

Town of Londonderry, Vermont
Trustees of Public Funds
MEETING MINUTES
Thursday, January 25, 2024

BOARD MEMBERS PRESENT: Pauline Davison, Kathy Mosenthal, Mike Goodbody (via zoom)

OTHERS IN ATTENDANCE: Tina Labeau, Town Treasurer; Dave LaForest, Nottingham Trust - Account Manager; Charlie Perrillo (via zoom), Nottingham Trust - President, Senior Investment Officer (by zoom); Danny Cobb, Chair Cemetery Commission; Gary Barton, Cemetery Commission

1. MINUTES of the August 23, 2023 Meeting were approved.
2. PERFORMANCE: Dave LaForest reported that the balance of the Trustee Funds as of 12/31/23 was \$6,628,152, with total return through 12/31 at 9.89% Net of fees, and total return since inception (October 2009) through 12/31/23 was 5.83% Net. Estimated Annual Income is \$216,093.51 with an estimated annual yield of 3.26%. The investment allocation as of 12/31 was 2.76% money market (after income distributions were made), 40.13% Fixed Income and 57.11% Equities. Charlie addressed allocations in his market update. See also breakdown in Meeting Booklet.

The balance of the Cemetery Funds as of 12/31/23 was \$2,125,908 with a total return through 12/31 of 9.45% Net of Fees and total return since inception of 5.55% Net. Estimated annual income is \$67,915.54 with estimated annual yield at 2.91%. Current allocations are Money Markets 9.03% (incl. accumulated income available for distribution), Fixed Income 38.47% and Equities 52.50%.

3. MARKET REVIEW: Charlie Perrillo provided a 4th quarter Review and Outlook for the Market, a copy of which is in the Meeting Booklet on file at the Town Office.
4. Financial markets rallied strongly over the last two months of the year providing investors in most asset classes with impressive 2023 returns. A recession did not materialize as consumer spending remained strong. With data depicting an easing of inflationary pressures, the Federal Reserve has currently paused their rate hiking regime. Next year (2024) may represent the end to the current rate hiking cycle with the potential for rate cuts later this year. At the same time, tighter credit conditions, high equity valuations, geopolitical tensions and upcoming Presidential election provide an array of uncertainties that make a repeat of 2023's strong performance.

Gains on the equity side were driven by the "magnificent 7" tech stocks which provided for most of the return. Our investment in bond ladders on the fixed income side was fortuitous as the account was able to generate more income. Charlie described 2023 as a good year and felt that performance in the high single digits was possible in 2024 if the economy retains its pace and corporate earnings advance. If the economy slows and corporate earnings advance our bond ladders put us in a good position by locking in rates.

5. TRUSTEES TOWN REPORT: The Trustee Report that was submitted to the Town Clerk for publication in the Town Report for Town Meeting was including in the meeting materials. It reflected a balance of \$6,606,571.95 as of 12/31/23 as compared to \$6,175,082.68 as of 12/31/22, and that \$194,576.03 was distributed to beneficiaries in December 2023, as compared to

\$166,074.53 in December 2022. The Cemetery Report reflected a balance of \$2,120,787.69 as of 12/31/23 as compared to \$1,938,920.88 as of 12/31/22.

6. OTHER BUSINESS:

- a. Dave asked Danny as Chair of the Cemetery Commission and Tina, Town Treasurer if they wanted the excess income in the Cemetery account available for distribution, or if they wanted it reinvested. They said to reinvest it.
- b. Danny Cobb said he will be retiring as Chairman of the Cemetery Board and that Gary Barton was willing to take his place, effective Town Meeting Day.
- c. Pauline will be up for re-election on Town Meeting Day.
- d. Tina said the auditors wanted a list of initial values of all investments. She will forward their e-mail to Dave and he will provide the information.
- e. Buxton Trust for Widows and Orphans:
 - i. We had discussed the possibility of combining distributions to widows and orphans in need with the Emory Melendy trust for the poor for which Danny Cobb serves as Trustee. He felt, however, that the conditions of each trust were disparate enough that it wouldn't work. We will review the trust to confirm, and the meantime will try to set up a meeting in the Spring with Chris Blacky at the First Baptist Church, Laurie Krooss, 2nd Congregational Church; Kathleen at the Food Pantry and Nicole Wengerd at Neighborhood Connections to see if we can come up with a better way to distribute the income from this trust to "deserving widows and orphans"..

7. NEXT MEETING is July 18, 2024 at 10:00 AM at the Town Offices.