

Town of Westmoreland: **Draft** Minutes of meeting of the **Trustees of Trust Funds** on August 13, 2019; 9:37am to 10:54am. Attending: Trustees Bill Franzen, Ceil Goff, and Tim Thompson.

- Ceil moved and Bill seconded a motion to accept without change the minutes from July 23, 2019. The motion passed unanimously.
- Mr. Franzen described a fruitful meeting that he and Mr. Thompson had with Scott Lazzaro and Cathy Gray of SAU Administrative Unit 29. The trustees are required to submit an annual report to the SAU on Capital Reserve Funds held by the Westmoreland Trustees.
- The trustees spent the remainder of the meeting considering the best approach to invest trust funds in the equity market. First, Ms. Goff presented a table of Morningstar's and analysts' ratings of the various funds that make up a JP Morgan Mutual Fund under consideration by the trustees. Trustees then looked at the performance of the S&P500 from 2000 to 2018, as well averages over the past 10 years, 5 years, etc. This led to a lively exchange about the merits of index funds and mutual funds. Ceil spoke highly of the Invesco S&P500 Low Volatility Exchange Traded Fund, one of five options being considered by the trustees. She also provided detailed information about the price of Invesco shares. Tim presented summary information related to all five investment options: American Funds, BlackRock, Invesco, JP Morgan, and Massachusetts Financial Services. Topics included performance, fees, expense ratio, makeup of the funds, etc. Trustees also considered the target allocation from the Investment Policy, the nature of our current holdings, and the impact of fees on trust fund income. Mr. Franzen touted the cost advantage of ETF's while still receiving dividends to support the trust funds' need for income. In the end trustees concluded that the performance and cost of investing in an ETF made more sense than a Mutual Fund.
- Ceil moved and Bill seconded a motion to invest \$40,000 in the Invesco S&P500 Low Volatility Fund (SPLV). The motion was approved unanimously.
- Ceil will solicit more information from Edward Jones regarding other suitable ETF's for additional investment.
- Trustees took no action regarding the impending maturity of a Morgan Stanley CD.

Respectfully Submitted,

Timothy Thompson