

## Minutes

### TRUSTEES OF TRUST FUNDS

May 18, 2022, at 4:00 pm, Franconia Town Hall

In attendance: Jan Cole and Carol Walker

Absent: Karen Foss

#### Transactions:

A summary of April 2022 transactions included withdrawals to close the 2010 Fire Department Safety Equipment CRF in the amount of \$64,863.77 and the 2016 Northern Pass Defense Fund \$25,912.68 for a total of \$90,776.45. This amount was remitted to the Town by ETF on 4/8/2022. In return, the Town provided deposits of \$64,863.77 to open the new 2022 Fire Department Safety Equipment ETF and \$25,912.68 to add to the 1989 Legal CRF for total deposits of \$90,776.45 that were processed on 4/26/22.

#### Reports:

The Trustees reviewed the April 30, 2022 Three Bearings/Fidelity Common Capital Reserve Fund (CRF) report with a beginning balance of \$2,814,016.37 on 4/01/2022. April activity included what was noted in the preceding paragraph to close the 2010 Fire Department Safety Equipment CRF in the amount of \$64,863.77 and the 2016 Northern Pass Defense Fund \$25,912.68 for a total of \$90,776.45. In return, the Town provided deposits of \$64,863.77 to open the new 2022 Fire Department Safety Equipment ETF and \$25,912.68 to add to the 1989 Legal CRF for total deposits of \$90,776.45. Income of \$2,232.88 in the form of dividends was received. Also in April, Three Bearings sold \$2,781,158.51 of the Common Capital Reserve Fund portfolio that resulted in net gains of \$191,677.87 to the portfolio that added to the principal amount invested. There was a transaction cost of \$20.00 for the securities sold. In turn, securities were purchased in April in the amount of \$2,795,806.00 with transaction costs of \$60.00. Finally, there was a decrease in investment value of (\$40,157.31) during the month with a year-to-date decrease in investment value of (\$150,128.95) resulting in an ending account value of \$2,773,779.06 as of 4/30/2022.

The Trustees reviewed the April 30, 2022 Three Bearings/Fidelity Common Trust Fund (CTF) report with a beginning balance of \$337,157.17 on 4/01/2022. There were no transactions in the CTF during April; dividends of \$414.98 were received during the month. There was a decrease in investment value of (\$13,552.67) during the month with a year-to-date decrease in investment value of (\$26,085.12) resulting in an ending account value of \$323,604.50 at 4/30/2022.

The MS-9 for the period from 1/01/22 through 4/30/2022 was reviewed. As indicated above, the 2016 Northern Pass Defense Fund CRF and Fire Department Safety Equipment CRF are at a \$0.00 balance and are now closed. The 2000 Fire/Police Station Improvement CRF is still reporting a balance of \$16.45 about which Jan will contact Three Bearings to request that it remit that amount to the town to close the 2000 Fire/Police Station Improvement CRF in full.

#### Minutes:

Draft minutes for the April 20, 2022 Trustee meeting were reviewed; Jan made a motion to accept the minutes as amended and with a second by Carol; both voted in favor of approving the minutes as amended. Carol will send final minutes for April 2022 to the Town Administrator for posting to the Town's website.

#### Deposits & Distributions after Town Meeting vote:

Jan reported that on 5/3/22 Three Bearings received the town's check of \$67,971 for WA's #15, 16 & 19 broken out as follows: \$8,815 for Franconia Recreation, \$47,156 for Life Squad Van and \$12,000 for Fire Department Safety Equipment ETF.

Jan also reported that the Town has been authorized to hold a Special Town Meeting on 5/20/22 for the purpose of seeking authorization from registered voters for the purchase of a fire truck and a highway department truck. The Highway Truck purchase will be funded by withdrawal of \$95,000 from the Highway Truck CRF and \$115,000 from the unassigned fund balance. The fire truck purchase will be paid for by a withdrawal of \$400,000 from the Fire Heavy Equipment CRF and \$254,214 financed by a six-year lease/purchase. Jan will provide Three Bearings with advance notice of the CRF funding requirements. In order to process withdrawals from the CRF(s), the Town Administrator and BOS will need to provide the Trustees with minutes from Special Town Meeting, BOS meeting minutes, minutes reiterating warrant articles, authorization(s) for Jill Brewer to sign the lease agreement and for Kim Cowles to sign manufacturer's purchase order agreements and authorization to withdraw funds from CRF, copy of signed contracts for both vehicles and the request for distribution form completed by Town Administrator.

#### Franconia Scholarship Fund Policy and Procedures follow-up:

The Board of Selectmen appointed Jane Brewer to the Scholarship Advisory Committee during the past month. The Library Trustees have appointed Ann Steuernagel to replace Bess Andrews who has stepped down. The third member, Tom Allen, is the representative from the Franconia Church. Jill Brewer, Profile School's student counselor/advisor, has forwarded applications from 3 students, however, 2 are considered incomplete since Jill's email message stated that 2 applicants chose not to complete the financial aid section of the application package. Since the Franconia Scholarship Award is a financial-need based scholarship, the absence of this financial aid section eliminates them from consideration.

After review of the SAC's recommendation, the Trustees voted unanimously to award this year's Franconia Scholarship to Sophia-Emma Eddy who will be attending Mount Holyoke and the Towse Athletic award to Grace Burnell.

#### Alternate Trustee:

Jan has spoken with Michael Betley about his interest in serving as an Alternate Trustee of Trust Funds. Jan will ask that the selectmen consider his appointment at the next BOS meeting. NH RSA 31:22 states that as many as 2 alternates are permitted and must be appointed by the BOS to one-year terms.

Old or Other Business:

Jan will follow-up with Jamie Dow of DRA on revisions needed to Franconia's Permanent File. She has received copies of the school district annual meeting minutes for its 1984 vote on Remedial Education and sent it to Jamie Dow.

Jan will remind the BOS of its responsibility to review and approve the Investment Policy on an annual basis.

Jenny has submitted Jan and Carol's registration for the NH Municipal Training to be held on 6/9/22.


In 2020, the voters approved \$100,000 for the upgrade/renovation of the bathrooms and warming hut. The trustees will need copies of the invoices, checks paid and BOS minutes.

The Town Administrator has asked what CRF or ETF can be used to pave the parking lot at the new warming hut building since this expenditure will not be paid for by the donor. Kim has asked specifically about the Building Maintenance or Highway Improvement Funds as possible sources. Jan has responded that since the parking lot is not a town road and it is not a town building, that neither fund could be used to pave the parking lot.

Jan reviewed a memo she prepared on 4/27/22 in response to the Town Administrator's question about 2018 Outstanding Audit Issues relation to CRF reimbursement for Lafayette Recreation and Sidewalk Expenses that remain unresolved. A copy of that memo is attached to these minutes for reference. Apparently, the Town office staff has been unable to find the information needed to satisfy the auditors or to submit a request to the Trustees for reimbursement. The Trustees can take no further action without paid invoices, cancelled checks or minutes.

There being no further business, the trustees adjourned the meeting at 5:00 pm. Due to vacations, the next trustee meeting is scheduled for June 28, 2022, at 4 pm at Franconia Town Hall; Jan will ask Jenny to update future Trustee meeting dates.

Respectfully submitted,



Carol J. Walker, Trustee