

Re: **Trustee Meeting Minutes**

Date: August 22, 2017

Time: 6:00 – 6:45 pm

Location: Rye Town Offices

Attended: Jeff Balboni, Chris Nee and Kerry Pope

Excused:

### Meeting Minutes

- Jeff called the meeting to order
- The Trustees reviewed and approved the January 24, 2017 meeting minutes (Jeff motioned to approve the minutes and Chris seconded the motion, all were in favor)
- The Trustees discussed the market and political environment:
  - Q1 economic weakness combined with low inflation and political uncertainty caused recent market volatility
  - The markets are pricing in about a 30% probability of a December Fed rate hike
  - Despite the market's expectations, the Fed expects to continue to move rates gradually higher over the next couple years
  - The hope of tax reform continues to support the equity market's lofty valuations. YTD performance for the S&P is about 9.9%, including dividends. Other indexes are up also up, NASDAQ – 15%, Dow – 11.5%, Russell – 0.8%
- The Trustees reviewed and discussed the portfolios' allocations and cash positions:
  - The Trustees acknowledged the portfolios equity centric positioning and agreed that the holdings are prudent given the market's interest rate risk
  - The portfolios' cash levels are prudent given the market's current valuation
  - The Trustees discussed JNJ's potential exposure to legal judgements associated with a recent \$400 million "powder" damage award. While the award is being challenged, the Trustees decided to reduce JNJ exposure across the portfolios.

Account 202	sold	28	JNJ	at \$133.21
Account 252	sold	188	JNJ	at \$133.17
Account 462	sold	262	JNJ	at \$133.18
Account 470	sold	127	JNJ	at \$133.17
Account 236	sold	50	JNJ	at \$133.20

- The Trustees agreed to review conservative ultra-short bond funds as a potential alternative for strategic liquidity
- The Trustees agreed to schedule its next meeting in October
- The Trustees voted to adjourn the meeting at 6:45 pm

Respectfully Submitted,

Kerry S. Pope, CFA

Rye Trustee of Trust Funds

August 30, 2017