

**TRUSTEES OF TRUST FUNDS
MINUTES OF A MEETING HELD ON
May 10, 2019**

The Trustees of Trust Funds (the "Trustees") met on May 10, 2019 in the office of Robert Kimball, CPA, at 311 Main St, Walpole, NH 03608 at 9:00 am. Present were all Trustees: Robert Kimball, 2020; Thomas Winmill, 2021; and, Karen Galloway, 2022. Also present by invitation of the Trustees representing Cambridge Trust Company of New Hampshire ("Cambridge") were by telephone Maureen Kelliher, CFA, Sr. Vice President & Investment Officer and in person Janelle Travers Sartorio, CTFA, Relationship Manager.

Mr. Kimball called the meeting to order. Ms. Galloway noted that the meeting was duly noticed to the public at least twenty-four hours before the meeting (not counting Sundays and holidays) by a posting of a notice in the Lobby of the Walpole Town Hall, 34 Elm Street, Walpole, NH 03608.

Messrs. Kimball and Winmill then welcomed Ms. Galloway as a re-elected Trustee to the Board of Trustees for a three year term.

Mr. Winmill then asked for comments with respect to the draft minutes of the meeting of the Trustees of Trust Funds held on February 26, 2019, which had been previously circulated to the Trustees. A general discussion followed. Whereupon, there being no material changes proposed, upon motion duly made and seconded, the following resolution was unanimously approved by all present Trustees:

RESOLVED, that the minutes of the meeting of the Trustees of Trust Funds held on February 26, 2019 be, and they hereby are, approved, subject to such editorial changes and minor corrections as the Trustees may subsequently deem appropriate.

The Trustees requested representatives of Cambridge to present the Expendable, Non-Expendable, and Capital Reserve Funds (the "Funds") information by account. Ms. Sartorio presented the MS-9's, statements, and similar account information. The Trustees then discussed other matters relevant to the oversight of the collection, management, and investment of assets of the Funds, and the accumulation and distribution of income and principal amounts according to the applicable instrument or authority, including recent disbursements.

The Trustees then asked Ms. Sartorio to discuss Cambridge's proposed responses to the Attorney General's letter dated April 15, 2019 regarding the Funds' 2018 MS-10. She referred the Trustees to the draft letter, which provided additional details regarding the securities in question reported on the 2018 MS-10. She also noted that the MS-10 report submitted represents the holdings of two separate accounts; the Expendable Trust and the Non-Expendable Trust, and that is why

there are two separate positions for many of the securities. A general discussion followed. Whereupon, there being no material changes proposed, upon motion duly made and seconded, the following resolution was unanimously approved by all present Trustees:

RESOLVED, that the proposed responses to the Attorney General's letter dated April 15, 2019 regarding the Funds' 2018 MS-10 be, and they hereby are, approved, and Cambridge be, and it hereby is, authorized and directed to submit the letter as presented to the meeting to the Attorney General's office.

The Trustees then asked Ms. Kelliher to provide a financial and economic report of matters affecting the returns of the Funds, as well as the details of the holding and returns of the Funds. She also described the spring 2019 investing outlook held by Cambridge, the performance of relevant financial markets, and certain economic data. She referred the Trustees to the Cambridge materials and noted that as of March 31, 2019 market values (including accruals) of: the Non-Expendable Fund were \$5,852,660 reflecting an average annual total return net of fees of 6.42% for the 1 year, 6.93% for 3 years, and 5.87% since the inception of Cambridge's management on 1/31/2012; the Expendable Fund were \$922,650 reflecting an average annual total return net of fees of 6.85% for the 1 year, 6.90% for the 3 years, and 6.39% since the inception of Cambridge's management on 1/31/2012; and, the Capital Reserves Fund were \$1,413,340 reflecting an average annual total return net of fees of 2.12% for the 1 year, 1.39% for the 3 years, and 0.65% since the inception of Cambridge's management on 7/31/2012.

The Trustees then asked Ms. Kelliher to provide her financial assessment of having the Capital Reserves Fund invest in a ladder of T-bills. She described the hypothetical benefits and detriments of investing \$500,000 in a 3-month bill, \$250,000 in a 6-month bill, \$250,000 in a 12-month bill, and the balance of approximately \$500,000 in the money market fund. A general discussion followed, including an assessment of anticipated use by the Fire Department and North Walpole Water Department. Whereupon, upon motion duly made and seconded, the following resolution was unanimously approved by all present Trustees:

RESOLVED, that the continuing investment of the Capital Reserves Fund in a ladder of T-bills and a money market fund as generally discussed at the meeting be, and it hereby is, approved.

The Trustees requested Cambridge to provide internal audit, internal control, SOC1 (also known as the Statement on Standards for Attestation Engagements (SSAE) 18), or similar reports that substantiate the accuracy of the reports presented by Cambridge to the Trustees. Ms. Kelliher replied that she would inquire to determine what written assurance could be provided by Cambridge to Trustees.

The Trustees then conducted its quarterly review of Cambridge and its performance, personnel, strategy, research capabilities, organizational and business matters. The Trustees expressed their general satisfaction with Cambridge.

The Trustees then discussed the 2019 filing of the Investment Policy Statements for the trust funds, and considered the proposed draft "Town of Walpole, NH Trustees of Trust Funds Investment Policy Statement Expendable and Non-Expendable Common Trust Funds." A general discussion followed. Whereupon, there being no material changes proposed, upon motion duly made and seconded, the following resolution was unanimously approved by all present Trustees:

RESOLVED, that the "Town of Walpole, NH Trustees of Trust Funds Investment Policy Statement Expendable and Non-Expendable Common Trust Funds" (the "Statement") be, and it hereby is, approved, subject to such editorial changes and minor corrections as the Trustees may subsequently deem appropriate, and the signature of all current Trustees; and be it further

RESOLVED, that Cambridge be, and it hereby is, authorized and directed to file with NH attorney general's office, c/o the Charitable Trusts Unit, NH Department of Justice, 33 Capitol Street, Concord NH or otherwise by email or other duly permitted means the fully signed Statement.

The Trustees discussed recent developments and questions regarding the Expendable Austin Hubbard Library Fund.

The Trustees then determined that the date and time for the next quarterly meeting would be in the third quarter of 2019 on a mutually agreeable date and time to be set in the future.

The meeting adjourned at approximately 10:10am.

Robert Kimball

Thomas Winmill

Karen Galloway