

Town of Thornton

Trustees of Trust Funds

Meeting on Monday, December 12, 2022 5:00 pm
Town Office Building Meeting Room
16 Merrill Access Road



AGENDA - meeting notes in blue
Present: Richard Baker, Ralph Bradley, 5:00 pm start

- ◆ Approval of minutes from September 28, 2022 – motion to approve minutes as written by Ralph Bradley, 2nd by Richard Baker, unanimous approval
- ◆ Position of current investments: WGSB (.1% same), BNH (.15% same), NHPDIP (4.02% continues to increase each week, small increments recently) – rates
- ◆ Investing rates/options for existing funds – co-mingling of funds, private monies separated from public monies – We need to be careful of co-mingling funds into common accounts like we have done at NHPDIP and BNH. The town can vote to change the use of town appropriated funds but not private funds like Cemetery Perpetual Care funds. If they are locked up together in a CD or other time account, that could create a huge problem, thus they can not be together. We have some funds mixed together, public and private. Opinion is that as long as they are in liquid funds, we are probably okay, even though outside the lines of the RSA, because we can retrieve any portion of any investment as needed or if a purpose is changed by vote of the town. The recommendation is that we leave things as they currently are but be extremely careful moving forward, particularly if we were going to move some funds into a CD. The option to rectify this, would be to create separate co-mingled accounts at both BNH and NHPDIP with private funds in one account and public funds in another account at each institution. Conclusion: Leave all investments as they currently are for the time being.
- ◆ Remaining planned 2022 major expenditures – CIP, budget - Mary sees no remaining capital expenses; the planned highway expense (CIP) will not happen as the equipment was not available for the right price. Planned roads for Pine Grove Cemetery did not get built so this budget item is not to be spent this year. Interest and dividends to be paid out 12/13/22, \$131.22 to Library, and \$2374.17 to Town in four checks for accounting and paper trail purposes (Cemetery Perpetual Care \$259.47, Cemetery Maintenance \$306.10, Jeannie Robbins \$1808.60)
- ◆ NHMA Conference, Nov. 17, 2022 – overview of the conference sessions, meeting the/our team at NH Dept. of Justice – Charitable Trusts Unit, all new within the last 2 years with 3 positions all retiring after 40+ years of service and stability, looks like a good group for us to work with as needed - - - co-mingling of funds (see 3rd bullet above) - - - reminder details such as not expending more (interest/dividends for individual lots) for any one cemetery perpetual care lot than what the true cost of care for that lot actually is-Richard contacted the Cemetery Trustees to see if they have lot care rates or if they would work on such a document (he would be willing to work along side them on this)-we have one lot (Margaret Smith) whose annual income MIGHT be approaching the actual lot care cost
- ◆ reporting changes MS-535, MS-9, Fidelity Funds, Town Report pages – 1st change, the

MS-535 Dept. of Revenue Administration's form filed by the town was rejected by DRA (Michelle Clark) because our MS-9 was not correct. Yes, the DRA is correct. This has escaped everyone's scrutiny since the Trustees of Trust Funds received the Hubbard Brook Foundation funds from the town treasurer back in 2015. At the end of that year the Hubbard Brook Foundation funds, correct amount, was listed on the Capital Reserve Funds page of the town report as well as in our MS-9 – wrong – they should have been listed on the Trust Funds page, an error that was just perpetuated each year, edit to be made at the close of calendar year 2022 - 2nd change, the town's auditor, Tyler Paine of Plodzik & Sanderson, found that the Fidelity Funds were not correctly reported. He is correct, Richard conversed with him via e-mail a few times and then met briefly with him at the NHMA conference and we are now on the same page. The method of reporting that Richard was left with for the close of 2019 when he came on board this committee seemed to report correctly, the numbers worked out within \$.12 (and he found the \$.12 error on a worksheet) so he has just reported in the same manner each year, perpetuated what was in fact an error. The error is in under-reporting the true value of our stock portfolio. The value on December 31 of each year was always an estimate because Fidelity only sends out a statement in the month after they have sent a check (dividends and/or capital gains) and this has never been at the end of December. For the close of 2021 we actually had the December 31 portfolio true value because during 2021 we gained access to our Fidelity account via online connections and we can print out the end of year value – neither we nor the auditors had this before and now that we do have it, the under-reporting was very evident. Research was done, no funds are missing as no transactions to our Fidelity stock account have been made in a very long time. Also under the category of reporting, we decided on the text to appear at the end of our town report pages; we have included a message each year, this year it is an attempt to explain the above errors and differences in the Town Report pages.

- ◆ Next Meeting, Monday, March 13, 2023, 5:00 pm
- ◆ Other Business – Richard Baker is up for re-election to this committee in March
- ◆ Adjourned at 5:39 pm – motion by Ralph Bradley, 2nd by Richard Baker, unanimous approval