

Town of Waterville Valley Trustees of the Funds Meeting Minutes December 16, 2022 at Town Offices

The Meeting was called to order by Chair Amy Saulnier at 9:00 am. In attendance were Amy Saulnier, TTF chair, Deborah Wenger, Trustee and Bill Spence, Trustee (via Zoom). A quorum was established with the members present. Also in attendance were Mark Decoteau, Town Manager, Jeff Webb, Town Treasurer, Steve Royer, Administrative Services Manager and Judy Rolfe HR Coordinator & Bookkeeper.

Old Business

- The minutes of the March 21, 22 meeting were accepted as presented.

New Business

Market Update

- Markets have been volatile. As of October 31, the S&P 500 is down 17%.
- Inflation continues to run higher than the Fed target. As of Nov 2, 2022 the Fed has raised the Federal Funds rate by 400 bp to 4.25%.
- Q3 GDP was positive, reversing two successive quarters of negative growth.
- As of Dec 2, 2022 the unemployment rate remained at 3.7%, which is close to a 50-year low.
- Interest rates have increased with the highest yields in 10 years. See chart below.
- The Yield curve is currently inverted with the 2-year U.S. Treasury 105bp above the 10-year. Historically an inverted yield curve has coincided with an economic slowdown.

US Treasury Yield Curve (12/31/21 vs 12/14/22)



NHPDIP Performance

Trailing Returns @ 10/31/22

	1-Mo	3-Mo	1-Yr	2-Yr	5-Yr
NHPDIP	3.0800%	2.6600%	0.9900%	0.5100%	1.1700%
iMoneyNet MM Index	2.9100%	2.5000%	0.9100%	0.4700%	1.0900%

Investment Policy

Amy recommended that the town adopt the Prudent Investor Rule as per RSA 564-B:9-902B Uniform Prudent Investor Act (UPIA). A modern interpretation of the Prudent Man Rule, the UPIA states that “a trustee’s investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the trust portfolio as a whole and as a part of an overall investment strategy, having risk and return objectives reasonably suited to the trust.”

Under the UPIA, Individual investments that may not be permitted under the Prudent Man Rule, should be allowed into a portfolio if their addition is small and *beneficial to the risk and return provided by the entire portfolio*.

Trustees may adopt the prudent investor rule under RSA 564-B:9-901-RSA 564-B:9-906 without regard to the investment limitations of RSA 31:25 and RSA 31:25-a, provided, however, the trustees of trust funds “Hire or employ the trust department of a bank or a brokerage firm to provide investment advice and assistance under RSA 31:38-a, III” and RSA 31:25d. Mark confirmed that, by way of our investment in the NHPDIP, the NHPDIP acts as the investment adviser of the town.

All trustees and the Town Treasurer were in favor of the change. Amy will present this proposed change to the Select Board on January 4, 2023.

Payment Review and Approval

- A transfer of \$17,040.16 from the Road Repair Capital Reserve to the General Fund was approved to cover the following invoices:
 - D.A. White Excavating invoice 2022.015 dated 04/20/22 for \$10,102.16 for culvert repair at Village Road and Valley Road;
 - D.A White Excavating invoice 2022.095 dated 11/23/22 for \$2,288.00 to prepare roadway for paving patch at Valley Road and Village Road;
 - L.E. Johnston Construction, Inc. invoice 2022.008 dated 01/11/2022 for \$4,650.00 to pave Britten driveway.

- A transfer of \$10,500.00 from the Municipal Solid Waste Capital Reserve Approved to the General Fund was approved to cover the following invoices:
 - McDevitt Trucks, Inc. invoice R801002901:01 dated 6/29/22 for \$9,167.35 in parts, labor and supplies on/for the Solid Waste Truck valued at \$25,000.00;
 - \$1,332.65 to Rusty’s towing service, invoice dated 6/28/22 totaling \$1,408.00.

Meeting was adjourned at 9:45