

PECK ESTATE TRUSTEES  
C/O Gill B. Coates  
1211 Texas Hill Road  
Hinesburg, VT 05461

May 11, 2016

Kristy McLeod  
P.O. Box 225  
Hinesburg, VT 05461

Frank Twarog  
73 Evanson Road  
Hinesburg, VT 05461

Dear Kristy and Frank,

A meeting of the Peck Estate Trustees will be held on Wednesday, May 18, 2016 at 5:30 p.m. in the downstairs conference room at the Hinesburg Town Hall.

The agenda for this meeting is as follows:

1. Call to Order
2. Any Agenda Additions/Deletions?
3. Approval of minutes from the December 4, 2015 meeting.
4. Determination of the contribution amount to the Hinesburg Community School for 2015-2016.
5. Discussion about school consolidation under Vermont Act 46 and its impact on the Peck Estate.
6. Request for a copy of the latest Hanson & Doremus disclosure statement.
7. Any new business (items brought up under new business that require a vote of the Trustees will be placed on the agenda of the next meeting).

Sincerely,



Gill B. Coates, Clerk  
Peck Estate Trustees

Attachments: Draft Meeting Minutes of December 4, 2015

cc: Tina Bouvier  
C/O Hinesburg Community School

✓ Missy Ross, Town Clerk

Eric Hanson  
Hanson and Doremus Investment Management

**(THIS IS AN OPEN MEETING AND MEMBERS OF THE PUBLIC ARE INVITED TO ATTEND.)**

**DRAFT – MAY 23, 2016**

**PECK ESTATE TRUSTEES - MEETING MINUTES**  
May 18, 2016

MEMBERS PRESENT: Gill Coates (Clerk), Frank Twarog, and Kristy McLeod

OTHERS PRESENT: None

The Clerk of the Trustees, Gill Coates, called the meeting to order at 5:35 p.m.

An addition to the agenda was made which related to a letter received after the meeting notice was posted. The letter from Hanson & Doremus Investment Management was about a new service for the management of class action lawsuits against companies that are part of investment portfolios. Agenda Item 6a was added to review the letter.

The minutes from the November 4, 2015 meeting were reviewed. Kristy made the motion to approve the minutes as printed. Frank seconded that motion. The motion was approved.

The next order of business was determination of the distribution amount to the Hinesburg Community School for 2015-2016. Kristy had done some calculations and indicated the distribution limits based on the Fund value on December 31, 2015 (i.e., \$878,900) and the Spending Policy limits would be as follows:

2.5 percent = \$21, 972

4.0 percent = \$35, 156

Kristy noted that the current portfolio value as of April 30, 2016 was \$906,056. She also noted that Eric Hanson believes that valuation is back to a more normal level.

Kristy proposed that the distribution amount remain the same as the prior year at \$35,000, and made that a motion. The motion was seconded by Gill. The motion was approved.

Next on the agenda was a discussion of the proposed school consolidation under Vermont Act 46 and its impact on the Peck Estate. All the Trustees indicated an overriding belief that the Peck Estate bequest was for the exclusive benefit of Hinesburg students. Kristy indicated that, to her, the question is a matter of the process by which the funds get to the school. She also indicated that other items handled by the school, such as grants, are targeted for a specific purpose for a specific group. Frank suggested that maybe the Hinesburg Parent Teachers Organization's program Partnership In Education (PIE) could be used as a vehicle to get the Peck Estate funding to benefit specifically Hinesburg students. Frank indicated that a Memo of Understanding might be needed to direct funds to the appropriate vehicle. Gill indicated that the assets of the Peck Estate are property of the town of Hinesburg and not the school's property. The bequest directs that income from the Peck Estate be directed to the school for the benefit of Hinesburg students so they can "receive higher and more advanced instruction than is furnished in the primary schools of the town ..." and "of such grade or grades as shall be fixed by the school board." The Trustees believe that the Select Board must also be involved in any new approach to the distribution of Peck Estate funds. To that end, Frank volunteered to draft a letter to the Select Board to make them aware of the impact of Act 46 school consolidation on the Peck Estate. The draft letter will be reviewed by the other Trustees prior to submittal to the Select Board. Any further action will be pending a response from the Board.

**DRAFT – MAY 23, 2016**

**PECK ESTATE TRUSTEES - MEETING MINUTES**

May 18, 2016

The next agenda item related to the Securities and Exchange Commission (SEC) requirement that Hanson & Doremus Investment Management make available to clients, on an annual basis, their most recent written disclosure statement. Having been no material changes in the statement since the last amendment filing in March 2015 and since Kristy does have a copy of that statement, no further action was taken. A double check of Gill's records will be made for a copy of the statement. If none is found, a copy of Kristy's statement will be added to Gill's files.

The added agenda item was related to a Hanson & Doremus letter about a new service for the management of class action lawsuits against companies that are part of investment portfolios. The Trustees reviewed the letter and had no concerns over this new service. Therefore, no action will be taken by the Trustees to decline the service.

Being no other business, Kristy made the motion to adjourn the meeting. The motion was seconded by Frank and approved. The meeting adjourned at 6:15 p.m.

Respectfully submitted by,



Gill Coates, Clerk  
Peck Estate Trustees

**DRAFT – NOVEMBER 9, 2015**

PECK ESTATE TRUSTEES - MEETING MINUTES  
November 4, 2015

MEMBERS PRESENT: Gill Coates (Clerk), Frank Twarog, and Kristy McLeod

OTHERS PRESENT: Eric Hanson

This meeting took place at the offices of Hanson & Doremus Investment Management, 431 Pine Street, Suite 302 (third floor), Burlington, Vermont.

The Clerk of the Trustees, Gill Coates, called the meeting to order at 4:30 p.m.

Eric Hanson reviewed the current status of the Peck Estate Fund and distributed a printed report on the status of the Peck Estate account as of October 31, 2015. A copy of the report is Attachment 1. The "Accountable Balance" as shown on Page 3 of the report covers the time period from the initial transfer of funds for management by Hanson & Doremus Investment Management on 7/11/2003 to the Fund value today. The initial amount was \$572,519 plus an additional \$70,610 later in 2003. The total funds withdrawn for payment to the Hinesburg Community School from 2004 to 2015 have been \$336,514. This results in an accountable balance of \$306,614 on 10/31/2015. The account value as of 10/31/2015 was \$893,034, an overall increase in value of \$586,419.00 since the fund was transferred to Hanson & Doremus.

Eric pointed out in the "Return By Year" on Page 4 of Attachment 1 that the 2015 return is -0.5; however, the average annual return is 6.3 percent since 2003.

In a review of specific stock holdings, Eric indicated Merchants Bank is up a point for the year, TD Bank is down 15 percent, Phillips 66 is doing well as a refinery even with the drop in gas prices, Microsoft is holding its own, the Barnes & Noble holding is up since its purchase but the stock has been in decline because of the Nook, and Weyerhaeuser has been down (about 18 percent for the year). It is also important to look at the dividend yield on our equity holdings in addition to their market value. Merchants Bank is paying 3.6 percent, TD Bank 4.0 percent, and Weyerhaeuser 4.2 percent.

Economically, Eric sees slow 1-1/2 to 2 percent growth in the foreseeable future.

The next order of business was approval of the draft 2014-2015 Peck Estate Fund Report. Kristy moved to accept the report as printed. The motion was seconded by Frank and approved. A copy is Attachment 2.

The draft minutes of the June 1, 2015 meeting were reviewed. Frank made the motion to approve the minutes as printed. The motion was seconded by Kristy and approved. A copy is Attachment 3.

Under new business, Kristy asked about the status of Peck Estate information on the Hinesburg web site. Gill reported that the Peck Estate background information has been submitted to Aaron Kimball, the town's web site manager. However, the photograph of Cicero Peck has not been submitted since it does need some "PhotoShop" work. Gill added that he has not been able to locate the Peck Estate information on the web site including past minutes and meeting notices. Gill will check with Aaron about this issue. Gill also indicated there were no questions about the Peck Estate during Hinesburg's annual financial audit.

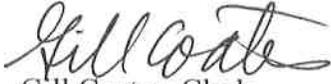
**DRAFT – NOVEMBER 9, 2015**

**PECK ESTATE TRUSTEES - MEETING MINUTES**

November 4, 2015

Being no other business, Kristy made a motion to adjourn. The motion was seconded by Frank and approved. The meeting was adjourned at 5:14 p.m.

Respectfully submitted by,



Gill Coates, Clerk  
Peck Estate Trustees

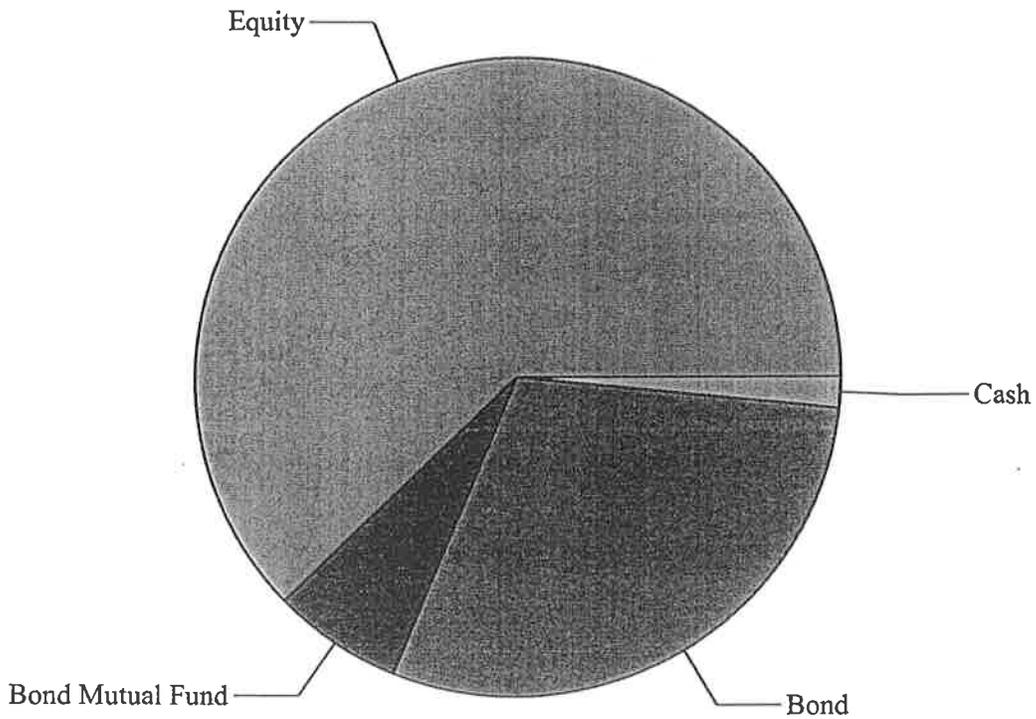
- Attachments:
1. Report on the Peck Estate Funds Account (8 pages), Dated 10/31/2015.
  2. Peck Estate Fund Report 2014-2015 (1 page), Approved – November 4, 2015
  3. Peck Estate MTG Minutes of June 1, 2015 (3 pages), Approved – November 4, 2015

Town Of Hinesburg Peck Estate  
Peck Estate Funds  
Acct. #11881808 Inst-Found/Endow NP  
10/31/2015

**Portfolio Summary**

Description	Current Value	Weight
Cash	\$14,081	2 %
Bond	\$263,925	30 %
Bond Mutual Fund	\$58,420	7 %
Equity	\$556,607	62 %
	<hr/>	
	\$893,034	100 %

**Portfolio Allocation**



## IMPORTANT DISCLOSURE INFORMATION

Performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transactions and custodial charges, Hanson & Doremus Investment Management's (HDIM's) investment management fee (prior to 2001, an average annual investment management fee of 0.8% was applied for the purpose of calculating the composite) and the separate fees assessed directly by any mutual fund holding that may have comprised the portfolio.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, or equal to the performance results for any of the comparative index benchmarks provided. The historical performance results of the comparative index benchmarks do not reflect the deduction of transaction and custodial charges, nor the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. The historical index performance results are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether a specific portfolio meets, or continues to meet, his/her investment objective(s). It should not be assumed that account holdings will correspond directly to any of the comparative index benchmarks.

To the extent that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise HDIM immediately. Different types of investment and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and or investment strategies devised by HDIM) will be either suitable or profitable for a client's or prospective client's portfolio. All performance results have been compiled solely by HDIM, are unaudited, and have not been independently verified. Information pertaining to HDIM's advisory operations, services and fees is set forth in HDIM's current written disclosure statement, a copy of which is available from HDIM upon request.

## DEFINITIONS

### **Net Funds Added (Withdrawn):**

Includes deposits and withdrawals of cash and securities. In retirement accounts, Federal and State withholdings are shown as withdrawals. In cases where clients elect to pay management fees from outside the account, the Dollar Increase (Decrease) in Value will not equal the cumulative Total Return dollar value.

### **S&P 500:**

A market-weighted index of 500 widely held mid and large size stocks.

### **MSCI EAFE Index:**

A market-weighted index of publicly traded securities in 21 European, Australasian and Far Eastern markets.

### **MSCI Emerging Markets Index:**

A market-weighted index of publicly traded securities in 26 emerging markets.

### **Barclay's Aggregate Bond Index:**

A widely used benchmark that is designed to track the broad U.S. fixed income market.

### **Balanced Index:**

An index comprised of two unmanaged benchmarks, weighted 70% of the S&P 500 and 30% of the Barclay's Aggregate Bond Index.

**Town Of Hinesburg Peck Estate**  
**Peck Estate Funds**  
**Acct. #11881808 Inst-Found/Endow NP**  
**10/31/2015**

<b>Accountable Balance</b>		
(Total dollars given us to manage.)		
First Review	7/11/2003	\$572,519
Net Funds Added (Withdrawn) in	2003	70,610
	2004	(19,000)
	2005	(23,514)
	2006	(24,000)
	2007	(27,000)
	2008	(28,000)
	2009	(28,000)
	2010	(28,000)
	2011	(28,000)
	2012	(30,000)
	2013	(32,000)
	2014	(34,000)
	2015	(35,000)
Total Funds Added (Withdrawn)		(265,904)
Accountable Balance	10/31/2015	306,614
Value Today	10/31/2015	893,034
Increase (Decrease) in Value		586,419

Return By Year

Year	Total Returns	Percent Return	S & P 500 Stock Index	Barclays Agg. Bond Index	MSCI EAFE Index
2003	\$104,766	16.3 %	12.3 %	0.4 %	24.3 %
2004	72,480	10.0	10.9	4.3	20.2
2005	(22,959)	(2.9)	4.9	2.4	13.5
2006	58,278	7.9	15.8	4.3	26.3
2007	32,744	4.1	5.5	7.0	11.2
2008	(147,848)	(19.2)	(37.0)	5.2	(43.4)
2009	152,217	25.3	26.5	5.9	31.8
2010	102,429	14.3	15.1	6.5	7.8
2011	31,328	3.9	2.1	7.8	(12.1)
2012	60,103	7.5	16.0	4.2	17.3
2013	112,349	13.5	32.4	(2.0)	22.8
2014	35,080	3.7	13.7	6.0	(4.9)
2015	(4,548)	(0.5)	2.7	1.1	2.1
Average Annual Return (12.3 Years)		6.3 %	8.3 %	4.3 %	7.2 %

## Appendix 1, Page 5

### Portfolio Holdings

As of 10/31/2015

Town Of Hinesburg Peck Estate    Inst-Found/Endow NP    Acct #: 11881808  
 Peck Estate Funds  
 1211 Texas Hill Road  
 Hinesburg, VT 05461

<u>Position</u>	<u>Symbol</u>	<u>Description</u>	<u>Original Cost</u>	<u>Current Price</u>	<u>Current Value</u>	<u>Weight</u>	<u>Annual Income</u>	<u>Yield</u>
<b>Cash/Money Funds</b>								
	CASH	Cash/Money Fund	14,081.45		14,081.45	1.6%	0.00	0.0%
<b>Bonds</b>								
20,000	26054LLZ4	Dow Chem Co 2.75% 6/15/16	19,870.00	100.05	20,009.58	2.2%	550.00	2.7%
20,000	06050WDU6	Bank Of Amer 3.7% 9/15/16	19,920.00	101.26	20,252.82	2.3%	740.00	3.7%
20,000	78355HJR1	Ryder System Inc 3.5% 6/1/17	20,555.20	102.83	20,565.70	2.3%	700.00	3.4%
25,000	36160XZW0	GE Cap Finl CD 2.25% 12/4/17	25,000.00	101.78	25,445.08	2.8%	562.50	2.2%
25,000	855030AL6	Staples Inc 2.75% 1/12/18	25,361.50	99.92	24,980.10	2.8%	687.50	2.8%
25,000	92276MBA2	Ventas Rlty Ltd 2% 2/15/18	25,255.00	100.47	25,118.40	2.8%	500.00	2.0%
25,000	38143AGZ2	Goldman Sachs CD 2.45% 1/18/19	25,000.00	102.01	25,503.15	2.9%	612.50	2.4%
25,000	17284A2K3	Cit Bank N A CD 2.10% 7/18/19	25,000.00	100.29	25,071.68	2.8%	525.00	2.1%
25,000	06279LBH6	Bank Internet CD 3.45% 3/12/20	26,580.63	105.29	26,321.68	2.9%	862.50	3.3%
25,000	984121CH4	Xerox Corporation 2.8% 5/15/20	24,821.50	94.92	23,730.58	2.7%	700.00	2.9%
25,000	92857WAV2	Vodafone Group 4.375% 3/16/21	26,675.75	107.70	26,926.13	3.0%	1,093.75	4.1%
			264,039.58		263,924.90	29.6%	7,533.75	2.9%
<b>Preferred Stocks</b>								
900	MER+F	M L Capital Tr Pfd 7.28% Perpetual	25,152.95	26.07	23,463.00	2.6%	1,638.00	7.0%
<b>Mutual Funds</b>								
<b>Bond Mutual Fund</b>								
5,102.193	VBIIX	Vanguard Inter Bond Fd Index Inv Sh	56,264.97	11.45	58,420.11	6.5%	1,549.86	2.7%
<b>Equities</b>								
<b>Basic Material Stocks</b>								
600	WY	Weyerhaeuser Company	9,528.75	29.33	17,598.00	2.0%	744.00	4.2%
<b>Consumer Stocks</b>								
688	BNED	Barnes & Noble Education	4,838.93	14.75	10,148.00	1.1%	0.00	0.0%
1,090	BKS	Barnes & Noble, Inc.	10,184.09	12.99	14,159.10	1.6%	163.50	1.2%
			15,023.02		24,307.10	2.7%	163.50	0.7%
<b>Energy Stocks</b>								
400	COP	Conoco Phillips	8,412.03	53.35	21,340.00	2.4%	1,184.00	5.5%
200	PSX	Phillips 66 SHS	2,499.93	89.05	17,810.00	2.0%	448.00	2.5%
			10,911.96		39,150.00	4.4%	1,632.00	4.2%
<b>Finance Stocks</b>								
5,682	MBVT	Merchants Bancshares	0.00	31.52	179,096.64	20.1%	6,363.84	3.6%
2,500	TD	Toronto-Dominion Bank	50,974.69	41.02	102,550.00	11.5%	4,125.00	4.0%
			50,974.69		281,646.64	31.5%	10,488.84	3.7%
<b>Hi-Tech Stocks</b>								
600	CSCO	Cisco Systems, Inc.	9,240.75	28.85	17,310.00	1.9%	504.00	2.9%
825	GLW	Corning	11,913.88	18.60	15,345.00	1.7%	396.00	2.6%
450	MSFT	Microsoft	10,068.00	52.64	23,688.00	2.7%	558.00	2.4%
			31,222.63		56,343.00	6.3%	1,458.00	2.6%

## Portfolio Holdings

As of 10/31/2015

Town Of Hinesburg Peck Estate Inst-Found/Endow NP Acct #: 11881808

Position	Symbol	Description	Original Cost	Current Price	Current Value	Weight	Annual Income	Yield
<b>Equities</b>								
<b>Manufacturing Stocks</b>								
185	EMR	Emerson Electric Co.	10,061.38	47.23	8,737.55	1.0%	347.80	4.0%
450	GE	General Electric Co.	14,536.95	28.92	13,014.00	1.5%	414.00	3.2%
			24,598.33		21,751.55	2.4%	761.80	3.5%
<b>Pharmaceutical Stocks</b>								
300	BXLT	Baxalta Inc	3,386.19	34.46	10,338.00	1.2%	84.00	0.8%
300	BAX	Baxter International	4,172.27	37.39	11,217.00	1.3%	138.00	1.2%
250	TEVA	Teva Pharma Ind ADR	11,066.95	59.19	14,797.50	1.7%	340.00	2.3%
			18,625.41		36,352.50	4.1%	562.00	1.5%
<b>Utility Stocks</b>								
455	CTL	CenturyLink Inc	15,110.94	28.21	12,835.55	1.4%	982.80	7.7%
1,450	DTEGY	Deutsche Telekom AG ADR	22,692.30	18.66	27,057.00	3.0%	809.10	3.0%
390	PEG	Public Sv Enterprise	11,508.57	41.29	16,103.10	1.8%	608.40	3.8%
			49,311.81		55,995.65	6.3%	2,400.30	4.3%
			210,196.60		533,144.44	59.7%	18,210.44	3.4%
			569,735.55		893,033.90	100.0%	28,932.05	3.2%

Please compare this statement with account statements received from the account custodian. Please also note that the account custodian does not verify the accuracy of the advisory fee calculation.

**Realized Gains and Losses**

Fiscal Year Ending 12/31/2015

Town Of Hinesburg Peck Estate Inst-Found/Endow NP Acct #: 11881808  
Peck Estate Funds  
1211 Texas Hill Road  
Hinesburg, VT 05461

**Long Term Capital Gains and Losses**

<u>Description</u>	<u>Quantity</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Net Proceeds</u>	<u>Cost</u>	<u>Gain (Loss)</u>
Barnes & Noble Education	0.880	10/18/2013	08/06/2015	11.41	6.34	5.07
Caterpillar Finl 4.75% 02/17/15	25,000.000	08/20/2007	02/17/2015	25,000.00	23,672.75	1,327.25
JP Morgan Chase 5.25% 05/1/15	25,000.000	11/21/2005	05/01/2015	25,000.00	24,844.00	156.00
Ultra Petroleum Corp	100.000	02/24/2012	07/23/2015	846.71	2,411.87	(1,565.16)
Ultra Petroleum Corp	125.000	02/24/2012	07/23/2015	1,058.40	3,014.71	(1,956.31)
	225.000			1,905.11	5,426.58	(3,521.47)
Long Term Gains (Sales)				51,916.52	53,949.67	(2,033.15)
Total Gains (Sales)				51,916.52	53,949.67	(2,033.15)

**Long Term Capital Gain Distributions**

<u>Description</u>	<u>Pay Date</u>	<u>Gain (Loss)</u>
Vanguard Inter Bond Fd Index Inv Shs	03/31/2015	17.04
Long Term Gains (Distributions)		17.04
Total Gains (Distributions)		17.04
Total Long Term Gains		(2,016.11)
<b>Total Gains</b>		<b>(2,016.11)</b>

## Appendix 1, Page 8

### Transactions

From 08/01/2015 to 10/31/2015

Town Of Hinesburg Peck Estate    Inst-Found/Endow NP    Acct #: 11881808  
 Peck Estate Funds  
 1211 Texas Hill Road  
 Hinesburg, VT 05461

<u>Trade Date</u>	<u>Activi</u>	<u>Quantity</u>	<u>Security Symbol</u>	<u>Description</u>	<u>Accrued Pd/Rec</u>	<u>Gross Proceeds</u>	<u>(\$)</u> <u>Cost or Proceeds</u>	<u>Cost Basis</u>
08/06/2015	Sell	(0.88)	BNED	Barnes & Noble Education		11.41	11.41	(6.34)
						11.41	11.41	(30,058.42)

## PECK ESTATE FUND REPORT

JULY 1, 2014 – JUNE 30, 2015

## FUND BALANCE - 7/1/14:

Cash and Money Market Funds - Schwab	\$ 11,502.86
Investments - Schwab	<u>935,479.47</u>

TOTAL FUND BALANCE - 7/1/14:	\$ 946,982.33
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## SCHWAB INTEREST AND DIVIDENDS:

Dividends, Gains, and Distributions	18,912.91
Corporate Bond and Other Interest	7,809.72
Certificate of Deposit Interest	<u>2,562.50</u>

TOTAL INTEREST AND DIVIDENDS:	29,285.13
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INVESTMENT APPRECIATION (DEPRECIATION):	(35,379.22)
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## EXPENDITURES:

Fund Distribution to Hinesburg School	35,000.00
Investment Advisor Fees (Hanson & Doremus)	5,405.00
Other Fees	<u>43.50</u>

TOTAL EXPENDITURES:	(40,448.50)
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## FUND BALANCE - 6/30/15:

Cash and Money Market Funds - Schwab	7,026.21
Investments - Schwab	<u>893,413.53</u>

TOTAL FUND BALANCE – 6/30/15:	<u>\$ 900,439.74</u>
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## PECK ESTATE TRUSTEES

Kristy McLeod  
Gill Coates  
Frank Twarog

Term Expires 2016  
Term Expires 2017  
Term Expires 2018

Submitted by Gill B. Coates, Clerk, Peck Estate Trustees

## PECK ESTATE TRUSTEES - MEETING MINUTES

June 1, 2015

MEMBERS PRESENT: Gill Coates (Clerk), Frank Twarog, and Kristy McLeod

OTHERS PRESENT: None

The Clerk of the Trustees, Gill Coates, called the meeting to order at 4:05 p.m.

The minutes from the December 9, 2014 meeting were reviewed. Kristy made the motion to approve the minutes as printed. Frank seconded that motion. The motion was approved.

The next order of business was determination of the distribution amount to the Hinesburg Community School for 2014-2015. Kristy had done some calculations and indicated the distribution limits based on the Fund value on December 31, 2014 and the Spending Policy limits would be as follows:

2.5 percent = \$23, 315

4.0 percent = \$37, 303

Kristy also presented the percentages for three possible distribution amounts. They were:

\$34,000 (level funding the distribution from the last fiscal year) = 3.65 percent

\$35,000 = 3.75 percent

\$36,000 = 3.86 percent

Kristy noted that the average portfolio value for the first four months of 2015 was \$914,895, a decrease from the December 31, 2014 portfolio value of \$17,687. She also noted that the distribution had been level funded for four years during the recession (2008 to 2011) and, if the distribution had increased at \$1,000 per year since 2008, the distribution would have been exactly the amount distributed the last fiscal year (\$34,000).

Kristy proposed the amount of \$35,000 for 2014-2015 given the school's financial pressures, but noted the level market outlook and, at the 12/9/2014 meeting, Eric Hanson said he thinks that we could take out 4 percent and still grow the fund. Gill indicated he did not have a problem with going to \$35,000.

Gill expressed his concern that interest and dividend income, which was \$30,628 in 2013-2014, appears to be on track for a lower amount this fiscal year.

Frank expressed his concerns about market performance for the first three months of 2015. He referred to the May 2015 market outlook from Hanson & Doremus Investment Management (see attachment). The report indicates the market has started 2015 "close to flat in the U.S." Also, Hanson & Doremus has three major concerns on the investment horizon; corporate earnings, interest rates, and stocks trading at 16 to 18 times based on forward earnings meaning there is no major catch up left in stock evaluations.

Following the discussion, Gill made the motion to make a distribution to the Hinesburg Community School of \$35,000.00. The motion was seconded by Kristy and the motion was approved.

PECK ESTATE TRUSTEES - MEETING MINUTES

June 1, 2015

Under other business, there was a brief discussion about the Hinesburg web site manager's (Aaron Kimball's) desire to add background information about the Peck Estate Fund to the site. Gill has provided written information, but also wants to provide a photograph of Cicero Peck. There is a good photograph, but it needs some PhotoShop-type work. The finalized photo could be printed in a large format for display at the school as well. Frank also suggested that eighth-grade students might want to take on a Peck Estate research project. The project could include a search for other photographs of Cicero Peck and a tour of his home as well as determining the exact amount the Fund has contributed to the school over its now 77 years. Frank will look into getting such a project started.

Being no other business, Gill made the motion to adjourn the meeting. The motion was seconded by Frank and approved. The meeting adjourned at 4:31 p.m.

Respectfully submitted by,



Gill Coates, Clerk  
Peck Estate Trustees

Attachment: "Where We Are Today: May 2015" by Hanson & Doremus Investment Management



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**Where We Are Today  
May 2015**

The market has started off the year close to flat in the U.S. with negative news pretty much offsetting the positive. The Standard & Poor 500 is up 1.9% on a total return basis year to date, the Dow Jones is up 0.8%. The Nasdaq Composite influenced by tech and biotech has done somewhat better, up 4.8% for the year.

Foreign markets are recovering from underperformance in 2014. The EAFE Index which encompasses the developed markets outside the U.S. is up 9.2% and Emerging Markets have also gained ground, up 10.1%. Bonds have increased 1.2% so far this year.

We see three major concerns on the investment horizon. The first is corporate earnings. The U.S. is growing at about a 3% real rate today which is good. But Europe is struggling (although not in recession), and Emerging Markets are growing more slowly than previously. So foreign sales of U.S. corporations may be held back. In addition the strong dollar will eventually hurt our exports and foreign earnings will get translated back into fewer dollars. So we are not going to see the same robust earnings gains of the past couple of years.

A second concern is interest rates. The Fed will start raising short term interest rates at some point, maybe this year. We don't expect a dramatic move and any increase should not affect the economy fundamentally. And many investors and financial institutions will benefit from higher rates. But psychologically we just don't know how higher rates will effect stock market sentiment. We have had declining or flat interest rates since the early 1980s so this is a major sea change.

Finally, investors are filtering all these concerns through the sieve of a fairly priced market. Stocks have traded historically at an average of 15x earnings. Today we are looking at a multiple of 16 -18x based on forward earnings so we do not have any major catch up left in stock valuations.

When we add everything up we are still constructive on 2015. It certainly will be harder to make gains this year as compared to the Recession recovery years of 2009 – 2014. But the U.S. will continue to be the engine of the global economic train and an easier monetary policy outside the U.S. will help. Oil prices remain low and interest rates and inflation will not be the cause of major problems.

Handwritten signature of Eric H. Hanson in cursive.

Eric H. Hanson, CFA, CFP®  
Partner

Handwritten signature of Julie Won in cursive.

Julie Won, CFA  
Partner

Handwritten signature of Anne W. Doremus in cursive.

Anne W. Doremus, CFA  
Partner

*Important Disclosure Information*

*Please remember to contact Hanson & Doremus Investment Management, in writing, if there are any changes in your personal financial situation or investment objectives for the purpose of reviewing/evaluating revising our previous recommendations and/or services, or if you want to impose, add, to modify any reasonable restrictions to our investment advisory services, or if you wish to direct that Hanson & Doremus Investment Management to effect any specific transactions for your account. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request.*