

WINCHESTER COMMISSION OF TRUST FUNDS

Meeting of August 24, 2016

A meeting of the Board of Commissioners of Trust Funds was held on Wednesday, August 24, 2016 in the Board of Selectmen's Room at Town Hall. The meeting was attended by Commissioners Ted Lamson (Chair), Forrest Fontana (via conference call), and Bob MacIntosh (Secretary), as well as by Sheila Tracy, Town Treasurer, and Stacie Ward, Town Comptroller.

First, the Commissioners approved the minutes from the previous meeting on July 20, 2016. Commissioner MacIntosh agreed to provide Ms. Tracy with a copy of the trades that were recently executed in the Retiree HealthCare Trust so that these documents could be filed together at the Library.

Next, the Commissioners approved expenditures of \$630 from the Sandy's Island Trust Fund, \$2,840 from the Cemetery Permanent Care Trust, and \$1,010 from the other cemetery-related trust funds. Also, the Commissioners acknowledged receipts of \$1,440 into the Cemetery Permanent Care Trust.

Subsequently, the attendees discussed two potential candidates as replacements for Commissioner Lamson (who is retiring from the CoTFs). Commissioner MacIntosh will invite one of these candidates to attend the next meeting in September.

In addition, Commissioner MacIntosh discussed the recent correspondence from the Capital Planning Committee about using capital proceeds from the Cemetery Permanent Care Trust to fund expenditures at the cemetery in FY17. Through research performed by both Ms. Tracey and Ms. Ward, Commissioner MacIntosh was able to inform the CPC that no capital monies are available in FY17 due to the use of such funds for the construction of the niche wall at the cemetery. The Commissioners should expect the CPC to request monies for capital purposes in FY18 (which begins in July 2017).

Following, the Commissioners reviewed the investments in the various portfolios. They first noted that the previously requested trades had been properly executed by Ms. Tracy. Then, the Commissioners -- using asset allocation spreadsheets that were provided by Commissioner MacIntosh and comprehensive analytical spreadsheets of the equity holdings provided by Commissioner Lamson -- discussed a number of the individual equity positions and sector exposures. Accordingly, the Commissioners requested that Ms. Tracy effect the following trades:

	<u>Security</u>	<u>Main</u>	<u>Endowment</u>	<u>Retiree Health</u>	<u>Library Trusts</u>
<u>Buys:</u>	Devon Energy	300 sh	150 sh	-----	-----
<u>Sells:</u>	None	-----	-----	-----	-----

In addition, Commissioner MacIntosh noted that there is a discrepancy between the domestic and international equity positions in the Retiree HealthCare Trust and the corresponding positions of the other two accounts that are managed with a more aggressive asset allocation. Commissioner MacIntosh agreed to calculate the trades necessary to even out these positions and to provide those to Ms. Tracy next week.

Finally, Ms. Tracy informed the Commissioners that she will soon be changing the password for accessing the on-line system at Fidelity Investments (where all of the investment portfolios under the purview of the Commissioners are custodied).

The market values of the Funds as of July 31, 2016 were:

Main Account*:	\$3,570,173.59
Library Endowment*:	\$1,611,146.08
Retiree Health Care Trust*:	\$2,245,856.49
Library Trust Funds*:	\$770,875.51
Housing Capital Account**:	\$980,037.51

* held at Fidelity Investments

** an MMDT account

The Commissioners agreed to meet again on Wednesday, September 21, 2016 at 8:00am.

Respectfully submitted,

Robert B. MacIntosh, CFA, Secretary