

Minutes of a Meeting  
Of the  
Trustee of Trust Funds  
Of the  
Town of Hillsborough

NOV - 3 2017

A meeting of the Trustee of Trust Funds of the Town of Hillsborough was held at the Town Office on October 31, 2017. The Selectmen, having called the Trustees to appear before a duly warned and advertised meeting, the Trustees also met to conduct other Trustee business.

At the meeting with the Select Board, the Trustees agreed with the Selectmen to allocate \$45,000 from the accumulated income in the Manahan Fund for the development of a boat ramp at Manahan Park. It was determined that the boat ramp was for the benefit of the persons using Manahan Park and therefore was consistent with the purposes of the trust.

The Trustees and the Selectmen engaged in a lengthy discussion about future projects and planning. The Trustees were concerned about getting requests for large distributions of Manahan funds without an opportunity to properly plan for it from an investment perspective. The Trustees advised the Selectmen of their policy to allocate unused or unencumbered income to principal after a period of three (3) years. The Selectmen expressed concern about the policy but understood the Trustees' desire to have opportunities to plan for large potential withdrawals.

As part of the meeting called by the Selectmen, the Trustees met and reviewed a proposed policy dealing with unused and excessively accumulated income. The Trustees unanimously adopted the following policy:

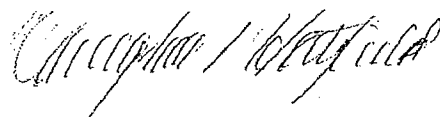
"Unused or unencumbered income; namely, income that is not anticipated to be used in the near future, after a period of three (3) years will be transferred to principal to encourage a greater rate of return on the investment. The purpose of this policy is to encourage advance notice of proposed use of income that has not been distributed on an annual basis."

The Trustees reviewed and executed a third party custodian agreement for collateralized deposits with Santander Bank. The representation from Santander was that this allows the Bank to manage the funds in a more productive manner and it will not increase the cost to the Town in any way.

There being no further business to come before the Trustees, the meeting was adjourned.

A True Copy.

ATTEST:



Douglas S. Hatfield, Acting Secretary