

Town of New Castle  
Trustees of Trust Funds  
Meeting Minutes  
December 5, 2023  
Location: Macomber Room (in person) 10:00 AM

Present: Tim Driscoll, Dave Fitts, Ruth Zikaras, Absent: Jim Wilbur and  
Julia Thomas

Upon the call of Chairman Driscoll the meeting opened at approximately 10:00 AM.

1. Investment and Financial: Chairman Driscoll invited Brandon Auger and Will Fleming of Cambridge Trust Company (CTC) to join the meeting. Their report included a review of the Town's Capital Reserve Fund and Common Trust Fund investments using their booklet entitled "Investment Presentation of the Town of New Castle" dated as of October 31, 2023. (See Exhibit A). There was nothing of particular note in their view.
2. Ocean Street Property: The Town's Select Board received a gift of \$1,000,000 ( the "Gift" or "Donation") from an anonymous Donor which was accepted by the Select Board at its meeting held on October 2, 2023 along with the "Memorandum of Gift for Ocean Street Property Charitable Trust" (NOTE: this document was executed by the Agent of the Donor on October 13, 2023 to confirm that the effective date of the gift was the delivery of the funds and acceptance of the terms of the Memorandum of Gift by the Select Board on October 2, 2023). (See Exhibit B) The "Memorandum of Gift" directs the establishment of a Trust Fund to be held and administered by the Town's Trustees of Trust Funds (TOTF) to hold "the Donation in trust pursuant to RSA 31:19 and invest(ed) as required by state law for charitable trust funds held by municipalities" and further subject to a number of specific conditions. There is no formal trust document in which the Select Board declares such a trust as specified in the Memorandum of Gift. Town Counsel indicated in its October 11, 2023 memorandum to the TOTF, the donor is an individual and no charitable trust exists. (See Exhibit C). Upon further review and discussion TOTF concludes that the Memorandum of Gift anticipates the Select Board or TOTF shall declare a trust, which by its terms shall instruct TOTF to hold and administer the Gift as required by the Memorandum of Gift. A form

Declaration of Trust has been prepared for the Select Board's consideration. (See Exhibit D)

Before considering the actual investment of the Gift, we reviewed the Memorandum of Gift and identified the provisions of Paragraphs 1 and 5 of the Fund as being relevant to our determination of the appropriate investment of the funds. Those two paragraphs state the following requirements: (a.) Paragraph 1: the Town may withdraw \$175,000 per year from the Trust and those withdrawn funds shall be deposited to the Town's General Fund for general municipal purposes, as determined by the Select Board and (b.) Paragraph 5: the Donor has placed certain restrictions on the Town to prevent any "intensification" of the use of the property from its current use which if breached, would result in a reversion of the then remaining funds to the Southeast Land Trust (See Paragraphs 6 & 7).

After a lively and extended discussion of the use of fixed income and/or equities or a combination of the two, the Committee and its advisors turned their attention to the Select Board's preliminary schedule of withdrawals. (See Exhibit E) It was noted that the print was barely dry on the Select Board's schedule when word was received that a payment scheduled for the first quarter of 2024 had been removed so TOTF speculated on how much reliance should be placed on the schedule when selecting bond maturities to match with the planned withdrawals.

Understanding this risk and considering the relatively short time over which these funds would be withdrawn and

UPON MOTION MADE AND SECONDED,

It was unanimously agreed that CTC is hereby directed to establish on its chart of the Town's Trust Accounts a separate Trust Fund to be named the "Ocean Street Property Fund" and be directed to buy a "ladder" of not more than five (5) US Treasury securities of \$175,000 with maturities of August 1 of 2024, 2025, 2026, 2027 and 2028 with the remaining balance of \$125,000 invested in the Town's CTF which is a balanced fund of fixed income and equities.

3. Trust Fund Activities: Activities were limited and were reviewed by Ruth and Tim. (See Exhibits F and G)



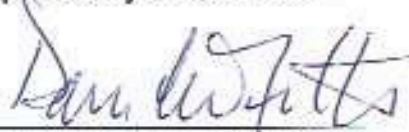
4. Other Business: Ruth reviewed the MS-9 and MS-10 and the FY 2023 year end report.

5. The next item was a continuation of the discussion in our Special Meeting on September 29, 2023 of the form and terms of the Select Board's request for a withdrawal of Funds from the Trust (See the fourth paragraph of those minutes). It was noted that the Select Board had acknowledged the concerns expressed and agreed that a form of Request would be in order. We have seen no documentation and it was agreed that the Secretary, in addition to a suggested form of a Declaration of Trust, should prepare a form of a "Request for Withdrawal" and forward it to the Select Board for its consideration.

6. Next Meeting: The Next meeting will be on March 19, 2024

7. Adjournment: The meeting was adjourned at 11:25

Respectfully Submitted:

A handwritten signature in dark ink, appearing to read "David W. Fitts", written over a horizontal line.

David W. Fitts, Secretary

**Attachments referred to in these Minutes may be found in a binder identified as Trustees of Trust Funds Minutes in the Town Clerks storage room in Town Hall.**