

Trustee of Public Funds meeting
July 10, 2014 4:00 PM
Town Office, Rochester VT 05767

Attending: Sandy Pierce, Barb DeHart, Mike Harvey, Gary Gibbs, Christine Diekel, Tom Pierce

Christine brought updated forms and paperwork for us to discuss and sign. We reviewed and signed an updated corporate resolution for their files, management forms for both the Cemetery fund and the Townshend fund, distribution authorizations for the Cemetery fund and the Townshend funds, one each for distributions to both the Town of Rochester and to other entities. All forms will have to be redone if and when another Trustee is elected. Mike will scan and email all of the above documents to us.

We reviewed the succession of documents from Vermont National Bank through Chittenden Investment Corp. to the present Peoples Trust co. Christine informed us that the largest dollar amount of Peoples investments are from Vermont investors and that most of Peoples investment management staff are Vermonters. She suggested that Vermonters have the greatest influence on Peoples' investments.

Christine discussed our fee schedule. We pay .8 percent which is a discounted and grandfathered rate. In addition, the way all our separate accounts are considered as one for fees is also grandfathered in that Peoples no longer does that. In other words we receive favorable treatment due to our long term commitment to Peoples.

Gary discussed the Green Century Equity Fund in addition to clarifying some things in our portfolio. Barb had asked Gary to look into the specifics of this fund for us.

The Green fund goes much further than just divestment of fossil fuel producers. It also excludes nuclear fuels, guns, alcohol, tobacco and gambling. It would cost us 125 basis points as opposed to the 75 we pay per year presently. The net yield from the Green Fund would be about 4.66 percent as opposed to our ten year average of 5.79 percent. In addition Gary says that the risk profile of the Green Fund is potentially riskier as it excludes bonds and many industries.

Gary discussed the biggest change in our portfolio, Real Assets. These include commodities, real estate holdings and precious metals. These have been added to balance equities for risk mitigation. They are good if the market goes down. He thinks we should continue to maintain our asset mix of about 60/40 in the Townsend fund. He also mentioned that any bonds bought will have a duration of less than three and one half years.

We adjourned at 5:20 PM

Respectfully submitted,
Sandy Pierce, Board Secretary