

**APPROVED**

**TOWN OF GRANTHAM**  
**TRUSTEES OF TRUST FUNDS**  
**MEETING MINUTES**  
**September 10, 2013**

Trustee Lewis called the Tuesday, September 10, 2013 meeting of the Town of Grantham Trustees of Trust Funds (TTF) to order at 1:05 PM. The meeting was held in the Jerry Whitney Memorial Conference Room at Grantham Town Hall located at 300 Route 10 South in Grantham.

**PRESENT:** Trustee James F. Coakley, Trustee Robert E. Fogg, Jr., and Trustee Robert A. Lewis.

**Review and approve minutes of August 13, 2013 TTF meeting** - There were no additions or corrections to the August 13, 2013 meeting minutes: Motion by Trustee Fogg and seconded by Trustee Lewis to accept the August 13, 2013 TTF meeting minutes as written.

*Approved by Trustees Fogg and Lewis. Trustee Coakley abstained*

**ADMINISTRATIVE**

**Police Vehicle CD** renewed at LSB on 8/15/13 for 6 month term @ 0.8% APR

**Fire Department and Transfer Station CD closures** – CD accounts at SRB closed on 8/12/13. Balances deposited to LSB savings accounts on 8/16/13.

- Fire Department Apparatus Fund- \$96,581.46
- Transfer Station Fund - \$62,396.43

**NH PDIP account closures** - The following NH PDIP accounts were closed on 8/14/13 and the balance of each account was deposited to new LSB savings accounts on 8/20/13.

Town Office Equipment CRF	NH-01-0150-0010	\$8,233.97
Mowers CRF	NH-01-0150-0012	\$16,900.97
Town Emergency Repair ETF	NH-01-0150-0021	\$13,024.61
Athletic Fields CRF	NH-01-0150-0029	\$10,956.35
Library Expansion CRF	NH-01-0150-0043	\$120,745.47
Town Building Repair and Maintenance CRF	NH-01-0150-0047	\$50,297.06
Bridge CRF	NH-01-0150-0050	\$82,611.63
School Building Maintenance ETF	NH-01-0150-0015	\$56,082.16
Special Education ETF	NH-01-0150-0025	\$228,302.31
Tuition ETF	NH-01-0150-0037	\$30,337.98

**Sugar River Bank account closures** - The following Sugar River Bank accounts were closed on 8/26/13 and the balance of each account was deposited to LSB savings accounts on 8/27/13.

Allen's Drive Upgrade Study CRF	306132762	\$1,005.83
Tuition ETF	306155763	\$63,860.42
Vehicle & Equipment Replacement CRF	306143116	\$10,300.62
Meter Replacement & Backflow Program CRF	306150160	\$10,362.80
Well Renovation CRF	780184228	\$5,181.37
Land Preservation CRF	306155888	\$80,418.83
Municipality Revaluation	306155870	\$70,864.03

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**Town of Grantham 2013 Capital Reserve Deposits**– A draft of the 2013 Capital Reserve Fund Report was sent to Town Administrator White on 9/9/13. All Capital Reserve deposits approved at 2013 Grantham Town Meeting have been made.

**VDE 2013 Capital Reserve Funds Deposits** – Trustee Fogg will send a draft 2013 Capital Reserve Fund Report to District Manger Weber for review.

### **BOOKKEEPER’S REPORT**

- Town of Grantham request to withdraw \$700.00 from the Recreation Park Project Fund. Withdrawal made on 8/14/13. Check delivered to Town Administrator White on 8/14/13
- Town of Grantham request to withdraw \$30,936.76 from the Bridge CRF. Withdrawal made on 8/14/13. Check delivered to Town Administrator White on 8/14/13

### **OLD BUSINESS**

**2013-2014 Investment Policy** – Trustee Coakley presented a 2013-2014 draft Investment Policy for review. The draft Investment Policy reflects the consolidation of all Trustee accounts at Lake Sunapee Bank under the Collateralization Agreement. Following discussion, Trustee Coakley moved that the 2013-2014 Investment Policy be adopted as modified. A copy of the 2013-2014 Investment Policy is attached to these minutes. Seconded by Trustee Fogg.

*Unanimously approved.*

### **NEW BUSINESS**

#### **VILLAGE DISTRICT OF EASTMAN WITHDRAWAL REQUESTS**

**Inventory Hardware Fund** – On August 20, 201 the Village District of Eastman submitted a request to withdraw \$4,814.57 from the Inventory Hardware CRF. The request is supported by invoices from Ferguson Waterworks for \$4,775.62 and USA Bluebook for \$38.95 and copies of checks in payment of the invoices. The Commissioners authorized the withdrawal at their August 14, 2013 VDE Commissioners’ meeting. The request is supported by Draft Minutes of the August 14, 2013. The VDE Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB savings account. The current balance of the account exceeds \$26,500.00. Trustee Lewis moved to approve the request by the VDE to withdraw \$4,814.57 from the Inventory Hardware CRF subject to receipt of approved minutes of the August 14, 2013 Commissioners’ meeting. Seconded by Trustee Coakley.

*Unanimously Approved*

**Building Maintenance Fund** – On August 20, 201 the Village District of Eastman submitted a request to withdraw \$2,270.00 from the Building Maintenance CRF. The request is supported by an invoice from Richard Electric for electrical fixture work for \$2,270.00 and a copy of a check in payment of the invoice. The Commissioners authorized the withdrawal at their August 14, 2013 VDE Commissioners’ meeting. The request is supported by Draft Minutes of the August 14, 2013. The VDE Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB savings account. The current balance of the account exceeds \$22,000.00. Trustee Lewis moved to approve the request by the VDE to withdraw \$2,270.00 from the Building Maintenance Fund subject to receipt of approved minutes of the August 14, 2013 Commissioners’ meeting. Seconded by Trustee Fogg.

*Unanimously Approved*

**Computer Software and Upgrade Fund** – On August 20, 2013 The Village District of Eastman submitted a request to withdraw \$3,000.00 from the Computer Software and Upgrade Fund. The withdrawal request is supported by invoices for Intuit software, computer upgrade and software back up, laser printer network support

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and a laptop computer. Invoices and copies of Staples receipts in excess of \$3,000.00 were submitted together with copies of checks in payment of the invoices and receipts. The VDE Commissioners approved the withdrawal at its August 14, 2013 meeting. The request is supported by draft minutes of the VDE Commissioners' August 14, 2013 meeting. The Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB account. The current balance in the account exceeds \$4,000.00. Trustee Lewis moved to approve the request by the Village District to withdraw \$3,000.00 from the Computer Software and Upgrade Fund subject to receipt of approved minutes of the August 14, 2013 Commissioners' meeting. Seconded by Trustee Fogg.

*Unanimously approved.*

**Generator and Pumps Fund** – On August 20, 2013 The Village District of Eastman submitted a request to withdraw \$999.01 from the Generator and Pumps Fund. The withdrawal request is supported by invoices from Atlantic Pump for \$549.01 and Smith Pump for \$450.00 together with copies of checks in payment of the invoices. The VDE Commissioners approved the withdrawal at its August 14, 2013 meeting. The request is supported by draft minutes of the VDE Commissioners' August 14, 2013 meeting. The Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB account. The current balance in the account exceeds \$10,000.00. Trustee Lewis moved to approve the request by the Village District to withdraw \$999.01 from the Generator and Pumps Fund subject to receipt of approved minutes of the August 14, 2013 Commissioners' meeting. Seconded by Trustee Coakley.

*Unanimously approved.*

**Meter Replacement Fund** – On August 20, 2013 The Village District of Eastman submitted a request to withdraw \$2,160.00 from the Meter Replacement Fund. The withdrawal request is supported by an invoice from Stiles Company for \$2,160.00 together with a copy of the check in payment of the invoice. The VDE Commissioners approved the withdrawal at its August 14, 2013 meeting. The request is supported by draft minutes of the VDE Commissioners' August 14, 2013 meeting. The Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB account. The current balance in the account exceeds \$7,000.00. Trustee Lewis moved to approve the request by the Village District to withdraw \$2,160.00 from the Meter Replacement Fund subject to receipt of approved minutes of the August 14, 2013 Commissioners' meeting. Seconded by Trustee Fogg.

*Unanimously approved.*

**Vehicle and Equipment Replacement Fund** – On August 20, 2013 The Village District of Eastman submitted a request to withdraw \$1,126.82 from the Vehicle and Equipment Replacement Fund. The withdrawal request is supported by invoices from Blue Tarp Financial for \$771.91 and \$354.91 together with copies of the checks in payment of the invoices. The VDE Commissioners approved the withdrawal at its August 14, 2013 meeting. The request is supported by draft minutes of the VDE Commissioners' August 14, 2013 meeting. The Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB account. The current balance in the account exceeds \$52,000.00. Trustee Lewis moved to approve the request by the Village District to withdraw \$1,126.82 from the Vehicle and Equipment Replacement Fund subject to receipt of approved minutes of the August 14, 2013 Commissioners' meeting. Seconded by Trustee Fogg.

*Unanimously approved.*

**Water Mains and Valves Fund** – On August 20, 2013 The Village District of Eastman submitted a request to withdraw \$2,035.00 from the Water Mains and Valves Fund. The withdrawal request is supported by invoices from Kevin Roberts for \$345.00 and Hastings Construction for \$1,690.00 together with copies of checks in payment of the invoices. The VDE Commissioners approved the withdrawal at its August 14, 2013 meeting. The request is supported by draft minutes of the VDE Commissioners' August 14, 2013 meeting. The

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Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB account. The current balance in the account exceeds \$80,000.00. Trustee Lewis moved to approve the request by the Village District to withdraw \$2,035.00 from the Water Mains and Valves Fund subject to receipt of approved minutes of the August 14, 2013 Commissioners' meeting. Seconded by Trustee Fogg.

*Unanimously approved.*

**Well Decommissioning Fund** – On August 20, 2013 The Village District of Eastman submitted a request to withdraw \$17,000.00 from the Well Decommissioning Fund. The withdrawal request is supported by an invoice from Knights Hill Metal Work for \$18,000.00 together with a copy of the check in payment of the invoice. The VDE Commissioners approved the withdrawal at its August 14, 2013 meeting. The request is supported by draft minutes of the VDE Commissioners' August 14, 2013 meeting. The Commissioners are authorized as agents to withdraw from the fund. The funds are held in a LSB account. The current balance in the account is slightly in excess of \$17,000.00 attributable to interest earned since the funds were deposited on July 30, 2013. Trustee Lewis moved to modify the withdrawal request by the Village District to withdraw the balance of the Well Decommissioning Fund to avoid having a minimal balance in the account. Approval of the withdrawal is subject to receipt of approved minutes of the August 14, 2013 Commissioners' meeting. Seconded by Trustee Fogg.

*Unanimously approved.*

**Meeting with P&S Auditor** – The meeting was recessed at 1:52 PM and reconvened at 4:00 PM for a meeting with Sheryl Pratt from the Plodzick and Sanderson audit firm to review record keeping changes being proposed by the Trustees:

- Consolidating Trustee Accounts at Lake Sunapee Bank under the Collateralization Agreement was explained to achieve two fundamental Trustee objectives: (1) Preservation of Capital and (2) Maximize return. Trustee Fogg confirmed that all accounts will be reflected on three monthly bank statements and confirmed how ledger notations should be made to properly reflect account consolidations. It was also explained these changes should simplify a future transition to successor Trustees. A copy of the Collateralization Agreement and list of pledged securities was provided to Ms. Pratt
- Revising the format for the 2013-2014 MS-9 Report to group accounts by client will simplify the preparation of the report and make it easier for all clients, the Department of Revenue, The Attorney General's office and the auditor to review the MS-9 Report. DRA has concurred that the proposed format change will simplify their review.
- Trustee Coakley provided a copy of the 2013-2014 Investment Policy together with an explanation of how the Investment Policy was revised to reflect the consolidation of accounts under the Collateralization Agreement
- Ms. Pratt was asked her opinion whether the Trustees should consider MacKenson and Company proposals to assume responsibility to maintain Trustee financial records and prepare annual reports. Ms. Pratt advised the Trustees to decline the MacKenson and Company proposals since the Trustee's current record keeping is accurate and complete.

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**ADJOURNMENT:** Motion by Trustee Fogg, seconded by Trustee Coakley and unanimously approved to adjourn at 4:39 PM. The next Trustee meeting is scheduled for October 8, 2013 at 1:00 PM in the Jerry Whitney Memorial Room.

Respectfully submitted,  
James F. Coakley, Trustee  
Robert E. Fogg, Trustee  
Robert A. Lewis, Trustee

**TOWN OF GRANTHAM**  
**TRUSTEES OF THE TRUST FUNDS**  
**INVESTMENT POLICY: FISCAL YEAR 2013-2014**

Historically, the Town of Grantham's policy for investments has been conservative by not taking risks with Town, School, or Village District funds through investments in stocks, bonds, and the like, and to the extent possible, to protect against loss of principal.

For Fiscal Year 2013-2014, the Grantham Trustees of Trust Funds (the "TTF") will continue to apply the Prudent Man Rule to funds administered by the TTF, and investments will be of a kind with little or no risk to the preservation of principal.

For the fiscal year 2012 – 2013 Expendable Trust Funds and Capital Reserve Funds where funds may be requested in the near term were invested in MBIA (PDIP) accounts. Capital Reserve Funds where the funds were expected to be invested for the longer term were invested in Certificates of Deposit at local banks, such as Sugar River Savings and Lake Sunapee Bank. Trust Funds were invested in Certificates of Deposit, Savings Accounts or both.

On June 30, 2013 The Town of Grantham Trustees of the Trust Funds entered into an Agreement to Secure Deposits with Lake Sunapee Bank. The Trustees agree to maintain various deposit accounts with the Bank. The Bank agrees to pay a negotiated rate of interest. The Bank agrees to transfer possession of securities to the Federal Home Loan Bank of Boston to be held for the benefit of the Trustees to provide collateral to secure the Accounts.

With this in mind, the following is the TTF's Investment Policy:

1. New Expendable Trust Funds, Capital Reserve Funds and Trust Funds will be invested in deposit accounts with Lake Sunapee Bank. As current Certificates of Deposit mature, those funds will also be invested in deposit accounts with Lake Sunapee Bank.
2. The adequacy of the collateral pledge will be reviewed annually.
3. The comparison of the Lake Sunapee Bank interest rates to other investment vehicles will be performed annually
4. The Trustee serving as "bookkeeper/treasurer" or any other Trustee responsible for carrying out a transaction (deposit, withdrawal, or transfer of funds) of TTF-administered funds ("TTF Transaction") shall consult other Trustees regarding any such TTF Transaction. At least two (2) Trustees need to agree on a proposed TTF Transaction. Consultation with other Trustees should preferably be at a TTF meeting, but telephone or electronic consultations are adequate authorization if a TTF Meeting is not possible or practicable, or if the proposed TTF Transaction would not otherwise be handled in a timely fashion.
5. Prior to carrying out any TTF Transaction for any Trust, Expendable Trust, or Capital Reserve Fund, the TTF must receive a written request and authorization from the appropriate Board, Commissioners, or agents to expend, for that Trust, Expendable Trust, or Capital Reserve Fund. The written request must be accompanied by appropriate supporting documentation, including minutes of the Town or SAU or District Meeting authorizing the requested TTF Transaction, and where applicable, invoices supporting withdrawal of funds for a particular purpose. The TTF may in its discretion ask the requesting party to provide any other additional documentation that the TTF feel may be needed to confirm the requested action is authorized and within the purpose of the Expendable Trust or Capital Reserve Fund.

Adopted September 10, 2013.