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**TOWN OF
BROOKLINE, NEW HAMPSHIRE
TRUSTEES OF THE TRUST FUNDS**

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***Trustees of Trust Funds
Minutes
October 18, 2018***

Meeting attendees: Trustees Rodney Lockwood and Clarence Farwell along with Town Administrator Tad Putney and Paul Boule from Peoples Securities. Absent: Melanie Levesque.

Meeting opened at 8:00am.

Minutes

Rod moved, seconded by Clarence to approve the minutes of the July 26th meeting as written, Voted Yes 2-0.

Portfolio Discussion

Paul provided handouts summarizing 2017 and year-to-date 2018 performance. He said that overall portfolio return was 11.13% in 2017, including capital gains, dividends and interest. For 2018 year-to-date, he noted that total return is currently at 2.24%.

Paul said that the annual management fees are about .62%, which is lower than the typical 1% management fee. He said the current portfolio has a blended growth and income focus. With interest rates on the increase, **Paul** suggested the trustees may want to focus more on income in another nine months or so. **Tad** asked about the benchmarks for performance. **Paul** said the S&P500 returned about 10% in 2017, but that is a little more aggressive a benchmark than the town's trust funds. **Paul** suggested continuing with the current investments and he likes a focus on U.S. equities. He said we are currently at about 50% focused on income, 25% in growth and income, and 25% in fixed income, or bonds. **Clarence** asked about how capital gains are treated in the Dodge Fund. **Paul** said that capital gains have been cashed out annually. He said we could easily change the approach to have capital gains automatically reinvested. **Tad** said this could help address **Clarence's** desire to protect the fund against inflation. **Tad** will seek clarification of whether the fund's original intent required the annual payout of capital gains. **Rod moved that, subject to confirmation we are not prohibited in the trust language from doing so, we annually reinvest capital gains of the Dodge Fund, seconded by Clarence, Voted Yes 2-0.**

Rod suggested that if the change is permitted, we may want to discuss shifting the Dodge Fund to more of an equity-based investment in the future.

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Town Facilities Capital Reserve Fund

Tad shared a copy of the Selectboard's signed October 8th request for the trustees to pay \$2,879 from the newly created Town Facilities Capital Reserve Fund for partial payment toward recent town hall slate roof repairs. ***Clarence moved, seconded by Rod, to approve the expenditure, Voted Yes 2-0.*** The trustees signed the check.

Next Meeting

The next meeting will be held at 8am on Thursday, January 24th. **Clarence** will participate in the meeting by phone.

Meeting adjourned at 8:45am.

Minutes submitted by Tad Putney.