

## Minutes

### TRUSTEES OF TRUST FUNDS

March 15, 2023

In attendance: Jan Cole, Karen Foss, Mike Betley and Carol Walker

The meeting commenced at 3:30 pm.

There was no transaction activity reported in the Capital Reserve Fund (CRF) or the Common Trust Fund (CTF) in February 2023.

The Trustees reviewed the February 1- 28, 2023 Three Bearings/Fidelity Common Capital Reserve Fund (CRF) report with a beginning balance of \$2,429,400.99 on 2/1/2023. Dividend income of \$3,519.05 was received in February 2023. After a decrease in investment value of -\$35,114.95 in February, the ending account value was \$2,394,286.04 at 2/28/2023. On a year-to-date basis in 2023, there has been an increase in investment value of \$15,581.49 in the CRF.

The Trustees reviewed the February 1-28, 2023 Three Bearings/Fidelity Common Trust Fund (CTF) report with a beginning balance of \$320,701.69 on 2/1/2023. Dividend income of \$528.29 was received in February 2023. After a decrease of -\$8,059.60 in investment value in February, the ending account value was \$312,642.09 at 2/28/2023. On a year-to-date basis in 2023, there has been an increase in investment value of \$5,568.58 in the CTF.

The MS-9's for the periods from 1/01/2023 through 2/28/2023 and 2/1/2023 to 2/28/2023 were reviewed; while there was no transaction activity in February as noted above, Three Bearing's quarterly portfolio management fees of \$2,758.38 for the CRF and \$360.18 for the CTF for the period from 12/1/22 to 2/28/23 are accounted for on an accrual basis and reflected on the MS-9 in February 2023 (net of dividends earned during the month for the CRF and the CTF) even though the transactions are not paid until 3/6/23 per the Fidelity brokerage accounts. Dividends earned of \$3,519.05 less the CRF portfolio management fee of \$2,758.38 resulted in net income in the CRF of \$760.67 in Feb 2023. Similarly, dividends earned of \$528.29 less the CTF portfolio management fee of \$360.18 resulted in net income in the CTF of \$168.11 in Feb 2023.

Minutes: Draft minutes for the February 22, 2023 Trustee meeting were reviewed. Jan made a motion to approve the minutes as amended with a second by Karen. All present voted in favor of approving the minutes as amended. Carol will send the final approved minutes for February's meeting to the Town Administrator and Town Secretary for posting to the Town's website.

2022 Three Bearings' year-end audit packet: Karen reported that our MS-9 and MS-10's were submitted to the State on 2/23/23 and confirmation was received from the NHDOJ Charitable Trusts Unit that our reports were reviewed and approved on 3/10/23. The mandatory format changes in effect by 7/1/2023 are to align the MS-9 field names on the input screens/sheets with proper terminology and to separate market value and book value. Since Three Bearings performs this input for us, this does not affect us. Diana forwarded a general process description guide for our reference. Carol will contact David Mayes about meeting in April to discuss 2023 funding & outlook for investment performance.

Other business:

- Lafayette School building maintenance: A replacement check in the amount of \$45,000.00 correctly made out to Fidelity has been sent to Three Bearings for deposit to the Lafayette 2002 School Building and Grounds Maintenance Fund (CRF). Since the funds may be needed this spring/summer for roof repairs, it has been deposited into the Fidelity Treasury Money Market Fund that is currently earning over 4%.

- Cemetery perpetual care trust funds update: Mary Brubaker, cemetery trustee, sent an email on 2/2/23 related to the "Cemetery original principal corpus" that the Trustees reviewed. Jan will prepare a memo for the cemetery trustees regarding the historical value of the original corpus and confirm how the income from perpetual care trusts is defined and calculated for the care and maintenance of specific graves:

*MUNICIPAL TRUSTEES: SUMMARY OF LAWS AND FAQs Diane Murphy Quinlan, Esq., Director of Charitable Trusts Michael R. Haley, Esq., Assistant Director of Charitable Trusts Amy Nichols, CPA, Financial Analyst New Hampshire Department of Justice*

***Cemetery Perpetual Care Funds: Perpetual care funds are considered to be privately donated charitable trusts. They are permanent funds, and only the income from the funds may be spent. (Income in this context is defined as dividends and interest; principal appreciation or capital gains may not be expended.) The income from the perpetual care funds may be used only for the care and maintenance of the grave to which the perpetual care fund is attached. See Town of Boscawen v. Acting Attorney General, 93 N.H. 444 (1945) (the income from perpetual care funds cannot be expended by the town for general cemetery maintenance without permission from the court). To address this, cemetery trustees may conduct an informal labor study to determine the annual maintenance cost for each lot in a cemetery, and that allocated amount may be spent from the income of a perpetual care fund pertaining to a lot in that cemetery. Note that towns are required to appropriate "sufficient funds" for the maintenance of their cemeteries, which would include burial lots, to the extent they are not otherwise supported by perpetual care funds. RSA 289:4.***

The trustees will offer to meet with CT's again to review and answer any other questions.

- Heritage Museum Fund: Reimbursement for the work done by the Wooden Thumb last summer will be processed once we receive the QuickBooks report and a record of the BOS vote.

- Legal CRF transfer request: The BOS will not be seeking reimbursement from the Legal CRF.

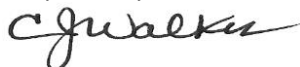
- Warrant articles: Jan will forward a current warrant tracking sheet with the amounts approved at yesterday's Town meeting.

- Cemetery, miscellaneous: Jan will let the CT's know that the Warren Tree Removal request will be processed when she receives invoices & QuickBooks report; future requests should be submitted in the same year as the expenses are incurred (no later than November) for processing prior to year-end.

There being no further business, the trustees adjourned the meeting at 4:49 pm. The next trustee meeting will be held on Wednesday, April 19, 2023 at the Town Hall beginning at 4 pm.

2023 meeting dates: April 19, May 17, June 28, July 19, (Aug none), Sept 20, Oct 18, Nov 15 & Dec 20.

Respectfully submitted,



Carol Walker, Trustee