

City of Keene
NEW HAMPSHIRE

TRUSTEES OF TRUST FUNDS
MEETING MINUTES

Wednesday, August 16, 2017 9:30 AM City Hall-2nd Floor Conference Room

Members Present:

Michelle Howard, Chair
Susan Silver
Brian Mattson
Katherine Snow

Staff Present:

Karen Gray, Senior Staff Accountant
Sherrie Curtis, Secretary

Absent:

Marilyn Gemmell, Vice Chairman

Other:

Nancy Vincent, Library Director
Jane Pitts, Friends of the Library
Maureen Keheller, Cambridge Trust
Judith Knowles, Cambridge Trust

Approval of the July meeting minutes

Ms. Silver made a motion to approve the July 2017 minutes as presented, Mr. Mattson seconded. Motion carried unanimously.

Library Renovation Project update

Nancy Vincent provided an update on the library renovation project and the closing of the New Market Tax Credits (NMTC). They are hoping for a closing date somewhere between September 8, 2017 and September 20, 2017 with a total of \$3.1 million of funds required. Coordination between everyone is going to be required to make sure that all funds are available quickly for the closing. The required acceptance of donations by City Council will be coordinated by Nancy and it may require a special trustees meeting for their acceptance after the Council meeting. It would be appreciated if the trustees could provide any dates/times that they are not available for a special meeting to Karen. Ms. Gray indicated that Attorney Mullins had indicated that Trustees Silver and Gemmel would need to recuse themselves from this vote and therefore in order to have a majority the remaining three trustees would need to be available.

Cambridge Trust indicated that they would require only the standard withdrawal request forms and signatures, no additional information. They requested to be kept in the loop in order to be able to accommodate the need for the City to transfer funds quickly.

Capital Reserve laddered portfolio

Ms. Kelleher presented an investment strategy for the capital reserve funds to increase the income on the portfolio to an estimated \$130,000 annually. Ms. Kelleher had worked with Ms. Gray to determine that about \$8 million could be placed in laddered investments ranging from about 6 months to 3 ½ years and this would still leave about \$3 million in liquid money market funds. The investments used, Certificates of Deposit and Treasuries, would be in accordance with Capital Reserve Investment Policy. As investments periodically matured it would be recommended, based on cash flow requirements, that they would be reinvested in order to maintain the laddered portfolio. In addition, these investments could be easily liquidated should the funds be needed unexpectedly.

Ms. Snow made a motion to approve to the laddered portfolio structure as presented, Mr. Mattson seconded. Motion carried unanimously.

Quarterly portfolio review with Cambridge Trust

Ms. Kelliher was present to give an economy overview and quarterly portfolio review.

Common Trust: The market value as of 7/31/17 was \$8,998,051 the estimated annual income is \$280,669 with an estimated portfolio yield 3.12%. The portfolio yield since inception is 5.49%.

Capital Reserve: The market value as of 7/31/17 was \$11,486,448 the estimated annual income is \$7,098 with an estimated portfolio yield .06%. The portfolio yield since inception is .30%.

Library Renovation Trust: The market value as of 7/31/17 was \$2,242,490 the estimated annual income is \$223 with an estimated portfolio yield .01%. The portfolio yield since inception is .22%.

Approval of MS9s and MS10s for year ending June 30, 2017

Ms. Knowles presented the annual MS9 & MS10 reports for the Common Trust Fund portfolio, Capital Reserves and the Library Renovation Trust. Mrs. Gray advised that she has reviewed and they seem to be in order and ready for Trustee signature and approval. Once approved by the Trustees, Ms. Gray will submit them to the Department of Revenue and Office of the Attorney General as required.

Ms. Silver made a motion to approve the MS 9&10's for the year ending June 30, 2017 for the Capital Reserves, Library Renovation Trust and Common Trust Funds, Mr. Mattson seconded. Motion carried unanimously.

Library Renovation Trust #590

Ms. Gray presented the following transactions.

RECEIPTS

- Donations from April, May and June 2017 in the amount of \$513,832.96 that were accepted by the City Council on 8/3/17

Ms. Snow made a motion to accept the donations as presented, Ms. Silver seconded. Motion carried unanimously.

DISBURSEMENTS

- Reimbursement to the City of Keene in the amount of \$18,625.00 for expenditures for a payment made to Tappe Associates. Supporting documentation was included for trustee review.

Mr. Mattson made a motion to approve the disbursement as presented, Ms. Silver seconded the motion. Motion carried unanimously.

Common Trust Fund

Mrs. Gray presented the following transactions.

DISBURSEMENTS

Frank Wright Trust #581

- Tia Auger's September 2017 off-campus housing in the amount of \$550.00 payable to Thomas Little.

Ms. Gray distributed a copy of Ms. Auger's rental agreement extension for the period 9/1/17 – 9/1/18. There is no change to the monthly rental amount of \$550.00.

Mr. Mattson made a motion to approve the disbursement as presented, Ms. Snow seconded. Motion carried unanimously.

Ashuelot River Park #529

- Reimbursement to the City of Keene in the amount of \$2,110.00 for expenditures from the 2017 Ashuelot River Park budget for maple tree pruning. Supporting documentation was attached for trustee review.

Ms. Snow made a motion to approve the disbursement as presented, Mr. Mattson seconded. Motion carried unanimously.

Police Benevolent Fund #510

- Reimbursement request from the Benevolent Trust Review Board for payment to Lieutenant Benjamin Nugent in the amount of \$1,000.00 for relief due to an injury in November 2016.
- Reimbursement request from the Benevolent Trust Review Board for payment to Officer Eric Pouliot in the amount of \$1,000.00 for relief due to an injury in January 2017.

Ms. Gray briefly reviewed the three purposes of the Police Benevolent Fund that were detailed in the December 2011 Cy Pres Petition: 1) 10,000 of current income to be used to relieve active members of the KPD injured in the line of duty upon application to an recommendation from the Benevolent Trust Relief Review Board; 2) \$150,000 used to build and equip a gymnasium for use by active members of the KPD with \$1,000 annually to be placed in a non-lapsing special revenue fund, along with a \$1,000 match from the City, for the maintenance of gym equipment with disbursements made upon recommendation to the trustees by the Gymnasium Maintenance Committee; and 3) provide scholarships and tuition reimbursement to active members of the KPD.

Mr. Mattson made a motion to approve the disbursements as presented, Ms. Snow seconded. Motion carried unanimously.

- Request from the Renouf Fund Gym Committee for approval to expend up to \$2,800.00 for the replacement of a used broken treadmill.

Mr. Mattson made a motion to approve the expenditure as presented, Ms. Silver seconded. Motion carried unanimously.

Capital Reserve Portfolio

The following disbursements were presented with supporting documentation for trustee review.

DISBURSEMENTS

- Wastewater Treatment Plant – \$163,105.00
- Martel Court - \$1,517.50

Ms. Silver made a motion to accept the disbursements as presented, Mr. Mattson seconded. Motion carried unanimously.

Periodic Trust Review

Police Benevolent Fund

Ms. Gray informed the trustees that a meeting was held by the Benevolent Trust Relief Review Board (BTRRB) on July 25, 2017 in order review applications for injury relief and to discuss establishing the process for accessing the scholarships and tuition reimbursement portion of the Police Benevolent Fund. The scholarships and tuition reimbursement was a part of the 2011 Cy Pres and the process was never established. Ms. Gray told them that the BTRRB would develop the criteria and it would then be submitted to the trustees for review and approval. Concern for making sure that the criteria met the original intent of the trust was expressed. Ms. Gray advised that the BTRRB would be working on criteria as set forth in the Cy Pres "... to provide scholarships and tuition reimbursement to active

members of the KPD, in addition to any tuition reimbursement that is currently made available to said members, and their dependent children.” The trustees will have the opportunity to review, ask questions, and make recommendations after the BTRRB presents the criteria and before they approve it.

Renouf Firefighters’ Relief Fund

Ms. Gray gave a brief overview of the fund and the 2000 Cy Pres. The fund was established in 1888 when \$500 was accepted by City Council with income to be used for the relief of firemen injured in discharge of their duties. In October 2000 a Cy Pres was approved to establish guidelines for the distribution of funds because no distributions had been made since the funds inception. The trustees expressed their concern that even after the Cy Pres no funds had ever been distributed. Ms. Gray indicated that the Renouf Firefighters’ Relief Fund was discussed at the July 25, 2017 meeting of the Benevolent Trust Relief Review Board (BTRRB) and that Chief Howard was going to begin working with appropriate members of the fire department to determine a recommendation for a Cy Pres that would meet the original intent of the trust but also be less restrictive and allow for usage. Attorney Mullins, who was present at the BTRRB meeting, indicated that this was a good idea and suggested that structuring to include scholarships/tuition reimbursement like the Police Benevolent Fund may be one option.

- Current practice: Income to be used for expenditures as recommended by the Committee consisting of the Fire Chief, Deputy Chief of the Call Company, and a representative of the Professional Firefighters of Keene or successor firefighters’ union local then active and approved by the trustees for the relief of firemen injured in the line of duty.

Mr. Mattson made a motion to continue the current practice until another Cy Pres has been approved, Ms. Silver seconded. Motion carried unanimously.

The meeting adjourned at 10:45 a.m.

Respectfully submitted,
Sherrie Curtis