



Warner Trustees of the Trust Funds

Meeting Minutes
Friday, September 18, 2020

DRAFT

1. Covid-19 Preamble

Kimberley Edelmann read the following into the record:

"Good morning. As host of this meeting of the Warner Trustees of the Trust Funds, due to the COVID-19 Corona virus Crisis and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-18, I'm acknowledging that an emergency currently exists in the State of New Hampshire and am therefore invoking the provisions of RSA 91-A:2, III (b). This Board is authorized to meet electronically, and these reasons shall be reflected in the minutes.

At this point, the Warner Town Hall remains closed for meetings. Therefore, there's no physical location to observe and listen to this meeting contemporaneously. In accordance with the Emergency Order, I can confirm that we have or are:

- A) Providing audio public access to the meeting via telephone.
- B) Providing video public access to the meeting via the Zoom platform.
- C) Provided proper public notice of the necessary information for accessing the meeting.
- D) Providing during this meeting a mechanism for members of the public to alert this public body that they wish to speak or be recognized during any public comment.
- E) Provided a telephone number for the public to call in order to alert this public body during the meeting should they experience problems with access.
- F) Adjourning the meeting if the public is unable to access the meeting.

At this time, I welcome members of the public accessing this meeting remotely. Even though this meeting is being conducted in a unique manner under unusual circumstances, the usual rules of conduct and decorum apply. Any person found to be disrupting this meeting will be asked to cease the disruption. Should the behavior continue, that person will be removed from the meeting.

Please note that all votes that are taken during this meeting shall be done by roll call vote.

Let's start the meeting by taking a roll call attendance. When each Trustee of the Trust Fund board states their presence, please also state whether there is anyone with your who is within audio or visual range of this meeting. This information is required under the Right-to-Know law, specifically RSA 91-A:2, III (c)."

2. Roll Call

The meeting was called to order at 11:06 am. Committee members in attendance via Zoom teleconference were Trustees Nancy Bassett, Kimberley Edelmann and David Hartman. Cemetery Trustees Ken Cogswell joined the meeting at 11:14 am.

3. Meetings

David asked about the meeting schedule for the Trustees of the Trust Funds. Kimberley confirmed that the board agreed to meet every Friday at 11 am, via Zoom. The Town Calendar had been updated to reflect that.

Kimberley noted that the meeting ID & password would remain the same. Nancy said she appreciated that.

4. Cemeteries

David noted that in recent meetings, the board had spent quite a bit of time discussing cemetery details. He asked if the Trustees of the Trust Funds were the repository of all data about cemetery plots.

Kimberley noted that the TTF board was responsible for tracking the money and the investments made with that money. The Cemetery Trustees were responsible for managing the cemeteries, sales of plots, and the plots in general.

David recalled past discussions about individual cemetery plot perpetual trust funds in regards to cemetery maintenance. He asked if the board needed to take a vote about how to use the money from the individual trust funds.

Kimberley noted the Cemetery Trustees needed to address how cemetery funds were used, but would need to go through legal channels to do so. Until then, the money brought in by the sale of an individual plot was only able to be used for that individual plot. Each year, a few cents, maybe a bit more, might be added to the value of each plot. That was never going to be enough to care for that plot each year, let alone a whole cemetery. The TTF board's job was to make sure that any profits from investments was fairly shared across all cemetery plot perpetual funds.

The investments did not pay for cemetery maintenance. At \$200 per plot, paid once, there simply wasn't enough money to do that. Instead, cemetery maintenance was covered by Warner taxpayers.

(Ken Cogswell joined the meeting)

David brought Ken up to date.

David asked how many plots there were. Kimberley noted that there were 588 in the master spreadsheet. Nancy added that 2 more plots were purchased during 2020. Kimberley stressed to Ken that the spreadsheet would need to be updated at the end of the year.

Ken wondered about the pooling of plot funds. He suggested that the Cemetery Trustees get a reckoning from the Department of Justice about cemetery funds. Meanwhile, the money would continue to slowly grow.

Ken confirmed that the Cemetery Trustees were responsible for keeping track of cemetery plots. The data used to be kept in a private home, but they had since transferred it to a filing cabinet in the Town Hall. Ken noted that Coronavirus slowed down doing paperwork in the Town Hall that the Cemetery Trustees had intended to do. He wanted to get refocused on that.

David felt he now had a better understanding of the relationship between the two Trustee boards.

Kimberley noted that once the master spreadsheet had been set up, it was a matter of maintaining it. When new plots were purchased, they needed to be added so that it would benefit from the sharing of investments. Kimberley had already shared the spreadsheet with Ken. Ken would need to provide an update to the list after the end of the year.

5. TTF Computer System

Kimberley stated that the next big thing she needed to address was the TTF laptop. Dan Watts had cleaned a used Town Hall laptop and prepped it for use. Windows 10 was installed. She would be moving TTF data to the system, then placing it in the Town Hall where all of the Trustees would have access to it. Also, by moving the data to the Town Hall, it would be covered by the backups of Town data.

While the laptop was requested strictly for the Trustees of the Trust Funds, Kimberley said she didn't see any reason why the laptop could not be shared with the Cemetery Trustees. That would help provide additional backup and security for their data. Work could still be done at home, with electronic master files stored at the Town Hall.

Kimberley stressed that it would be very bad if, for whatever reason, data maintained at home was lost. The data belonged to the Town of Warner.

Nancy noted that she didn't feel comfortable with access to TD Bank data from home. She didn't have paper copies. She did prefer to have hard copies of the minutes at hand.

Regarding minutes, Kimberley noted that the Selectmen's meeting minutes were signed by the selectmen, then put into a binder, and stored by the Town Clerk. She did not know if that needed to happen with Trustee minutes. She also noted that she had a lot of handwritten minutes provided by David Karrick which had not yet been filed at the Town Hall as far as she knew. Another task to add to the list.

6. Trustee Alternate

The board agreed to advertise in order to find a Trustee of the Trust Funds alternate. Earlier in the week, Kimberley asked Town Administrator Diane Ricciardelli when the next newsletter was going out. The idea was to try to get a little "ad" in the newsletter. Until a new Selectmen's Administrative Assistant was hired, Diane said she did not have the bandwidth to put out a newsletter. She did, however, suggest sending the ad to her. She would then forward to the library for inclusion in their newsletter.

Nancy offered to draft an ad and share it with the board.

7. Fidelity Investments

Due to the challenges of dealing with Fidelity Investments the company, Nancy wondered if the Runels Trust Fund money should be moved elsewhere.

Kimberley noted that there was \$27,550 in the account at the end of 2019. The amount with Charter Trust closed at around \$350,000.

Before making any decisions, it was agreed that two things should happen:

- 1) Research the fund - When was it created? Where any specific rules put in place?
- 2) Compare investment performance.

Kimberley found reference to the fact that the Runels Trust Fund was created March 10, 1936, which led her to believe the family did not specify putting the money with Fidelity. Kimberley also noted that the Fidelity holdings were in a single fund: "Fidelity Puritan FPURX / 401"

Kimberley commented that doing business with Charter Trust was easy and pleasant, whether by email or telephone. So far, that had not been her experience with Fidelity.

8. MS-10

Kimberley had emailed out a draft version of the MS-10 earlier. She also displayed it via Zoom. Kimberley noted that the MS-10 work was done. After one more proofread, she would be hitting the "Submit" button.

Listed in the MS-10 were 31 investment funds. The total amount was \$376,984.35. This matched the total of the Charter Trust and Fidelity year end reports to the penny.

Kimberley walked through the report, pointing out various assets held on behalf of the Town as well as the format of the MS-10 report. An Aflac 3.625% bond was the first investment viewed. The bond had brought in \$543.76 interest, all of which had been expended.

Kimberley pointed out that all income earned via investments was expended by the end of the year. This was either through purchase of new investments or cash disbursements. In the MS-10 report, no investment showed accumulating interest year after year. The BOY and EOY interest balances would always be \$0.

Kimberley also noted that the Principal Only section of the MS-10 was "optional". That was where Fair Market Values of investments were noted, including "Unrealized Gains".

Kimberley explained that the overall difference of all investments, after new purchases and any fees, was the money which would be spread proportionately across all of the trust funds and cemetery plots in the master spreadsheet.

Nancy asked if Charter Trust did the work. Kimberley noted that Charter Trust provided the investment report, but the spreadsheet work was done by the Trustees.

Kimberley pointed to an investment in the MS-10 which was sold during 2019: Cisco Sys 4.95%. The proceeds of the sale did not result in a check being written to the Town of Warner. Instead, the funds were used to help purchase new investments, including Rockwell Automation 2.875% 3/1/2025 and United Health Group Inc 2.95% 10/15/2027.

Kimberley noted that the continued buy & sell cycle of the trust fund money was like the Las Vegas gambling example used at an earlier meeting. In that example, instead of completely cashing out, everyone asked for their money to be played again.

David observed that the Trustees did not control actual purchases & sales. It was Charter Trust who did that for Warner. The Trustees responsibility was to make sure Charter Trust pursued investments that were safe, conservative, reliable. Kimberley noted that the bonds held were considered very low risk. Federal bonds were held. Also, bonds from well established companies such as Pepsico, Rockwell, T Rowe Price, Walmart, Visa, all in keeping with the Investment Policy.

Kimberley noted that the MS-10 report demonstrates to the DOJ's Charitable Trusts Unit, the Department of Revenue Administration, the auditors, and the taxpayers of Warner that the Town is managing the funds with due care.

Kimberley said that after correcting all of the issues from the previous filing, some of which were due to using a new portal, the MS-10 would be much easier to process and file in the future. However, to make those corrections meant going back to 2017 and 2018 reports because the 2019 BOY / beginning of year values were not correct.

Issues found and corrected, included:

- 1) Assets purchased in 2018, not included in the previous filing.
- 2) Assets sold & matured in 2018 but incorrectly entered resulted in double the holdings instead of zero.
- 3) Interest & capital gains noted, but not expended, thus incorrectly showing increased value of assets.
- 4) Fidelity Puritan was not included in the previous filing, only assets held via Charter Trust.

Now, the MS-10 bottom line totaled the Charter Trust and Fidelity reports, to the penny. The EOY figures which would roll forward to become the BOY figures for the 2021 MS-10 about 2020's funds would be perfect.

Kimberley noted that the multi-page report from Charter Trust, which showed each transaction for each asset, also included a one-page summary which had key data needed for the MS-10.

Kimberley was going to proofread the MS-10 one more time, then hit "Submit". The auditors already had the information, so they were happy.

Ken asked when MS-10's are done. Kimberley noted that they are supposed to be done in March. Due to Covid, the errors from the prior reports, and the learning curve and discovery work, it took longer this year.

9. NHTTF Portal

Kimberley shared a browser screen and logged into the DOJ's NHTTF portal. She selected a ledger / asset and recorded interest earned. She showed how the portal software automatically updated the EOY / end of year balance for the asset. She also noted that the user could not edit any EOY values. However, BOY values could be edited. Therefore, getting the BOY values correct was critical to getting correct EOY values.

Ken noted it would be good to find an up-and-coming finance person to become a Trustee. Kimberley agreed, but noted that the role of Trustees went well beyond working with finance spreadsheets. Caring about the Town and the voice of the people was important. Filing skills would be nice. Understanding of funds would be good. But love of the Town and a desire to protect the investments was important.

10. Cemetery Plots

Ken asked for a nudge when it was time to update the plot data for the master spreadsheet. Kimberley said she would reach out at the end of the year.

11. Trustee Alternate

Nancy said she would draft an ad for the Library's newsletter. Kimberley said she would also post it on Facebook. It would also be good to post on the Warner website.

12. Adjournment

David made a motion to adjourn. Nancy seconded. Roll call; all in favor. The meeting adjourned at 12:15 pm.

The next meeting was scheduled for Friday September 25 at 11 am, same Zoom meeting details.

Respectfully submitted,

Kimberley Brown Edlmann

Recording Secretary