the group that he had looked up the statute during the meeting and felt that the Treasurer was incorrect and the awarding of an extension should have been the Commission.

Chairman Foley made a motion to adjourn and Commissioner Pitts seconded.