

**Town of Boscawen  
Trustees of the Trust Funds  
Meeting Minutes  
Wednesday, January 18<sup>th</sup>, 2023, at 5:00 PM**

Members Present: Pauline Dawson – Chair, Margaret Daneau & Lyman Cousens

Others Present: David Maze, Zachary Zurich, Laura Hargrave, Rhoda Hardy, Tama Tillman & Kate Merrill-Finance Director

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Chair Polly Dawson opened the public meeting at 5:00 P.M.

Roll Call Completed by Chair Dawson

**Minutes:**

**Chair Polly Dawson motioned to accept the Trustees 10.24.2022 minutes as presented. Seconded by Trustee Lyman Cousens. All in favor. None opposed.**

**New Business:** Cemetery Trustees Rhoda Hardy and Laura Hargrave reviewed the warrant articles with Town Treasurer, Ms. Tama Tillman. They discussed revising three articles. Treasurer Tillman suggested for the first warrant, to correct a mistake in which there was never a vote taken for the perpetual care trust. Finance Director Kate Merrill read the suggested language change for Warrant Article I: *‘to see if the Town will vote to distribute the proceeds from the sale of cemetery lots, into two funds under RSA 289:2-A, the cost of lots itself to be deposited into the General Fund as sale of town property and the cost of care to be deposited into funds held by the Trustees of the Trust, naming the Cemetery Trustees as agents to expend from the fund’.*

Treasurer Tillman suggested a Cemetery Maintenance Expendable Trust Fund for money other than the sale of the lot itself. Treasurer Tillman noted they can only spend money from the perpetual care trust if they know exactly which lot it’s for. FD Merrill read the suggested change for Warrant Article II: *‘to see if the Town will vote to establish a Cemetery Maintenance Expendable Trust Fund under the provisions of RSA 30:19-A and RSA 289:2-A; allowing all future proceeds from the sale of cemetery lots in the Town of Boscawen Cemetery, into two funds. The cost of itself to be deposited into the General Fund as sale of town property and the cost of care to be deposited into a Cemetery Maintenance Expendable Trust Fund naming the Cemetery Trustees as agents to expend from the fund’.*

Treasurer Tillman asked for guidance on how they could turn perpetual care trusts into expendable trusts. Mr. David Maze said the Trustees would need a Cypress petition. The Trustees would petition probate court with the help of the Charitable Trust Unit. Mr. Maze said the town would need perpetual care plots with built up income, that are unlikely to be spent for the care of the plots. Mr. Maze noted expendable trusts are used to free up excess income from those lots. The Trustees would still need to bookkeep for all the individual perpetual care plots. There would still be potential issues with small amounts of income being generated and they also must spend the lots income on its care. Treasurer Tillman noted the town originally invested

\$57,967.69 across all trusts. They only accrued \$8,010 in income. Treasurer Tillman would like them to be able to spend the accrued income. Mr. Maze suggested reaching out to the Charitable Trust Unit for guidance. The Cemetery Trustees discussed if 'perpetual care' was listed in the Cemetery deed. Mr. Maze clarified that if a deed specifies part of what a person is paying for as 'perpetual care', then the town must create a perpetual care trust. He suggested removing language in any future deeds.

**Trustee Cousens motioned to approve the proposed language for Warrant Article I. Furthermore, designating the cost of lots itself to be deposited into the General Fund as sale of town property and the cost of care to be deposited into funds held by the Trustees of the Trust, naming the Cemetery Trustees as agents to expend from the fund. Seconded by Chair Dawson. All in favor. None opposed.**

**Trustee Cousens motioned to approve the proposed language for Warrant Article II. Furthermore, the cost of lots itself, to be deposited into the General Fund as sale of town property and the cost of care itself to be deposited into a Cemetery Maintenance Expendable Trust Fund naming the Cemetery Trustees as agents to expend from the fund. Seconded by Chair Dawson. All in favor. None opposed.**

Mr. Maze and Mr. Zachary Zurich from the Three Bearings Fiduciary Advisors (TBFA) presented their investment portfolios. They work with 36 municipal entities in NH, 3 libraries and numerous municipalities. The firm holds \$111M in assets under the municipal umbrella. Treasurer Tillman asked about their fee structure. Mr. Maze said the fee schedule is tiered and based upon assets under management. The first tier would be half a percent on the first \$2M. Treasurer Tillman noted the Town's total assets are a little over \$1M. Mr. Maze said the annual fee would be .05%. TBFA would do all the bookkeeping and tax returns including MS-9's and MS-10's. Treasurer Tillman asked if they did wire transfers. Mr. Maze said they do electronic transactions. Someone would still need to sign and complete a withdrawal form, but they would not need to bring checks to the bank. Treasurer Tillman noted one of the issues with bookkeeping is the town has four different Fidelity accounts for each fund (Library, Cemetery, Capital Reserves & Colby). Each account has a secondary cash account. Mr. Maze said Boscawen would have one checking account that is linked to all their Fidelity accounts. At the town's request, Fidelity would send money directly to the checking account. Mr. Maze noted the town could also set up electronic bill payments in order to transfer incoming deposits into the account. Trustee Daneau asked if the town would be keeping the fidelity accounts. Mr. Maze clarified TBFA uses Fidelity as their custodian. The accounts would be managed under the firm. FD Merrill asked about the fees associated with Fidelity. Treasurer Tillman noted the fees are currently associated with the service. The town would be paying a little more for better service and organization between the accounts. Trustee Daneau asked if they would still contribute to Franklin Savings Bank (FSB). Treasurer Tillman said they would leave the Library Trustee's CD at FSB and switch the fidelity accounts to TBFA. Mr. Maze suggested consolidating the accounts. He recommended generating income for the Cemetery fund because it is perpetual care. Discussion ensued. Treasurer Tillman suggested having two accounts, one for the Library and Cemetery and the other for Capital Reserves. Mr. Maze explained that they would take a

conservative approach on the Capital Reserves account. It would include some stock. Trustee Cousens asked Mr. Maze to review their investment policies and procedures. Mr. Maze stated the Capital Reserves fund would be high quality stocks consistent with RSA's. TBFA uses investment grade corporate bonds and short-term treasuries in portfolios to minimize volatility. They still use a conservative strategy for trust funds but with 25% allocation to stocks and the rest fixed income. There is a little preferred stocks in the mix. Trustee Daneau asked if they use all fidelity products. Mr. Maze clarified they use a few mutual funds through fidelity, but they're not limited. Trustee Cousens asked what their typical allocation is. For trust funds, most of the towns are in a 25% equity with 75% bond portfolio. The Trustee's reviewed the performance of composites for those portfolios to see how they compared to the benchmarks. The income portfolio showed that Barclays aggregate bond index for intermediate term bonds, in general, was down 13% for the year. Trustee Cousens asked why they didn't have a higher allocation in cash. Mr. Maze said there was no cash return until now. The TBFA firm uses more of a strategic approach where allocations are set based on what they determine is appropriate for the town's objective. They don't try to time the market in anyway. If the market does cause allocations to deviate from targets, then they would use cash to rebalance the portfolio. Trustee Cousens was concerned with the lack of cash. Mr. Maze said they could build in some cash to the town's policy, but he does not advise moving cash around. Trustee Daneau asked if the Capital Reserves Fund would hold more cash than the trust funds. Mr. Maze said there would be more money in the Reserves fund with a conservative mix. Discussion ensued. FD Merrill explained in past years the town did not plan for losses in the accounts. Mr. Maze said the goal for the Capital Reserves Fund would be inflation. Their average return last year for the Capital Reserves mix was -7.5%. Treasurer Tillman asked if they would be able to attend meetings. Mr. Maze said it is part of their service. They can attend in person or via zoom, as frequently as the Trustees would prefer.

**Chair Dawson motioned to approve Treasurer Tama Tillman to submit the MS-9 and MS-10 on behalf of the Trustees of the Trust Fund. Seconded by Trustee Daneau. All in favor. None opposed.**

FD Merrill will send Town Administrator Katie Phelps the language changes for the Warrant Articles discussed in the meeting.

Treasurer Tillman changed the dates for the Capital Reserves fund in her reporting to reflect allocations. She also did a year-to-date report for both the Cemetery and Library funds.

Trustee Cousens reviewed the financials with Mr. Luca D'Italia last week. He will email a summary of their discussion to the Trustees.

**Next Meeting:** TBD

**Motion made by Chair Dawson to adjourn. Seconded by Trustee Cousens. All in favor. None opposed.**

*Respectfully Submitted by Hannah Gardner*