



**Trustees of Trust Funds
Meeting Minutes
Friday, February 15, 2013
Conference Room, Merrimack Town Hall, East Wing**

The meeting was called to order at 8:40 a.m. Trustees present were Balcom, Christensen and Wilkes.

On a motion by Wilkes, second by Christensen, the minutes of January 4, 2013 were approved as distributed.

December, 2012 and January, 2013 reports from Cambridge Trust were reviewed. Generally, we were pleased with the format. The Trust mails extra copies to each Trustee, as well as an original to the Trustees at Town Hall. This was seen as very helpful. We are still looking for the breakdown of the sub-accounts, i.e. each individual capital reserve fund and scholarship. Chris will contact Cambridge Trust to discuss this need.

The draft proposal for a new investment policy was reviewed, and approved pending a double check of the language in the old policy as it pertains to actions that might be taken by the Town in managing their funds. Final copy will be prepared and ready for signature at the next meeting.

A discussion of criteria for stock purchases and sales was held before discussing specific funds and holdings. In practice since 2007 we have generally limited our equity holdings to U.S. based, large cap, and "A" rated companies which paid a reasonable and consistent dividend.

At our January meeting each trustee had agreed to review one fund. "B", as the smallest fund, with some overlaps was held for later discussion. Each trustee chose his own approach to evaluation, so that we would have some diversity. As we went through the process, we agreed that a spreadsheet was valuable, and that we might want to keep these records for future use. Chris will develop a spreadsheet and distribute for others to fill in relevant research points.

Approved: March 15, 2013

Bill Wilkes presented Fund D first. His approach for each stock was to look at the Price/Earnings (P/E) ratio, analyst rankings (1-5, 1 being strong buy, 5 for sell), and per cent of the total fund. Overall, we did not have any holdings that we were dissatisfied with in Fund D. However, it was agreed that AT & T (11.7%) and Chevron (15%) were over 10% of the fund and should be sold in part to bring them into better balance. It was agreed that Chris would sell an amount of each to bring them both down to an 8% level. There was also discussion about Teco, and agreement to sell to match the gains on T and CVX.

Chris presented his thoughts on Fund C. His approach was to look at dividends and price gains as well as targets prices for the next year. He noted that in 2007 we sold a lot of small holdings, and those that were non-U.S. Based or less than "A" rated, or did not pay a dividend. A spreadsheet was distributed. After discussion, no changes were authorized, but it was agreed that we should be looking at some holdings that may be too large, especially if they are held in multiple funds.

Due to time constraints, Fund A was held for next meeting.

An invoice was received from the school district for \$345.00 for the Watkins Prize Spelling Contest which had been held January 8, 2013. Payment was approved. All trustees expressed disappointment that we had not been notified or invited to the event and that there has been no indication that a prize speaking contest would be held.

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Chris Christensen
Trustee Secretary/Treasurer