

City of Franklin

Trustees of the Trust Funds

Meeting Minutes: April 28, 2016

Attendees: Kathy Zink, Julie Buker, Ken Duguay, Paul Gatehouse, Melissa Newton

Melissa informed the Trustees of the upcoming Advanced Trustees seminar in June. She will sign up anyone who would like to attend. Melissa also stated that most of the scholarships have been claimed. She sent out another notices to those who have not yet claimed their funds to remind them about it. One student did not have a copy of the award certificate but Melissa has confirmed with the school that this student was awarded the scholarship. The Trustees agreed to release the funds without the certificate.

Paul reviewed the investment report. 12/31/15 numbers were revised due to an error on the last report. Income is up 2% overall for the year. The International Growth Income fund is the only one that did not have a positive return. The Vanguard fund took a dip in February but has since recovered. Paul said this was due to oil prices. Paul is expecting about an 8% return for the year, however that could be impacted by the political climate.

Paul is focused on more income production since the stock markets have been performing pretty well. He thinks we will continue to see better returns than we would if the funds were in a traditional bank product. As we move into the second quarter, we will be remaking the portfolio to maintain income. Paul said we would probably increase the bond portfolio in to increase dividends. Bond funds will give us a 4-5% yield and still balance our risk. At the end of June, the portfolio will be rebalanced so none of the funds exceed the 10% cap.

Melissa stated that we received a large new scholarship and asked if we wanted to deposit it into the bank. Paul recommended moving it to something that would earn a better return so we have the funds to pay out the scholarship when needed.

Paul asked if the Trustees would like to review the new portfolio plan when it has been established. The Trustees agreed that this would be done via email.

No other business was discussed.

*Respectfully Submitted,*

*Julie Buker*