

Sanbornton Trustees of the Trust Funds

Minutes of Meeting, September 21, 2015

Approved

The meeting of the Board of Trustees was called to order at 3:05 p.m. by Gail Morrison, Chair. Others present were Trustees Don Bormes and Alternate Trustee Evelyn Auger who was seated as a Trustee for the meeting.

The minutes of June 15, 2015, were taken up, accepted and approved. The minutes of August 20, 2015, were taken up. Evelyn Auger reported that she had researched the Union Sanborn Cemetery Association and had spoken to past treasurer Janice Boudreau. The Trustees moved to amend the August minutes to show the attendance of "members and offices of the Union Sanborn Cemetery Association," Doug Bean and Walter Joscelyn, while deleting the title "Directors." The amendment passed and minutes were accepted and approved as amended.

Members reviewed the portion of the proposed MS-9 dealing with the town's Capital Reserve Funds. Also, considered were the proposed Common Trust Funds and questions that Chair Morrison had regarding calculation methods and locating someone who can give assistance with Excel spreadsheets. Morrison mentioned that she would speak with Terry Knowles, Assistant Director of the Charitable Trusts Division of the NH Department of Justice about revising the formula traditionally used by Sanbornton to develop its MS-9 and MS-10. Both Trustees expressed an interest in attending.

The meeting reviewed the TOTF Investment Policy that is to be re-adopted yearly. The Trustees approved the policy. This year's policy includes investigation of diversifying investments, which may be adopted in the upcoming fiscal year.

The Board discussed the nature of conflicts of interest that sometimes occur in a small town such as Sanbornton, and it was decided that the Chair would speak with a legal representative from the local Government Center and / or the Attorney General's office to clarify what might constitute such a conflict.

The meeting was adjourned at 4:25 p.m.

Sanbornton Trustees of the Trust Funds
Minutes of Special Meeting, September 25, 2015

Approved

Minutes of Special Meeting in Concord, NH, with Terry Knowles, Charitable Trusts Division – New Hampshire Attorney General’s Office. Present: Gail Morrison, Lynn Chong. 11:00 a.m. start.

Sanbornton Trustee of the Trust Funds Chair Gail Morrison called attention to an income discrepancy in our paperwork for our 2015 Trust Funds total. Ms. Knowles identified that the problem is with the income column of our paperwork. Inadvertently, we have recorded the same amount for June, 2014, and June, 2015. Each year the correct amount is our Vanguard end-of-year reported amount and our Franklin Savings Bank reported income, that account. Curt McGee’s formula is not an issue.

We need to launch a public request, probably via newspaper article, to have citizens come forward if they know the whereabouts of lost cemeteries. We especially want to have all our Sanbornton cemetery associations report to us with contact names. No organization of this info is current, apparently. Any private cemeteries no longer cared for by families or individuals come under the jurisdiction of our Sanbornton Cemetery Trustees who have normally handled only our new public cemetery matters.

We learned from Ms. Knowles that nothing in our income is taxable, since we’re a municipality. We learned that our non-expendable trust-fund can be spent as we determine, no Town Meeting permissions needed to get help with income investment questions that arise.

An electronic system will be available next year, with training, for our ease / use. Currently an Excel spread sheet format is available.

Our \$750,000 is sufficient amount for us to hire an investment consultant. Ms. Knowles suggested we invite three from the Charitable Trust Division’s website list, to talk with us so we can compare what each offers and the costs. A three-year contract is normal. To start, we should arrive at an investment strategy – do we want income growth? Do we want preservation of our principal? We may stipulate growing our portfolio by 2.5% over the next year, for example. We should check our investments quarterly. We show, now, be meeting with Vanguard at least once a year. An advantage with municipal trust funds is that our horizon is unlimited. Our town continues into the future indefinitely. We should be guided by prudent man and prudent investor standards. A new product is on the horizon – so we may choose from pooled common investment or portfolio investment. We look forward to learning more from invited investment consultants. We will pay that fee from our non-expendable trust funds income.

Meeting ended at 12:00 p.m.

Submitted by Lynn R. Chong