

Meeting Minutes July 16, 2015

Attendance: Robert Howland (via conference call), James Rademacher absent Terri Davis

Investment advisors: Gary Gibbs, Christine Diekel

Meeting Called to order by Jim Rademacher at 9:04 AM.

Discussion to add Christopher Kelley Memorial Fund assets management and Administration to the agenda.

**Motion** by Mr. Howland to accept the agenda with the two additions. Passed

**Motion** by Mr. Howland to accept the minutes of the 10/28/2014 minutes as written. Passed

Mr. Gibbs reviewed the performance of the Burditt Fund. Since the People's Bank became the advisors in 2009 this fund has had an average annual rate of return of 9.17%; 9.94% for the last 5 years. The most recent year has been low at 3.11%. Current total value is \$2,425,000.

Currently the fund is in a 70/30 stock/bond investment ratio. The stock portion is in a 70/30 US/international investment ratio. **Consensus** is to maintain the current positions.

The Booth Fund was reviewed. It is currently in a more conservative investment model. Current value is \$31,454. With the consent of the Lothrop School Board this fund has been able to grow somewhat in value over the last several years. Anticipating no change in the annual call for funds by the Lothrop School Board, Mr. Gibbs would recommend moving from the current 45/55 stock/bond investment ratio to a 60/40 stock/bond investment ratio.

**Motion** by Mr. Howland to move the Booth Fund to a 60/40 stock/bond ratio. Passed.

Update Pittsford Fund: Current value \$20,300. Mr. Rademacher reported he met with the Lothrop Board which indicated no intended need to withdraw fund for the next several years. The Lothrop Board wishes the Pittsford Trustees to manage the assets of the fund while the Lothrop School Board will continue to manage the trust. They do understand that the trust limits the annual withdrawal to not more than 80% of the interest on the principal. The other 20% and any unused portion of the 80 percent then become principal. Given the size of the fund, the restrictions on withdrawals, and the intent of several years of no withdrawals Mr. Gibbs would suggest a 70/30 stock/bond investment ratio should the Trustees decide to accept management of the assets. Ms Diekel indicated it would take 3-4 weeks for the necessary paper work to set up this new account before the People's Bank Trust Department could accept transfer of any assets.

**Motion** by Mr. Howland to approve the request of the Lothrop School Board to manage the assets of the Pittsford Fund. Passed.

**Motion** by Mr. Howland to have the People's Bank Trust Department establish an investment account to accept transfer of the asset of the Pittsford Fund. Passed.

**Motion** by Mr. Howland to accept the recommendation on the initial investment of a 70/30 stock/bond ratio in a manner similar to the Burditt Fund. Passed.

Christopher Kelley Memorial Fund: Mr. Rademacher reported having a telephone discussion with Ms Lynn Gee about this fund. It was created by the Kelley family after the untimely death of Christopher in 1981. The Lothrop School Board has been responsible for administering the fund with the Kelley family managing the assets. Ms Gee indicated that she and her mother, Mrs. Blanche B. Kelley, desire the Pittsford Trustees to manage the assets. A subsequent letter was received by Mrs. Kelley affirming the same. The current value is \$13,175. The purpose of the fund is to annually recognize 3-4 Lothrop Elementary School students with a "Citizenship Award" for exhibiting strong character and/or leadership behaviors. Earnings from the fund go to the maintaining of a plaque at the school with engraving of the students' names, a certificate for each student as well as a small financial award. It was noted that receiving the award will maintain its significance over time but that the value of the monetary award will diminish over time due to inflation. Mr. Rademacher agreed to speak with Ms Gee and Mrs. Kelley and inquire if they might wish to modify the terms of the Fund slightly.

It was discussed that if the dispersal of funds should continue in the same manner then it would be reasonable to maintain the assets in a CD as has been the practice. Mr. Gibbs indicated that the Pittsford Trustees would be able to use the People's Bank to secure an appropriate CD without going through its Trust Department. If at some future time the investment strategy might change or if the fund grew so that the strategy might change then the Trustee Department stands ready to assist the Pittsford Trustees in the management of the Kelley Fund assets in a stock/bond portfolio. Ms. Diekel mentioned that the People's Bank would waive any fees for early withdrawal from a then-current CD if the money was to be rolled into a People's Bank-managed portfolio.

**Motion** by Mr. Rademacher Howland to approve the request of Blanche B. Kelley to manage the assets of the Christopher Kelley Memorial Fund. Passed.

**Motion** by Mr. Rademacher Howland to have the initial investment placed into a Certificate of Deposit (CD) at the People's Bank. Passed.

Administration: Necessary forms were distributed for signature concerning the investment strategy for the Pittsford Fund and for the revision of the Booth Fund strategy. Forms will be sent to Ms Davis and Mr. Howland for their signatures.

There was no further business.

**Motion** by Mr. Rademacher to adjourn at 10:10 AM. Approved.

Submitted:  
Jim Rademacher