

**City of Franklin, New Hampshire
Trustee of the Trust Funds
April 16, 2013 Meeting Minutes**

Attendees: Paul Gatehouse, Judie Milner, Katherine Broughton Zink, Ken Duguay, Steve Spain

Investment Overview 2012

Investment Advisor, Paul Gatehouse, Independence Trust, Franklin, NH reviewed FY 2012 portfolio performance. Funds allocated using American funds (83.34%) of total assets generated a return of 15.34%. Overall performance provided a return of 9.26%, hindered by the relative underperformance of the energy sector and dollars allocated to money market. As noted by Judie Milner, Finance Director, City of Franklin “\$108.3K of the \$150, 596 in money market is held for the Drake Trust FBO the Conservation Commission and must be held in a short term deposit.”

Following a discussion of the economic outlook and Federal Reserve policy, there was a unanimous decision to exchange \$25K currently invested in the short term bond fund and to reallocate \$19K to the High Income Trust Fund and \$6K to American Mutual. The exchanges will be transacted without fee. It was noted that we must monitor Fed activity closely. In 1994, the Fed raised rates aggressively and the High Income Trust lost (5.9%).

Other Issues-outlined by Judie Milner

- All trustees and the Finance Department staff will attend ‘Advanced Trustee Training’ at the Holiday Inn in Concord on Thursday, May 30, 2013 between 1-4 PM.
- Currently there are (11) approved but unclaimed scholarships. Question: should we institute a cutoff of one year to claim the scholarship proceeds?
- Mayor Ken Merrifield issued a personal check to fund the Mayor’s Scholarship Fund in 2012. He plans a fundraiser to replenish the Fund.
- The High School may be currently holding scholarship monies that is the responsibility of the Trustees of Trust Funds. A letter will be sent or a friendly call made to remedy the issue.
- We currently hold a few low balance scholarships; the Trustees must file a cy pres to gain permission to disburse in full.

Recommendation:

Chairwoman Katherine Broughton Zink motioned that given that most of the critical issues have been addressed, the Trustees of Trust Meetings should occur quarterly (January, April, July, October) on the third Thursday of the month. Ken Duguay seconded the motion. All approved.

Respectively Submitted

Steve Spain, Secretary