

TRUSTEES OF TRUST FUNDS
January 21, 2021; 4:00 pm via Zoom
Minutes

In attendance via Zoom: Karen Foss, Jan Cole and Carol Walker

Minutes of the December 16, 2020 Trustee's meeting were reviewed. With a motion made by Karen, seconded by Jan, all voted in favor of accepting the minutes as written. The December 16/2020 minutes will be provided to Kim Cowles to post on the Town's website.

A review of the December 31, 2020 reports from Three Bearings and Fidelity was made. Based on the December 31, 2020 Three Bearings investment report, the Capital Reserve Fund (CRF) reported a beginning balance of \$2,633,047.61 at 12/01/2020, an advisor fee payment of \$2,972.03 to Three Bearings on 12/7/2020 for the quarter ending 11/30/2020, a transfer to the Town of Franconia for various CRF payments totaling \$256,991.67 on 12/23/2020, and a transaction cost of \$20.07 and a positive change in investment value during the month of \$20,627.77 resulting in an ending account value of \$2,393,688.61 as of 12/31/2020. For the 12 months ending Dec. 31, 2020, the CRF benefited from an overall YTD positive change in investment value of \$158,916.59.

Based on the December 31, 2020 Three Bearings and Fidelity reports, the Common Trust Fund (CTF) reported a beginning balance of \$322,715.59 at 12/01/2020; an advisor fee payment of \$364.26 to Three Bearings on 12/7/2020 for the quarter ending 11/30/2020; a transfer of \$1,083.21 for Cemetery Perpetual Care for general maintenance costs to the Town of Franconia, and a net increase in investment value during the month of \$6,231.14, resulting in an ending account value of \$327,499.26. For the 12 months ending Dec. 31, 2020, the CTF experienced an YTD positive change in investment value of \$13,458.47.

The transactions above were approved at the Dec. 16, 2020 Trustee meeting and funded prior to December 31, 2020. It was noted that when distributions are requested, Karen requests part of the funds from income, and the remainder from principal. She also checks that the dollars for withdrawal are matched with the amount withdrawn.

The Trustees reviewed the 2020 annual report, the 2020 transaction log, and the December 2020 MS-9.

Karen Foss discussed the Town of Franconia Auditor's annual questionnaire and will obtain each Trustee's signature.

Jan reviewed and updated the fund type descriptions with the Trustees prior to returning it to Linda Wakefield, per Three Bearings' request so that it conforms to suggested categories from Axiomatic's MS-9 Fund Types.

The Investment Policy was discussed; Jan presented a review of the RSA's, noting that the CRF's investment results during 2020 comply with policy targets, but recommended that David Mayes be asked to comment on the CTF's investment performance vs the policy target range. Jan will ask David Mayes of Three Bearings for his comments on her findings and ask whether the CTF's investment policy should be amended. Once that feedback is received, the Trustees will present the Investment Policy for the Selectmen's review and any comments.

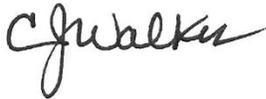
Carol was reminded to visit the Town Clerk to file for re-election as Trustee for another term prior to the end of January.

Chris Collman's request to restate the beginning balance of the Cemetery Perpetual Care trust fund balances was discussed. It may be necessary to hold a work session with the Cemetery Trustees in order to obtain a better understanding of how a restatement would be germane. None of the Trustees has a working knowledge of why this is necessary but are interested in better understanding the issue raised by Chris Collman.

The next Trustee meeting will be held on Wednesday, February 17, 2021 at 4 pm via Zoom or at the Franconia Town Hall and on the 3rd Wednesday of each month thereafter.

There being no further business, the meeting was adjourned at 5:15 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "C. Walker", written in a cursive style.

Carol J. Walker