

Feoffees of the Grammar School in the Town of Ipswich Trust
Meeting Minutes of April 23, 2020
Ipswich Town Hall, 25 Green Street

Pursuant to the Open Meeting Law, M.G.L. Chapter 30 A, §§ 18-25, written notice posted by the Town Clerk delivered to all members, a meeting of the Feoffees of the Grammar School in the Town of Ipswich Trust was held on April 23 2020 at 530 pm in a conference call.

Upon his death in 1660, William Paine bequeathed the 36 acres of Little Neck to a trust to benefit the school of Ipswich forever. On August 10, 2012, per a court settlement and trust administration order, the land of Little Neck was sold to cottage owners who had been land tenants. This sale converted the real estate assets to an investment trust and changed the trust governance. The beneficiary of the trust continues to be the Ipswich Public Schools.

Mission - The Feoffees pledge to adhere to best practices for charitable trusts; to provide complete transparency to the citizens of Ipswich; and to be in open and regular communication with the School Committee, Board of Selectmen and Finance Committee. The group is committed to establishing and implementing prudent policies and procedures to grow the corpus, distribute funds, hire professional service providers and report to stakeholders.

The Feoffees will operate to balance the interests of present and future generations of Ipswich school children, so that the trust fulfills Mr. Paine's intent to support the schools in perpetuity.

Life Feoffee appointment: G. Markos* (2020)

Finance Committee appointments: M. Evans (2022); N. Pulsifer (2021)

Board of Selectmen appointments: L. Seidler 2022; E. Rose (2021)

School Committee appointments: S. Ward* (2020); D. Fates (2021)

Terms expired in August; *2nd 3-year term, no further extensions remaining.

Call to Order - With a quorum present, Mr. Markos called the meeting to order at 530 pm.

Present: George Markos, Chair; Seth Ward; Ellen Rose; Dick Fates, Nathaniel Pulsifer; Larry Seidler Mark Evans

Also Present: Greg Stevens, School Committee, Janice Skelton, Finance Committee

In response to the Covid19 Virus pandemic, the Massachusetts Governor closed all non-essential businesses and issued stay at home advisory. To comply with the Governor's orders that there be no gatherings, this meeting took place on a conference call.

Mr. Markos identified all participants, confirmed all could be heard and that all votes would be taken by roll call vote in accordance with 940 CMR 29.10 for remote participation.

Citizen Queries - There was no public comment.

Approval of minutes - January 22, 2020

The minutes were held for review.

Annual Distribution

Mr. Markos identified the annual distribution to the Ipswich Grammar School was \$826,054. This is more than what was estimated in October 2019 due to the 12-month rolling average as state in the Administrative Order. Mr. Markos briefly reviewed that a portion of the formula maintains the equity of \$25 million; the distributions cannot reduce the value of the Trust below the 2012 value adjusted for inflation.

The Feoffees agreed the School Committee be advised this was a volatile year and to use the 2020 distribution mindfully with possibly a lower distribution next year.

It was noted that there is one-million-dollar notational account in the event the distribution is less than normal. This is considered reserve for 1 or 2 years.

Treasurer's Report

➤ Feoffees of the Grammar School Trust Performance Summary dated March 31, 2020

○ Investment Performance Rate

○ Endowment Summary- \$28.8M as of March 31, 2020; this is 15% less than the December 31, 2019 value of \$34M.

APPROVED 5.27.2020

- o Investment Allocation
 - o Mortgage & Loan Update -The balance of the three mortgages due at March 31, 2020 is \$482,218
- Loan Forbearance** - The Feoffees received a request for loan forbearance. The jurisdiction of the Feoffees regarding this action was not known at this time and was deferred to the next meeting.

Aureus - Investment update

Mr. Ward introduced the discussion with Aureus to talk about the investment policy and the overall investment being more conservative and if the policy allocation and ranges would be adjusted.

The portfolio would be discussed, focused on March 23 - February 20, 2020.

Mr. Ward opined that broadly, the Trust is doing quite well considering just going through the most volatile quarters.

Aureus joined the conference at 5:50 pm

Present for Aureus: Thadd Davis, President and co-portfolio manager of the Core Equity Strategy Michael Kellogg, Partner, Chief Operating Officer; David Scudder, Chairman of the Advisory Committee

Mr. Scudder gave an introductory statement and a general overview of the current market and the impact of the COVID virus three months ago when very little was known about the virus. The economy plunged globally like it did in 1930 but in contrast, the world reacted quickly to minimize / stall the economic impacts. The US Federal Government acted early to cut interest rates to low levels and guaranteed the money market etc. and put pressure on to restore liquidity back into the credit/ equity market stimulus package in response to the dramatic drop in stock mid-March.

Right now, a 12-month equity market is about back where it was and only down 15% from last year in spite of all that has gone on. The market is anticipating a turn (recovery) as the virus is known with talks of a cure/vaccine.

Mr. Kellogg referenced the Aureus Report and spoke in detail on the quarterly report. He addressed the benchmarks, the allocations, growth strategies, and on specific funds and performance of the investments to date and the results of the strategic changes made following the January meeting with the Feoffees.

Mr. Davis reviewed the Aureus Portfolio; this is 45% of the portfolio.

Investment Policy R eview

In these uncertain times, no major changes were recommended at this time. The pace, timing, and slope of recovery will dictate future changes to the strategy.

Feoffee Term limits was deferred to the next meeting.

Next Meeting - Mr. Markos will schedule a meeting before the third quarter.

Adjourn - The Feoffees voted unanimously by roll call vote to adjourn at 6:43 pm.

Respectfully Submitted By
Catherine Tinsley
4.24.2020