

## Hillsborough, NH, Trustees of the Trust Funds

15 September 2022

Meeting Held at Fuller Public Library, 29 School Street, Hillsborough, NH

### Approved Minutes

Members present: Riche Colcombe, Judy Ann Thibault, Lori Adams

Meeting called to order at 4 pm.

- Trustees reviewed with pleasure thank you notes received from Olivia Zdon, a student awarded two scholarships this year. Olivia expressed her appreciation for the funds, which will assist her in her studies at Colby-Sawyer College.
- Trustees reviewed minutes from the July 12, 2022 meeting. Judy made a motion to accept the minutes as written. Riche seconded. Trustees voted 3 -0 to accept the July 12, 2022, minutes as written.
- At the July 12 meeting, Judy had asked for clarification about the approval process for disbursement of funds from the Manahan Trust. Approval of disbursement requests is shared between the Trustees of the Trust Funds and the Board of Selectmen. Does that mean that each group votes separately to approve or disapprove? Or do the combined groups vote together for approval or disapproval? Riche consulted with BOS Chairman Jim Bailey, who agreed that in the future, when both groups must approve a disbursement, the groups should meet together and vote as one group.
- Riche contacted Tom Donovan, Director of New Hampshire Charitable Trusts, with questions about Trust Funds and related issues. Trustees discussed Tom's replies and made decisions about some of the Trust Funds:
  - **Mildred Nelson Trust for Children's Recreation.** The \$3,000 bequeathed was intended as a gift to the town, not as a Trust Fund. Judy made a motion to close this fund and give the balance to the town, to be used for children's recreation. Lori seconded. Trustees voted 3 -0 to close the Mildred Nelson Trust for Children's Recreation and give the money directly to the town to be used for children's recreation. Riche to prepare the NJSA (Non Judicial Settlement Agreement) if required.
  - **Mildred Nelson Trust for Library.** The \$3,000 bequeathed was intended as a gift to the library, not as a Trust Fund. Judy made a motion to close this fund and give the balance to the library, but to wait until early 2023 to make the disbursement, allowing the library more time to decide how to use the money before having to include the funds in the library budget. Lori seconded. Trustees voted 3 -0 to close the Mildred Nelson Trust for Library and give the money directly to the library in early 2023. Riche to prepare the NJSA if required.

- **Mark Fuller, Sarah Fuller, Sarah Grimes, Bernice Miller, and Isabelle Ward Trust Funds.** These Trusts are small funds for the library. Some were bequeathed as direct gifts, not Trusts. Judy made a motion to close out all of these funds and give the balances directly to the library, but to wait until early 2023 to make the disbursement, allowing the library more time to decide how to use the money before having to include the funds in the library budget. Lori seconded. Trustees voted 3 -0 to close all of these funds and give the money directly to the library in early 2023. Riche to prepare the NJSA if required.
- **Richard Withington Award.** This Trust specifies that 4% of the fund is to be awarded each year. Tom Donovan advises that even if the fund earns more than 4% in a particular year, the Trustees still must award only 4%. Any excess in earnings is to be added to the principal amount. The Trust specifies that the award is to be given at graduation to an employee. School administration has requested to instead give the award at the public open house, which has a wider attendance. Tom Donovan advises that this would be acceptable, as long as the administration announces the award at the following graduation. Lori made a motion to allow the school administration to present the award at the open house and announce it at the following graduation. Judy seconded. Trustees voted 3 -0 to allow the school administration to present the Withington Award at the open house, and announce the award at the following graduation. Riche to prepare the NJSA if required.
- **Dana Crain Trust Fund.** This fund was accepted by the town in 2004 in the amount of \$100,000. The Trust specifies that 10% of the earnings be added to the principal balance each year. 45% of the earnings are to be distributed to the Rescue Squad's general fund. 45% of the earnings are to be distributed to the town for beautification projects on town property. The terms of the fund haven't been followed correctly every year, leaving the principal lower than it should be and leaving the Rescue Squad short of what they should have received. Tom Donovan advises that Trustees can correct the situation by adding to the principal and making a disbursement to the Rescue Squad for what they should have received. Riche made a motion to make the necessary adjustments to the Dana Crain Trust Fund so that the principal is what it should have been if the terms of the Trust had been followed, and to make a disbursement of funds to the Rescue Squad to give them what they should have received. Since these errors were the result of Trustee actions and the town is responsible for Trustee expenses, the money to make up the principal balance and disbursement to the Rescue Squad is to be taken from the money in the fund that the town would have received for beautification projects. Judy seconded. Trustees voted 3 -0 to accept the motion as presented.

- **Lila Murphy Scholarship Trust Fund.** The terms of this Trust can be interpreted to specify that one individual scholarship should be awarded. However, the disbursement has been to multiple students each year. Riche spoke with Floyd Murphy, Lila Murphy's brother, and also with Doug Hatfield, Lila Murphy's executor, and both believe that Lila Murphy intended for the scholarship to benefit more than one individual. Doug Hatfield indicated that his office had made an error when drawing up the Trust documents. Riche was also told that during the scholarship committee selection process, Lila Murphy's niece, Judy Main (Judy Formier) confirmed that the Trust was intended to benefit multiple students. Tom Donovan suggested that Trustees file an NJSA to request that the scholarship benefit multiple students. Lori made a motion to file the NJSA to clarify that the scholarship is for multiple students. Judy seconded. Trustees voted 3 -0 to clarify that the scholarship is for multiple students. Riche to prepare the NJSA.
- **CM Murdough and James Kimball Trust Funds.** These small funds are memorial funds created when students passed away in 1961 and 1968. Judy made a motion to close these funds and distribute the money to the schools to be used towards the school libraries. Lori seconded. Trustees voted 3 -0 to close these funds and distribute to the schools. Riche to prepare the NJSA.
- **Peaslee, Inness, Coca-Cola, and Old School Scholarship Trust Funds.** These small funds don't earn enough to create meaningful scholarships. Lori made a motion to combine these funds into one scholarship fund. Riche seconded. Trustees voted 3 -0 to combine the funds. Riche to prepare the NJSA.
- Riche reported that Tom Donovan advises that if a capital reserve fund has a 0 balance, the fund can't be removed from the MS-9 reports or removed from Trustee records since the Town or School could add money to the fund at a later date. Removing a fund requires approval by the voters. Also, money in one capital reserve fund can't be transferred to another capital reserve fund without voter approval.
- Riche suggested that the Trustees develop a Gift Acceptance Policy. Such a policy could prevent the Trustees from accepting a Trust with conditions that are difficult to carry out, or conditions that could change over time. The policy could also state a minimum amount that the Trustees would accept in a Trust. Riche will reach out to the Town, Library, and School to find out if they have gift policies in place. As an example of why a Gift Acceptance Policy is prudent, Riche reports that if a cemetery Trust Fund has very specific instructions, such as planting specific flowers on a gravesite every year, the Cemetery Trustees must carry out those instructions.

- Trustees reviewed the capital reserve fund disbursement requests:
  - **Water Bible Hill Reservoir Improvements Capital Reserve Fund.** Judy made a motion to approve the request from the Hillsborough Water and Sewer Commissioners for \$13,925.00 for costs incurred to excavate a driveway and staging area for the storage of water system parts in the Bible Hill reservoir. Riche seconded. Trustees voted 3 -0 to disburse \$13,925.00 from the Water Bible Hill Reservoir Improvements Capital Reserve Fund, payable to the Hillsborough Water Commission.
  - **Municipal Buildings Maintenance, Repairs and Upgrades Capital Reserve Fund.** Judy made a motion to accept the request for \$132,503.36 from the Municipal Buildings Maintenance, Repairs and Upgrades Capital Reserve Fund to cover expenses to date. Lori seconded. Trustees voted 3 -0 to disburse \$132,503.36 from the Municipal Buildings Maintenance, Repairs and Upgrades Capital Reserve Fund.
  - **Transfer Station Equipment Capital Reserve Fund.** Lori made a motion to accept the request for \$6947.92 from the Transfer Station Equipment Capital Reserve Fund to cover expenses to date. Riche seconded. Trustees voted 3 -0 to disburse \$6947.92 from the Transfer Station Equipment Capital Reserve Fund.
  - **Highway Department Equipment Capital Reserve Fund.** Riche made a motion to accept the request for \$65,294.00 from the Highway Department Equipment Capital Reserve Fund to cover expenses to date. Lori seconded. Trustees voted 3 -0 to disburse \$65,294.00 from the Highway Department Equipment Capital Reserve Fund.
  - **Parks Repairs and Maintenance Capital Reserve Fund.** Lori made a motion to accept the request from the Parks Repairs and Maintenance Capital Reserve Fund for \$11,226.78 to cover expenses to date. Judy seconded. Trustees voted 3 -0 to disburse \$11,226.78 from the Parks Repairs and Maintenance Capital Reserve Fund.

- At the suggestion of Tom Donovan of the NH Charitable Trust Unit, Trustees met with representatives of the Bank of New Hampshire at the branch in Hillsborough on August 15, 2022, about the possibility of having Bank of NH manage the Trust Funds instead of UBS. Unlike UBS, Bank of NH can submit monthly MS-9 and MS-10 reports to the state electronically, instead of treasurer Bill Shee having to prepare and submit those reports manually. Bank of NH also has more experience handling municipal funds. Trustees have questions about fees charged by UBS and by Bank of NH and want to do more research before making a decision.
- UBS still needs a form with Judy's social security number, so that she can be controller of the UBS account. Riche to work with Judy to get the form filled out and submitted to UBS.

Meeting adjourned at 6:00 pm.

Submitted by Lori Adams, Secretary, September 18, 2022