

**Town of Rockport  
Investment Committee**

**Minutes of Meeting**

**Monday – July 22, 2013 - 4 p.m.  
Richardson Room – Rockport Town Office**

**In Attendance:**

Committee Members

William Freeman, Jr., Vice- Chair  
Jerod Cronkite

Select Board Liaison

William Chapman

Finance Director

Virginia B. Lindsey, acting recording secretary

**1. Meeting Called to Order**

Vice-chair Freeman called the July 22, 2013 meeting of the investment committee to order at approximately 4 p.m.

Because there was not a quorum present at the meeting, the committee could not officially conduct business.

**2. Approval of Minutes from April 30, 2013 delayed**

The committee members in attendance opted not to approve the minutes of the previous meeting without a quorum of members present.

**3. Old Business**

**a. Membership Discussion**

Again the committee suggested that Beth Winters be contacted about possibly joining the investment committee. Another name mentioned was Roxanne Williams. Jerod Cronkite suggested Dennis Norton, who owned a CPA firm and might be a good candidate; Mr. Cronkite indicated he would contact Mr. Norton to find out if he had any interest in joining the committee.

**b. Bar Harbor Trust Services Fee Discussion**

The group mentioned that Bar Harbor Trust Services (BHTS) had insisted in keeping the cash portion of the portfolio subject to the 1% management fee. Mr. Freeman noted that Chair Campbell had talked with him about the possibility of pulling out the cash portion of the portfolio and investing it locally, thereby eliminating the BHTS management fee. However, the committee felt that BHTS would then pull funds from other investments to create a cash reserve. They also noted that it appeared currently that the cash in the

investment portfolio had dropped to 6.15%, whereas the committee's investment policy indicated that the cash in the portfolio "may" be between 10 and 20% of the overall investment. Mr. Cronkite also mentioned that it appeared as though BHTS had gotten rid of the precious metals investments; and also noted that the Berkshire Hathaway investments would be due in August. All agreed that the portfolio appeared to be doing well right now, and perhaps now was not the time to remind BHTS that the investment account was only supposed to have 10 to 20% in cash.

Without a quorum present, the committee members in attendance suggested the committee might wish to look at the language in the Investment Committee Policy to determine if there needed to be any changes.

**c. RFP Draft to be Reviewed**

The committee did not review the Draft RFP; rather, they discussed the possibility of making changes to the proposal shortly before seeking bids for investment banking; when/if the committee recommended going out to be for investment banking.

**4. New Business**

**a. General Discussion**

Select Board Chair (and committee liaison) William Chapman suggested the committee report to the Select Board at their August 12<sup>th</sup> meeting on the town's investment portfolio, and on the committee's recommendation to remain with BHTS at this time. It was noted that the committee felt the investment account was in good hands currently; and there would be no advantage in seeking bids for investment banking services with other financial institutions at this time.

The group also reviewed the composition and results of the current portfolio. Mr. Cronkite asked to be sent a copy of the report electronically. Mrs. Lindsey indicated she would scan the document and then send it to all committee members; and would follow up with BHTS to find out if they could send the report to her electronically each month and then forward it to the committee on a regular basis.

The committee also inquired about using funds from the portfolio. The finance director noted that in previous years some of the interest earned on the cemeteries portion of the portfolio had been used to offset town costs for maintaining the cemeteries each year. In recent years the principal had inadvertently been tapped into; realizing the dilemma the town had not taken funds from the cemeteries investments until the account could replenish. Mr. Cronkite also inquired about funds being deposited into the account. Mrs. Lindsey reported that once each year perpetual care funds collected would be deposited into the account.

It was then suggested that the committee review the cemeteries budget at their next meeting; and consider making a recommendation to the select board about using interest funds from the portfolio to help offset budget costs in the FY 14-15 town budget. Mrs. Lindsey was asked to put this item on the committee's next agenda.

**5. Next Meeting Scheduled**

The committee chose to schedule its next quarterly meeting on Monday, October 21, 2013 at 4 p.m. The meeting will be held in the Richardson Room at the town office building, 101 Main St., Rockport.

**6. Meeting Concluded**

The July 22, 2013 meeting of the Rockport Investment Committee concluded at approximately 4:40 p.m.

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Virginia B. Lindsey, Acting Recording Secretary