



Meeting of the Town of Dedham Commission of Trust Funds
Friday, April 17, 2020
(Meeting Held By Phone Conference)

In attendance: Bob Desmond, Chair; Emily Reynolds, Clerk; Salvatore Spada

Not Present: Daniel O'Neil

Non-voting: Treasurer Jane Lepardo.

Meeting called to order at **7:11 PM EST**.

Public Input: No members of the public participated in the phone conference.

Discussion about Dervan Scholarship Fund: Commission Clerk Reynolds gave an overview of her recent email correspondence with Mr. Dervan. On March 6, she emailed him to let him know that the Commission had voted to award \$1,500 from the Dervan Fund for a scholarship this year. As this was the beginning of the market downturn, Mr. Dervan replied that he had serious concerns about the size of this award given the market volatility, and asked that the Commission reduce the award amount to \$1,000. Commissioner Reynolds replied that this could only be done through a re-vote.

Meanwhile, as the market continued its fall, Treasurer Lepardo asked Brian Callow and Barbara Howard at Rockland Trust for their advice and insight into the market. Brian Callow offered three possible options. In short, they are: 1) The Commission reduce its vote to \$0; 2) The Commission keep the award amount as it is, as the market was performing well at the time of the February vote; or 3) The Commission ask that Mr. Dervan reduce the amount of non-expendable principal to allow the Commission flexibility in awarding funds. Brian, who recommended Option 3, also suggested that the Commission might consider exploring whether Mr. Dervan would like to set up a formal rule in which the Commission award a fixed percentage of the average market value.

Commissioner Spada offered his thoughts in which, although he does not agree with Mr. Dervan, but that out of respect for him, and out of consideration of the time already invested in the matter, the Commission should reduce the award to \$1,000. Commissioner Reynolds agreed, but also offered that re-voting to award \$1,000 might not necessarily satisfy him, as the market dipped further since that original suggestion.

Treasurer Lepardo reminded the Commission that, when she started working in Dedham and with the trust funds, the funds were sitting in an account earning hardly any interest, and so when the funds were moved, there was a new level of risk that Mr. Dervan may have found, and may continue to find, discomfoting.

Commissioner Reynolds suggested that, while now may not be the time to approach Mr. Dervan with something new to consider, it may be a good idea to discuss, within the Commission, whether we want to agree on disbursement terms for the Dervan Fund, to award a percentage each year rather than a dollar figure, reacting to market conditions. Last year, for instance, in the original scholarship vote, the Commission voted to award \$0 from the Dervan Fund, and by the time she and Mr. Dervan had subsequent correspondence, the market performed well enough to allow for a re-vote and award scholarship funds. In the long-term, it may be helpful to have a set of rules that can be used annually for this fund. Commissioner Spada suggested that this is not the time to go to Mr. Dervan with this or any new considerations, especially one that would single out his fund. Commissioner Reynolds agreed, and repeated that it may be something to consider discussing at the next meeting and after the market has rebounded substantially.

Commissioner Spada then offered an “option 4,” of keeping the scholarship award at \$1,500 and using other funds (from another trust fund) to make a combined scholarship. Treasurer Lepardo suggested that combining funds may not be the best approach.

Commissioner Reynolds asked Treasurer Lepardo to confirm that, if a \$1,000 award to be voted, it would still be in line with UPMIFA and other legal and best practice considerations since, though the fund is currently “underwater,” at the time of the original vote in February the Commission would have no way of knowing what the market would do. Treasurer Lepardo affirmed that there should be no such issues.

Commissioner Spada, being the Commissioner who made the original motion in February, moved to withdraw that original motion to award \$1,500 from the Dervan Fund for a scholarship. Commissioner Reynolds seconded this motion. Commissioner Spada then made a new motion, to award \$1,000 from the Dervan Fund. This was seconded by Commissioner Reynolds. The motion was adopted by general consent.

Commissioner Reynolds will email Mr. Dervan to notify him of the amended scholarship award amount.

New Business: Commissioner Reynolds pointed out that the next regular meeting of the Commission was scheduled for Wednesday, April 22, 2020. This was intended to be the reformation meeting, following the town elections scheduled for April 11. As the elections were postponed due to COVID-19 concerns, and not yet rescheduled, Commission Chair Desmond announced that the meeting would be postponed until after the new election date, yet to be announced.

The meeting was adjourned at **7:42 PM EST**.

Respectfully submitted by Commission Clerk Emily M. Reynolds