

Canaan Trustees of the Trust Funds Meeting
Minutes January 23, 2015

Attendees: Trustees: Cindy Neily, Steve Ward & Sadie Wells

Minutes:

Minutes from October 15, 2104 unanimously approved

Reviewed the final draft of the Cy Pres Petition which, if approved, would allow accumulated income from the Emeline L. Davis Fund to be used for water supplies in all cemeteries in the Town of Canaan. In addition, Cindy has confirmed that the legal fees relative to the petition are properly payable out of the income. As some legal fees have already been paid, a reimbursement request will be submitted.

Motion by Cindy to approve the Cy Pres Petition and accompanying affidavit as submitted, subject to courtesy review by Mike Samson. Second by Steve: Unanimously approved.

The warrant article necessary to accomplish moving Capital Reserve Funds from the NH Municipal Pool to Charter Trust Company has been placed on the warrant for Town Meeting. The warrant article is necessary as the management fees are paid directly from the fund, vs. being a line item in the town budget.

The Town Audit will commence February 1, 2015

Cindy has submitted the 2014 Capital Reserve Report to Mike Samson

Cindy mentioned that in 2015 we should start thinking about the Cemetery Maintenance Account which was set up to hold funds used to purchase land adjacent to the Canaan Street Cemetery many years ago. The fund has nearly been fully replenished to the original \$50,000 used for the purchase.

Cindy will prepare and submit a narrative to the Town Report. She will mention that in 2014 the Trustees have voted to enhance the pool of Capital Reserve funds by changing the investment management to Charter Trust Company.

Discussion continued regarding having Lynne Ford from Charter attend our next meeting to go over reading statements. In addition, after Town Meeting, Kathy Woodfin from Charter will be invited to a meeting to discuss the process of moving the Capital Reserve Accounts from the NH Pool to Charter, as well as the processes for depositing and withdrawing monies from the accounts (contingent on the passing of the warrant article mentioned above)

Steve recently attended a Town Trustee Seminar hosted by Charter Trust. He brought back materials from the seminar for each trustee, and he gave an overview of some key points.

Next meeting scheduled for February 26, 2015 at 3pm.

Trustee of Trust Funds

March 16, 2015

In attendance: Cindy Neily, Steve Ward & Sadie Wells. Selectman Rep Bob Reagan & Lynne Ford of Charter Trust

Minutes from January 23, 2015 approved with one correction: removal of the word "is" on the 3rd line of paragraph seven.

Cindy has received request for payment from the Cemetery Trustees. She has determined that the costs attributed to a mapping project at Wells Cemetery are not properly payable from the income of the perpetual care fund. Cindy made a motion that the invoice be paid less \$871.03 (portion incurred due to mapping) the motion was seconded by Steve & unanimously passed.

The following documents were completed with Lynne Ford:

1. W-9
2. Investment Management Agreement
3. Client Identification Program
4. Account Identification Form

Steve asked Lynne what would happen if the income of the capital reserve funds is not enough to pay the management fees. Lynne replied that the income portion of the fund would go into an overdrawn status, and we would be notified.

There was some discussion on the logistics of moving the funds:

1. Cindy will get a copy of the pool statement to Lynne
2. Lynne will ensure that Charter sends a monthly statement to all three trustees, Gloria Koch and Deb Ford at the school district
3. When the funds are moved from the pool into Charter we will have a separate check for each fund

Future deposits to funds: Cindy will mail checks directly to Charter for deposit.

Cindy let Lynne know that for the school funds, a MS-9 will be needed in June. Lynne said that Kathy Woodfin will do that.

The trustees would like to continue the practice of requiring two signatures on withdrawal requests.

We had some discussion on whether or not to keep the clearing account at Mascoma Savings Bank, with a decision to do so until we have a better feel of the new processes.

Lynne handed out sample reconciliation forms, and reviewed balancing statements.

Trustee of Trust Funds

04/24/2015

In Attendance: Cindy Neily, Steve Ward & Sadie Wells

In the process of closing the capital reserve funds with the NH Municipal Pool and moving them to Charter Trust, Cindy has received an email from Lynne Ford at Charter stating that the scholarship funds cannot be grouped with the capital reserves as they are not comprised of tax payer dollars.

Cindy is going to touch base with Lynne to see if this is a policy of Charter. Lynne has suggested that the scholarship accounts be grouped with the perpetual care funds, but the Trustees are not comfortable with that.

After some discussing, the Trustees are in agreement that the best course of action is to invest the scholarship funds with Charter, creating a separate third group of funds, with the same Investment Policy as the capital reserves. Cindy will follow up with Lynne.

The Cemetery Maintenance Expense Account can be closed and the funds can be moved into the perpetual care accounts. This was due to happen when the balance became \$50,000 which it is now nearly at.

Trustee of Trust Funds

07/08/2015

In Attendance: Cindy Neily, Steve Ward & Sadie Wells

Minutes from 03/16/15 & 04/24/15 were reviewed & unanimously approved

Cindy reviewed the process which was just completed to close accounts with the NH Public Deposit Investment Pool and transfer the funds to Charter Trust. A check and deposit instructions were mailed to Lynne Ford at Charter, and she has funded the new accounts.

Cindy is in the process of getting Lynne information specific to breakdown of principal & income on the scholarship funds as some state that only the income can be used.

The clearing account at Mascoma Savings Bank is no longer needed as deposits will be mailed directly to Charter, and they will cut checks for all disbursements. The balance remaining in the account is \$622.80, as a result of accumulated interest over a period of many years from all funds the Trustees manage. **A motion was made by Steve to close the clearing account and allocate \$622.80 to the capital reserve funds. The motion was seconded by Cindy and unanimously approved.**

The initial accumulated interest in the Mascoma Clearing account was \$1072.80 and \$450 was allocated to the Williams Field Fund already.

The Cemetery Maintenance Fund has been closed and funds moved into the Perpetual Care Fund.

Discussion on the Cy Pres Petition regarding the George W. Davis & Emeline L. Davis Fund: The petition was revised slightly to reserve \$5,000 which can only be used to maintain the water supply at Wells Cemetery with the remaining accumulated income to be available to procure and maintain water at other cemeteries in the Town of Canaan, with priority given to Wells Cemetery. **Motion by Cindy to sign the petition, seconded by Steve & unanimously agreed upon. All three Trustees signed the petition.**

All fees associated with the Cy Pres Petition are properly payable out of the income of the Davis Fund. Cindy has requested a breakdown of costs from Attorney Gallagher, and will also ask Gloria from the Town Offices for an invoice of expenses relative to the petition which have already been paid by the town so that we can get them reimbursed.

Steve recommends that the Trustees create written procedures to include;

1. Annual reviews with Charter Trust
2. Process of depositing & withdrawing from Charter Trust
3. Standard April Meeting to review & sign the Investment Policy

Next meeting set for September 9th at 10am

Trustee of Trust Funds

09/10/2015

In Attendance: Cindy Neily, Steve Ward & Sadie Wells

Minutes from 07/08/15 were reviewed & unanimously approved with the following corrections: date of next meeting was corrected from 09/09/15 to 09/10/15

Reviewed prior discussion regarding creating a procedure manual:

Steve would like it to include instructions on tasks as well as procedures. His suggestion is that we sit down and review each action taken throughout the year to ensure that it is a comprehensive manual. Other information that would be included is: Statutory requirements, background history, procedures for administering the capital reserves and trusts and reporting requirements. In addition Steve would like to see if Betsy McClain from Hanover would be willing to review the manual when it is completed. All trustees agree with Steve's suggestions and Cindy will touch base with Julia Griffin to see if she is in agreement to allow Betsy time to review the manual.

Update on pending Cy Pres Petition:

Cindy emailed the Attorney who we were working with, and received notice that Shawn Tanguay, Esq. is now handling the petition. He has responded that the petition will need to be amended to show that the Charitable Trust Unit assents to the petition. He will have an amended document ready within a week, and believes that it should be approved fairly quickly. In addition Cindy has asked for a list of costs already paid by the Town so that they may be reimbursed as the legal expenses are properly payable from the income of the trust.

Other Business:

All accounts with the pool have been closed and funds transferred to Charter Trust. We had requested monthly statements, and were not receiving them. This has been corrected, and all statements have been received.

Reviewed June, July & August statements

Because the School District fiscal year begins July 1 and these funds were just transferred to Charter Trust, they will not be able to do year end reporting for 2015. Cindy has been in touch with Deb Ford, and has provided verification of School District accounts ending June 30, 2015 to their auditors.

Cindy will touch base with Lynne Ford to see if the Investment Policy has been implemented. Looking at the statements, it appears that the funds are in money market accounts waiting to be invested.

Next meeting set for October 15th @ 10am

Trustee of Trust Funds

October 15, 2015

In attendance: Cynthia Neily, Steve Ward & Sadie Wells

Minutes from 09/10/2015 were unanimously approved

Reviewed the Investment Policy which describes how Capital Reserves are invested. Two sentences were removed. The revised IP was signed by all Trustees. Sadie will scan an image to Lynne today and ask that the policy be implemented immediately. Sadie will mail the original to Lynne.

Cindy has been in touch with the attorney currently handling the Emmaline Davis Cy Pres Petition to ask for a breakdown of legal fees relating to the petition which have already been paid by the Town. The total given is \$3750.57, and this will be reimbursed to the Town when the petition is finalized. The Attorney has requested the fund balance as of 09/30/15. In reviewing the statements, there is a question regarding the value of the account. Cindy has emailed Lynne to clarify & she will get back to us by the end of the day.

Cindy will attend the town budget committee meeting tonight; she plans to ask for \$50 to cover ink & postage costs. She will also report that the Emmaline Davis Cy Pres is nearing resolution and that the town will be reimbursed for legal expenses.

Cindy continues to look for direction on the account for *Friends of Mascoma Schools*. She has been in touch with Diane Kelley (President of the group prior to it being dissolved) and David Miller (former MVRHS Principal) their recollections are that the fund was established to provide both arts & literature to students in the Elementary schools. At this point Cindy is going to give the information she has collected to Terry Knowles at the AG Office to see how to proceed.

The clearing account at Mascoma Savings Bank will be closed. The current balance is \$607.80 which will be divided amongst some of the capital reserve accounts.

Cindy has started to compile a timeline and narrative of Trustee functions. She asked us to give some thought to procedures that could be streamlined or simplified.

Next meeting set for November 12, 2015 at 10am.

Trustee of Trust Funds

November 12, 2015

In attendance: Cynthia Neily, Steve Ward & Sadie Wells

Reviewed October statements

Discussed the Emmaline Davis Cy Pres Petition; when Cindy provided the most recent fund value to the Attorney there was a bit of conversation about the amount as it is higher than her realized. He indicated that this may further delay the process.

Cindy provided a draft narrative of Trustee responsibilities and accounts, and a timeline of tasks done throughout the year. We will review the draft and discuss at the next meeting.

Next meeting set for 12/10/15 @ 10am

Trustee of Trust Funds

December 10, 2015

In attendance: Cindy Neily, Steve Ward & Sadie Wells

Unanimously approved minutes from 10/15/2015 & 11/12/2015

Cindy gave an update on the Cy Pres Petition for the Emmaline Davis Fund:

A new Attorney, Christine Fillmore, is now working on the petition. She has communicated to Cindy that Terry Knowles has concerns about the allocation between principal and realized capital gains that are going to take a bit more time to work out.

Cindy has made changes to the narrative, and has given Mike Samson a copy to review.

Mike has requested year end reports by the first week in January. The narrative is ready, but not sure if reports from Charter will be prepared that quickly. Cindy is going to verify with Charter that 2015 reports will be for the entire year.

Mike Samson has recently found documents previously thought missing. Cindy will touch base with him to see if there is information there for the *Friends of Mascoma Schools* and the *Canaan Free Hospital Bed* funds.

Steve suggests that a document detailing who the agents to expend are for each fund is included with the narrative. Trustees agree this would be very helpful. Cindy is also going to attach the statute that applies to Trustees and their responsibilities.

Next meeting set for January 22, 2016 @ 10am