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Minutes

TRUSTEES OF TRUST FUNDS MEETING

Town of Orford

Town Offices, Niles Room

6:30 PM, Tuesday, December 6, 2022

Attending: C. Crowley, S. Carter, V. Schwaegler (Elected Trustees)

Absent: B. Harwood (Alternate Trustee)

1. Meeting Called to Order at 6:31 PM by C. Crowley.
2. Motion: To approve the minutes of the TTF Meeting 11/16/2021.
Moted by C. Crowley, Seconded by S. Carter
No discussion.
Motion Passed unanimously
3. Motion: To confirm the Trustees of Trust Funds “Investment Policy Statement and Guidelines” stated as revised and dated December 20, 2018 to continue to be applied in 2023 per RSA §35:9.
Moted by C. Crowley, Seconded by S. Carter
Brief discussion that affirmation of Investment Policy is required annually by NH.
Motion Passed unanimously
4. Motion: To approve the request from the Cemetery Commission for up to \$2,000 from the Common Cemetery Trust for the cleaning/repair of headstones in 2023.
Moted by C. Crowley, Seconded by S. Carter
Discussion followed that the Common Cemetery Trust will have approximately \$15,000 of spendable Income available readily in a Savings Account at the end of 2022. It was also noted that approximately \$34,000 of spendable Income could be available when a CD matures on January 30, 2023, and that about \$10,000 of spendable Income will be held in the Fidelity Mutual Funds at the end of 2022. C. Crowley noted that in the case of the Mutual Funds, the spendable Income is held in the form of shares – from Reinvested Dividend Income -- which must be sold to convert the Income to cash. The consensus of the Trustees was that, owing to the stock market being down significantly at present, it would not be advisable to sell shares to access that Income in the near future. Consensus in the discussion was that the activity to clean and repair headstones fits the Purpose of the Common Cemetery Trust and that the financial means to support the request is within the limits of spendable Income available (as well as expected continuing Income addition of \$2,000 to \$4,000 annually).
Motion Passed unanimously

Motion: To approve the request from the Cemetery Commission for up to \$7,500 from the Common Cemetery Trust for emergency tree removal at the Dame Hill Cemetery for 2022.
Moted by C. Crowley, Seconded by S.Carter

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Motion: To amend the original Motion to read “for 2022 through 2023” in place of “for 2022”.

Motioned by C. Crowley, Seconded by S.Carter

Brief discussion that completion of the requested work was likely to extend into 2023.

Motion to amend Passed unanimously

Amended Motion: To approve the request from the Cemetery Commission for up to \$7,500 from the Common Cemetery Trust for emergency tree removal at the Dame Hill Cemetery for 2022 through 2023.

Motioned by C. Crowley, Seconded by S.Carter

Discussion reiterated the review of the spendable Income from discussion of the previous motion. S. Carter pointed out that approving the previous request plus this request would leave the Savings Account with about \$5,000 of spendable Income available through most of 2023. V. Schwaegler suggested that the Trustees convey to the Cemetery Commission that it would be helpful for them to advise the Trustees about any other plans for spending requests in the longer term that would exceed a few thousand dollars. The consensus of the Trustees was that this request for tree work fits the Purpose of the Common Cemetery Trust, and that this request could be supported financially, but noted that spending this amount of Income might restrict the ability of the Common Cemetery Trust to respond to future similar requests.

Motion Passed unanimously

5. Motion: To renew the Certificate of Deposit accounts ending in 629, 633, 634 and 636 at the Woodsville Guaranty Savings for a period of 12 months.

Motioned by C. Crowley, Seconded by S.Carter

C. Crowley reviewed that the Capital Reserve Worksheet for Orford shows no planned expenditures in 2023 requiring access to the CD balances for the first three CDs (Road Improvement CRF, Grader CRF. and Town Buildings CRF). The Trustees reviewed the funds for Scholarship awards accessible in spring 2023 and determined that about \$2,300 would be available. Consensus was that the amount would be sufficient for 2023 Scholarship awards, so the CD account ending in 636 (which holds assets of the Menta Sawyer Scholarship Trust) could be renewed. Consensus was that these CDs could be extended to a maturity date of 12/12/2023. V Schwaegler suggested that the Trustees request a longer-term (10-year) spending plan from the Scholarship Committee, since the assets might be depleted during that time.

Motion Passed unanimously

Motion: To renew the Certificate of Deposit accounts ending in 959 and 362 at the Mascoma Bank for a period of 6 months.

Motioned by C. Crowley, Seconded by S.Carter

C. Crowley reported that the CD ending in 362 (Common Cemetery Trust) will mature January 30, 2023, while the CD ending in 959 (Orford Schools Fund for Excellence Trust) will mature May 16, 2023. Trustees referred to the previous discussions of the Cemetery Commission spending requests, and C. Crowley noted that the OSFE should have no need to access the assets from the CD soon. Seth Carter suggested that, to allow for the possibility of being able to access the Common Cemetery Trust CD in the summer of 2023 and to take advantage of possible higher

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CD interest rates expected in the near future, that renewing these CDs for 6 months would be preferable to a 12-month renewal.

Motion Passed unanimously

6. Motion: Beginning in 2023 that Dividend Income status of the Mutual Fund (T. Rowe Price, TRMCX) holding assets of the Niles Fund Trust be changed to receive Dividend Income in Cash in lieu of Dividend Income being Reinvested.

Motioned by C. Crowley, Seconded by S. Carter

C. Crowley reported that the Niles Fund has been spending more Income over the last 10 years than it has received from Savings Account Interest plus Dividend Income Reinvested. This has depleted the Income in the Savings Account. Since the Interest Income on Savings Accounts is negligible at present, and it is not advisable under present stock market conditions to access the Dividend Income Reinvested by selling shares of the Mutual Fund, the only way to access a positive Income stream for the Savings Account would be to take the Dividend Income in Cash.

The Trustees concluded that no action should be taken regarding the other Mutual Funds. C. Crowley presented the status of the Mutual Funds for the Cemetery Common Trust (Fidelity and Vanguard) as well as the Alice Mann Scholarship (Fidelity). The Common Cemetery Trust receives the Dividend Income from the Vanguard Mutual Fund (about \$2,000) in Cash annually, while Dividend Income from the Fidelity Mutual Funds (about \$2,500) is Reinvested annually. Referring back to the discussion of the Cemetery Commission spending requests, the Trustees noted that this arrangement could continue and still meet the known needs of the Cemetery Commission. C. Crowley noted that the Alice Mann Scholarship receives only about \$50 annually from Dividend Income that is Reinvested. Given that the Dividend Income is so small, and that it is not advisable to sell shares of the Fund due to present stock market conditions, the consensus was that no change in the present arrangement would be helpful.

Motion Passed unanimously

7. No motions were made on the agenda item of Liaison Activities with Advisory Committees.

S. Carter, V. Schwaegler, and C. Crowley reported on communications with the Cemetery Commission, the Scholarship Committee, and the Niles Fund Committee, respectively. The Trustees noted that liaison activities with the Advisory Committees on the Donor Trusts were still a work in progress. C. Crowley handed out a package of information intended to facilitate better communications in the future. That information package included summary pages which: describe the process by which the Advisory Committees should make requests to the Trustees, outline the decision process that needs to be followed in approving the expenditure requests, document the key facts about each Donor Trust, give a brief overview that the Trustees can use to discuss financial status with the Advisory Committees. C. Crowley noted that there were two areas of new information on the financial summary. The first was that it provides a breakdown of holdings by type of account (Savings, CD or Mutual Fund) for each of the Donor Trusts. That provides a clearer picture of any constraints on the practical availability of dollars for each Trust. Previously, that overview was available only for the Common Cemetery Trust (via the MS-10 report). The second was that it provides a specific number for the shares in each Mutual Fund that represent Dividend Income Reinvested. That information has not been available previously in annual reports, but it would be necessary to have should the Trustees decide to sell shares of the Mutual Fund to recover that Income in Cash. V. Schwaegler reiterated the idea that the Trustees should request longer-term plans from the Cemetery Commission and Scholarship Committee.

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8. No motions were made on the agenda item of Other Business.

C. Crowley provided a status report to the other Trustees on the topic of changes to MS-9 and MS-10 report formats to be implemented no later than reporting calendar year 2023 in early 2024.

The NH Charitable Trust Unit (CTU) will require a new format for the MS-9 which alters the reporting of Principal and Income to Cost Basis values, rather than Market Value. Market Value will be reported separately as a new input to the report, rather than being calculated from the input data. These changes align the MS-9 reporting to the way that information is displayed typically in statements from Brokerage Accounts. C. Crowley stated his intention (as Bookkeeper) to use the option allowed by NH CTU to begin using that new MS-9 format one year earlier than it will be required, *i.e.* to report calendar year 2022 results in early 2023. This will entail new work to modify the template used for the reporting, but it will save time in preparing the data entries.

C. Crowley also described that the NH CTU will offer two options regarding the MS-10. One is to continue using the present format, and the other is to submit copies of Brokerage and Banking Account statements. C. Crowley advised that he plans to continue to use the present MS-10 format because the Trustees need the breakout of information reported there to manage the Common Cemetery Trust anyway. Therefore, the option to submit Brokerage and Banking Account Statements represents extra work without providing any useful additional information that the Trustees need. C. Crowley noted that he still needs to request guidance from NH CTU on how to report one type of (possible future) transaction on the MS-10 form that has not been needed by the TTF to date: selling the shares of Mutual Funds representing Dividend Income Reinvested.

The Trustees noted that a review of the performance of the Mutual Funds was planned for 2022, but was not undertaken. That activity will be revisited in 2023.

9. No topics for future business were proposed.

10. Motion to Adjourn the meeting was made at 9:38 PM.

Motioned by C. Crowley, Seconded by S.Carter

Motion Passed unanimously