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## Town of Grantham Trustees of the Trust Funds Meeting Minutes December 11, 2012

Trustee Lewis called the Tuesday, December 11, 2012 meeting of the Town of Grantham Trustees of Trust Funds (TTF) to order at 1:00 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:** William J. McIver, EVP and Chief Operating Officer, Lake Sunapee Bank, Kelly Spiller, Grantham Branch Manager, Lake Sunapee Bank, Christopher E. Morris, Grantham Town Treasurer, Trustee James F. Coakley, Trustee Robert E. Fogg, Jr., and Trustee Robert A. Lewis.

**Lake Sunapee Bank Account Review** – As a “public unit” the Trustees of Trust Funds have a legal and fiduciary responsibility to invest “public funds” to achieve (1) Safety (preservation of principle); (2) Liquidity adequate to meet reasonably anticipated requirements; and (3) Yield (highest appropriate returns on deposited funds.) The Trustees of Trust Funds maintain Trust Fund accounts at Lake Sunapee Bank, Sugar River Bank and NH PDIP. Mr. Morris maintains Town of Grantham accounts at Lake Sunapee Bank. Lake Sunapee Bank combines Town of Grantham accounts with Trustee accounts in its computer systems. Mr. William McIver and Kelly Spiller attended the meeting to review the safety of Trustee accounts held at Lake Sunapee Bank.

Mr. McIver stated that FDIC provides insurance coverage on government accounts up to \$250,000 for CD and savings accounts and \$250,000 for checking accounts. For deposits in excess of the FDIC insurance limits, NH Banking Commission regulations provide for collateralization by a pledge of securities by the financial institution holding the public funds. Mr. Morris, the Town Treasurer, has negotiated a collateralization agreement for Town of Grantham funds held at Lake Sunapee Bank. There is a question whether Trustee accounts are covered by that collateralization agreement.

Mr. McIver confirmed that FDIC insurance for public funds is determined by the “official custodian” of the account(s). Because the Trustees of Trust Funds administer Trustee accounts separately from Town of Grantham accounts administered by Mr. Morris, FDIC insurance might apply separately to Trustee accounts and may not be covered by the LSB collateralization agreement unless specific provision is made for Trustee accounts to be included in the LSB collateralization agreement. Mr. McIver will review this issue with LSB’s counsel for a legal opinion.

Mr. McIver also agreed to explore whether LSB’s computer systems can treat Trustee accounts separate from Town of Grantham accounts. If that is done, the Trustees may need to negotiate a separate collateralization agreement with LSB if the CD/savings accounts and checking accounts exceed FDIC insurance limits.

Trustee Fogg noted that PDIP no longer provides insurance on deposited funds. If a collateralization agreement is negotiated with LSB, it may be appropriate to consider moving

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PDIP funds to assure maximum safety of those public funds consistent with legal and fiduciary obligations.

LSB will explore what form of account – checking, savings, CD or NOW - would be appropriate for Trustee accounts and the interest rate to be paid on those accounts.

**REVIEW AND APPROVE NOVEMBER 13, 2012 MEETING MINUTES** - One correction was made to the November 13, 2012 meeting minutes: In the last line of the “New Business” section on page 1, the decimal point in the interest rate was misplaced and should read “(with a 0.1% interest rate) to a CD (with a 0.4% interest rate).” There were no other additions, corrections or changes to the minutes of the November 13, 2012 Trustee Meeting. Motion by Trustee Coakley to accept the November 13, 2012 TTF meeting minutes as modified. Seconded by Trustee Fogg.  
*Unanimously approved.*

## **ADMINISTRATIVE**

### **BOOKKEEPER’S REPORT**

### **OLD BUSINESS**

**Convert School Construction Fund from savings to CD account** – Trustee Coakley converted the School Construction CRF statement savings account with a balance of \$91,433.91 to a one-year Certificate of Deposit with a 0.4% interest rate on November 15, 2012.

**FIRE DEPARTMENT APPARATUS AND FAST CRF INQUIRY** – Trustee Lewis is continuing to research the history of the Fire Department Apparatus CRF and FAST Squad CRF.

**CONSOLIDATION OF LSB MONTHLY STATEMENTS** – Trustee Fogg reported that consolidating the LSB monthly bank statements for Trustee accounts at LSB is complete and will be available beginning with December statements.

**CONSOLIDATION AND/OR ELIMINATION OF CERTAIN TRUST FUNDS** – Trustee Lewis contacted the Attorney General’s office to get information regarding the Hiram Buswell Fund. There are, apparently, no records showing the origin of the Fund. The Attorney General’s office provided a copy of an August 19, 1985 letter indicating the “Bushwell fund was for the purpose of supporting the library.” Trustee Lewis will meet with Terry Knowles, Assistant Director of the Charitable Trusts Unit in the AG’s office, to explore what steps to take to get appropriate authorization to close the Buswell Fund.

**2012 GRANTHAM TOWN REPORT SUBMISSION** – Trustee Fogg reviewed a one-page summary report listing Trustee of Trust Fund accounts and the most recent account balances. Trustee Fogg will provide the summary report to Town Administrator White for inclusion in the 2012 Town Meeting Annual Report. This summary will provide more current account balance information for Town Meeting attendees.

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## NEW BUSINESS

### TOWN OF GRANTHAM WITHDRAWAL REQUESTS

**ATHLETIC FIELDS CAPITAL RESERVE FUND** - On November 19, 2012, the Town of Grantham submitted a request to withdraw \$58,887.26 from the Athletic Fields Capital Reserve Fund. The withdrawal is for site work in connection with the septic installation, material for the baseball infields, brush clearing, fencing for the ball field back stop, and placement of a concrete pad for the concession building. The Selectmen authorized the withdrawal at their August 22, September 12 and September 26 meetings.

The Selectmen are authorized as agents to expend from this fund in Article 1 of the May 25, 2011 Special Town Meeting. Article 1 outlined the purpose of the Athletic Fields CRF to be “for construction of athletic fields, purchase of capital equipment associated with the Recreation Park Master Plan and other physical improvements, including but not limited to pavilions, playgrounds, septic systems, roads, snow towing equipment, conduits, parking areas and water wells....” The work performed falls within the purpose of the Athletic Fields Capital Reserve Fund. The request is supported by paid invoices and checks in payment of the invoices. The funds are held in a NH PDIP account. The current balance in the account is \$69,838.53.

Trustee Fogg moved to approve the requests by the Town of Grantham to withdraw \$58,887.26 from the Athletic Fields Capital Reserve Fund. Seconded by Trustee Coakley.

*Unanimously approved.*

**RECREATION PARK FUND** On November 19, 2012, the Town of Grantham submitted a request to withdraw \$32,025.74 from the Recreation Park Project Fund. The withdrawal is for the balance of site work performed at the baseball field. The Selectmen authorized the withdrawal at their November 14, 2012 meeting. The Selectmen are authorized as agents to expend from this fund in the minutes of the April 14, 2010 Selectmen meeting establishing the Fund. The request is supported by a paid invoice from Hastings Construction and a check in payment of the invoice. The funds are held in a Lake Sunapee Bank savings account. The current balance in the account is \$33,027.46. Trustee Fogg moved to approve the request by the Town of Grantham to withdraw \$32,025.74 from the Recreation Park Fund. Seconded by Trustee Coakley.

*Unanimously approved*

**TOWN BUILDING REPAIR** – On November 27, the Town of Grantham submitted a request to withdraw \$19,876.00 from the Town Building Repair & Maintenance CRF. The withdrawal is for installing a plywood floor and insulation in the Grantham Town Hall attic. The request is supported by an invoice from Leslie Goumillout and checks in payment of the invoice. The Selectmen approved the withdrawal at their October 10, 2012 meeting. The funds are held in a NH PDIP account. The current balance in the account is \$70,156.08. The Selectmen are authorized as agents to expend from this fund in Article 15 of 2009 Town Meeting. Trustee Fogg moved to approve the request by the Town of Grantham to withdraw \$19,876.00 from the Town Building Repair and Maintenance Capital Reserve Fund. Seconded by Trustee Coakley.

*Unanimously approved.*

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**BRIDGE CAPITAL RESERVE FUND** – On December 4, 2012, the Town of Grantham submitted a request to withdraw \$4,640.00 from the Bridge Capital Reserve Fund. The withdrawal is for engineering work on the Miller Pond Road bridge and for correspondence with FEMA regarding the Olde Farms Road bridge. The withdrawal request is supported by invoices from Right Angle Engineering and by copies of checks for payment of the invoices. The Selectmen approved the withdrawal at their November 23, 2012 meeting. The Selectmen are authorized as agents to withdraw from this fund in Article 16 of 2010 Town Meeting. The funds are held in a NH PDIP account. The current balance of the account is \$91,328.49. Trustee Fogg moved to approve the request by the Town of Grantham to withdraw \$4,640.00 from the Bridge Capital Reserve Fund. Seconded by Trustee Coakley.

*Unanimously approved.*

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

**INVENTORY HARDWARE FUND** – On December 3, 2012 the Village District of Eastman submitted a request to withdraw \$1,845.25 from the Inventory Hardware CRF. The request is supported by three Ferguson Waterworks invoices totaling \$1,845.25 and copies of checks in payment of the invoices for miscellaneous Inventory Hardware. The Commissioners authorized the withdrawal at their November 14, 2012 VDE Commissioners' meeting. The VDE Commissioners are authorized as agents to withdraw from the fund. The funds are held in a NH PDIP account. The current balance of the account is \$13,749.81. Trustee Lewis moved to approve the request by the VDE to withdraw \$1,845.25 from the Inventory Hardware CRF. Seconded by Trustee Coakley.

*Unanimously Approved*

**COMPUTER SOFTWARE AND UPGRADE FUND** – On December 3, 2012, The Village District of Eastman submitted a request to withdraw \$1,557.91 from the Computer Software and Upgrade Fund. The withdrawal request is supported by invoices for computer peripheral equipment and annual software update charges which total \$1,557.91 and copies of checks in payment of the invoices. The VDE Commissioners approved the withdrawal at its November 14, 2012 meeting. The Commissioners are authorized as agents to withdraw from the fund. The funds are held in a NH PDIP account. The current balance in the account is \$2,569.52. Trustee Lewis moved to approve the request by the Village District to withdraw \$1,557.91 from the Computer Software and Upgrade Fund. Seconded by Trustee Coakley

*Unanimously approved.*

**SECURITY IMPROVEMENTS FUND** – On December 3, 2012 the Village District of Eastman submitted a request to withdraw \$703.41 from the Security Improvements Fund. The withdrawal request is supported by invoices from Knights Hill Metalworks and Tasco Security that total \$703.41 and by copies of checks in payment of the invoices. The VDE Commissioners approved the withdrawal at its November 14, 2012 meeting. The Commissioners are authorized as agents to withdraw from the fund. The funds are held in a NH PDIP account. The current balance in the account is \$8,177.19. Trustee Lewis moved to approve the request by the Village District to withdraw \$703.41 from the Security Improvements Fund. Seconded by Trustee Coakley

*Unanimously approved.*

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**VEHICLE AND EQUIPMENT REPLACEMENT FUND** - On December 3, 2012, The Village District of Eastman submitted a request to withdraw \$18,190.00 from the Vehicle and Equipment Replacement Fund. The withdrawal request is supported by an invoice from Springfield Auto for \$18,190.00 to purchase a 2012 GMC work truck with plow and a copy of the check in payment of the invoice. The VDE Commissioners approved the withdrawal at its November 14, 2012 meeting. The Commissioners are authorized as agents to withdraw from the fund. The VDE requested that the withdrawal be made from funds held in a NH PDIP account. The current balance in the PDIP account is \$51,301.35. Trustee Lewis moved to approve the request by the Village District to withdraw \$18,190.00 from the Vehicle and Equipment Replacement Fund held at PDIP. Seconded by Trustee Coakley

***Unanimously approved.***

### **ADJOURNMENT**

**NEXT TRUSTEE MEETING** – The next meeting of the Grantham Trustees of Trust Funds is schedule for Tuesday, January 8, 2013 at 1:00 PM. in the Jerry Whitney Memorial Room.

There being no further business, motion by Trustee Coakley and seconded by Trustee Fogg to adjourn at 2:50 PM.

***Unanimously approved***

Respectfully submitted,

James F. Coakley, Trustee  
Robert E. Fogg, Jr., Trustee  
Robert A. Lewis, Trustee