



APPROVED

TOWN OF GRANTHAM NEW HAMPSHIRE
TRUSTEES OF THE TRUST FUNDS MEETING MINUTES
JUNE 9, 2020
Electronic Meeting Only

Trustee Fogg called the meeting of the Town of Grantham Trustees of Trust Funds (TTF) to order at 1:30 p.m. on Tuesday, June 9, 2020. He read the following statement:

As a Trustee of the Trust Funds, due to the COVID-19/Coronavirus crisis and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, this Board is authorized to meet electronically, and these reasons shall be reflected in the minutes.

Please note that there is no physical location to observe and listen contemporaneously to the meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, this is to confirm that we are providing public access to the meeting by telephone and other electronic means. Notice of the meeting was given, as required by RSA 91-A, and included details for participating in the meeting. Members of the public will be invited to speak and recognized by the Chair. If, at any time during the meeting, there becomes a problem with access please call 603-863-6021 or email at: info@granthamnh.net.

Let's start the meeting by taking a Roll Call attendance.

PRESENT: Trustee Maria Dahlman, Trustee Robert Fogg, Trustee Evan Weaver, and Board Clerk Emily Owens

REVIEW AND APPROVAL OF THE MINUTES FROM THE MAY MEETING: A motion was made by Trustee Dahlman, and seconded by Trustee Weaver, to approve the minutes of the May 12, 2020 meeting. *Approved Unanimously by roll call.*

OLD BUSINESS:

TOWN OF GRANTHAM WITHDRAWAL REQUESTS:

Trustee Dahlman dropped off the two checks for \$32,900.00 and \$17,738.68 to the Town Offices. She verified with Town Administrator White that the checks had been received.

NEW BUSINESS:

SAU #75 SCHOLARSHIP CHECKS:

SAU #75 submitted three requests for withdrawals; all for scholarships for Grantham students graduating from Lebanon High School. The requests were dated May 6, 2020 and attached were the draft minutes of the May 5, 2020 School Board meeting. There were two awards, each for \$300 from the Jackson P & Mathilde M. English Educational Trust Fund, TTF #405, awarded to Madeline Wolfe and Nicholas Ames for the highest-grade point average for a female and male

Grantham students graduating from Lebanon High School. After the \$600 withdrawal, the remaining balance in the Jackson P & Mathilde M. English Educational Trust Fund is \$7,077.80. There is one award in the amount of \$300, to Amalia Neu, from the Glenn Hudson Memorial Fund, TTF #404. The remaining balance in the Glenn Hudson Memorial Fund is \$573.39. Assistant to the SAU Administration Brenda Malloy was notified there is only one more year left on the Glenn Hudson Memorial Fund. Trustee Dahlman made a motion to approve the three checks totaling \$900, with \$600 withdrawn from TTF #405 and \$300 withdrawn from TTF #404, seconded by Trustee Weaver. ***Approved Unanimously by roll call.***

Regarding the issuing of checks for scholarships, Trustee Dahlman is seeking clarification on why the scholarships are paid directly to the recipients rather than SAU #75 submitting a request for reimbursement. She will speak with Superintendent Sydney Leggett regarding this item.

REVIEW SUGAR RIVER BANK (SRB) FINANCIAL PERFORMANCE FOR FY ENDING 12/31/2019:

Pursuant to the TTF's Investment Policy, the Trustees are required to review SRB financial position every six months to insure it retains a 5-star rating by Bauer Financial or a comparable institution. Trustee Dahlman summarized to the Trustees the following:

1. SRB has been assigned 5-stars for 110 Consecutive quarters.
2. The Leverage Capital Ratio using Tier 1 capital remains very strong and improved to 14.5% at FYE 12/31/19 vs. 13.88% at 12/31/18. If a bank's Tier 1 leverage ratio is greater than or equal to 4%, it is considered to be well-capitalized.
3. Profits for the year were down slightly to \$1.7 MM vs. \$1.9 MM for FY 2018; however, earnings in 2018 were somewhat of an anomaly since they jumped 91% from the \$1 MM level reported for FY 2017.
4. Return on Assets and Return on Equity also declined slightly year-over-year to 0.55% and 3.92% respectively, but are still acceptable.
5. Non-performing Assets as a percentage to total assets declined to 0.54% from 0.58% at FYE 12/31/2018 and NPA as a percentage of Tier 1 Capital also improved to 3.71% from 4.15% for the prior FY.

To summarize, the Trustees remain comfortable with SRB's financial standing. The bank continues to meet the criteria set forth in the Investment Policy.

INTEREST RATE ON DEPOSITS: As a follow-up to the trustees' request, Trustee Dahlman received a communication from SRB offering a six-month interest rate of 0.50% for the period July 1, 2020 through December 31, 2020, or a one-year rate starting July 1, 2020 through June 30, 2020 of 0.60%. Trustee Dahlman recommends that the Trustees continue with SRB and accept the one-year rate of 0.60%. The Trustees discussed their views on interest rates, market volatility, and agreed with her recommendation. Trustee Dahlman made a motion to accept Sugar River Bank's offer of 0.60% for the term of July 1, 2020 through June 30, 2020, seconded by Trustee Fogg. ***Approved Unanimously by roll call.***

CEMETERY FUNDS The Trustees received a check for \$300.00 for the sale of one cemetery plots to Wilfred and Jean Reney. The application was received May 27, 2020 and the deed was recorded June 1, 2020. Sexton Legacy indicated the lot purchased was F132 in the Grantham

Memorial Cemetery. \$50.00 was deposited into the Cemetery Development Fund, TTF #587 and \$250.00 was deposited into the Cemetery Maintenance Fund, TTF #586. The checks were deposited on June 5, 2020 by Trustee Dahlman.

SUMMARY OF ACCOUNTS: Trustee Dahlman completed the monthly report for May and summarized that the Trustees of the Trust Funds have forty-five accounts with SRB, totaling \$3,383,953.33 at 5/31/2020.

MEETING DATES AND TIMES: The Trustees discussed the next meeting will be August 11, 2020 at 1:30 PM. They discussed changing the time of the meetings but decided to wait. Trustee Weaver will be unavailable June 20th through July 14th. If a meeting during July is requested two of the Trustees can get together to approve the requests. Trustee Dahlman made a motion to approve the next meeting as Tuesday, August 11, 2020 at 1:30 PM, seconded by Trustee Fogg. *Approved Unanimously by roll call.*

TRUSTEE SEARCH: Trustee Dahlman asked if the position for a Trustee of the Trust Funds, to replace Trustee Fogg, had been posted. Trustee Fogg stated he had not submitted his resignation in writing, so the position had not been officially posted; however, the Town Administrator was starting to ask potential candidates. A comment was made that The Town Administrator thought we were looking for an attorney to fill Rob's position. Trustee Dahlman stated we are not seeking an attorney, but rather would prefer not having a lawyer, since the individual would in all likelihood not be familiar with municipal/state law. The Town Administrator does have the updated job description.

PREPARING THE FY 2019/2020 MS-9, MS-10 & CEMETERY INTEREST ALLOCATION REPORTS: The Trustees discussed the MS-9 and MS-10 reports and the information required to complete them. Trustee Fogg passed out a copy of the forms from last year. The information in the June monthly ledger report is the data used to populate the MS forms and cemetery interest allocation reports. The first page of the MS-9 report is the Perpetual Care Funds, these funds are interest only and do not receive any deposits. Page 2 of the MS-9 report is the Cemetery Funds that receive deposits when a plot is sold by the Town. Page 3 is the Town of Grantham Other Trust Fund, Capital Reserve Funds, and Expendable Trust Funds. At the bottom of Page 3 and continuing on Page 4 is SAU #75 Other Trust Funds, Capital Reserve Funds, and Expendable Trust Funds. Part way down on Page 4 starts the Village District of Eastman Other Trust Funds, Capital Reserve Funds, and ends with the Expendable Trust Funds on Page 5. The only difference between the MS forms versus the Cemetery Interest Allocation Form is the interest is broken down by cemetery instead of descending by year on the MS forms.

Trustee Fogg discussed that the only math involved is dividing the total interest earned on the perpetual care funds between the 33 perpetual care funds. The equation is as follows, the end of year balance from the principal area add to the beginning balance of income and divide by the total interest earned. That percentage is multiplied by the total interest earned for the year on all the perpetual care funds. This number is the amount of interest earned per individual perpetual care fund.

Trustee Fogg recommended starting the new year by manually entering the numbers in the old excel spreadsheet and rename the sheet with updated headers.

Trustee Fogg explained the practice of recording withdrawal requests. If money is removed from a Trust Fund, the Trustees have been removing it from the income column. If the withdrawal request exceeds the income or interest earned, the income column is zeroed out, and the principal column is adjusted for the remainder of the withdrawal request amount.

The Trustees discussed the lack of knowledge around perpetual care funds and how this continues to be an issue. Trustee Dahlman will continue researching this issue in the Town Archives when they re-open to the public.

ADJOURNMENT: There being no further business, a motion was made by Trustee Dahlman, seconded by Trustee Weaver, and approved unanimously to adjourn at 2:40 PM. The next Trustee meeting is scheduled for Tuesday, August 11, 2020, at 1:30 PM with the location to be determined.

Respectfully submitted,
Emily Owens, Board Clerk