

Town of Effingham Trustees of Trust Funds Meeting  
68 School Street, Effingham, NH

Minutes of December 3, 2019

Meeting called to order at 3pm

Present: Trustees Karen Payne (chair), Carol Pfister and Theresa Swanick.

Approval of minutes

- Karen motioned to approve minutes of 10.28.19, Carol seconded, all in favor.

1. Trust Fund reimbursement requests received from the Town Administrator, Brian Burke:

\$3300 - Transfer Station Trust Fund – overhang construction to protect electrical components.

\$3785 - Police Safety Equipment - \$2850: 3 Ruger Patrol Rifles; \$935: Ballistic Vest.

\$3506.35 - Fire Dept. Equipment - radio upgrade cost above \$57,429 grant funds.

\$5875 - Land Use Trust Fund - Capital Improvement Program consulting for CIP from LRPC.

\$5036.97 - Professional Services Trust - HEB Engineers: Landfill, Elm St & Snow Rd Bridges.

\$2589.13 - Computer/Network Trust - overall system security analysis and upgrades.

\$21002.20 - Town Hall Rehabilitation - architectural, consultants, historic designation.

**\$45094.65 issued with respective checks: #s 1035, 1036, 1037, 1038, 1039, 1040 & 1041.**

2. Following last meeting, Karen drew up questions to evaluate the Bank of New Hampshire (BNH) for possible deposit of Town of Effingham Trust Funds.

**Step 1. Please describe your escrow sub account program and how funds are managed. What type of statements are provided at the end of the year? What support is offered to produce the DRA required form MS-09? Do you have a dedicated government banking program (if not, whom would Trustees of Trust Funds deal with? How are funds collateralized above FDIC?**

*If answers are weak, process stops at here. If answers are strong:*

**Step 2. Confirm efficiency of trust funds banking process by calling BNH-provided references for trust fund accounts: Meredith and Littleton.**

*If answers to Step 2 are weak, process stops here. If answers are strong:*

**Step 3. Second Round of BNH inquiry. Specific questions about rates. Rates put in writing a with all conditions/contingencies, term length, and new account process.**

3. Karen then had a conversation with Megan Ryder, VP at BNH. The results are as follows. Carol motioned to end the inquiry and not move the trust funds to Bank of NH, with the results received; Theresa seconded, all were in agreement. Karen will compose a letter to the Board of Selectmen and Town Administrator.

Our Investment Policy (required by law) states that, “**safety of principal** is the overarching objective for each fund....”

<p><b>BNH Commercial</b></p> <p>Collateral is provided by repurchase agreements. If something happens in the market and the securities values drop, we could end up short.</p>	<p><b>BNH Wealth Management</b></p> <p>Subject to market volatility.</p>	<p><b>TD bank</b></p> <p>Collateral provided by FHLB with zero market volatility.</p>
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Our Investment Policy (required by law) states that, “Each trust fund shall be deposited and held in **individually-named accounts or sub accounts...**”

<p><b>BNH Commercial</b></p> <p>Does not have sub-accounts. Money is manually moved back and forth from one primary account into sweep accounts. Because it is one primary account, balance information and services are not available on-line. BNH did offer us the option of a separate checkbook for each trust fund (all 98!).</p>	<p><b>BNH Wealth Management</b></p> <p>Unclear if these are true sub-accounts or once again sweep accounts. (The VP used these terms synonymously when they are not.) Balance information and services are not available on-line.</p>	<p><b>TD bank</b></p> <p>Dedicated Government Banking with escrow sub-accounts. Balance information and services available 24/7 on-line.</p>
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**Human error ~**

<p><b>BNH Commercial</b></p> <p>We would need to let BNH know into which sub account to make deposits - by email distribution list or a phone call - for EVERY deposit. We would need to let BNH know from which sub account EVERY check need be withdrawn. This rings familiar to our banking at Citizens. It was a tedious step and we experienced errors in the manual designations.</p>	<p><b>BNH Wealth Management</b></p> <p>Unclear</p>	<p><b>TD bank</b></p> <p>Escrow banking has clear designation on every check and deposit slip indicating applicable sub-accounts.</p> <p>Info is carbon-copied onto duplicate deposit slips and checks for record keeping.</p>
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**Other Factors ~**

	<b>BNH Commercial</b>	<b>BNH Wealth Management</b>	<b>TD bank</b>
<b>Rating</b>	Not Rated		AA Rating
	“Upside down” - with more money in loans than in deposits		“Right-side up” - with 70% of deposits in loans
<b>Support</b>	Megan Ryder <ul style="list-style-type: none"> <li>• Has no experience with MS9's</li> <li>• Voice mailbox is full</li> <li>• Emails sometimes kicked back by BNH system</li> </ul>	Wealth Management team	VP returns calls within the hour (even on weekends).
<b>Interest History</b>	2018: Meredith earned \$26k on \$3.2 million = .81%	2018: Littleton earned \$20k on \$1.3 million = 1.54%	2018: Effingham earned \$8k on \$643k = 1.24%
<b>Fees</b>	None	.68% at market Approx. \$4.2k/year	None

**Adjournment**

Carol motioned to adjourn, Karen seconded, all in favor; adjourned at 4 pm, with Karen and Carol staying to write out the checks to be issued to the Town.