

Town of Westmoreland: **Draft Minutes of meeting of the Trustees of Trust Funds** on June 11, 2019; 9:30am to 10:50am. Attending: Trustees Bill Franzen, Ceil Goff, Tim Thompson and Edward Jones Advisor Charlie Salisbury.

- Ceil Goff moved to accept the minutes from May 21, 2019. Bill Franzen seconded, and the motion carried without dissent.
- Trustees then discussed the latest version of the proposed Investment Policy for Trust Funds. Tim distributed a handout related to Asset Allocation. Trustees spent time discussing how much money they need on hand to adequately fund the trusts' beneficiaries. The most recent ten-year average of income expended from the trust funds is around \$7,500. The income balance for all trusts is a little over \$20,000. Theoretically, fund recipients could call on this total in any given year. In addition, a handful of trusts have expendable principals. Bearing these numbers in mind, trustees concluded that keeping \$30,000 in a money market account is a prudent course of action. This should free up to \$125,000 for equity investment. Ceil then expressed the belief that the target allocation for equities of 30% of the portfolio is a bit too cautious but acknowledged that the maximum allocation range of 55% for equities gives the trustees flexibility to adjust to changing market conditions. Ms. Goff made a strong case that equities historically generate the greatest potential for growth over time. She also pointed out that the gains of bull markets outweigh the losses of bear markets and that bull markets last longer than bear markets. Trustees agree, and that's why the trustees have decided to reenter the equity market.
- Bill Franzen then moved to accept the Investment Policy for Trust Funds. Ceil seconded, and the motion passed unanimously. Tim will mail a copy of the new policy to the state and ensure that a copy appears on the town website
- Trustees accepted handouts from Mr. Salisbury related to a variety of brokerage accounts, individual stocks of note, and stocks with strong dividends. A good portion of the meeting was spent conversing with Mr. Salisbury about a variety of equity options suitable for investment. Mr. Franzen stressed that the trustees favor a conservative approach that generates a modest income but does so while avoiding substantial fees. Charlie will send the trustees four investment options for consideration, including mutual funds and index funds, among others. Mr. Thompson shared a handout that addresses a variety of issues that Charlie needs to know regarding NH charitable trust law.
- Trustees will next meet on Friday, June 21.

Respectfully Submitted,

Tim Thompson