

City of Keene
NEW HAMPSHIRE

TRUSTEES OF TRUST FUNDS
MEETING MINUTES

Wednesday, July 20, 2016 9:30 AM City Hall-2nd Floor Conference Room

Members Present:

Martha Curtis-Chair
Marilyn Gemmell-Vice Chair
Katherine Snow
Brian Mattson

Staff Present:

Sherrie Curtis, Secretary
Karen Gray, Senior Staff Accountant
Steve Thornton, Finance Director
Thomas Mullins, City Attorney

Other:

Maureen Kelleher, Cambridge Trust
Judith Noel, Cambridge Trust
Joelle Travers, Cambridge Trust
Paul Ledell

Overview of Rules of Procedure

City Attorney, Tom Mullins distributed and reviewed Rules of Procedure for the City of Keene. Attorney Mullins stated that generally speaking the Board of Trustees is a statutory body of the City of Keene, they are a public body and are subject to RSA 91-A.

Minutes and Motions - The minutes need to closely reflect the actions within the meeting, they do not need to be verbatim. The motions need to accurately caption what is being approved with a vote.

Meetings - All Trustee meetings are public, which means they are publicly posted and anyone who wishes to attend may do so. This means all discussions happen publicly in a meeting and should not be occurring via email.

Trustee Duties - Attorney Mullins stated that as Trustees they have fiduciary responsibilities. It is important for all Trustees to be aware of and in compliance with state regulations and the terms of the trust for which they are responsible. Funds can only be expensed in the manner that the trust document states. Attorney Mullins recommended that the Trustees attend the annual free seminar put on by the Attorneys Generals Office.

Attorney Mullin advised that many of the trusts were created 50-100 years ago and the intended purpose may be different than the times in which we now live. If the Trustees believe that a trusts purpose needs to be altered then legally a Cy Pres action would need to be prepared. If necessary, the Trustees would contact the City Attorney's office who would prepare the Cy Pres. If approved, a Cy Pres could alter the original terms of the trust while allowing that it be utilized for a purpose as close to the original intended purpose as possible.

Conflict of Interest – Attorney Mullins stated that he understood that last month there was some concern with a potential conflict of interest. Ms. Gemmell stated that she is a member of the Friends of the Library and issues checks that may need to be disbursed from the City for the Library Renovation Trust. She was wondering if that presented a conflict with her position of the Trustee of Trust Funds board voting to accept donations. Attorney Mullins stated that if a Trustee is involved in an outside board that have items that come back to the Trustees for approval, the Trustee should recuse themselves from the action. If a conflict exists, an individual should always recuse themselves from the public body committee vote.

Cambridge Trust Portfolio Update

Mrs. Kelleher stated that the Trustees are very fortunate to have a City Attorney on staff from whom to seek advice. Mrs. Kelleher provided an overview of the economy and reviewed several charts and graphs pertaining to the portfolio. An error was discovered on page 13 the Account Summary, Mrs. Kelleher stated that she would forward a revised page with the correct total balance.

During the portfolio review, Mrs. Kelleher stated that the portfolio continues to perform very well earning approximately a 4% yield. The total market value was \$8,299,187.83, with an estimated annual income of \$281,453.91. Ms. Noel 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. Snow made a motion to approve the MS 9&10's for the year ending June 30, 2016 for the Capital Reserves, Library Renovation Trust and Common Trust Funds, Mrs. Gemmell seconded. Motion carried unanimously.

Approval of June meeting minutes

Chair Curtis requested a motion to approve the minutes from June 15, 2016. Discussion followed regarding clarification of the approval of funds from the Woodward Trust. The Trustees were in agreement that the information provided by City Attorney Tom Mullins confirmed that the Trustees had ample information last month to correctly approve the request for funds. Prior to the Trustees making their decision, Liz Sayer had provided information that the dental procedure had been medically recommend thus the approved expenditure adhered to the terms of the Trust. After further review of the draft minutes regarding the Woodward Fund disbursement, Ms. Snow requested that the minutes of June 15, 2016 be amended to read as follows:

A brief discussion continued, based upon the Woodward Fund committee's confirmation of medical necessity, a motion was made by Ms. Snow to approve a disbursement from the Woodward Fund in the amount of \$1,590.18, Mr. Mattson seconded. Voted unanimously to approve.

Mr. Mattson made a motion to approve the June 15, 2016 minutes, with the corrected motion above, Ms. Snow seconded. Motion carried unanimously.

Monadnock View Funds A & B Cemetery Lot Sales

Mrs. Gray presented a deposit in the amount of \$13,465.00 to be split 50/50 between funds A&B. Ms. Snow made a motion to accept the deposit as presented, Mr. Mattson seconded the motion. Motion carried unanimously.

Library Renovation Trust

Mrs. Gray advised that there were no transactions needing attention, the fair market value as of June 30, 2016 was \$724,093.46. Mrs. Gray stated that June and July transactions will be presented to council in August.

Maurice Alger Trust

Mrs. Gray presented a disbursement in the amount of \$6,000.00 payable to UNH for the benefit of Andrew Winn the 2016 recipient. Mrs. Gray advised that the scholarship amount was approved by the Trustees during the February 17, 2016 meeting. Mrs. Gray indicated that she was seeking approval to disburse the funds.

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

Capital Reserve

Mrs. Gray presented the following transactions for the Capital Reserve Funds.

Deposits

- Transportation Improvement Fund – \$27,207.00. This represents fees collected from April to June 30, 2016 on vehicle registrations.

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

Disbursements

- Equipment Capital Reserve-\$106,406.00
- Sewer Infrastructure-\$19,439.20
- Bridges-\$6,364.13

Ms. Snow inquired about the review process for capital reserve disbursements. Mrs. Gray stated that Finance reviews the various accounts for expenses posted. Mr. Thornton included that the formal process is for city departments to approve and code invoices, finance reviews for accuracy and makes payments, reports are run before the trustee meeting and disbursement requests are prepared. Mr. Thornton stated that before a request gets to the Trustees the expenses have been thoroughly reviewed.

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

Mrs. Gray stated that since it was her first meeting she provided lots of detail in advance via email. Mrs. Gray inquired if the Trustees were okay with the format. The Trustee agreed they were fine with presentation.

The meeting adjourned at 10:55 am.

Respectfully submitted,
Sherrie Curtis