



Warner Trustees of the Trust Funds

Meeting Minutes

Saturday, June 4, 2022

DRAFT

1) Roll Call

The meeting was called to order at 12:06 pm. Board members in attendance were Trustees Kimberley Edelmann, Julia Bodnarik and Bob Blake. Cemetery Trustee Ken Cogswell was also present.

2) Cemetery Trustee

Ken summarized the process used to sell cemetery plots to the public. He noted that Gerald Courser handles this, as described on the Warner website. After a New Waterloo Cemetery plot is selected, two checks are written out; one for \$50 to the Town of Warner and the other for \$200 written out to the Trustees of the Trust Funds. Gerry takes the application to the Town Clerk for processing. A deed is made out, signed by the Selectmen, and then mailed to the purchaser. The \$200 is deposited at Charter Trust / Bar Harbor and tracked by the Trustees of the Trust Funds.

Ken said that the Cemetery Trustees are responsible for maintaining the condition of the cemeteries. Gary Young and Lane Monroe are contracted to do the work. He added that they do an excellent job of maintaining over a dozen cemeteries in Warner. They are doing work that the Legion used to do. Other outlying cemeteries are checked occasionally. The Cemetery Trustees are also responsible for making sure the budget covers cemetery maintenance.

The Cemetery Trustees are not responsible for tracking the invested \$200 for each cemetery plot. That task belongs to the Trustees of the Trust Funds.

Kimberley thanked Ken for confirming the fees for cemetery plots and that only \$200 of it should be going to the Trustees of the Trust Funds.

Julia asked Ken if he would like a copy of the deposit slip / information. He said that would be good and that an electronic copy would be fine.

Kimberley shared that while doing the MS-9, she found that there were 4 sets of duplicate cemetery trusts which had interest being earned in two cemeteries. She had spoken with former Trustees of the Trust Funds Dale Trombly who agreed on a correction which was made.

Ken noted that the amounts of funds per cemetery plot was never going to be enough to provide care of the plots. Due to the nature of the individual trusts per plot, funds could not be pooled and shared for maintenance of the cemeteries. That was why the Town of Warner had to include cemetery maintenance in the budgets. Cemetery maintenance includes mowing, tree work and headstone repair.

Ken finished by saying that the Cemetery Trustees appreciated the work of the Trustees of the Trust Funds, especially tracking the funds for all of the 500+ plots.

Kimberley noted that if the \$50 check comes to the Trustees of the Trust Funds, it needs to be forwarded to the Town Bookkeeper, with explanation of what it is.

3) Fidelity

Julia reported that she spoke with Fidelity about the 2 checks that never made it to Charter Trust / Bar Harbor. The checks were not cashed or deposited by anyone. The representative at Fidelity said the funds would be put back into the account.

Bob asked how the Fidelity checks were handled. Julia said the dividend checks are deposited at Charter Trust / Bar Harbor for the Runels Fund. The interest of those funds are distributed to the schools and the library. The information is on the master spreadsheet.

4) Bookkeeper Tasks

Kimberley Bob and Kimberley agreed to have a separate work session to discuss how to manage the master spreadsheet and prepare the MS-9 and MS-10 reports.

Bob read a news article about a problem with audits in another Town. Kimberley noted that the article was referencing the operating budget. Also, the Town of Warner is audited annually. The report is available to the public.

Bob reflected that all of the Trustee of the Trust Funds information, aside from the master spreadsheet, was still paper based. Kimberley noted that the reporting work starts in January.

Bob noted that a colleague of his does Trustee work in another town and that they provide oversight of the funds but do not do the big reports. Kimberley said that the Trustees in Warner had been discussing whether to have a financial firm take over the responsibility. A fee would have to be paid for that work.

5) Investment Policy

Bob noted that the Investment Policy includes the following:

Asset Allocation:

The Asset Allocation decision is an extremely important factor in determining the performance of the portfolios held by the Trustees. The Asset Allocation guideline shall be reviewed by the Trustees at least annually. The current Asset Allocation guideline is as follows:

- *Investment Grade Fixed Income Securities or Registered Investment Companies investing in Investment Grade Fixed Income securities: 80%*
- *Equities or Registered Investment Companies investing in Equities: 20%*

The Trustees have decided that Asset Allocation within 3% - 4% of these guidelines is reasonable and acceptable. Adequate Cash and Cash Equivalents need to be kept available to meet current withdrawal needs.

He noted that the Town had 30% equities and wondered if it was time to re-balance especially as the stock market values had increased so quickly. Kimberley suggested that it may be good to discuss with Charter Trust / Bar Harbor. She added that the conservative policy had been in place for many years. Bob suggested that even 60%

equities would be considered conservative. Julia agreed that any investments had to be conservative. Bob added that when funds were needed also had to be considered when making investments.

It was agreed that more discussion about the Investment Policy should place.

The Trustees signed the policy. This would be requested by the Town Auditors.

6) Town Financial Audit

Julia was heavily involved in the 2020 audit which was completed in 2021. She said she would cover the 2021 audit on behalf of the Trustees of the Trust Funds.

7) Fidelity Paperwork

Bob filled out Section 3 of the Fidelity paperwork. Kimberley would mail it out the following week.

8) DOJ Reports

Kimberley reported that the 120 page MS-9 was complete and filed with the DOJ. There were duplicate records which the portal did not like. Some of the records in the master spreadsheet had to be modified and the corresponding individual trusts on the portal had to be modified to match. Filing of the 2022 MS-9 next year should be much easier due to a new MS-9 ready sheet / tab she added to the master spreadsheet.

Work on the MS-10 was underway. That report gives a list of common investments with beginning of year and end of year principal and income for each; and summaries of sales, purchases, losses and gains per investment.

9) Opening Mail

The Trustees opened their mail. Items included:

- ◆ A request for \$4493.61 from the Employee Health Insurance expendable trust fund. The invoice was correctly redacted to hide employee information.
- ◆ A request for \$775 from the Edmund S. Willis fund to cover scholarship for Liberty Ruff / Plymouth State College. It was noted that the correct name of the fund was Edward S. Willis, not Edmund. However, the Willis fund was indeed one that covered scholarships and prior requests were quite similar.
- ◆ A request for \$651.73 from the William Davis fund to cover books purchased from MainStreet BookEnds. The request was written on an envelop. No request form was filled out. There was no information about where the request originated. Julia would speak with Katharine Nevins to find out more.
- ◆ Request for \$3652.37 from August 2021 to be paid to Moser Engineering out of the Bridge Repair / Replace capital reserve fund for work done on Red Chimney Road. The Trustees suspected that had already been requested and paid. Julia would investigate.
- ◆ April account statements from Sugar River Bank.

Kimberley said there were two ways to receive funds from the Trustees. The Town could pay an invoice then ask for reimbursement, or an invoice could be forwarded with a request that the Trustees make the payment. In both scenarios, the request needed to be well documented, invoices needed to be included, the request had to be applicable to the fund or trust, and approval to make payment was needed.

Julia said that the bookkeeper would get a request, look over the request, check for the correct information, and then followup if the request was not complete. Once the information was complete, the bookkeeper would fill out a withdrawal or deposit slip, have a second Trustee look over the paperwork, and then sign the request and process it. Any check issued would be brought back to the Town and copied for filing before delivery.

10) Sugar River Bank

Bob said he wanted to get online access to the SRB accounts. Kimberley suggested he visit the bank.

11) Electronic Data

Bob asked if an audit trail was being maintained for every transaction. Kimberley noted that the only records were paper and kept in the filing cabinets.

Dan Watts did confirm that the laptop given to Julia was not good. Now the question was, did the Trustees want a Town laptop.

Kimberley noted that the electronic data held by the Trustees was not being stored in any of the Town's data stores and was not being backed up by the Town. The Trustee data was being stored and maintained in private homes, which is not wise. A Trustees laptop could be backed up automatically as part of the Town's records.

Bob suggested that maintaining and sharing the data in the cloud could be a solution. Kimberley added that the single master spreadsheet was the only electronic data file. There were no other electronic records. If accounts data such as general ledgers were desired, they would have to be created.

Kimberley noted that if any member of the public wanted to see all of the transactions associated with a specific capital reserve fund, for example, it would mean going through the paperwork in the filing cabinet.

It was agreed that it would be good to discuss this further with Dan Watts in a meeting.

12) Process Requests

Kimberley noted that in the past several years, the Trustees did not have a formal bookkeeper role who did all of the processing of funds. All work was always done by two Trustees, keeping two sets of eyes on every transaction.

Kimberley demonstrated how the Trustee of the Trust Funds reports in the Warner Annual Report was a good reference.

Julia and Bob agreed to work on the new requests after the meeting.

13) Adjournment

Julia made a **motion** to adjourn. Bob **seconded**. The **motion passed** with all in favor. The meeting adjourned at 1:20 pm.

Respectfully Submitted,
Kimberley Brown Edelmann
Recording Secretary