

Re: **Trustee Meeting Minutes**

Date: February 16, 2021

Time: 5:00 – 6:00 pm

Location: Town Hall

Attended: Jeff Balboni, Chris Nee and Kerry Pope

Excused:

### **Meeting Minutes**

- Jeff called the meeting to order
- The Trustees reviewed and approved the October 14, 2020 meeting minutes (Jeff motioned to approve the minutes and Chris seconded the motion, all were in favor)
- The Trustees reviewed and discussed the Rye Trustee of Trust Fund's Investment Guidelines:
  - The Trustees discussed the index (S&P 500 Index) that is currently utilized as the Funds benchmark. The S&P 500 Index has become more heavily weighted with fewer number, low dividend technology stocks that no longer represents the income oriented Trust Funds.
  - The Trustees discussed alternative indexes and determined that the S&P Value Index would be more representative of the Trust Funds' investment objectives.
  - As a result, Jeff motioned to adopt the S&P Value Index as the new benchmark for the Trust Funds going forward. Chris seconded the motion and all were in agreement.
- The Trustees discussed the economic recovery:
  - While select sectors of the economy continue to be impacted by the pandemic (namely travel and leisure), other sectors of the economy (namely manufacturing and technology) continue to gain strength.
  - Given the roll-out of COVID vaccines and increasing herd immunity, most analysts and the Federal Reserve anticipate a re-opening of economic activity to contribute to robust growth in the second half of the year.
  - \$8 trillion in central bank monetary accommodation and \$3.9 trillion in fiscal stimulus since the March crisis with an additional \$1.9 trillion being evaluated by the Senate, largely deficit funded, may further contribute to a surging growth environment that may finally drive inflation levels higher if only temporarily.
  - The Fed continues to believe that monetary policy (near zero rates and quantitative easing that includes the purchasing of \$120 billion per month of market securities) is appropriate and is not yet considering tapering the easing and has provided forward guidance to suggest that rates will remain low until 2023.

- The Trustees reviewed and discussed the Funds' positioning relative to the recovering economy:
  - Fixed income indexes continue to represent limited value given the Federal Reserves' accommodative policy stance. Most Treasury securities represent a negative real rate of return.
  - Liquidity levels remain elevated given fiscal and monetary stimulus
  - Based on the recovering economic conditions, the Trustees decided to further increase the Funds' equity allocation as outlined below:

Trades were made on or about 2-18-21. Shares of the Fidelity Conservative Income Bond Fund may have been liquidated to support the purchases into the following Funds:

<b>Account ending in 202</b>	Purchased	25 shares	CVS at a prices of \$72.37
	Purchased	280 shares	BGY at a price of \$5.91
<b>Account ending in 252</b>	Purchased	220 shares	CVS at a price of \$72.22
	Purchased	2,700 shares	BGY at a price of \$5.91
	Purchased	200 shares	PRU at a price of \$81.49
	Purchased	200 shares	BAH at a price of \$80.04
	Purchased	230 shares	BX at a price of \$69.68
<b>Account ending in 462</b>	Purchased	330 shares	CVS at a price of \$72.39
	Purchased	4,000 shares	BGY at a price of \$5.91
	Purchased	295 shares	PRU at a price of \$81.19
	Purchased	300 shares	BAH at a price of \$80.03
	Purchased	340 shares	BX at a price of \$69.70
<b>Account ending in 470</b>	Purchased	68 shares	CVS at a price of \$72.54
	Purchased	850 shares	BGY at a price of \$5.91
	Purchased	60 shares	PRU at a price of \$81.20
	Purchased	62 shares	BAH at a price of \$80.14
	Purchased	70 shares	BX at a price of \$69.69
<b>Account ending in 236</b>	Purchased	7 shares	CVS at a price of \$72.48
	Purchased	84 shares	BGY at a price of \$5.91

- The Trustees voted to adjourn the meeting at 6:03 pm

Respectfully Submitted,

Kerry S. Pope, CFA

Rye Trustee of Trust Funds

February 19, 2021