

Nottingham Trustees of the Trust Fund

July 13, 2023 Meeting

Denise Blaha, present
Jim Phelps, present
Michael Koester, present

Ellen White, Nottingham Town Administrator, present

Arthur Fernald Fund

The meeting opened at 6:10 pm with a discussion about the Arthur Fernald Fund with Ellen White, Nottingham Town Administrator. Denise overviewed the purpose of the fund and why it is discriminatory and therefore something the TTF cannot retain. She also spoke about past meetings with the Northwood TTF and officials from New Hampshire Charitable Trust Division to address this issue, as both Northwood and Nottingham were given equal bequeaths of \$3,500 from the Fernalds in 1956. Denise explained that there is a “Reverter Clause” in the Fernald will that will determine how the Fernald’s assets are divided by the probate court, although it's complicated because the two organizations referenced in the Reverter Clause no longer exist.

The trustees reviewed the draft summary document of the Fernald case which included a request to the Board of Selectmen to ask the town's attorney to draft and file a *Cy Prey* petition to the Merrimack County Probate Court and begin the process of relieving the TTF of its responsibility to administer this fund. Denise asked if either Jim or Michael had any edits for the document and as they did not, she signed the written request on behalf of the trustees and gave the document to Ellen White. This issue will be put on the BOS agenda at an upcoming meeting, likely in August.

Investment Options

Michael led the discussion of our investment options as the TTF has a \$165,000 CD that matures in the next few weeks. He outlined his recent efforts to discuss with the School Board their needs to tap into the school district CRFs and whether some assets could be put towards the new CD. As the SAU is in transition now with a new superintendent with ripple effects on the school board, Michael stated that it just didn't seem to be the appropriate time to commit new school district funds to a CD.

Michael also had discussed with Ellen White what town CRF resources could be put towards a new CD. We reviewed the Highway Truck, Revaluation, Fire and Rescue, and Tricentennial Funds and new funding to those accounts that would soon be available as a result of the March 2023 election. Ellen provided her guidance and needs assessment for each of those funds and the trustees discussed several options. Michael made a motion to open two new CDs:

1. A 12 month CD at TD Bank (at 4.5%) for \$170,000 with \$100,000 coming from the Highway Truck CRF and \$70,000 from the Revaluation Fund.
2. A 6 month CD at TD Bank (at 4.55%) for \$50,000 with \$5000 from the Revaluation Fund and \$45,000 from the Tricentennial Fund.

Jim seconded Michael's motion and it was unanimously approved. Since there were no longer any agenda items that required the town administrator, Ellen White then left the meeting.

Investment Policies

The TTF reviewed and discussed the draft investment policy document Denise had developed from an earlier TTF investment policy. They discussed whether they wanted to change their investment orientation from that of a "Prudent Man" to a "Prudent Investor". Jim stated that given our current modest investment portfolio and our need to ensure our municipal CRFs are not put at risk, it didn't make a lot of sense to him to pay an investment advisor on a small portfolio. (the RSAs require an investment advisor for a prudent investor stance) Jim believes the "Prudent Man" goal remains appropriate for the TTF. With no dissenting viewpoints to consider, the three trustees agreed to and signed the updated investment policy. There was a brief discussion about the draft Internal Controls Policy, and with no changes to that document, the trustees agreed to and signed the updated Internal Controls Policy. Both policies will be filed in our filing cabinet at the town hall, will be uploaded to the Nottingham TTF Google Drive, and will be provided to the auditor at next year's audit. The auditor had flagged these two policies as outdated in the 2023 audit.

Documents Review

The trustees reviewed the draft Q2 2023 financial report. There is a typo in one of the dates of the CDs that needs to be corrected and Michael offered that it would be helpful to identify the composition of each of the CDs since that isn't evident from the Q2 report. Jim made a motion to conditionally approve the Q2 report, seconded by Michael, subject to making those two

revisions to the document. The motion was unanimously approved. Denise will make those edits and then send the approved document to Kelly for posting on the website.

Denise mentioned that the trustees need to furnish the town with draft meeting minutes within five business days, per RSA. The draft minutes do not have to be posted on the website (NH Charitable Trust attorneys confirmed this at the June 2023 NHMA Trustee workshop) but they need to be available should any Nottingham resident request them. Denise asked Jim and Michael if they would be OK with posting the draft minutes and they agreed, provided they have a chance to review the draft minutes first. Denise will make that change in procedure so that the draft minutes can be posted within the required five business days.

Jim made a motion to approve the April 13, 2023 draft minutes and Michael seconded. Motion approved.

Perpetual Care Funds

The trustees briefly discussed the perpetual care funds. Denise will reach out to the Cemetery Trustees to discuss the issue at a possible upcoming meeting.

Michael made a motion to adjourn at 8:13 pm, seconded by Jim. With all in favor, the meeting was adjourned.