

**Town of Rumney
Trustees of the Trust Funds
Saturday, March 9, 2013 at 10:00 a.m. at the Rumney (Byron G. Merrill) Library**

Minutes

Present: Town Trustees Robin Bagley and Betty Jo Taffe; Charter Trust Advisors Candy Howard and Bryan Sanford; (after 11:00 a.m.) Cemetery Trustees Kathy Sobetzer and David Berman

Ms. Taffe called the meeting to order at 10:05 a.m.

1. **Adoption of Minutes.** The Trustees unanimously approved the minutes of the February 2, 2013 meeting as presented. Ms. Taffe will send copies to the Rumney Selectmen and Rumney Town Clerk for their records.
2. **Review of Investments.** Charter Trust Advisor Bryan Sanford presented an overview of the economic environment and market conditions and reviewed town investments. Return on Investments for 2012 were as follows:
 - Town Trust Funds (Common Funds) – 11.06% total return
 - Equities 15.25% (vs. 15.98% for the S & P 500 Index)
 - Fixed Income 8.25% (vs. 3.54% for the Barclays Intermediate Bond Index)
 - Town Cemetery Funds – 10.34% total return
 - Equities 14.99% (vs. 15.98% for the S & P 500 Index)
 - Fixed Income 7.95% (vs. 3.54% for the Barclays Intermediate Bond Index)
 - Under state law, Capital Reserves Funds may only be invested in Money Market Funds (MMFs) or Certificates of Deposit (CDs), which produce lower returns than investing in a diversified portfolio of equity and fixed income/bond funds.
 - The return on Capital Reserve Funds varies from fund to fund depending on the amount invested in MMFs vs. the amount invested in CDs.
 - Money Market Funds are readily available but produce little or no income; CDs produce a higher rate of return depending on the length of investment, but funds withdrawn before maturity incur penalties which reduce the return on investment.
 - To improve the rate of return on Town CRFs Mr. Sanford recommends that the Trustees consult with town officials regarding which funds could be moved from MMFs to CDs, depending on when funds need to be available. What's the maximum amount needed from each fund during the next 6 months? 12 months? 24 months? etc.
3. **Review of 2012 MS-9 and MS-10 Forms.** The Trustees reviewed the MS-9s and MS-10s for the Common Funds and Cemetery Funds and the MS-9 for Capital Reserve Funds for 2012 with Charter Trust Advisor Candy Howard.
 - It was noted that the MS-9 reports are on a cost basis whereas the MS-10 reports are based on market values on the date of the report.
 - Signed copies of the 2012 reports were previously submitted to the NH Charitable Trust Unit and Department of Revenue Administration and Rumney Selectmen, and were published in the Town Report.
 - The Trustees signed Investment Objective forms for 2013, continuing the present objectives as follows:

- Common Trust Funds – mutual funds, balanced
- Cemetery Funds – mutual funds, balanced
- Capital Reserve Accounts – stable value with income

4. **Review of Cemetery Funds.** Cemetery Trustees Kathy Sobetzer and Dave Berman joined the meeting to discuss the Cemetery Fund Reports with Ms. Howard and the Town Trustees.

- Ms. Howard distributed a memo from the NH Department of Justice regarding the use of income from cemetery perpetual care funds for general cemetery maintenance and/or improvement. Unless the municipality has filed a cy pres petition with the probate court and received an order permitting such use, perpetual care fund income is restricted for use on the lots on which perpetual care funds have been placed.
- Ms. Sobetzer explained how burial costs are determined and reported that the Cemetery Trustees intend to increase perpetual care funds to \$1,000 per trust by charging an additional fee upon burial. When perpetual care funds are not sufficient to maintain a lot, NH law requires the Town to bear the additional expense.
- Beginning in 2013, the individual funds will be grouped by cemetery, with subtotals for each cemetery. Within each cemetery group, Perpetual Care Lots will be alphabetized by last name.
- General cemetery trusts (i.e. Highland Cemetery, Pleasant View Cemetery, Sarah Simonds Wall Fund, etc.) will be listed with the cemetery to which they apply. The purpose of each fund (i.e. perpetual care, cemetery wall, land acquisition, etc.) will be specified in the report, based on documentation held by the Cemetery Trustees.
- A separate category for trusts of unknown purpose or origin will be included at the end of the cemetery report.
- Pleasant View Cemetery and Highland North are the only cemeteries open to additional burials at the present time.
- Ms. Sobetzer will continue to work with Ms. Howard on the revision of the cemetery fund reports.
- Ms. Howard will contact the Charitable Trust Unit about wiping out the negative income balances carried on many individual cemetery fund accounts by a one-time transfer of funds from principal.
- Based on the amount of funds identified as Income in the 2012 MS-9 Cemetery Fund Report, Ms. Sobetzer, will ask the Selectmen to amend the share of cemetery expenses coming from Cemetery Trust Funds in the 2013 Town Budget to \$10,000 rather than the \$15,000 previously requested. Cemetery Fund payments can only be made from Income, never from Principal, which must be conserved.

The Cemetery Trustees left the meeting upon conclusion of discussing the Cemetery Funds.

5. **Investment Policy.** The Trustees reviewed the Town of Rumney Investment Policy adopted by the Board of Selectmen January, 1998, and amended December 2006 and December 2008. The Trustees voted to confirm the policy as reviewed.

6. **Review of Income & Disbursements.** Ms. Taffe reviewed the Bookkeepers Log of income and disbursements maintained by Ms. Bagley. The Trustees voted to approve the log entries from January 1 to March 9, 2013.

7. **Other Business: Plotdzik & Sanderson Request for Information for Audit.** The Trustees reviewed and approved Chairperson Taffe's responses to the auditor's questions. Ms. Taffe will submit the statement to the Selectmen's Office on behalf of the Trustees.

8. **Other Business: Charter Trust Fees.** Ms. Howard presented the 2013 Schedule of Fees, which is the same as the 2012 schedule with one exception. The 10% discount previously given on Common Fund and Cemetery Fund accounts has been eliminated, increasing fees by approximately \$660 in 2013.
 - Charter Trust continues to waive payments for preparing the MS-9 and MS-10 reports and the preparation of Cemetery Fund sub-accountings.
 - Ms. Howard amended the proposed schedule to waive the 1% Termination/Distribution Fee based on Ms. Taffe's email correspondence with Charter Trust CFO Cynthia Wentworth.
 - The annual fee for Capital Reserve Accounts continues at the previous rate of 0.40% of market value, billed to the Town on a quarterly basis.
 - Common Fund and Cemetery Fund fees are paid from income on the investments rather than billed to the Town.
 - The Trustees signed the Schedule of Fees for 2013.

9. **Other Business: Letter of Appointment.** Ms. Howard asked the Trustees to obtain a letter from the Rumney Town Clerk listing the names of the Town Trustees and when their terms expire. Ms. Taffe will prepare a letter for Town Clerk Whitcomb to sign and mail to Charter Trust.

10. **Adjournment.** The meeting was adjourned at 12:45 p.m. The next meeting will be at the call of the chair.

Respectfully submitted,

Betty Jo Taffe, Chair
Rumney Trustees of the Trust Funds