

Trustees of the Trust Funds

February 4, 2019

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

Minutes from the meeting of October 9 were read and approved.

At the suggestion of the Town Administrator, Cindy will consult with the Town Attorney about the process and potential cost of obtaining the approval of the Attorney General's Office for a petition to transfer the principal of the Canaan Free Hospital Trust (about \$38,800) to MHMH.

The Trustees were informed that the Town has not yet been reimbursed from the Cemetery Perpetual Care trusts for maintenance performed in each of the cemeteries in 2017 as well as 2018. Cindy will transfer \$15,666 of the \$23,891 requested for 2017 and \$17,937 of the \$27,145 requested for 2018. The shortfall in both years reflects insufficient investment income in certain of the individual trusts to cover expenses. Nevertheless, the increased income generated in 2018 over 2017 reflects the instruction given our investment manager to focus on the purchase of higher yielding equities.

The Charitable Trust Unit of the Attorney General's Office has established a Trustee of the Trust Funds portal for the electronic reporting of the annual MS - 9's and 10's to the AG's Office. A schedule of web training sessions has been published, and Canaan's Trustees plan to participate in a conference on February 7.

Cindy will contact Charter Trust to set a date in May for our annual review.

Trustees of the Trust Funds

June 3, 2019

In attendance: Cindy Neily, Stella Butterfield, Steve Ward, Al Posnanski (Selectman); Debra Ford (MRVSD Business Manager); Doug Tengdin, Lynne Ford and Reece Brown of Charter Trust Company

Minutes from the meeting of February 4, 2019 were read and approved.

Doug reviewed investment results for last twelve months for the three trusts Charter manages. Although longer term interest rates have been trending down since December, the yield on the Expendable/Scholarship and Capital Reserves Trusts is up significantly from last year. This is not true for the Common Fund which holds longer term debentures. However, the decision last year to invest in equities with higher yields resulted in an increase in aggregate yield from 2.84% to 3.10% on equities in the Common Fund. This is particularly beneficial because many of the perpetual care funds permit the disbursement of income only to fund maintenance expenses.

As New Hampshire requires that town investment policies be reviewed biannually, the trustees reviewed ours with Charter. It was ascertained that our asset allocation and maturities are in compliance with Canaan's existing policy and that no changes are necessary.

After the departure of the Charter personnel, Cindy recounted her discussion with town counsel about the process required to transfer the principal of the Canaan Free Hospital Trust, about \$38,800, to Mary Hitchcock Memorial Hospital. The trustees concurred with their view that the cost and time involved would be excessive in relation to the modest amount of principal. Therefore, the trustees agreed to continue the current practice of transferring income earned on the principal to MHMH annually.

No date was set for the next meeting and the trustees adjourned.