

**TRUSTEES OF TRUST FUNDS  
TOWN OF PETERBOROUGH**

Quarterly Meeting of the Trustees  
Charter Trust Company  
Peterborough, N.H.

September 12, 2014

8:00 AM

Agenda

1. Minutes of the Last Quarterly Meeting – June 13, 2014
2. Investment Review – Charter Trust
3. Confirmation of Actions Since Last Meeting
  - Receipts
  - Disbursements
4. Other New Business
  - Capital reserve funds – Projected Disbursements
  - Capital reserve funds – Investment Income Options
  - HB 297 – Cap reserve fees, &c
  - Charter Trust Instructions & Addresses
5. Set Date and Time for Next Board Meeting

**TRUSTEE OF TRUST FUNDS**  
Peterborough, New Hampshire

QUARTERLY BOARD OF TRUSTEE MEETING

July 21, 2014

The Town of Peterborough Trustees of Trust Funds met on Friday June 13, 2014 pursuant to notice, at 8:00 A.M. at the offices of Charter Trust Company, Main St., Peterborough, New Hampshire. The Trustees were represented by Andrew N. Manns, Chairman of the Board of Trustees, J. Roderick Falby and Russell H. Picard. Russell Picard kept the records of the meeting. Charter trust attendees were Douglas Tengdin & Diane Guimond. Also in attendance was Nicole MacStay, Assistant to the Town Administrator.

1. The minutes of the last quarterly meeting held on April 3, 2014 were accepted as amended. (Falby/Manns)
2. Douglas Tengdin, Chief Investment Officer for Charter Trust Company presented his commentary on the economy and market conditions. He noted the US economy is slowly improving; however, global economic growth is less sound. He noted monetary policy in the US and abroad is a key support to economic growth. Doug pointed out the developed equity markets are up mid-single digits while emerging markets are down.
3. The year-to-date results of the top ten best and worst equity investments were reviewed.
4. The three recommended investment programs (Town of Peterborough-Principal, Town of Peterborough-Income, Town of Peterborough-Library) were discussed and accepted. Please see the attached three sale and purchase recommendations as signed by the trustees.
  - Asset allocation for the three portfolios after the investment programs are as follow: **Principal Portfolio:** Cash 3.10%, Fixed Income Securities (including short-term investments) 34.90%, Equities 62.00%. **Invested Income Portfolio:** Cash 3.50%, Fixed Income Securities 57.00%, Equities 39.5%. **Peterborough Library Portfolio:** Cash 2.80%, Fixed Income 37.70%, Equities 59.50%
5. Receipts and disbursements since the last meeting were reviewed. Receipts totaled \$5,659.00 and disbursements were \$135,885.50. The activity report since April 3, 2014 is attached.

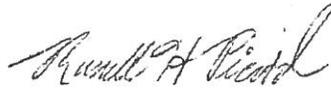
6. Andrew Manns presented five items of business for discussion and resolution:

- a.** Andrew announced all the capital reserve funds included in the Special Warrant Articles were approved by the recent Town vote and the following inactive capital reserve funds were terminated:
- i. Assessing Revaluation Capital Reserve Fund – Balance \$0.00
  - ii. Recreation Capital Improvement Reserve Fund – Balance \$0.00
  - iii. Fire Truck Pumper Reserve Fund – Balance \$61.67
  - iv. Town House Boiler Management Reserve Fund - \$0.05
  - v. Fire Truck Capital Reserve Fund - \$854.78
- All remaining funds will be returned to the Town.  
Unfunded Capital Reserve Funds remaining are:
- |                         |                            |
|-------------------------|----------------------------|
| Health Insurance Fund   | Adult Education Fund       |
| Applied Technology Fund | Athletic/C-curricular Fund |
- b.** The capital reserve investment discussion of the April 3, 2014 meeting continued. It was decided not to make any investments until the Town issues a cash forecast of expected disbursements. Nicole MacStay will follow up with the responsible individuals, and, provide trustees with the forecast.
- c.** Also continuing from the April 3, 2014 meeting was further discussion concerning the transfer of the Ian Richardson Goodwin Scholarship from Conval to the Trustees. The Trustees are allowed to accept the funds for administration after the Conval School Board's vote of approval. It was decided to wait for the approval.
- d.** House Bill 297 was signed by Governor Hassan on May 27, 2014. This bill updates various aspects of the law relative to Trustees of Trust Funds and Library Trustees. Although, the entire bill is applicable to the Town of Peterborough several items are noted in these minutes:
1. The bill authorizes the Trustees to compensate investment advisors for the management of capital reserve funds. Presently, the management fees are paid by the Town and not from the capital reserves. This change requires approval by Town vote.
  2. Town appropriations for capital reserve funds are now required to be delivered to the Trustees no later than 15 days before the end of the fiscal year.
  3. HB 297 permits Library Trustees to invest according to the Prudent Investor Rule, (RSA 31:25-d)
- e.** The Investment Policy Statement with Charter Trust Company was revised and approved by the Trustees. Paragraph 5-A-4 was added to read, "No more than 30% of the equity portfolio shall be invested in non-US domiciled companies" and paragraph 5-B-4 was added to read, "No more than 10 % of the bond portfolio shall be rated Baa/BBB at the time of purchase". The revised policy statement is attached.

7. The next meeting of the Trustee of Trust Funds will be held on Friday September 12, 2014 at 8 A.M. at the offices of Charter Trust Company in Peterborough, N.H.

There being no further business to conduct, it was unanimously voted that the meeting be adjourned at 9:30.

For the Board of Trustees

A handwritten signature in cursive script, appearing to read "Russell H. Picard".

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Russell H. Picard, Trustee