

Trustee of Trust Funds

January 22, 2016

In attendance: Cynthia Neily, Steve Ward & Sadie Wells

Minutes from 12/10/2015 unanimously approved

The narrative which Cindy has prepared was reviewed and a few minor changes were suggested. Cindy will make the changes & get the narrative to Mike Samson.

Charter has prepared the MS9 & MS10; both were reviewed. Cindy will contact Kathy Woodfin to see if there should also be a MS10 for the capital reserve accounts. There is also a question about the Cemetery Maintenance Fund which needs to be clarified with Charter prior to the signing of these reports.

Cindy has been in contact with Carol Bostwick from the MVRSD and has the written directive for reimbursement for 2015 scholarship awards. The form to request a withdrawal of funds from Charter was reviewed & signed.

Cindy distributed an email from Christine Fillmore, the Attorney currently working to resolve the Cy Pres Petition regarding the Emmaline Davis Fund. The consensus of the trustees is that we would like to move this along. Cindy will email Christine back to state that we would like to know what the Attorney General's Office wants us to do and we will accommodate their wishes in order to resolve this.

Based on information collected regarding the *Friends of Mascoma Schools* the Trustees are in agreement that we would like to contact the business administration at the SAU to see if the group *Friends of Mascoma* would be interested in holding the money and using it the way it was originally intended.

Next meetings set for February 24th.

Trustee of Trust Funds

February 24, 2016

In attendance: Cynthia Neily, Steve Ward & Sadie Wells

Cindy & Steve have met with Lynne Ford & Kathy Woodfin of Charter Trust to clarify the MS9 & MS10. They are now ready to be signed. Cindy will get copies of the signed reports to the Town & the DRA.

We reviewed the procedure for the Lyle Clough Scholarship; the fund is managed by an Attorney & the income is sent to the Trustees for deposit *annually*.

Discussed the potential locations of future Trustee meetings & have decided that the Town Office would work best. Cindy will talk with Mike Samson to make sure this will work.

Cindy is going to e-mail Terry Knowles at the Attorney General's Office to ask what specifically they are looking for relative to the Cy Pres Petition for the Emmaline Davis Fund. When she has an answer the Trustees will direct the Attorney to prepare the petition draft. The goal is to move the process along while quelling legal costs as this has been going on for five years.

Cindy would like to move all documents to the Town Offices & Mike has indicated that he has a filing cabinet available. She will also place pertinent records on file with Charter for recordkeeping and as a reference for future Trustees.

Next meeting set for March 16th at the Town Offices.

Trustees of the Trust Funds

March 16, 2016

In attendance: Cynthia Neily and Steve Ward

Steve Ward was appointed Secretary.

Reviewed and approved the disbursement of \$16,463.27 of \$20,575.00 requested by the Cemetery Trustees to reimburse the Town for cemetery maintenance in 2015. The disbursement was limited to income earned in 2015 on cemetery perpetual trusts. The approved disbursement request was submitted to Charter Trust on a new form designed by Charter listing all trusts in the Capital Reserve, Common Trust, and Expendable and Scholarship Funds.

Regarding the Emeline Davis Cy Pres Petition, Cindy distributed a copy of her email to Terry Knowles, Asst. Director of [NH] Charitable trusts, requesting a decision without further involvement (i.e., expense) of the Town attorney. Knowles replied that she expected to respond within two weeks after reviewing the break-down of appreciation in the Trust between principal and income.

Cindy has informed Debra Ford, business administrator for the Mascoma SAU, of the existence of the Friends of Mascoma Schools Trust amounting to \$10,666 that could be used to support non-academic programs and activities.

Cindy is preparing a synopsis of all trust accounts for the Trustees and Charter Trust describing the purpose of each account and who is the agent to expend funds.

Steve observed that income in the Expendable Funds and Scholarship account is not sufficient to pay Charter Trust's investment fee at today's low rate of interest. Although income approximates projections contained in Charter's June, 2014 proposal, the separation of Capital Reserve Fund investment from Expendable funds investment has deprived the latter of income from longer maturing, higher yielding assets. Steve suggested considering reallocating a portion of Expendable Fund assets to one or two year Treasuries.

Cindy noted that two of the scholarship accounts invested in the Expendable Fund totaling in excess of \$31,000 are perpetual funds where principal cannot be disbursed and a portion of annual income must be reinvested. Since these accounts require little liquidity, they should be transferred to the Common Fund which invests in stocks and debentures generating higher income. This would partially alleviate the investment fee problem discussed above as assets in the Expendable Fund would be reduced from \$87,000 to \$56,000. Cindy will discuss such a transfer with Debra Ford and with Charter Trust.

Charter Trust has proposed several dates in late April for their annual investment review with the Trustees. Cindy will respond to Charter.

Trustees of the Trust Funds

April 27, 2016

In attendance: Cynthia Neilly, Stella Butterfield, Steve Ward; Debra Ford (business administrator for the Mascoma SAU); and Douglas Tengdin and Lynne Ford of Charter Trust Company

Minutes from the meeting of March 16, 2016 were approved.

Doug reviewed the holdings of the three investment funds managed by Charter Trust, investment returns for the year ending March 31, 2016 and provided a forecast for the coming year: essentially flat markets with income of 2-3%.

It was agreed by all parties that the *Charlotte Bursey* and the *Calvin Hackeman Scholarship* accounts totaling \$31,282 on March 31 will be transferred from the Expendable and Scholarship Fund to the Common Fund as the funds available for disbursement from these two trusts are limited to income only. The less liquid Common fund will provide higher income for these trusts and reduce assets in the lower yielding Expendables Fund. Cindy will send a letter to Lynne Ford requesting the transfer.

Cindy will seek a schedule of disbursements from the remaining trusts in the Expendables Fund which will permit Charter to minimize money market holdings required for liquidity.

Lynne asked that *Requests for Disbursement* which already require the signature of two trustees of the trust funds) be accompanied by a copy of the written request made to the trustees.

Stella and Cindy plan to search the files for the trust indenture for the Friends of the Mascoma School Trust (\$10,479) in order to ascertain the intended use of trust funds.

Cindy informed the trustees that she emailed Terry Knowles, Asst. director (NH) Charitable Trusts about a decision on the Emeline Davis Cy Pres Petition which was promised earlier. She received no response.

The next meeting is scheduled for 10 AM on May 27.

Trustees of the Trust Funds

May 27, 2016

In attendance: Cynthia Neilly, Stella Butterfield and Steve Ward

Minutes from the meeting of April 27, 2016 were read and approved.

Cindy reported that she wrote to Lynne Ford formally requesting that the *Charlotte Burse* and the *Calvin Hackerman Scholarship* accounts totaling about \$31,000 be transferred from the Expendable and Scholarship Fund to the higher yielding, less liquid Common Fund. Disbursements from these trusts are limited to income only requiring less liquidity.

Cindy received a schedule of projected disbursements from the scholarship trusts from the Guidance Office at the High School. She has requested from Mike Samson projected disbursements from the *Meeting House* and *Williams Field Trusts* as well.

Cindy and Stella will attend a seminar for trustees of trust funds on June 13 sponsored by the NH Office of Charitable Trusts in Concord. At that time Cindy plans to present Terry Knowles, Asst. Director, with a copy of an excerpt from the will of Emeline Davis setting up a trust for the Wells Cemetery which does **not** limit disbursements to income only. It is intended that this documentation will induce Knowles to rescind her request to break down the \$113,000 balance of this trust into principal and income over its 80 year history before acting upon our request to permit use of the funds in other Canaan cemeteries.

Jamie Monzo, a Guidance Counselor at the High School, asked about obtaining disbursements from the *D. Moulton Scholarship Trust* which has a balance of \$1,415. As there is no guidance in the document setting up the Trust, Cindy will suggest annual disbursements of \$100.

The next meeting is scheduled for 10 AM on June 22.

Trustees of the Trust Funds

June 30, 2016

In attendance: Cynthia Neilly, Stella Butterfield and Steve Ward

Minutes from the meeting of May 27, 2016 were read and approved.

Stella attended a seminar on June 13 in Concord for trustees of trust funds sponsored by the NH Office of Charitable Trusts where she delivered a [second] letter from Cindy to Terry Knowles, Asst. Director, requesting resolution of our petition to permit funds in the Emeline Davis Trust to be used to maintain water supply systems in other cemeteries in Canaan besides Wells Cemetery. A petition to use the funds for general purposes in all cemeteries was denied in 2010. However, we were informed by counsel in June, 2015 that Knowles would assent to the revised petition.

While examining the archives, Cindy discovered a document establishing in 1984 the *Friends of the Mascoma Schools Trust Fund for the Benefit of the Mascoma Valley Schools*. Funds were to be used to “employ artists of ... music, arts or crafts to work with students.” The *Friends* organization was disbanded some years ago, but \$11,146 remains in the Trust. Stella will discuss the availability of these funds with Debra Ford, Business Administrator.

Cindy received a written request from Carol Bostwick, Administrative Assistant at the High School, for reimbursement from the scholarship accounts at Charter Trust of \$5,100 paid by the School to several beneficiaries. A Request for Disbursement was signed by Cindy and Stella and will be submitted to Charter Trust.

Steve was asked to review the accounting for income in the Capital Reserves investment account t from inception in July, 2015 to determine when cumulative income will offset/exceed Charter’s cumulative management fees.

We will meet next on July 8 at 11 AM with Mike Samson to discuss options for resolving the Emeline Davis Cy Pres Petition stalemate.

Trustees of the Trust Funds

July 8, 2016

In attendance: Cindy Neilly, Stella Butter field, Steve Ward and Mike Samson, Town Administrator

Minutes from the meeting of June 30, 2016 were read and approved.

Stella recently met with Debra Ford, Business Administrator for the Mascoma SAU, to inform her of the availability of approximately \$6,000 in income in the *Friends of the Mascoma Schools Trust* to fund arts in the schools. Although the middle and high schools have grant money available for this purpose, the elementary schools do not. Stella will draft a letter to the SAU explaining how this income can be accessed.

Mike Samson distributed a memo written July 7 by Christine Fillmore, an attorney at Canaan's law firm, describing a meeting this week with Terry Knowles of the NH Office of Charitable Trusts regarding use of the funds in the Emeline Davis Trust for providing water to other Canaan cemeteries. Fillmore explained to Knowles that, since the trust does not prohibit the expenditure of principal, there is no need to account for income separately from principal [going back to the 1930's]. Therefore, it was agreed in principle that a cy pres petition would be prepared reforming the trust by restricting \$10,000 exclusively for providing water at Wells Cemetery.

The next meeting of the Trustees will be set when the revised petition is ready for our signing prior to being sent to Knowles for the AG's assent and filing it with the court.

Trustees of the Trust Funds

August 15, 2016

In attendance: Cindy Neilly, Stella Butterfield and Steve Ward

Minutes from the meeting of July 8, 2016 were read and approved.

The Trustees reviewed the cy pres petition prepared by the Town's attorney asking the NH Office of Charitable Trusts to approve the use of funds in the Emeline Davis Trust to secure water supplies for all Canaan cemeteries. The original was later signed by the Trustees in the presence of Vickie McAlister, notary public.

The Select Board has not yet informed The Trustees about who will replace the late Bob Reagan as ex officio member of the Trustees of the Trust Funds.

Cindy attended the August 9 meeting of the Mascoma Valley Regional School Board which voted to accept approximately \$6,000 in funding for school arts programs from the *Friends of the Mascoma Schools Trust*. There were no questions or comments. Stella will send a letter to Debra Ford requesting minutes of that meeting explaining that purchase orders for funding specific events must be received by the Trustees before December 31, 2016. Any income remaining thereafter will revert to principal and become unavailable.

Mike Samson reported to Cindy that a member of the Mascoma School Board disagrees with the Trustees' current investment policy for Capital Reserve Funds. Approximately \$728,000 of the \$1.3 million total, 54%, is SAU reserves managed by the Trustees as an accommodation to the Board. Cindy will offer for the Trustees to meet with the School Board at its next meeting on September 1.

Mike Samson agrees that the files of the Trustees should be readily accessible and maintained on Town property. He will meet with the Trustees at our next meeting to discuss.

The next meeting date will be set after Cindy communicates with the School Board regarding our meeting with it to discuss investment policy.

Trustees of the Trust Funds

October 12, 2016

In attendance: Cindy Neilly, Stella Butterfield, Steve Ward and Al Posnanski, Selectman

Minutes from the meetings of August 15 and September 1, 2016 were read and approved as edited.

Steve recommended that the allocation of fixed income Treasury securities in the Capital Reserve Fund be increased toward the 65% maximum permitted under the Trustees' current investment policy since they are as liquid as money market instruments and pay a higher return. If such an increase is concentrated in shorter maturities, interest rate risk should be minimized. The trustees voted unanimously to approve such an increase if Charter Trust concurs. Steve will discuss this with Doug Tengdin of Charter.

Stella reported that minutes of the School Committee vote to accept the approximately \$6,000 in income in the *Friends of the Mascoma Schools Trust Fund* were received. Copies of purchase orders must be received by us by December 31 in order to obtain the full amount before it reverts to principal.

Cindy will meet with the Town Budget Committee on October 20 to review the Trustees' budget. She plans to request \$100 for office supplies and postage.

Cindy reported that the Town offices are expected to be reconfigured by spring and will then be able to accommodate our files.

The school district's auditors have requested confirmation of the district's investment balances as of June 30, 2016 which will be provided by Charter Trust and signed off by the Trustees

The cy pres petition for the Emeline Davis Trust signed by the Trustees has been sent to New Hampshire Probate Court for signing by a Probate judge.