

**Minutes of Trustees of the Trust Funds Meeting  
December 27, 2022**

Wheelwright Room, Exeter Town Offices, Exeter, NH, 9:45 am – about 11:45 am.

**Attendees:** Pat Curtis, Peter Lennon, Trustees; Corey Stevens, Finance Director, Town of Exeter; Clerk for the Meeting, Mr. Lennon.

**Agenda:**

**I. Approval of Past Minutes.** The Trustees reviewed the draft Minutes for the meetings of October 13, 2022, and October 25, 2022, and approved both drafts as final Minutes by a 2-0 vote.

**II. Requests for Reimbursements.** The Trustees then reviewed, discussed at length, and approved by separate 2-0 votes four reimbursement requests from the Town of Exeter. The Trustees noted that the Reimbursement Requests were accompanied by sufficient detail, including lists of projects, invoices, Select Board (SB) Minutes, and Department Head memoranda to support the reimbursements.

The Trustees also were assured by Town Finance Director Stevens that all the invoices received by the Town demonstrated that the project work was accomplished and that the expenditures were approved by him, the Town Manager, and the Select Board before the Reimbursement Requests were transmitted to the Trustees.

The Trustees noted that, regarding one request, some of the specific projects were accomplished for different amounts than were projected originally to the SB, although the total amount still was within the overall amount the Board authorized.

The Trustees agreed that, in the future, they would require additional justification for any project that experienced cost growth from the cost originally projected of 10% or \$1,000, whichever is the smaller amount.

The four Reimbursement Requests approved by the Trustees are:

- (a) Disbursement to the Town of Exeter of \$184,223.26 from the Parks Improvement Capital Reserve Fund (CRF) for 17 projects including the Park Street Common Playground Renovation and surfacing (including Americans with Disabilities Act (ADA) accessible surfacing), pool and deck repairs, replacing water fountains, playground and softball field fencing, an ADA-compliant ramp at the Lower Tennis Courts, and a new concrete pad for a gazebo at the Town House Common.

The Parks Improvement Fund was approved by Exeter voters in 2019.

- (b) Disbursement to the Town of Exeter of \$54,962.64 from the Sick/Retirement CRF to pay sick leave buyout benefits for two Exeter employees who retired early in 2022 after 24 years of service and 19 years of service respectively.

The Sick Leave/Retirement Expendable Trust Fund was approved by Exeter voters in 1994. Since then, there have been numerous occasions when the voters have approved adding funds to the Fund, most recently in 2022.

The Trustees understand that the payments to the retiring employees is mandated by employment contracts with the Town.

- (c) Disbursement to the Town of Exeter of \$45,143.43 from the Transportation CRF to pay transportation costs for COAST (Cooperative Alliance for Seacoast Transportation), Rockingham Meals on Wheels, Senior Taxi Tickets, and TASC (Transportation Assistance for Seacoast Citizens).

The Transportation Capital Reserve Fund appears to have been created as a Municipal Transportation Improvement (Capital Reserve) Fund by Exeter's voters in 2005, with expenditures from the fund not to exceed \$25,000 per project. Parking and roadway improvements, public transportation, and signal upgrades were among the eligible projects.

In 2008, 2011, and 2014, Town voters approved additional motor vehicle registration fees to be deposited in the fund to support public transportation with an emphasis on the needs of the elderly and disabled. In 2009 and 2010, taxpayers approved using the Fund to pay for Meals on Wheels, Taxi Tickets, and TASC.

Exeter's voters also have a long history of supporting funding for COAST through separate warrant articles or when included in the Town's annual operating budget.

- (d) Disbursement to the Town of Exeter of \$5,000 from the Renewable Energy CRF to pay for the recruitment, hiring, training, and mentoring of an intern from the University of New Hampshire's (UNH) Sustainability Institute to assist with the Municipal Greenhouse Gas Emissions Inventory of Town buildings in 2020. The Trustees were informed that the UNH Intern gave a presentation to the Exeter Select Board about the greenhouse gas levels emitted by Town buildings.

The Trustees received an explanation as to why this reimbursement request was not submitted in a timelier manner and indicated the hope that submittal delays such as this would be avoided in the future.

### **III. Exploring Banking Alternatives, Interest Rate Increase, Investment Policy Revision.**

Mr. Lennon reported that, at the Trustees' request, the interest rate received from M&T Bank on Exeter's trust funds has been increased to 1.5% from 0.5%. He said that, currently, there still are higher yields available in some relatively safe investment alternatives, and that the Trustees

would be considering them and their risk/benefit tradeoffs as it goes about revising the Trustees Investment Policy.

He and Mr. Curtis agreed that revising the Investment Policy and pursuing additional banking alternatives would become a higher priority once a third Trustee comes aboard.

Mr. Curtis reported that Kennebunk Savings Bank did not have the reporting systems required by the Trustees, although it was hoping to bring those systems online sometime in 2023. The Bank does hold accounts for municipalities in Maine, and it is very willing to work with the Trustees, he said. Mr. Lennon wondered whether the Bank's timetable for expanding its reporting systems would be soon enough to support the Trustees' needs.

Mr. Lennon reported that M&T Bank, the current Bank that acquired People's United Bank where most of Exeter's Trust Funds were held, was making improvements to its reporting systems in response to the Trustees' requirements. He estimated that M&T Bank was "almost 90% there" in meeting those requirements. He noted that the Trustees were receiving very responsive support from their M&T Bank Relationship Manager, but that it was still unclear whether the Bank's overall priorities reflected the Relationship Manager's priorities about supporting Exeter's trust funds.

**IV. Monthly and Yearly Report Considerations.** The Trustees noted that the principal amounts listed for most of the trust funds in their monthly and yearly reports to the Town and the trust fund claimants (SB, Library, Exeter Regional Cooperative School District, Exeter School District) have not changed in recent years. They discussed the impact that increases and decreases to each trust fund might have on the principal amounts and decided to review the relevant standard accounting policies and consult with the previous Lead Trustee.

**V. State Reports MS-9 and MS-10.** The Trustees noted that early next year they would be required by statute to file with the NH Department of Revenue Administration (DRA) and the NH Attorney General the *MS-9 Report of Trust and Capital Reserve Funds* and the *MS-10 Report of Common Fund Investments*.

They agreed to consult with the former Lead Trustee to learn how the 2021 reports can best be updated with 2022 data.