

**TRUSTEES OF TRUST FUNDS
TOWN OF PETERBOROUGH**

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

June 13, 2014

8:00 AM

Agenda

1. Minutes of the Last Quarterly Meeting – April 3, 2014
2. Investment Review – Charter Trust
3. Confirmation of Actions Since Last Meeting
 - Peterborough Cap Reserve Health Maintenance Fund
 - Receipts
 - Disbursements
4. Other New Business
 - Capital reserve funds – 2014 Special Warrant Articles
 - Capital reserve funds – Investment Income Options
 - Ian Richardson Goodwin Scholarship – ConVal
 - HB 297 – Cap reserve fees, &c
 - Investment Policy Statement
 - Trustees of Trust Funds seminar
5. Set Date and Time for Next Board Meeting

TRUSTEE OF TRUST FUNDS

Peterborough, New Hampshire

QUARTERLY BOARD OF TRUSTEE MEETING

May 5, 2014

The Town of Peterborough Trustees of Trust Funds met on Thursday April 3, 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 and Kathy Woodfin. Also in attendance was Nicole MacStay, Assistant to the Town Administrator, and, Peter Throop, Town Community Development Director.

1. The minutes of the last quarterly meeting held on December 12, 2013 were accepted as drawn. (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 continues on a path of slow growth and employment growth remains steady but not strong. Inclement weather in the first quarter of 2014 may have impaired economic activity. The equity markets in the US are up 2% year to date. His opinion on the fixed income market is that interest rates will remain low for a long time and these markets will struggle to produce a positive return.
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 2.80%, Fixed Income Securities (including short-term investments) 35.70%, Equities 61.50%. **Invested Income Portfolio:** Cash 3.00%, Fixed Income Securities 58.20%, Equities 38.80%. **Peterborough Library Portfolio:** Cash 2.80%, Fixed Income 38.40%, Equities 58.80%
5. Receipts and disbursements since the last meeting were reviewed. Receipts totaled \$270,132.06 and disbursements were \$39,895.49. The activity report since December 12, 2013 is attached.

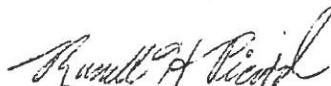
6. Andrew Manns presented five items of new business for discussion and resolution:

- a. Andrew Manns reported on the Trustee's request to close inactive capital reserve accounts. The Town and Conval School District have been advised that this requires a vote in the upcoming Town meeting and school board meeting respectively. Representatives of the 2 groups stated that these items will be included in future votes.
- b. Capital Reserve Funds are invested in money market funds currently earning little or no interest depending on the balance in the account. The question of available investment options was raised with Doug Tengdin. His response was: "If the Town gives us some estimate of cash needs we can use various products to increase their income". The Trustees asked the town representatives to provide them with a future projection of annual cash needs for each capital reserve fund. It was also agreed that this option will require a new Investment Advisory Agreement with Charter Trust Company for the capital reserve funds..
- c. Patty Proux at Conant High School asked if there would be a scholarship awarded from the Raymond Edwards Fund this year. Candy Howard, of Charter trust, advised the trustees that there is currently \$1,000 of accumulated income available and the award would go to a Conant student. The trustees agreed the award will be increased to \$300. Andrew Manns conveyed this information to Patty Proux in a telephone call.
- d. Andrew Manns received a letter from the Conval School District regarding the administrative transfer of the Richardson Goodwin Scholarship Fund from the District to the Trustees. The authority for the Trustees to receive funds was questioned and advice sought from Candy Howard, of Charter Trust, and Terry Knowles, the NH assistant director at Charitable Trusts. The determination was: The trustees of trust funds have no authority to receive money directly. For Peterborough, this means the funds would have to be accepted by vote of the Conval School District board. Attached are the detailed communications and instructional information received from the NH Attorney General's office.
- e. The Town requested a check for \$50,000 for the acquisition of the Hiroshi Hayashi property. These funds will be disbursed from the Land Acquisition Capital Fund. The trustees approved the disbursement pursuant to the Select Board vote.

7. The next meeting of the Trustee of Trust Funds will be held on Friday June 13, 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 9:14.

For the Board of Trustees



Russell H. Picard, Trustee