City of Concord
Trustees of Trust Meeting

Minutes of January 21, 2015 Meeting

Meeting was convened at 8:30 AM at Citizens Bank

In attendance: Trustees Jeff Schindler, Michael Aitken & Karen Levchuk; Frank Anderson & Charles Mathews of Citizens Trust and Investment Group; Michael Jache City of Concord.

Minutes from the October 22, 2014 meeting were distributed for review. A motion was made to approve the minutes by Michael Aitken and seconded by Jeff Schindler, minutes were unanimously approved.

Motion was made by Jeff Schindler after a short discussion to adopt and maintain the investment policy as is and the motion was seconded by Michael Aitken.

Michael Jache updated the trustee on House Bill 297 relative to the management of trust funds and capital reserve funds. Michael Jache will bring forward a resolution to city council requesting permission for Trustees of Trust Funds to pay fees from income derived from the capital reserve funds. Jeff Schindler made the motion to support the adoption of the resolution and Michael Aitken second the motion.

Market update and portfolio review:

- 2014 was a good year for the stock market and an exceptional good year for U.S. stocks. Foreign investors still purchasing U.S. stocks as the U.S. marketing is outperforming foreign markets.
- The Fed is still looking to increase interest rates in 2015 but the real risk is not what the Fed's will do. The real risk is global economy weakening and choking the export of U.S. goods. It is not the Fed keeping interest rates low but Global economy.
- European Central Bank going into quantitative easing bond purchase program to shore up the Eurozone's fragile economy and boost inflation.

Fund C – Total fund return was 8.9% for $900k for calendar year 2014. Will look at trimming small caps and move corporate securities into treasuries in calendar year 2015.

Fund B - Total fund returns of 7.84% for $170k for calendar year 2014.

Fund A – Total fund return was 5.53% for $97k in calendar year 2014.

The meeting adjourned at 10:00 am.

The next meeting date was set for April 22, 2015 at 8:30 AM at Citizens Bank

DRAFT