



**LEBANON TRUSTEES OF THE TRUST FUNDS
JUNE 27, 2022 - 10:00 AM
REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE**

- 1. Call to Order**
- 2. Approval of Minutes**
 - A. June 9, 2021
- 3. New Business**
 - A. Account Review by Clarfeld/Citizens Wealth Management
 - B. Review and Adopt Investment Policy for 2022
 - C. Review of all accounts
 - D. Schedule meeting with board and Tom Donovan, Director of Charitable Trusts
- 4. Other Business**
- 5. Adjournment**

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

DRAFT

**CITY OF LEBANON, NH
TRUSTEES OF THE TRUST FUNDS
Remote via Microsoft Teams
LebanonNH.gov/Live
WEDNESDAY, June 9th, 2021
9:00 AM**

MEMBERS PRESENT: Jay Hutchins, Lawrence (Larry) Kelly, Jay Simms

MEMBERS ABSENT: None

STAFF PRESENT: Vicki Lee (Finance Director)

-
- 1 **1. CALL TO ORDER:** Chair Hutchins called the meeting to order at 9:00 AM
2
3 • **Chair Hutchins reviewed the meeting procedures for remote meetings and NH RSA 91-A**
4 **“Right to Know” requirements.**
5
6 **2. APPROVAL OF MINUTES: May 26th, 2021**
7
8 **Mr. Kelly MOVED to approve the May 26th, 2021 Minutes as presented in the June 9th, 2021**
9 **agenda packet.**
10 **Seconded by Mr. Simms.**
11
12 **Roll Call Vote:**
13 **Jay Hutchins, Lawrence Kelly, and Jay Simms all voting Yea.**
14 **None voted Nay.**
15
16 ** The Vote on the MOTION was approved (3-0).*
17
18 **3. OLD BUSINESS:** None
19
20 **4. NEW BUSINESS:**
21 **A. Review of All Accounts:** Director Lee explained that she spoke to Mr. Tom Donovan about some of
22 the trusts. She said some of the trusts would need to have a non-judicial settlement agreement done on
23 them. Discussion was had on possibly combing scholarships into fewer categories to make the awards
24 more meaningful. To do that would require doing a non-judicial settlement agreement.
25
26 Director Lee spoke on the Frederick E. Carver Scholarship and said Mr. Carver’s family had indicated,
27 back in February, that they would like to increase the award to deplete the fund. A staff member will
28 contact the family to see what they would like to increase the scholarship.
29
30 Next was the Clinic Fund which was inactive. It was decided that Michelle would be contacted about this
31 fund. Mr. Simms was wondering if they could contact the nurses and increase the award since it was so
32 small an award now.

1 The Gertrude Dufraime Fund, which was inactive was discussed next. The status was changed in 2003
2 from a loan to a grant. They will have Michelle contact the Class of 1951 to get guidance on how big a
3 grant they would like to have awarded.
4

5 The next inactive fund was the Elliot Playground Fund. The Trustees discussed changing the designated
6 address for the funds to the Lebanon Recreational Department. Director Lee will speak to Michelle about
7 this fund.
8

9 The F.S. Fifield Fund, which was inactive, was discussed. It was decided to change the purpose of the
10 award from a student going to a secretarial school to a student going to a business school and to change it
11 from a loan to a scholarship, using principal.
12

13 The Sally Johnson Memorial Trust, which was inactive, was discussed next. The purpose of that fund
14 was to benefit a school that is now closed. The Trustees decided to switch the benefit of the fund to the
15 Lebanon Middle School and to use principal toward the award.
16

17 Next discussed was the E.J. Sanborn Memorial scholarship. Discussion was had on possibly combining
18 awards for some of the funds or using principal to increase the awards until the funds run out. Mr. Simms
19 said they should look at funds under \$10,000.00 and possibly combining them. He suggested reaching
20 out to any families of the scholarship funds if any were in the area to see what their thoughts were.
21

22 Mr. Simms will look at all the funds and make a proposal on what could possibly be combined.
23

24 **6. ADJOURNMENT:**
25

26 *A MOTION was made by Mr. Kelly to adjourn the meeting.*

27 *The MOTION was seconded by Mr. Simms.*
28

29 **Roll Call Vote:**

30 **Jay Hutchins, Lawrence Kelly, and Jay Simms all voting Yea.**

31 **None voted Nay.**
32

33 ** The Vote on the MOTION was approved (3-0).*
34

35 Respectfully submitted,

36 Barbara Higgins

37 Recording Secretary



INVESTMENT POLICY
City of Lebanon, New Hampshire
Trustees of Trust Funds
Adopted: May 26, 2021

DUTIES AND RESPONSIBILITIES

The City of Lebanon Trustees of Trust Funds are responsible for managing the investment process of the City's trust funds and capital reserve funds in a prudent manner to preserve principal while providing reasonable returns. In carrying out these duties, the Trustees of Trust Funds may retain an investment advisor to assist in managing the assets of the fund. The investment advisor's role is to provide guidance to the board on matters pertaining to the investment of fund assets including investment policy, investment selection, monitoring fund performance and compliance with the Investment Policy. The Trustees of Trust Funds shall make all decisions pertaining to the Investment Policy and guidelines for the policy's implementation.

The Trustees of Trust Funds' standard for investing its trust funds is the Prudent Investor Rule in accordance with RSA 31:25-d, Application of Prudent Investor Rule.

Individual duties and responsibilities are detailed below:

Trustees of Trust Funds

- 1) Retain (or provide on its board) a qualified investment advisor to assist in the development and implementation of the Investment Policy (e.g. goals, objectives and guidelines).
- 2) Establish the Investment Policy of the fund. This includes, but is not limited to, allocation between equity and fixed income assets, selection of acceptable asset classes and investment performance expectations.
- 3) Meet at least twice a year to review investment performance including the performance of the investment advisor to assure this Policy is being followed and progress is being made toward achieving investment objectives.

Investment Advisor

- 1) Assist the Trustees of Trust Funds in establishing the Investment Policy and guidelines contained in this Investment Policy statement.
- 2) Determine an investment strategy and coordinate the asset allocation process through individual securities and/or mutual funds. This strategy shall be within Investment Policy guidelines as set forth in this statement and as otherwise provided by the Trustees of Trust Funds.
- 3) Monitor asset allocation among all asset classes and verify on a quarterly basis that allocations are within targets defined by the Investment Policy statement and approved by the Trustees of Trust Funds.
- 4) Monitor the investment performance of the fund and provide by mail quarterly advisory reports to the Trustees of Trust Funds.
- 5) Report in a timely manner substantive developments that may affect the management of fund assets.
- 6) Meet with the Trustees of Trust Funds annually subsequent to the calendar year end and provide in writing the following:
 - a. A certification of compliance with the Investment Policy and the management agreement.
 - b. An analysis of investment performance comparing its performance to appropriate benchmark indices.
 - c. A breakdown of the entire investment portfolio by single investment, listing costs, market value and current yield.
 - d. A listing of the advisory fees including the rate structure and dollar amounts charged during the year just completed.
- 7) Annually prepare the State of New Hampshire MS/9 and MS/10 reports as required by state law.

Capital Reserve Funds

Capital Reserve Funds are set aside for specific purposes such as to finance the purchase of a fire truck, the closing of a landfill or for a building project. Usually the funds will be spent within one to five years.

The investment goal is to provide first safety of principal and secondarily a market rate of return.

The Capital Reserve Funds will be invested in a laddered maturity portfolio consisting of the highest grade fixed investments (U.S. treasuries and agencies) and with maturities of not more than five years and/or in a suitable money market fund or mutual fund including exchange traded funds. The minimum cash balance will be 5% of the total Capital Reserve Funds account balance. All investments will be domestic. The investments selected will be determined after consultation with the Finance Department of the City of Lebanon, which will provide projections as to the city's spending requirements for the Capital Reserve Funds over the upcoming months and years.

Trust Funds

Trust Funds are established to provide income in perpetuity to cover the annual expenses maintaining cemetery plots and library operations. Funds are also established to provide scholarships or for specified purposes where income and/or principal is to be disbursed according to instructions given by the donors at the time the funds were established.

The investment horizon is long term. The goal is to provide for safety of principal, inflation protection and an adequate level of income. To meet these goals, the investment strategy will require a diversified portfolio consisting of both equities and fixed income investments.

Not more than 50% nor less than 30% of the portfolio should be invested in equities of which not more than 90% nor less than 70% in a S & P 500 Index fund, 10% to 30% international index funds and 0% to 15% in small- and mid-cap index funds. Not more than 70% nor less than 50% of the portfolio should be invested in diversified fixed income pools or funds representative of the broad U.S. government and corporate bond market. Concentration in any issuer shall not exceed 10% of the total Trust Fund Balance excepting obligations of the United States and mutual funds. The balance should be allocated to a suitable money market fund.

The cash balance should range between 0% and 10% of the total Trust Fund balance. At least quarterly the portfolio's asset mix should be measured against the parameters and adjustments should be made to the portfolio to stay within Policy guidelines.

**REPORT OF THE TRUST FUNDS OF THE TOWN OF LEBANON, NH ON DECEMBER 31, 2021
CAPITAL RESERVE FUNDS MS 9**

DATE OF CREATION	NAME OF TRUST FUND		PRINCIPAL				BALANCE END YEAR	INCOME			BALANCE END YEAR	GRAND TOTAL OF PRINCIPAL & INCOME
			BALANCE BEGINNING YEAR	NEW FUNDS CREATED	CASH GAINS OR (LOSSES)	WITHDRAWALS		BALANCE BEGINNING YEAR	DURING YEAR AMOUNT	EXPENDED DURING YEAR		
	CAPITAL RESERVE FUNDS											
Unknown	Fire Equipment	3011001174	180,669.93	275,000.00	14.37	(150,000.00)	305,684.30	26,344.70	3,723.38	(651.24)	29,416.84	335,101.14
Unknown	Closeout/LTMM Secured Landfill	3011001150	6,709,549.57	304,409.00	(17,069.27)	0.00	6,996,889.30	1,754,415.70	108,485.56	(17,680.86)	1,845,220.40	8,842,109.70
Unknown	Landfill Equipment	3011001182	269,477.82	390,000.00	5,676.42	(290,000.00)	375,154.24	239,043.32	5,439.22	(752.29)	243,730.25	618,884.49
Unknown	Extended LTMM	3011001186	692,671.67	40,000.00	2,924.00	0.00	735,595.67	26,435.15	8,399.10	(1,565.10)	33,269.15	768,864.82
Unknown	Self Insurance Trust	3011001190	10,410.96	0.00	5.55	0.00	10,416.51	5,134.56	33.75	(28.63)	5,139.68	15,556.19
2004	Landfill Improvements	3011001218	217,993.11	0.00	342.50	0.00	218,335.61	107,323.80	4,364.90	(675.93)	111,012.77	329,348.38
2004	Water Treatment/Distribution Improvements	3011001222	665,386.48	250,000.00	2,241.41	(145,000.00)	772,627.89	111,466.86	9,551.79	(1,807.15)	119,211.50	891,839.39
2004	Lebanon School District Building	3011001430	1,750,037.87	500,000.00	3,455.81	0.00	2,253,493.68	133,677.06	25,758.96	(4,006.23)	155,429.79	2,408,923.47
2007	Special Education	3011964	1,148,017.65	300,000.00	108.53	0.00	1,448,126.18	42,200.01	15,116.03	(2,529.60)	54,786.44	1,502,912.62
2008	Sewage Collection & Disposal Equipment	3012132	440,947.77	421,440.00	272.73	(103,000.00)	759,660.50	10,219.88	1,504.52	(1,289.57)	10,434.83	770,095.33
2011	DPW Equipment	3012832	3,432.45	350,000.00	20.20	(300,000.00)	53,452.65	3,963.75	108.72	(91.37)	3,981.10	57,433.75
2012	School District Emergency Mgmt Crisis	3012922	49,732.21	0.00	18.67	0.00	49,750.88	2,693.40	113.83	(96.43)	2,710.80	52,461.68
2014	Lebanon School District Building #2	3013198	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015	School District Technology	3013344	199,729.77	0.00	66.18	0.00	199,795.95	11,936.79	2,879.45	(430.28)	14,385.96	214,181.91
2015	Recreation & Parks Dept. Equip & Vehicles	3013342	79,639.51	20,000.00	36.60	0.00	99,676.11	2,844.28	216.14	(184.35)	2,876.07	102,552.18
2016	Parking Facilities Repair & Maintenance	3013372	27,325.00	0.00	10.21	0.00	27,335.21	1,280.31	62.26	(52.90)	1,289.67	28,624.88
2017	Police Department	3013408	90,000.00	0.00	33.21	0.00	90,033.21	2,913.20	202.44	(173.12)	2,942.52	92,975.73
2019	Property Acquisition	3013478	50,000.00	0.00	18.09	0.00	50,018.09	1,290.48	110.76	(96.22)	1,305.02	51,323.11
2020	General Fund	3013550	195,641.27	100,000.00	629.45	(57,689.25)	238,581.47	1,656.63	588.64	(527.34)	1,717.93	240,299.40
2020	Solid Waste	3013554	43,735.32	5,000.00	17.45	0.00	48,752.77	292.49	104.51	(90.91)	306.09	49,058.86
2020	Sewer Collection	3013558	50,739.37	5,000.00	19.97	0.00	55,759.34	376.66	119.88	(104.20)	392.34	56,151.68
2020	Dana House	3013548	15,459.24	10,000.00	9.13	0.00	25,468.37	312.64	51.89	(44.85)	319.68	25,788.05
2020	Airport Ops	3013552	15,995.00	5,000.00	7.50	0.00	21,002.50	99.68	43.94	(38.19)	105.43	21,107.93
2020	Water Treatment	3013556	33,110.22	5,000.00	13.66	0.00	38,123.88	302.48	81.26	(70.66)	313.08	38,436.96
	Total		12,939,702.19	2,980,849.00	(1,127.63)	(1,045,689.25)	14,873,734.31	2,486,223.83	187,060.93	(32,987.42)	2,640,297.34	17,514,031.65

MARKET VALUE BEGINNING YEAR	UNREALIZED GAIN/LOSS	MARKET VALUE END OF YEAR BALANCE
211,918.95	(6,797.17)	333,208.29
8,575,190.88	(176,722.74)	8,776,612.57
524,179.28	(13,799.03)	620,743.60
731,474.92	(18,766.98)	762,465.94
15,883.32	(146.16)	15,747.83
331,917.20	(6,314.31)	329,634.36
796,262.14	(21,227.09)	890,021.10
1,924,114.03	(48,196.70)	2,401,125.87
1,212,244.79	(25,008.26)	1,499,931.49
459,146.20	(7,137.43)	770,936.45
7,579.63	(531.61)	57,085.57
53,424.06	(491.40)	52,968.73
0.00	0.00	0.00
216,194.40	(3,754.02)	214,995.73
84,296.19	(962.35)	103,402.23
29,273.68	(268.80)	29,024.25
95,242.92	(874.44)	94,431.01
52,781.69	(476.28)	52,338.04
200,622.86	(3,154.90)	240,469.46
44,782.71	(459.18)	49,354.58
51,987.18	(525.52)	56,497.31
16,012.15	(240.21)	25,788.11
16,372.15	(197.39)	211,881.01
33,972.29	(359.51)	38,637.04
15,684,873.62	(336,411.48)	17,627,300.57

**REPORT OF THE TRUST FUNDS OF THE TOWN OF LEBANON ON DECEMBER 31, 2021
MS-9**

DATE OF CREATION	NAME OF TRUST FUND	PURPOSE OF TRUST FUND	HOW INVESTED	%	PRINCIPAL					INCOME					GRAND TOTAL OF PRINCIPAL & INCOME	MARKET VALUE BEGINNING YEAR	CHANGE OF ACCOUNT VALUE	ENDING MARKET VALUE		
					BALANCE BEGINNING YEAR	NEW FUNDS CREATED	CASH GAINS OR (LOSSES)	WITHDRAWALS	BALANCE END YEAR	BALANCE BEGINNING YEAR	INCOME PERCENT	DURING YEAR AMOUNT	EXPENDED DURING YEAR	FEES					BALANCE END YEAR	
	COMMON TRUST FUND																			
unknown	Cemetery 1, 01, 02, 03, 04 Various	Cemetery	Stocks & Bonds	13.53%	299,338.07		29,939.89	0.00	329,277.96	5,766.34	13.53%	7,184.41	(5,766.34)	(2,719.59)	4,464.83	333,742.79	453,874.05	40,311.32	494,185.37	
1974	Cemetery 1974 to 1999	Cemetery	Stocks & Bonds	19.39%	428,972.27		42,905.94	0.00	471,878.21	8,263.57	19.39%	10,295.76	(8,263.57)	(3,897.36)	6,398.41	478,276.62	650,433.07	57,768.92	708,201.99	
2000	Cemetery 2000 to Present	Cemetery	Stocks & Bonds	8.76%	193,797.20		19,383.66	0.00	213,180.86	3,662.93	8.76%	4,651.33	(3,662.93)	(1,760.71)	2,890.61	216,071.47	293,742.15	26,202.91	319,945.07	
2020	Cemetery Maintenance & Preservation	Cemetery	Stocks & Bonds	0.00%	0.00	17,692.84	0.00	0.00	17,692.84	0.00	0.00%	0.00		0.00	0.00	17,692.84	0.00	26,198.45	26,198.45	
unknown	Misc. Funds Emerson	Flag Fund	Stocks & Bonds	0.06%	1,304.08		130.43	0.00	1,434.51	3,076.13	0.06%	31.30		(11.85)	3,095.58	4,530.10	6,516.01	191.87	6,707.88	
unknown	Misc. Funds Prescott	Old Ladies	Stocks & Bonds	0.14%	3,167.50		316.81	0.00	3,484.32	7,471.81	0.14%	76.02		(28.78)	7,519.05	11,003.37	15,827.07	466.04	16,293.10	
unknown	Misc Funds EA Slack	Old Ladies	Stocks & Bonds	0.01%	193.16		19.32	0.00	212.48	2,191.23	0.01%	4.64		(1.75)	2,194.11	2,406.59	3,547.03	16.51	3,563.53	
unknown	Misc. Funds Bicentennial Fund	Civic	Stocks & Bonds	0.19%	4,098.97		409.98	0.00	4,508.95	3,295.19	0.19%	98.38		(37.24)	3,356.33	7,865.28	10,999.57	646.84	11,646.41	
unknown	Scholarships	Scholarships	Stocks & Bonds	48.11%	1,064,155.32	10,591.83	106,437.16	(1,688.20)	1,179,496.11	112,219.32	48.11%	25,540.79	(17,631.55)	(9,668.21)	110,460.35	1,289,956.45	1,749,977.70	160,108.84	1,910,086.53	
unknown	Various Library Funds	Library	Stocks & Bonds	9.81%	216,890.85		21,693.49	0.00	238,584.35	4,178.10	9.81%	5,205.60	(4,178.06)	(1,970.53)	3,235.11	241,819.46	328,862.71	29,208.37	358,071.08	
	COMMON TRUST FUND TOTAL				100.00%	2,211,917.43	28,284.67	221,236.69	(1,688.20)	2,459,750.59	150,124.63	100.00%	53,088.22	(39,502.45)	(20,096.02)	143,614.38	2,603,364.97	3,513,779.35	341,120.06	3,854,899.41

**REPORT OF THE TRUST FUNDS OF THE TOWN OF LEBANON, N.H. FOR YEAR ENDING ON DECEMBER 31, 2021
MS-10**

HOW INVESTED			***PRINCIPAL***							INCOME				GRAND TOTAL			
DESCRIPTION OF INVESTMENT			ADDITIONS														
NUMBER OF SHARES	NAME OF BANKS, STOCKS, BONDS	CUSIP	TYPE OF INVESTMENT	BALANCE BEGINNING YEAR	PURCHASES	CASH CAPITAL GAINS	PROCEEDS FROM SALES	GAINS/LOSSES FROM SALES	BALANCE END YEAR	BALANCE BEGINNING YEAR	INCOME DURING YEAR	EXPENDED DURING YEAR	BALANCE END YEAR	PRINCIPAL & INCOME END OF YEAR	Beginning of Year Market Value	Unrealized Gain/Loss	End of Year Market Value
	CITIZENS BANK NA CASH SWEEP ACCT			91,990.59	13,941.08				105,931.67	39,817.37	66.53	(11,320.48)	28,563.42	134,495.09	131,807.96	0.00	134,495.09
2,500.00	ISHARES 1-3 YR TREASURY BOND ETF	464287457	Mutual Fund/Index Fund/ETF	211,322.26	0.00	79.76	0.00	0.00	211,322.26	0.00	479.89	(479.89)	0.00	211,322.26	215,950.00	(2,100.00)	213,850.00
900.00	ISHARES 7-10 YR TREASURY BOND ETF	464287440	Mutual Fund/Index Fund/ETF	100,735.38	0.00	0.00	0.00	0.00	100,735.38	0.00	862.81	(862.81)	0.00	100,735.38	107,955.00	(4,455.00)	103,500.00
2,878.00	ISHARES CORE S&P 500 ETF	464287200	Mutual Fund/Index Fund/ETF	397,703.94	0.00	0.00	276,174.97	202,019.77	323,548.74	0.00	17,364.09	(17,364.09)	0.00	323,548.74	1,332,634.50	114,297.92	1,372,777.22
5,500.00	ISHARES CORE US AGGREGATE BOND	464287226	Bond	571,967.19	0.00	0.00	0.00	0.00	571,967.19	0.00	11,112.33	(11,112.33)	0.00	571,967.19	650,045.00	(22,605.00)	627,440.00
3,521.00	ISHARES MSCI EAFE ETF	464287465	Mutual Fund/Index Fund/ETF	222,031.84	0.00	0.00	6,057.55	3,078.42	219,052.71	0.00	8,640.68	(8,640.68)	0.00	219,052.71	262,510.08	17,501.33	277,032.28
284.00	SPDR S&P MIDCAP 400 ETF TR UTSER1 S&PDCRP	78467Y107	Mutual Fund/Index Fund/ETF	86,473.55	0.00	0.00	25,074.53	11,909.90	73,308.92	0.00	1,511.70	(1,511.70)	0.00	73,308.92	140,673.20	19,512.55	147,021.12
27,431.49	FIDELITY US BOND INDEX INSTL PREM	316146356	Mutual Fund/Index Fund/ETF	0.00	328,934.74	0.00	0.00	0.00	328,934.74	0.00	3,116.22	(3,116.22)	0.00	328,934.74	0.00	(305.54)	328,629.20
11,681.32	VANGUARD INTERM-TERM BOND INDEX ADM ADM	921937801	Mutual Fund/Index Fund/ETF	135,000.00	0.00	2,024.38	0.00	0.00	135,000.00	0.00	2,706.22	(2,706.22)	0.00	135,000.00	147,067.87	(8,176.93)	138,890.94
40,476.19	VANGUARD SHORT TERM BOND INDEX ADMIRAL # 5132	921937702	Mutual Fund/Index Fund/ETF	425,000.00	0.00	1,117.14	0.00	0.00	425,000.00	0.00	5,261.05	(5,261.05)	0.00	425,000.00	439,976.19	(10,523.81)	429,452.38
3,937.01	VOYA INTERMEDIATE BOND I	92913L684	Mutual Fund/Index Fund/ETF	40,000.00	0.00	0.00	0.00	0.00	40,000.00	0.00	1,174.31	(1,174.31)	0.00	40,000.00	41,929.14	(1,574.81)	40,354.33
3,167.06	WESTERN ASSET CORE BOND I	957663305	Mutual Fund/Index Fund/ETF	40,000.00	0.00	128.08	0.00	0.00	40,000.00	0.00	853.11	(853.11)	0.00	40,000.00	43,230.41	(1,773.56)	41,456.85
	TOTAL			2,322,224.75	342,875.82	3,349.36	307,307.05	217,008.09	2,574,801.61	39,817.37	53,148.94	(64,402.89)	28,563.42	2,603,365.03	3,513,779.35	99,797.15	3,854,899.41