

TRUSTEES OF TRUST FUNDS
December 15, 2021; 5:00 pm, Franconia Town Hall

In attendance: Karen Foss, Jan Cole and Carol Walker

Transactions:

There were no transfers during November for either the Common Capital Reserve Fund (CRF) or the Common Trust Fund (CTF). Transfers made during December will be reported on the 12/31/2021 CRF and CTF Fidelity statements.

December transactions will include CRF deposits of \$90,000.00 to the Lafayette School's School Building Maintenance and \$2,950.00 to the Town's Cemetery Maintenance Fund. Distributions to the Town from CRF total \$80,562.27 were paid from principal withdrawals of \$50,000 for Fire Department Safety Equipment, \$5,586.11 for Highway Heavy Equipment, \$12,014.50 for Sidewalk Improvement Fund, \$10,705.66 for Highway Improvement Fund; and from income of \$2,256.00 for Reassessment. A \$100.00 distribution from income was made from the Franconia Scholarship CTF.

Reports:

The Trustees reviewed the November 30, 2021 Three Bearings/Fidelity Common Capital Reserve Fund (CRF) report with a beginning balance of \$2,909,532.95 on 11/01/2021. There were no transactions in November but there was a decrease in investment value of (\$5,794.04) during the month resulting in an ending account value of \$2,903,738.91 as of 11/30/2021. Through November 30, 2021, the CRF has had a year-to-date net increase in investment value of \$66,757.44.

The Trustees reviewed the November 30, 2021 Three Bearings/Fidelity Common Trust Fund (CTF) report with a beginning balance of \$348,198.22 on 11/01/2021. There were no transactions in November but there was a decrease in investment value of (\$3,394.19) during the month resulting in an ending account value of \$344,804.03 as of 11/30/2021. Through November 30, 2021, the CTF has had a year-to-date net increase in investment value of \$21,554.18.

The Trustees reviewed the MS-9 for November 2021. Three Bearings Fiduciary Advisors' quarterly portfolio management fees for the period from 9/1/2021 through 11/30/2021 will be charged to the CRF and CTF funds on December 3, 2021 and reported on Fidelity's December 31, 2021 reports.

The Trustees discussed asking David Mayes of Three Bearings to provide another Portfolio X-Ray for the CRF and CTF sometime during the first quarter of 2022; the last X-ray report was dated 1/31/2021.

Minutes:

Draft minutes for the November 18, 2021 Trustee meeting were reviewed; after a minor correction, Karen made a motion to accept the minutes as amended, Jan seconded the motion and all voted in favor of accepting the minutes as amended.

Fund names, Dates, Purposes:

Jan Cole has made an excellent effort to research, provide corrections and updates to Franconia's Capital Reserve Fund names, dates, missing information and fund purposes. There remains only a small list of information that has not yet been located due to missing town reports, warrant articles and minutes of annual meetings.

Jan has provided the missing school warrant articles to Linda Wakefield at Three Bearings to update their records. She also met with the Cemetery Trustees earlier in December to learn more about the historical documentation that indicates the original amount given was noted as being perpetual funds. It appears that a list original funds paid compared to today's balances is proportionately correct. Most individuals contributed \$100 or \$300 but there were a few individuals who gave \$1,000.00 and another that gave \$5,614.32. Since the Cemetery trustees have recently validated this information as being perpetual care funds, Jan forwarded the cemetery reconciliation completed in 2020 by Cemetery trustee Chris Coleman to Linda Wakefield for her review and use.

Franconia Scholarship Fund Policy and Procedures:

Jan's draft of the updated Scholarship policy and procedures was reviewed. She will prepare a final update to include the process for issuance of the Towse Athletic Prize and circulate a final version for review at the next Trustee meeting in January. Per Audrey Blodgett of the NH DOJ, the NH AG's office no longer requires that the Trustees provide information to include the recipient(s) name, award letter or a copy of the award check. Jan will send the final policy and procedures to the Scholarship Advisory Committee (SAC) members Tom Allen and Bess Andrews and Profile High School Guidance Counselor Jill Brewer. Since Jill Brewer is both a Selectman and Profile guidance counselor, the Trustees will request that the BOS appoint a third member of the Scholarship Advisory Committee who is independent.

Karen will forward Zoe Liva's \$100 Towse Athletic award to her new address.

Northern Pass and Safety Services CRF status updates:

The Trustees attended the 12/6/2021 BOS meeting to follow-up with the selectmen about their plan to close-out the Northern Pass Defense Fund and the Fire/Police Station Improvement (Safety Services CRF) Fund. The Safety Services CRF will not require a warrant article to close; per the BOS, town counsel indicated that the vote to close the account still stands after all these years. The trustees will close the account and have the funds payable to the Town of Franconia for deposit to the Town's general fund prior to year-end.

Jan summarized the research, discussion and correspondence that has taken place amongst the selectmen, town administrator, Jan, AG's office and Town counsel with the following outcome determined:

That all privately donated funds as well as all amounts raised by warrant articles and deposited to the Northern Pass Defense Fund CRF were used to pay legal expenses. Additional legal expenses were covered by the Town's Legal Capital Reserve Fund and operating general legal expense account.

A 2022 warrant article is needed to close the Northern Pass Defense Fund, with all remaining funds moved to the Town's General Fund. A second warrant article will be needed to move these funds to the Town's Legal Capital Reserve Fund. The Northern Pass Defense Fund CRF balance as of 11/30/2021 was \$26,959.35.

Cemetery Trustee transactions:

A deposit of \$2,950 will be made to the Cemetery Maintenance Fund CRF in December.

Auditor's Questionnaire:

The Trustees reviewed, completed and signed the questionnaire provided by the Plodzick & Sanderson, CPA's. Karen will return it to them.

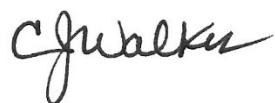
Old Business:

Welfare and Trustee Involvement:

On 9/15/2021, Terry Knowles of the AG's office stated that if the Trustees hold any trust funds for the benefit of the poor, Trustees should work with the Town to administer the funds to those who have been approved for public assistance. There is no statute governing this recommendation.

There being no further business, the meeting was adjourned at 6:30 pm. The next trustee meeting is scheduled for January 19, 2022 at the Town Hall beginning at 4 pm.

Respectfully submitted,



Carol J. Walker, Trustee