

**Minutes of Trustees of the Trust Funds Meeting
December 1, 2023**

Wheelwright Room, Exeter Town Offices, Exeter, NH, 9:00 – 10:15 am.

Attendees: Peter Lennon, Leone Atsalis, Trustees; Linda Lambert. Three Bearings Fiduciary Advisors and Zachary Zwick, Three Bearings Fiduciary Advisors by telephone. Clerk for the Meeting, Mr. Lennon.

Agenda:

I. Prepare for Trustees Appearance before the Exeter Select Board to Present Warrant Article Language Seeking Voter Approval to Pay Investment Advisor Fees from the Annual Income of the Town's Publicly Funded Trust Funds including Capital Reserve Funds and Expendable Trust Funds.

The Trustees and Mr. Zwick discussed the point paper drafted to explain the investment advisor fee structure to the Select Board and two School Boards.

The Trustees and Ms. Lambert discussed the issue that Three Bearings and its financial reporting software were experiencing with one of its other clients in the Seacoast region. She said the issue was the misallocation of unrealized gains and losses and of market value among the client's trust funds.

Ms. Lambert said that while Three Bearings was modifying its software to address the issue, she did not expect a similar issue to occur with Exeter's trust fund accounts.

She said the original software was built based on the assumption that the trust funds of any municipality would be reported to Three Bearings by a single "custodian" tracking all the trust funds under the oversight of a single investment advisor. She characterized this reporting arrangement as the norm. The issue occurred with the neighboring town because its trust funds actually were reported by several custodians under the oversight of several different asset managers.

Ms. Lambert indicated that Exeter's trust funds would fall within the normal case.

II. Adjournment. Ms. Atsalis made a motion to adjourn at about 10:15 am. Mr. Lennon seconded the motion, and the meeting was adjourned.