

Approved: June 17, 2016



**Trustees of Trust Funds
Meeting Minutes
Friday, May 20, 2016
Conference Room, Merrimack Town Hall, East Wing**



The meeting was called to order at 8:30 a.m. Trustees present were Balcom, Wilkes and Christensen. Also present was Tom Boland Deputy Finance Director.

The minutes of April 29, 2016 were approved as distributed, 3-0-0. Motion by Balcom, second by Wilkes.

A discussion of the recent school request for funds for computer code training was held. Previously \$50,000 had been encumbered from the Watkins Fund* for code/programming in grades 1-8. The School District had informed the Trustees, through conversations with Trustee Christensen, that a significant part of the program was aimed at High School students, and that they needed upgraded equipment. It was noted that most funds specified grades 1-8. It appears that the Gage and Lawrence Fund might allow expenditures for High School, but it was also noted that the fund bequest cautioned against funds being used for purposes that were most properly the responsibility of the school district. It was noted that computer equipment has a short life-span and /or high turnover and therefore was beyond the ability of the funds to replace on a recurring basis. There was no new specific request and no action was taken.

The Attorney General's Office on Charitable Trusts seminar on June 15 was noted. Attendance is encouraged.

Portfolios were discussed. With cash encumbered in the Watkins Fund for the new computer coding programs, and for improvements to the Smith Gym, the high income side cash positions have been mitigated somewhat.

Discussion for the future mentioned that, as noted by a review from Cambridge Trust, our defensive posture in utilities, consumer staples and financials, might suffer in the face of a growth oriented economy with rising interest rates. It was further noted that we have a low international component. The Fed still seems reluctant to raise interest rates. It was agreed that technology stocks would be a reasonable expansion. On a motion by Wilkes, second by Balcom, it was agreed 3-0-0 to buy (Fund C, principal side) 300 shares of Apple (AAPL). On a motion by Wilkes, second by Balcom, it was agreed, 3-0-0, to buy 500 shares of Cisco (CSCO), also in the principal of Fund C.

The Watkins Prize Spelling and Speaking Contests were discussed. It looks like the Speaking contest will be postponed a year due to a lack of contestants. Both funds are small and it was agreed that a larger principal would generate more income available for prizes. It appears that historically, the Watkins speaking and spelling contest funds had been augmented from the Watkins Forest Income Fund, all in Fund D. On a motion by Christensen, second by Balcom, it was agreed, 3-0-0, to move \$10,000 into the Prize Speaking Fund. On a motion by Christensen, second by Balcom, it was agreed, 3-0-0, to move \$10,000 into the Prize Spelling Fund.

It was further noted that the Shedd Harris Fund has a small amount in Fund D, and the major balance is in a mutual fund. Our auditors had questioned this small holding. On a motion by Balcom, second by Christensen, it was agreed, 3-0-0, to close the fund D Shedd Harris balance and invest it in the Shedd Harris mutual fund holdings. Tom Boland will determine an appropriate amount and Wilkes will write a check accordingly.

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Our next meeting date is Friday, June 17, at 8:30 am. There will be no July meeting. The August meeting is planned for August 26. Approval of MS-9 and MS-10 reports and the Investment Policy will be on that agenda.

A motion to adjourn by Wilkes, second by Balcom carried 3-0-0.

Meeting adjourned at 9:05 a.m.

Respectfully submitted,

Chris Christensen
Trustee Secretary/Treasurer

* "in the Watkins Fund (Fund C)" amended to March minutes on April 29, 2016