

**PECK ESTATE TRUSTEES - MEETING MINUTES**

June 4, 2020

MEMBERS PRESENT: Gill Coates (Clerk), Frank Twarog, and Kristy McLeod

OTHERS PRESENT: Suzan Locke (Hinesburg Community School K-4 Co-Principal) by phone and Jeanne "Jean" Jensen (Champlain Valley School District [CVSD] Chief Operating Officer)

As a result of the current COVID-19 pandemic, this was a virtual meeting using the web site GoToMeeting.com. This was the first time the Trustees have not met in person. Use of the web site did present some challenges, but no significant problems in conducting the meeting.

The Clerk of the Trustees, Gill Coates, called the meeting to order at 3:08 p.m.

Note: Suzan left the meeting early and did not materially participate in the meeting.

On the first agenda item of the meeting, changes/additions/deletions, Gill suggested moving agenda Item 5 (Review and approval of the Peck Estate Fund's guiding documents) ahead of Item 3 (Determination of the 2019-2020 distribution amount). Kristy suggested we just consider the review and approval of the Investment Policy Statement (IPS) at this point in the meeting and Frank and Gill agreed.

The meeting moved on to review and approval of the draft IPS. Gill suggested a change to the end of Section 2.0, Item a, from "... subject to the spending policy described below" to "... subject to the spending policy described in Section 15.0." Frank then suggested a change to the first sentence of Section 15.0 from "The Trustees will decide by June 1<sup>st</sup> of each year the amount to be withdrawn and distributed ..." to "The Trustees will endeavor to decide by June 1<sup>st</sup> of each year the amount to be withdrawn and distributed ..." The Trustees agreed to both changes and the IPS was approved with those two modifications. The approved IPS is Attachment 1 to these minutes.

Kristy then suggested we move next to agenda Item 6, Discussion of Jean Jensen's email of Feb. 20, 2020. This was so that Jean would be free to leave the meeting following the discussion, since it was the only agenda item for which she needed to be present. Jean's email was in response to a question to her from Gill. The question was "Since the Trustees send the annual distribution to CVSD, can detailed financial information about the PPT [Private Purpose Trust] be found in the CVSD Fiscal Audits?" Jean responded by email as follows:

"Yes, there is information in the audit pertaining to the Trust. I am attaching the appropriate page but the full audit is posted on the CVSD website. A few notes:

In the 'additions/donations' section you should recognize your generous FY19 contribution

In the 'deductions' you'll see two odd listings: 'transfer to other accounts' and 'administration expenses'. Both are showing expenses. The 'transfer' amount was money moved to an account with other funds already earmarked for the playground – we just needed to get both amounts in a single account to write the check. I don't know why our audit calls spending 'administrative expenses'; I'll have to see if we can get that reworded for next year.

Most of the money on hand June 30th, 2019 (The 'net position' – June 30th line) was spent in our FY21 fiscal year on furniture

**PECK ESTATE TRUSTEES - MEETING MINUTES**

June 4, 2020

Total spending on the playground was \$39,458.

Total spending on furniture was \$11,482 (not shown in the audit because it is FY21 spending)

Let me know if this answers your questions. I'm happy to put something into a more formal document for your records if [you] can tell me what information is important to you."

Kristy agreed with Jean that the labeling of funds expended should be described other than "Administrative expenses." Jean will look into that to come up with a better description.

Kristy asked about the first year of the PPT ending 6/30/18. (See Attachment 2 to these minutes, for the first year PPT financial statements from the full audit posted on the CVSD website.) FY2018 shows the Peck contribution of \$38,000, investment income of \$5, and a transfer of \$23,631 which Jean said was used for student furniture. The remaining balance of \$14,374 was carried over to FY2019.

Attachment 3 is the second year Combining Schedule of Changes in Net Position – Fiduciary Funds, Private-Purpose Funds, Dated June 30, 2019. Jean explained that the transfer amount of \$11, 458 in that year was spent on site work for the playground and \$28,000 for the new universal playground equipment for a total of \$39,458, leaving a carryover balance of \$12,277 at 6/30/19 which Jean believed was or will be used for additional student furniture in FY2020.

Jean then left the meeting.

Discussion next turned to agenda Item 3, Determination of the 2019-2020 distribution. Gill began the discussion with his thoughts on the distribution amount. An increase of \$647 would have brought the distribution for 2018-2019 to \$38,000. Therefore, an increase of \$1,647 would be \$39,000, but he was open to a 2019-2020 distribution of \$40,000. Kristy then indicated under the just approved IPS, 5% of the 3-year average year-end balance would be \$50,126. Kristy suggested that the 2019-2020 distribution be \$50,000 due to the anticipated wants and needs in the coming year due to the impact of the Covid-19 virus. Frank questioned the selling of assets as part of the distribution. Kristy responded that under the total return approach for annual withdrawals as stated in Section 15.0 of the adopted IPS, both investment income and net appreciation in the value of the portfolio may be distributed through the sale of Peck investments. Frank indicated he does support the distribution being used for wants rather than needs. But, he was concerned in the coming months there will be more needs to be met. Frank then made the motion that the 2019-2020 distribution be \$45,000. Kristy seconded the motion and it was approved by a vote of 2 to 1. Gill will report the amount approved for distribution to Jean and Suzan and inquire about any possible plans for this distribution and balance of \$12,277.

The minutes from the February 4, 2020 meeting were reviewed. Gill made the motion to approve the minutes as printed. Kristy seconded that motion and the motion was approved.

The next order of business was review and approval of the remaining three guiding documents, The Mission and Goals Statement (MGS), the Attachment to the MGS, and the Vermont Statutes Online 1/25/20. Gill made the motion that the three documents be approved as written. The motion was seconded by Frank and approved. Gill noted that the approved documents will have



**PECK ESTATE TRUSTEES - MEETING MINUTES**  
June 4, 2020

today's date, 4 June 2020. Copies of the three approved documents are Attachments 4, 5, and 6, respectively.

Under new business, there was discussion about documenting our detailed operating procedures. We have previously talked about this as related to Trustees resigning or not seeking reelection in the future. Gill indicated that later this summer, maybe in August, he could start drafting the procedures. Some of the topics to cover are procedures for determining the amount of the annual distribution, meetings, and meeting minutes, etc. A review meeting could possibly be held in September.

Later this fall we will have our annual meeting with Hanson & Doremus; hopefully in October.

Gill will provide approved copies of the IPS to Alex Watson at Hanson & Doremus, as well as to Kristy and Frank. Kristy and Frank will also receive the other three approved guiding documents. Gill will move electronic copies of all the obsolete guiding documents to a Peck Estate Archive file.

Kristy has noted to Frank and Gill about the results of research on a Hinesburg Investment Policy during work on the new IPS. The Town of Hinesburg Draft Investment Policy was forwarded to the Trustees by Town Clerk, Missy Ross. The second paragraph of the policy specifically excludes the Peck Estate Trust Funds:

"This policy does not apply to trust funds held by the Town of Hinesburg. These trust funds are managed under a separate investment policy for trust assets, adopted by the Peck Estate trustees of public funds in accordance with 24 V.S.A. § 2432. It does not apply to bond fund investments made in accordance with the applicable bond debenture requirements."

Thus, the Trustees do not need to pass along the Town's draft to the Peck Estate's financial advisor, Hanson & Doremus Investment Management.

Kristy advised that the Trustees pass along to the Town Auditors this coming fall, in addition to our annual report, our final adopted IPS since they do not seem to be aware that one exists. That is indicated by the following statement in their 2016 management letter to the Town;

"The Town of Hinesburg does not have a formal written Investment policy. We recommend you establish a formal-written investment policy for the Town, including the Peck Estate funds ..."

Being no other business, Frank made the motion to adjourn the meeting. The motion was seconded by Kristy and approved. The meeting adjourned at 4:21 p.m.

Respectfully submitted by,



Gill Coates, Clerk  
Peck Estate Trustees

**PECK ESTATE TRUSTEES - MEETING MINUTES**  
June 4, 2020

Attachments:

1. Peck Estate Fund Investment Policy Statement – Approved 6-4-2020 (4 Pages)
2. CVSD Combined Schedule of Changes in Net Positions – Fiduciary Funds Private-Purpose Funds, June 30, 2018 (1 Page)
3. CVSD Combined Schedule of Changes in Net Positions – Fiduciary Funds Private-Purpose Funds, June 30, 2019 (1 Page)
4. Peck Estate Fund Mission and Goals Statement – Approved 6-4-2020 (1 Page)
5. Peck Estate Background Information (Attachment to MGS) – Approved 6-4-2020 (1 Page)
6. Vermont Statutes Online 1/25/20 – Approved 6-4-2020 (2 Pages)



# **ATTACHMENT 1 - PECK ESTATE MEETING MINUTES FOR 6/4/2020**

## **Peck Estate Fund Investment Policy Statement 4 June 2020**

### **1.0 Purpose**

The purpose of this Investment Policy Statement (“IPS”) is to assist the Trustees of the Peck Estate Fund (“Fund”) in effectively overseeing, monitoring and evaluating the investments of the Fund.

### **2.0 Investment Objective**

The investment objectives of the Fund are:

- a. To maximize the annual income distribution to the Hinesburg Community School (HCS) while seeking long-term growth of the fund, which will remain invested in perpetuity, subject to the spending policy described in Section 15.0
- b. To limit risk through prudent diversification
- c. To limit the cost of administering and managing the investments

### **3.0 Return Objective**

The Fund shall seek to achieve long-term returns (net of fees) competitive with those offered by respective market indices.

### **4.0 Decision Making Criteria**

The following criteria will apply to investment decision-making and will guide the Trustees in determining the annual distribution to the Hinesburg Community School:

- a. Duration and preservation of the Fund;
- b. The purpose of the Fund;
- c. General economic conditions;
- d. Effect of inflation or deflation;
- e. The expected total return from income and the appreciation of investments;
- f. Other resources, if any; and
- g. The investment policy

### **5.0 Delegation of Investment Management**

The trustees of the Fund have agreed to delegate management of the Fund’s investments to an investment advisory firm.

The investment manager will have the authority to buy and sell securities for the Fund and will have discretion to manage invested assets according to their professional judgement and fiduciary obligations, subject to the constraints outlined herein.

# **ATTACHMENT 1 - PECK ESTATE MEETING MINUTES FOR 6/4/2020**

## **Peck Estate Fund Investment Policy Statement 4 June 2020**

### **6.0 Asset Allocation and Rebalancing**

		<b>Asset Allocation Ranges</b>	
<b>Asset Class</b>	<b>Target Asset Mix</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Cash</b>	0%	0%	10%
<b>Fixed Income</b>	50%	40%	60%
<b>Equity</b>	50%	40%	60%

The portfolio will be re-balanced within a reasonable time period once a minimum and/or maximum range is exceeded and at the discretion of the manager.

The manager is/are granted full discretion to change the asset mix within the ranges outlined in this document.

### **7.0 General Guidelines**

Diversification of assets will be employed to ensure that the results from one security or security class will not have an unduly detrimental effect on the entire portfolio.

No single security (excluding cash, mutual funds, and exchange traded funds) shall exceed 5% of the portfolio. This concentration limit does not apply to securities issued by the U.S. government, its agencies, or FDIC-insured certificates of deposit.

### **8.0 Equity Allocation**

- Holdings may include common stock, convertible bonds, convertible preferred stock, mutual funds, and exchange traded funds.
- If individual securities are used, no industry or economic sector weight shall exceed more than 30% of the equity portion of the portfolio.
- Representation in the international equity markets is to be primarily achieved through the use of mutual funds, exchange traded funds or foreign American Depositary Receipts (ADRs). Investments in both developed and emerging international markets may not exceed a combined 50% of the equity portion of the portfolio. The maximum exposure for emerging markets shall be 15% of the equity portion of the portfolio.

### **9.0 Fixed Income Allocation**

- Holdings may include individual issues, certificates of deposit, convertible bonds, exchange traded funds and mutual funds.
- If individual issues are used, no funds are to be invested in bonds rated below investment grade by Standard & Poors and/or Moody's at the time of purchase. The investment manager is granted discretion as to the method to monitor bond holdings when, after purchase, they are reclassified below an investment grade level.



## **ATTACHMENT 1 - PECK ESTATE MEETING MINUTES FOR 6/4/2020**

### **Peck Estate Fund Investment Policy Statement 4 June 2020**

- c. If individual issues are used, no one industry shall exceed 50% of the total market value of the bond portion of the portfolio. This concentration limit does not apply to securities issued by the U.S. government, its agencies, or FDIC-insured certificates of deposit.
- d. International fixed income exposure shall be permitted through the use of exchange traded funds or mutual funds. International bonds shall make up no more than 35% of the fixed income allocation.

#### **10.0 Cash Allocation**

- a. Cash equivalent reserves may consist of individual cash instruments having a blended quality rating of A-1, P-1 or higher, and/or money market funds.
- b. Any idle cash not invested by the manager shall be invested daily through an automatic interest-bearing sweep vehicle managed by the custodian.

#### **11.0 Socially Responsibility Guidelines**

Fund assets invested in individual securities shall not be invested in companies whose main business function is the production of tobacco products.

Fund assets invested in broad-based mutual and exchange traded funds shall be exempted from this requirement.

#### **12.0 Restricted Transactions**

The following are prohibited:

- a. Derivatives
- b. Physical real estate (Real Estate Investment Trusts (REITs) or mutual funds are permitted)
- c. Short sales
- d. Margin purchases
- e. Physical commodities/metals (commodity Exchange Traded Funds (ETF) or mutual funds are permitted)
- f. Initial Public Offerings (IPOs) and letter stock (private equity)

#### **13.0 Investment Benchmark**

The long-term goal of the Fund shall be to provide returns competitive with market indices. The Trustees and the manager shall agree on appropriate benchmarks for comparison.

# **ATTACHMENT 1 - PECK ESTATE MEETING MINUTES FOR 6/4/2020**

## **Peck Estate Fund Investment Policy Statement 4 June 2020**

### **14.0 Proxy Voting**

The Trustees of the Fund delegate to the manager the voting of routine proxy solicitation matters. The investment manager will vote all proxies according to its internal proxy voting policies unless otherwise dictated by the Trustees.

### **15.0 Spending Policy**

The Trustees will endeavor to decide by June 1<sup>st</sup> of each year the amount to be withdrawn and distributed to the Hinesburg Community School by June 30<sup>th</sup> of that year. The spending rate shall be no more than 5% of the Fund, applied to the average of the past three calendar year end market values. The intent is to maintain a steady or improving income stream to the HCS by using a total return (investment income and net appreciation) approach for annual withdrawals and a spending rate that will achieve this objective while allowing for the preservation and long-term growth of the Fund.

### **16.0 Trustee Review**

The Trustees will review quarterly reports from the investment advisor and meet with the advisor annually to review the portfolio and the current and future investment strategy. The advisor will provide the trustees with appropriate comparative data to assist in evaluating the investment results of the Fund.

If this policy is amended at any time by the Trustees, then an updated copy of this document shall be provided to the investment advisor.

### **Approved by:**

---

Name:  
Gill Coates

Date

---

Name:  
Kristy McLeod

Date

---

Name:  
Frank Twarog

Date



# ATTACHMENT 2 - PECK ESTATE MEETING MINUTES FOR 6/4/2020

## SCHEDULE I

### CHAMPLAIN VALLEY SCHOOL DISTRICT

#### COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS - PRIVATE-PURPOSE FUNDS JUNE 30, 2018

	Charlotte	Hinesburg	Shelburne	Williston	CVU	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,415	\$ 14,374	\$ 90,158	\$ 5,574	\$ 255,073	\$ 371,594
<b>TOTAL ASSETS</b>	<u>\$ 6,415</u>	<u>\$ 14,374</u>	<u>\$ 90,158</u>	<u>\$ 5,574</u>	<u>\$ 255,073</u>	<u>\$ 371,594</u>
<b>LIABILITIES</b>						
Deposits held for others	\$ -	\$ -	\$ -	\$ -	\$ 260	\$ 260
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 260</u>
<b>NET POSITION</b>						
Restricted - held in trust	\$ 6,415	\$ 14,374	\$ 90,158	\$ 5,574	\$ 254,813	\$ 371,334
<b>TOTAL NET POSITION</b>	<u>\$ 6,415</u>	<u>\$ 14,374</u>	<u>\$ 90,158</u>	<u>\$ 5,574</u>	<u>\$ 254,813</u>	<u>\$ 371,334</u>

## SCHEDULE J

### CHAMPLAIN VALLEY SCHOOL DISTRICT

#### COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS PRIVATE-PURPOSE FUNDS JUNE 30, 2018

	Charlotte	Hinesburg	Shelburne	Williston	CVU	Total
<b>ADDITIONS</b>						
Contributions						
Donations	\$ -	\$ 38,000	\$ 16,735	\$ -	\$ 14,092	\$ 68,827
<b>Total contributions</b>	<u>-</u>	<u>38,000</u>	<u>16,735</u>	<u>-</u>	<u>14,092</u>	<u>68,827</u>
Investment earnings:						
Income earned	10	5	132	9	383	539
<b>Total investment earnings, net</b>	<u>10</u>	<u>5</u>	<u>132</u>	<u>9</u>	<u>383</u>	<u>539</u>
<b>Total additions</b>	<u>10</u>	<u>38,005</u>	<u>16,867</u>	<u>9</u>	<u>14,475</u>	<u>69,366</u>
<b>DEDUCTIONS</b>						
Scholarship awards	175	-	9,558	260	9,748	19,739
Transfer to other account	-	23,631	-	-	-	23,631
Administrative expenses	-	-	2	-	-	2
<b>Total deductions</b>	<u>175</u>	<u>23,631</u>	<u>9,558</u>	<u>260</u>	<u>9,748</u>	<u>43,372</u>
<b>CHANGE IN NET POSITION</b>	<u>(165)</u>	<u>14,374</u>	<u>7,309</u>	<u>(251)</u>	<u>4,727</u>	<u>25,994</u>
<b>NET POSITION - JULY 1</b>	<u>6,580</u>	<u>-</u>	<u>82,849</u>	<u>5,825</u>	<u>250,086</u>	<u>345,340</u>
<b>NET POSITION - JUNE 30</b>	<u>\$ 6,415</u>	<u>\$ 14,374</u>	<u>\$ 90,158</u>	<u>\$ 5,574</u>	<u>\$ 254,813</u>	<u>\$ 371,334</u>

SCHEDULE J

CHAMPLAIN VALLEY SCHOOL DISTRICT

COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
PRIVATE-PURPOSE FUNDS  
JUNE 30, 2019

	Charlotte	Hinesburg	Shelburne	Williston	CVU	Total
<b>ADDITIONS</b>						
Contributions						
Donations	\$ -	\$ 37,353	\$ 1,000	\$ -	\$ 6,913	\$ 45,266
Total contributions	-	37,353	1,000	-	6,913	45,266
Investment earnings:						
Income earned	10	8	122	9	384	533
Total investment earnings, net	10	8	122	9	384	533
Total additions	10	37,361	1,122	9	7,297	45,799
<b>DEDUCTIONS</b>						
Scholarship awards	-	-	-	-	9,093	9,093
Transfer to other account	-	11,458	-	-	-	11,458
Administrative expenses	200	28,000	28,507	250	-	56,957
Total deductions	200	39,458	28,507	250	9,093	77,508
<b>CHANGE IN NET POSITION</b>	(190)	(2,097)	(27,385)	(241)	(1,796)	(31,709)
<b>NET POSITION - JULY 1</b>	6,415	14,374	90,158	5,574	254,813	371,334
<b>NET POSITION - JUNE 30</b>	\$ 6,225	\$ 12,277	\$ 62,773	\$ 5,333	\$ 253,017	\$ 339,625

See accompanying independent auditors' report and notes to financial statements.



## **ATTACHMENT 4 - PECK ESTATE MEETING MINUTES FOR 6/4/2020**

4 June 2020

### **PECK ESTATE FUND MISSION AND GOALS STATEMENT**

THE MISSION OF THE TRUSTEES OF THE PECK ESTATE FUND IS TO SAFEGUARD AND PRUDENTLY INVEST THE PECK ESTATE FUNDS LEFT IN TRUST TO THE TOWN OF HINESBURG WITH THE INCOME FROM SUCH FUNDS TO BENEFIT THE HINESBURG COMMUNITY SCHOOL. (REFERENCE CAN BE MADE TO THE "PECK ESTATE BACKGROUND INFORMATION" ATTACHED HERETO.)

IT IS THE TRUSTEES' INTENT TO INVEST THE FUNDS IN SUCH A WAY AS TO MAXIMIZE THE INCOME STREAM TO THE SCHOOL WHILE SEEKING LONG-TERM GROWTH OF THE FUND.

IT IS THE TRUSTEES' RESPONSIBILITY TO DISTRIBUTE INCOME FROM THE PECK ESTATE FUND TO THE SCHOOL AT LEAST ANNUALLY IN ACCORDANCE WITH:

1. THE INVESTMENT POLICY STATEMENT
2. THE PROCEDURES OUTLINED IN THE CHAMPLAIN VALLEY SCHOOL DISTRICT PRIVATE PURPOSE TRUST FUND (CVSD PPTF) DOCUMENT; AND
3. THE STATUTORY OBLIGATIONS AS PURSUANT TO VERMONT LAW FOR MUNICIPAL AND COUNTY GOVERNMENT.

(REVISED 4 June 2020)

## ATTACHMENT 5 - PECK ESTATE MEETING MINUTES FOR 6/4/2020

4 June 2020

### PECK ESTATE BACKGROUND INFORMATION

(ATTACHMENT TO PECK ESTATE MISSION STATEMENT)

Cicero G. Peck's adopted daughter, Lucy P. (Coleman) France, died February 16, 1934. Her will contained a provision similar to that of her adopted father's failed will. The provision is as follows:

"... 6., B. I give, devise, and bequeath the remaining four-fifths of my said father's estate to the Town of Hinesburg, in trust, and I direct that the income only be used for and toward the support of a high school in said Hinesburg, in which the pupils shall receive higher and more advanced instructions than is furnished in the primary schools of the town, and shall be free to all pupils of the town of such grade or grades as shall be fixed by the school board, and to which pupils from other towns may be admitted by paying such tuition as shall be fixed by the school board, but such tuition shall be used for the support of the school."

The first mention of the Peck Estate was in the 1938 town report. It listed the trust as containing \$13,673.06 as well as 29 shares of Howard Bank stock and 12 shares of Merchants Bank stock.

Under Vermont law, property held in trust by a town for a particular purpose is administered by three Trustees elected by the town.

Peck Estate funds were used on August 8, 1944 to purchase Leon E. and Maud T. Miner's house. It was also known as the Andrew's house. It is the house at 10787 VT Route 116 in the center of Hinesburg village. The Trustees used the house as rental property, basically for Hinesburg teachers to rent. On June 1, 1979, the trustees sold the house. The Trustees held the mortgage on the property until it was paid off in April, 2003.

With the Andrew's house mortgage paid off and with the growth of the trust assets, the Trustees decided that professional management of the trust would be prudent. In 2003, after two years of evaluation, the Trustees selected Hanson Investment Management (now Hanson & Doremus Investment Management) of Burlington to manage the assets of the trust.

In terms of the disbursement of income to the Hinesburg Community School in accordance with the will (the Peck Estate Spending Policy), two decisions have been made over time. In September of 2003, the Trustees adopted a Total Return Approach to the income available for disbursement to the HCS. That approach looks to the overall return on investments and permits the disbursement of both investment income and net appreciation. The second decision relates to the grade levels to be benefitted. At some point in time, the Hinesburg School Board voted to use the income from the Trust to benefit the Middle School program, or 7<sup>th</sup> and 8<sup>th</sup> grades, that being considered a "higher and more advanced instructions than is furnished by the primary schools of the town." Primary school was not defined in the will, but at times is referred to as kindergarten through 2<sup>nd</sup> or 3<sup>rd</sup> grades. With the evolution and increasing cost of public education over time, and the consolidation of the Champlain Valley School District on 7/1/17, the Trustees have determined that it is reasonable for the Principals of the HCS to determine the best and most appropriate use of the annual distribution from the Peck Estate Trust Funds to advance the education of students within the Hinesburg pre-kindergarten through 8<sup>th</sup> grade school system and to not limit that distribution to a particular grade level.

Gill Coates, Clerk  
Peck Estate Trustees  
4 June 2020



# ATTACHMENT 6 - PECK ESTATE MEETING MINUTES FOR 6/4/2020

Vermont Statutes Online  
4 June 2020

The Vermont Statutes Online 1/25/20

## Title 24: Municipal and County Government

### Chapter 65: Public Lands And Funds

#### • ***Subchapter 2: Public Funds***

• **§ 2431. Trustees of public funds:** Real and personal estate, except U.S. public money, held by a town in trust for any purpose, including cemetery trust funds, unless the person giving the same otherwise directs, shall be under the charge and management of three trustees, elected by the town when the town so votes. At the meeting when such trustees are first elected, they shall be elected for the following terms: one for one year, one for two years, and one for three years. Their successors shall be elected for the term of three years, but a person chosen to fill a vacancy caused by death, resignation, or otherwise shall serve only for the remainder of the unexpired term.

#### • **§ 2432. Powers and duties; investments**

(a)(1) The trustees shall apply estate income to the purpose for which it is held, and deeds or contracts made by them shall be in the name of the town.

(2) The trustees may:

(A) lease, sell, or convey real estate so held and invest the funds received therefrom; and

(B) lend estate money at annual or semiannual interest, and as security for each loan shall take deeds or mortgages of real estate in this State.

(b) The trustees may invest in:

(1) any security, including a revenue obligation, issued, insured, or guaranteed by the United States;

(2) municipal bonds or other bonds that are rated at the time of the transaction by a nationally recognized statistical rating organization, as defined in 15 U.S.C. § 78c(a)(62) as may be amended, in one of its four highest categories;

(3) repurchase agreements or debt securities of any federally insured financial institution as defined in 8 V.S.A. § 11101(32);

(4) the shares of an investment company, or an investment trust, such as a mutual fund, closed-end fund, or unit investment trust, that is registered under the federal Investment Company Act of 1940, as amended, if the mutual investment fund has been in operation for at least five years and has net assets of at least \$100,000,000.00; or

(5) deposits in federally insured financial institutions as defined in 8 V.S.A. § 11101(32).

## ATTACHMENT 6 - PECK ESTATE MEETING MINUTES FOR 6/4/2020

Vermont Statutes Online

4 June 2020

(c)(1) The trustees shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any of the funds have been invested, as well as the proceeds of the investments.

(2) The trustees are encouraged to invest in financial institutions operating in the State and in investments within the State that will result in reinvestment in Vermont.

(3) The provisions of this section as to future investments shall not require the liquidation or disposition of securities legally acquired and held.

(4) If the municipality has adopted an investment policy, the trustees shall invest in accordance with the provisions of the municipal policy that do not conflict with this section.

(d) The trustees may delegate management and investment of funds under their charge to the extent that is prudent under the terms of the trust or endowment, and in accordance with section 3415 (delegation of management and investment functions) of the Uniform Prudent Management of Institutional Funds Act, 14 V.S.A. chapter 120. Notwithstanding the limitations on investments set forth in subsection (b) of this section, an agent exercising a delegated management or investment function, if investing, shall invest the funds in a publicly traded security that is:

(1) registered with the Securities and Exchange Commission pursuant to 15 U.S.C. § 78l and listed on a national securities exchange;

(2) issued by an investment company registered pursuant to 15 U.S.C. § 80a-8;

(3) a corporate bond registered as an offering with the Securities and Exchange Commission pursuant to 15 U.S.C. § 78l and issued by an entity whose stock is a publicly traded security;

(4) a municipal security;

(5) a deposit in federally insured financial institutions as defined in 8 V.S.A. § 11101(32); or

(6) a security issued, insured, or guaranteed by the United States. (Amended 2003, No. 150 (Adj. Sess.), § 8; 2017, No. 123 (Adj. Sess.), § 1, eff. May 3, 2018.)

• **§ 2433. Bonds; actions:** The trustees shall give bonds to the satisfaction of the selectboard, conditioned for the faithful performance of their duties. In the name of the town they may prosecute and defend a suit or action for the recovery or protection of the estate entrusted to their care.

• **§ 2434. Report:** The trustees shall report to the annual town meeting the amount of the funds in their hands, the manner and condition of its investment, and the disposal of the income thereof. If any part of such fund is school money, such trustees shall make like report to the State Board of Education.\*

\*The Trustees have concluded that the Fund is not school money but instead an asset of the Town of Hinesburg and thus not subject to the requirement to report to the State Board of Education.