

**Town of Jaffrey
Trustees of Trust Funds
10 Goodnow Street
Jaffrey, NH 03452**

Minutes to the Meeting of January 23, 2014

Present: Gary P. Arceci, Trustee (via Telephone)
Frank Mieso, Trustee
Robert Stephenson, Trustee
Douglas Tengdin, Charter Trust
Kathy Woodfin, Charter Trust
Jack Griffiths, Charter Trust
Kim Franklin, Charter Trust

Location: Charter Trust (Peterborough)

The meeting began with Mr. Mieso moving the minutes of the January 16th meeting be approved as written. Mr. Stephenson seconded the motion. The minutes were approved as written.

Mr. Tengdin then presented a review of key economic news and statistics. Highlights of Mr. Tengdin's presentation include:

- The economy is continuing to improve
- 2014 stock market returns are expected to be in the high single digit range
- Equities continue to be the preferred asset class for investments
- Inflation is expected to be 1 – 2%
- Unemployment has declined however this is due moreover to a decrease in workers looking for employment versus an increase in jobs
- Performance (Total Return) for all accounts in the fiscal year ending 12/31/13 was 14.93%. The equity portion of these accounts returned 25.62%; while the fixed income portion returned -0.99%.

Mr. Tengdin revisited the idea of the Trustees amending its investment policy to allow for the purchase of non-investment grade bonds. Mr. Arceci stated that the Trustees have discussed the idea however; since Mr. Tengdin hadn't supplied the Trustees with draft language of the policy change as promised at the October 16 meeting; no decision had been made.

Mr. Tengdin then presented an investment program for the trustees to consider. Mr. Stephenson moved seconded by Mr. Mieso that the Trustees approve the investment program as presented. Mr. Stephenson and Mr. Mieso voted to approve the program as presented. Mr. Arceci stated that although he agreed with the investment program, he would abstain from voting since he was not physically present at the meeting and able to sign the program documents.

The Trustees then discussed recent errors found in Charter Trusts' monthly reports with Kathy Woodfin, Chief Accounting Officer. Ms. Woodfin stated that many of the reports are Excel based and can be prone to copy/paste, formula and formatting errors. Also, over the past

couple of years, staff turnover within Charter Trust had necessitated the movement of the reporting function to different staff at other Charter Trust offices. Charter Trust is currently working to establish proprietary software for its monthly reports. The Trustees stated that they wanted the Town accounts to be part of Charter Trust's annual external audit. Ms. Woodfin stated that since the auditors randomly select the accounts to audit there was no guarantee the Town accounts would be part of the auditor's audit sample. The trustees then requested that if the Town accounts are not part of the audit sample, the accounts would be audited separately.

With there being no further business, Mr. Mieso moved seconded by Mr. Stephenson to adjourn the meeting. Motion carried.

Respectfully Submitted,

Gary P. Arceci,
Secretary