

PUBLIC RECORD

Investment Committee

Friday May 22, 2015

Present: Norman Nicholson (Chair) ,Stan Cohen, Skip Sullivan, Ted Gibbons, Tim Creem

Also: Bob Peabody (Town Manager) and representing Norway Asset Management (by phone)

Lisa Rideout and Kurt Garascia

The Meeting was called to order at 9:02 AM. Initial discussion focused on progress in having the Audit figures for the three Funds correspond with the actual portfolio values (Norway Asset Management) on June 30, 2014 and the Fiscal years thereafter.

Stan Cohen summarized the meeting held on February 10, 2015 with Stan, Skip, Bob Peabody and Chris Backman of the Town's Audit Firm in attendance. Notes of that meeting are attached as a part of these minutes. The Audit figures given at that meeting(which are in the June 30,2014 Town Report) are very close to the portfolio values when consideration is given to the checking accounts with one major exception. The Bridgton Trust Funds portfolio value is approximately \$58,000. below the Audit figure. Mr Backman is recommending the transfer of \$55,842. back to the Bridgton Trust Funds. This action and the closing and transfer of funds in the checking account would bring the audit/portfolio figures into balance.

The point has been raised, however, that this money (\$55,842.) should not be going back into the Bridgton Trust Funds since any funds appropriated from this account should always go to the Town's General Fund by year-end to reimburse the specific expenditures in the individual sub-accounts. Nothing further has been heard from Mr. Backman although he promised a letter "soon" specifying the transfer of the \$55,842 to the various sub-accounts at the February 10 meeting. His first letter about the transfer is dated November 1, 2014. The Committee is hopeful that this issue will be clarified in the near future so that the June 30 , 2015 figures (audit vs portfolio values) will be in agreement.

Lisa Rideout and Kurt Garascia of Norway Asset Management then joined the meeting by phone. Kurt reviewed the three portfolios. Asset values as of May 20 ,2015 were as follows:

Moose Pond	\$1,577,680.
Bridgton Trust Funds	1,117,197.
Park Forest Trust Funds	75,979.

Asset Allocation remains very close to the mid-point of the policy range of 60% equity/40% fixed income .Performance (net of fees) has been good though slightly below the composite index return for the April 30,2014-April 30, 2015 period. Moose Pond had a total return of 8.57% vs the composite index (S&P and Barclays aggregate bond) of 9.43%. Equities modestly underperformed the S&P due in part to fees, and the underperformance of international and the small holding in Canada. Fixed income outperformed the Barclays Index based on emphasis on high quality corporates. Norway is comfortable with the present 60/40 diversification. They do look for an increase in interest rates by the Fed late this year or early next year but expect any rise in rates to be gradual.

Bob Peabody reported on the anticipated withdrawals (if approved at Town Meeting) from the Moose Pond Fund (\$56,445) and the Bridgton Trust Funds (\$43,122) in July. There will be no withdrawal from the Park Forest Fund.

The Committee thanked Kurt and Lisa for their report. There being no further business, the Meeting was adjourned at 10:15AM.

Recorder: Norman C Nicholson

