

Trustees of Trust Funds of Lyme
Meeting Minute
August 9, 2022

PRESENT

Trustees: Mardi Bowles, John Biglow, Rich Brown
Bar Harbor Wealth Management: Lynne Ford, Bryan Sanford
Cemetery Trustee: Jay Cary

The meeting conducted in person at the Lyme Town Office came to order at 10 A.M.

Bryan Sanford and Lynne Ford of Bar Harbor Wealth Management (formerly Charter Trust) presented an investment review for the Town of Lyme funds that they manage. Major points included: the U.S. economy showing signs of slowing; global inflationary pressures continuing; the stock market down, but not all sectors equally; the 2-10 year bond yield curve currently inverted; the U.S. dollar strong against other currencies. In answer to a question about drawing income from trust funds, Lynne reminded everyone that New Hampshire does not permit a total return approach to drawing from trust funds. Thus capital gains go into principal and cannot be used to provide income.

Town of Lyme capital reserve and trust funds under purview of the Trustees are managed in three “pots.” The **Common Fund** (cemetery and library trusts plus Bessie Hall Fund) had a July 31 market value of \$1,392,236, with roughly 50% in equities and 50% in fixed income plus cash. Total return for January 1 – July 31 2022 was down 9.66%, while the S&P 500 for that period was down 12.58%. **Capital Reserves**, entirely invested in cash and fixed income, had a July 31 market value of \$3,217,232. They were down **2.2%** for the Jan, 1 – July 31 period, partly due to increasing interest rates, while the U.S. Aggregate Bond index was down 8.16%. Bonds are bought in a “ladder” of maturities, allowing for reinvestment at changing interest rates. The **Public Trust Funds** (school trust and a small cemetery fund) had a market value of \$258,228 as of July 31 with 56 % in fixed income and cash and 44% in equities. The total return on this fund from Jan.1 to July 31 was down **9.7%**.

The Town of Lyme investment policy was reviewed. All parties agreed that it did not need to be altered in any way.

With thanks from the trustees, Bryan and Lynne withdrew from the meeting after their presentation.

The minutes from the March 19, 2022 meeting were then approved, and the Trustees reviewed the following payments and receipts since that meeting.

Payments have been made to the following:

3/29/22 The Lyme School, \$2,571.79 from the Lyme School Fund (2021 income)
3/29/22 Lyme Town Library, \$1,108.47 from the Library Fund (2021 income)

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6/4/22 The Lyme School, \$37,000 from the Lyme School Post Retirement CRF

6/4/22 The Lyme School, \$33,000 from the Maintenance School Building CRF

7/14/22 Town of Lyme, \$100,000 from the Class V Roads Rehab CRF

8/8/22 Henderson's Tree & Garden Services, \$2,100 from the
Cemetery Perpetual Care Fund

Receipts from:

3/30/22 Lyme Volunteer Firefighters, Inc., \$1,967.62 for the Bessie Hall Revenue
Fund (funds from Bank of America trust)

Mardi also explained that it had been necessary to reverse the transfer of funds that the Trustees carried out in December 2021 from the Cemetery General Maintenance Fund to the New Cemetery CRF. Although this transfer was on the May 2021 town warrant, it was set aside on town meeting floor and not authorized. The transferred funds were restored to the Cemetery General Maintenance Fund in April 2022.

Meeting was adjourned at 11:50 A.M.