VILLAGE OF MANCHESTER VERMONT

August 10th, 2026

Members Present: Tom Deck (President, Trustees), Donald Brodie (Clerk), Jim Lewis (Trustee), Anthony MacLaurin (Trustee), Sarah McClintock (Treasurer & Tax Collector)

Others Present: Curan VanDerWielen (Village Manager)

Call to Order: 5:37 PM by Deck.

1. **Review of Village Investment Accounts and Associated Discussion**

   Brodie presented a table of the Village funds, their asset allocation ratios, and their annual return rates. Market conditions over the intermediate term had allowed funds with a higher ratio of equities to fixed assets (hereafter expressed in numbers as "equities/fixed") to perform significantly better than others. While the Village had set initial allocations of 60/40 for all funds except for the General Operating Fund, withdrawals and deposits in each had, over time, imbalanced them. The Highways Fund, for example, now sat at 96.4/3.2, but also boasted the largest return rate of 26.69%. Funds sitting closer to the original allocations were performing well but at a lesser rate of return, with Employee Benefit at 67/32.7 with 16.08%, and Beautification at 68.4/31.2 with 16.52%. Brodie noted a need to rebalance them for the FY.

   Brodie proposed rebalancing the funds but allowing for a higher ratio of equities to fixed assets to improve their long-term earnings potential. A ratio of 80/20 or even 90/10 for all accounts except the General Operating Fund was proposed. A discussion on the matter ensued. Deck expressed his caution for the approach, citing volatility in the bond market and concern over a possible bubble in investments related to AI technology. Lewis agreed that markets were overdue for a greater correction. Brodie agreed that some concern might be warranted in the short term, but believed the higher ratio would better position accounts for higher earnings over the long term. McClintock and Lewis both proposed a mix of allocations, with some longer-term funds receiving a higher ratio while others which were drawn on more frequently could receive a more balanced allocation. Brodie proposed utilizing the 90/10 ratio for Employee Benefit and Beautification and noted that some monies might be transferred from Beautification to Employee Benefit to reimburse the latter's usage in the year previous. Highways and Heavy Equipment were proposed at 75/25.

   Motion: To set the allocations for the Highways and Heavy Equipment Funds at 75/25 and to set the allocations for the Employee Benefit and Beautification Funds at 90/10.

   Motion made by Deck. Motion seconded by McClintock.
   Motion approved, unanimously.

   VanDerWielen noted the need to define the initial allocation for the $10,000 in Contingency Fund seed capital to be set aside in the coming weeks. Brodie and Deck both proposed a 60/40 allocation for the Fund. McClintock asked the group if the Village Investment Policy set specific minimums or maximums for initial fund allocations. VanDerWielen found and reviewed the policy with the Committee. The policy was found not to specify specific minimums or maximums. VanDerWielen agreed that the proposed 60/40 allocation seemed reasonable and asked the Committee if there was interest in defining these in the policy moving forward. Brodie suggested amending the policy. VanDerWielen noted that he would prepare an updated draft for their next meeting.

Motion: To set the initial allocation for the Contingency Fund at 60/40.
Motion made by Deck. Motion seconded by Lewis
Motion approved, unanimously.

2. **Other Business, as Brought Before the Committee**

No other business was discussed.

Adjournment: 6:00 PM.

The committee adjourned *de facto*

The next regular meeting of the Investment Committee will be held at 4:30 PM on Monday, November 2nd, 2026.

Respectfully submitted,

Curan VanDerWielen, Village Manager