**Minutes**

**TRUSTEES OF TRUST FUNDS**

**July 13, 2022**

In attendance: Jan Cole, Karen Foss & Carol Walker

Absent: Mike Betley

Transactions:

A summary of June 2022 transactions included an $800 withdrawal of income from the 2000 Lucy Pfosi Memorial Fund (a Common Trust Fund) to reimburse Lafayette Regional School for student awards from 2019, 2020, 2021 and 2022, the $400,000 withdrawal of principal from the 2017 Fire Heavy Equipment CRF for the deposit on the lease/purchase of the new fire truck, the $95,000 withdrawal of principal from the 2000 Highway Department Truck CRF to purchase a new truck, and the $12.34 withdrawal of principal and $4.24 in income for a total of $16.58 to close out the 2000 Fire/Police Station Improvement Fund (CRF) that is now at a zero ($0.00) balance. In total, withdrawals of $495,012.34 in principal and $4.24 in income were completed in June 2022.

The Trustees reviewed the June 30, 2022 Three Bearings/Fidelity Common Capital Reserve Fund (CRF) report with a beginning balance of $2,858,174.19 on 6/01/2022. June activity included what was noted in the preceding paragraph to fund $400,000 of the fire truck lease/purchase, $95,000 for the purchase of the highway truck and $16.58 to close out the fire/police station improvement fund as well as payment of Three Bearings’ advisor fee of $3,173.61 and a $20.00 transaction fee for the sale of a portion of the Vanguard S/T Investment Grade Admiral fund. $2,880.37 in dividend income was received in June. Finally, there was a decrease in investment value of -$49,149.96 during the month with a year-to-date decrease in investment value of -$182,834.78 resulting in an ending account value of $2,310,814.04 as of 6/30/2022.

The Trustees reviewed the June 30, 2022 Three Bearings/Fidelity Common Trust Fund (CTF) report with a beginning balance of $328,426.78 on 6/01/2022. Subtractions totaled $1,164.67 in June comprised of the $800.00 withdrawal for the Lucy Pfosi Memorial Fund and Three Bearings’ $364.67 quarterly advisor fee as noted above. Dividend income of $1,700.08 and long-term capital gains of $964.98 were received during the month. There was a decrease in investment value of -$15,769.24 during the month with a year-to-date decrease in investment value of -$37,032.08 resulting in an ending account value of $311,492.87 at 6/30/2022.

The MS-9’s for the period from 1/01 through 6/30/22 and for 6/1 through 6/30/22 were reviewed. As indicated in the transaction section above, payments were made for the fire truck and highway truck purchases that were approved at the Special Town Meeting held on May 20, 2022 and Lafayette Regional School received reimbursement for student awards from the Lucy Pfosi Memorial Fund (CTF). The 2000 Fire/Police Station Improvement Fund (CRF) has been brought to a zero ($0.00) balance in June 2022. Quarterly advisor fees noted in the preceding paragraphs are on an accrual basis so have been reflected on the MS-9 for May 2022 even though the transactions are not shown until 6/5/22 on the Fidelity brokerage accounts.

Minutes: Draft minutes for the June 28, 2022 Trustee meeting were reviewed; Karen made a motion to accept the minutes as written with a second by Jan; all voted in favor of approving the minutes with a typo to be corrected. Carol will send final minutes for June to the Town Administrator for posting to the Town’s website.

Deposits & Distributions after Town Meeting vote:

Jan will ask Kim Cowles to provide us with an estimate as to when the remaining $325,750 in Town funding commitments will be made to the Trust funds since real estate taxes were due by 7/1/2022.

Jan provided us with a list of distributions expected based on warrant articles passed at Town meeting and review of BOS meeting minutes to date:

1. Police cruiser: $30,500 for Warrant Article (WA) #20 from the 1994 Police Cruiser CRF with up to $42,000 authorized; however, the final cost is less due to the higher-than-expected sale of the former cruiser.
2. Library roof: a new library roof has been completed for a price of $167,664 of which $67,144.80 is expected to come from the 1998 Library Building Maintenance Fund (CRF) even though there is only $62,152.63 available per the 6/30/22 MS-9.
3. Paving for rink: $10,985 to repave the hockey/skating rink from the 2002 Rink Surface Maintenance Fund (CRF).
4. Sidewalk paving: $15,000 from the 1997 Sidewalk Improvement Fund (CRF) for 1,850 linear feet of paving sidewalks in the Village area.
5. Transfer station bobcat: up to $35,000 for WA #21 for the purchase of a Bobcat loader with 56% or $19,600 of the price being Franconia’s share from 2002 Transfer Station Equipment CRF with 30% to be paid by Sugar Hill and 14% by Easton.
6. V-Plow: up to $7,800 for WA #22 for the purchase of a V-plow to come from the 2002 Town Buildings Vehicle CRF.
7. Welcome Center project: maximum of $100,000 based on the portion of square footage attributed to the bathroom & warming hut area. Funds to come from the 1997 Town Buildings Maintenance Fund (CRF).

Other/Old Business:

The trustees discussed arranging a virtual meeting with David Mayes of Three Bearings to review the current performance of Franconia’s trust fund investments, what other options are available and whether funds coming from the Town should be held in cash accounts to avoid further losses instead of investing in the present volatile marketplace. Carol will contact David to schedule a meeting to be held before the end of July.

There being no further business, the trustees adjourned the meeting at 5:00 pm. An August meeting is not scheduled due to vacations, so the next trustee meeting is scheduled for September 21, 2022 at the Town Hall beginning at 4 pm.

Respectfully submitted,



Carol J. Walker, Trustee