

Minutes
TRUSTEES OF TRUST FUNDS MEETING
Town of Orford
Town Office
Niles Room
10:00 AM, Monday, January 27, 2020

Attending: Trustees M. Blanchard, S. Carter

Absent with notice: J. Davis

Observers: Chris Crowley

Meeting Called to Order 10:00 by Blanchard

1. Approved the minutes of Meeting 12/3/18 and the continuation of the Meeting 12/20/18.
2. Reviewed the Investment Policy of 12/20/18 and results of recovery from short market dip December 2018 – January 2019. Voted to continue and adopt 2018 Investment Policy for 2020.
3. Reviewed the 2019 financial results for all Trust Funds, the proposed 2019 Town Report and status of 2019 State MS-9 and MS-10 reports. Approved the 2019 input to the Town Report. Voted to allow Blanchard to seek permission from the State of New Hampshire to continue past practice and submit 2019 MS-9 and MS-10 forms in hard copy and to postpone for one year the conversion to the new electronic submittal format to New Hampshire Trustee of the Trust Fund (NHTTF) on-line portal.
4. Discussed the transition process for the Trustee of Trust Fund individuals in view of the Mark Blanchard plan to retire and not seek re-election as a Trustee in March, 2020. Blanchard reported on the possible recruitment of Chris Crowley as willing to be nominated at the 2020 Town Meeting and, if elected, serve as a Trustee to replace Mark Blanchard. Mark Blanchard noted that RSA §31:22 also allows the SelectBoard to appoint up to 2 Alternate Trustees to serve one-year appointments. Trustees recognized that Davis and Carter had also been trustees for many years and are likely in their last terms and having alternates may improve future transitions while strengthening the TTF. Trustees voted to nominate and request 2 Alternate Trustees to the SelectBoard. The Trustees discussed possible candidates and decided to speak further with and invite Vicki Schwaegler and Barlett (Terry) Harwood as possible Alternate Trustees for nomination. Blanchard has recently solicited interest from Schwaegler and Crowley, while considering becoming lead Trustee replacing Blanchard suggested Bartlett to Blanchard who then emailed and then spoke with Bartlett.

5. The Trustees also discussed whether, to support the transition, other outside services might need to be purchased, especially as related to the conversion of the MS-9 and MS-10 submissions to electronic form. The Trustees voted to request that the SelectBoard set aside \$4,000 in the 2020 Town Budget for the possible use of the TTF for costs associated with transition activities. The TTF should also clarify for SelectBoard that depending on necessary operating model changes determined by the next board, no longer will the TTF be able to operate at no cost to the Town.
6. The Trustees discussed possible actions required to expedite the Trustee transition with regard to investment accounts at Fidelity Investments, Vanguard, and T. Rowe Price. The Trustees authorized Mark Blanchard to rearrange the holdings in the existing subaccounts at Fidelity Investments to clearly isolate the holdings for the Common Cemetery, Alice Mann and Town Hall Heritage Center Trust funds into separate subaccounts. The authorization included the possible sale of 9 shares of the Disney Corporation held in the Town Hall Heritage Center Trust.

Blanchard noted that the account types for investment holdings for the Niles Trust at T. Rowe Price and Perpetual Care Cemetery Common Fund at Vanguard need to be updated from conventional individual "Trust" type accounts originally advised by the investment firms to another type. Trusts held by the TTF not funded with taxpayer money arise from gifts and bequests to the town and have no standard Trust documents. Discussion followed:

NHRSA's indicate if the SelectBoard votes to accept funds, funds are then transferred to the TTF in their fiduciary role to see that funds are invested appropriately and used in accordance with whatever purposes may have been provided. These funds are municipal assets for which the fiduciaries are elected officials rather than named individuals. These funds do not typically have associated individual trust documents naming specific Trustees. With tightening investment industry regulations and related cautionary internal procedures arising with the Patriot Act and in response to the 2008/2009 financial crisis, T. Rowe Price and others have added new documentation requirements to change named trustees. In contrast, the TTF in 2018 – 2019 was able to group its various holdings at Fidelity styled under their "Unincorporated Business or Association" account Type which may be used for municipal entities. Possible options for the other investment accounts need to be explored. Mark Blanchard agreed to explore the options and make changes ahead of the March transition, if possible. Given his several attempts to get consistent appropriate advice and instruction from "customer service" on how to change the account type, he is willing to continue to help beyond his term if requested.

7. There being no further business, the meeting was adjourned at 11:50 AM.