



TOWN OF DURHAM
8 Newmarket Road
Durham, NH 03824-2898
603.868.5571
www.ci.durham.nh.us

Durham Trustees of Trust Funds Meeting
8:30 AM, Friday, August 16, 2024
Council Chambers, Town Hall
8 Newmarket Road, Durham, NH

MINUTES

Members Present: Ted Howard (Chair, via Zoom), Thomas Bebbington, Alberto Manalo, and Victor Sosa (Alternate Trustee)

Members Absent: None

- I. Call to Order: Mr. Manalo called the meeting to order at 8:31 a.m. A motion to allow Mr. Howard to participate in the meeting via Zoom was approved.
- II. Public Input : No member of the public offered comments.
- III. Approval of Agenda: There were no amendments to the agenda. The agenda was approved.
- IV. Approval of Minutes: The minutes of the meeting on May 24, 2024, were approved.
- V. Old Business:
 - A. Update on Doe Farm/Land Stewardship Sub-Committee (LSSC):

LSSC: Chair Howard reported that in June the LSSC had a long discussion about the design of bridges on the Longmarsh property. There was no decision made on what would be done. There are issues that make the decision-making process complicated. Water levels in the area keep water levels rising. The alternatives are relocating the beavers and putting in higher-grade bridges. Both are moderately expensive. The beavers will come back. And higher-grade bridges would encourage more people to use the property but there is little parking capacity in the area.

Chair Howard also said that in July there was a discussion on a contract with an outside consultant to evaluate recreation use on a couple of pieces of town land. The intent is to assess what is going on and determine what needs to be done. The contract is for less than \$2,000. Sara Callaghan is overseeing that project.

DOE FARM: Chair Howard reported that we have secured a grant from the Lamprey River Association to fund the basics of the forest management plan Charlie Moreno is supposed to work on. We also received a grant from the Strafford Planning Commission to address the climate change aspects in the plan. Chair Howard would like to receive from Mr. Moreno an updated proposal and budget consistent with the amount of money available.

B. Update on Cemetery Committee:

Mr. Bebbington reported that since the last Trustees meeting in May, there have been six burials and two sales. He also said that he is still working on the fence that came down last April. He has been in regular contact with The Cottages management, and they told him that some trees must be removed before they can put the fence back. They asked for permission to access the town's side of the fence to facilitate the tree removal. Mr. Bebbington gave them permission but asked them to notify him as to when they are coming so interference with funeral services can be avoided.

On June 20, 2024, Mr. Bebbington met with the Durham Department of Public Works (DPW) to discuss general maintenance of the cemetery. DPW will replace the trash and compost receptacles that were destroyed along with the fence when the tree came down in April 2024. They also discussed whether to charge a fee for opening graves for burying cremation remains. DPW has been doing it for the past year or so. It is not a lot of work, but we should think about giving some money to DPW for the additional job we asked them to do. They also talked about plantings at the cemetery. We do not have a tree plan. Also, the rules for who manages the perennial plants that have been planted are not clear. Mr. Bebbington plans to work with DPW to update the regulations and make clear that those who plant the perennials are responsible for their maintenance.

There are also two issues that must be addressed at the cemetery. The culvert at the entrance to the cemetery on the street side has failed and must be replaced. DPW can do the work in house and estimates the job will take one day. This means closing the cemetery gate on the day the work is done. The work will be scheduled at a date convenient for DPW and that will avoid interference with funerals.

Also, a part of the cemetery wall closer to Technology Drive has started to collapse. The wall was built around 1930. It has been difficult to find someone to repair it. The work involves opening the wall to assess the extent of the damage and fixing it. The expected cost of the repair is at least \$10,000. We need to put out a request for proposal.

Chair Howard suggested that keeping the area where the wall collapsed from getting waterlogged should be included in the repair job.

VI. New Business:

A. Expenditure Requests

Chair Howard has not received any new requests. He said that it is very likely that, when the Trustees meet in September, we will have to discuss expenditures toward scholarships for both 2023 and 2024.

B. Working List of Goals for 2024-25

The Trustees approved the list of goals for 2024-25. The goals are:

1. We will continue our efforts to be prudent custodians of the funds entrusted to us, while seeking the best possible returns on the investment of these funds.
2. We will seek ways to maintain and improve our inter-relationships with Town departments and related Committees, Commissions, and Boards.
3. We will continue to work on those projects/issues which are marked as “continuing” in our annual report to the Town Council.
4. We will seek an additional alternate Trustee to assure continuity in Trustee membership. As the year begins, one alternate position is vacant. Ensuring succession is critical to the future administration of the Town’s Reserves and Trusts.
5. We will continue work to create trust funds to help finance the Town’s celebration of its 300th Anniversary.
6. We will review the existing trust funds to determine if some funds can be consolidated to simplify management.
7. In support of our responsibilities for the Doe Farm, we will continue as a member of the Land Stewardship Subcommittee.
8. We will continue to manage the Durham Cemetery as an affordable, well-maintained place of rest, honoring the deceased members of our community by preserving its beauty, dignity, and historical and cultural values.

C. Monthly MS-9 Reports

Chair Howard mentioned that the three documents that the Trustees have received from Mr. Will Fleming of Cambridge Trust are the updated MS-9 reports for the cemetery funds, capital reserves, and regular trust funds. Because of an accounting error caught by the State, Cambridge Trust had to revise the annual report for 2023. That error resulted in an inaccurate starting point for 2024 and so the reports for the months in early 2024 had to be corrected also.

Chair Howard also said that the Trustees are required by law to review MS-9 reports every month. We will do that from now on.

D. Reports or Issues Brought Forward by Trustees

There were no reports and issues raised by the Trustees; however, they decided to schedule the next meeting for September 20, 2024.

VII. Second Quarter 2024 Report from Cambridge Trust, Investment Advisers

Mr. Will Fleming said that he has received a request from Ms. Deb Ahlstrom for information on amounts available for scholarships and his company is working on it. He also said that Cambridge Trust would need from the new Trustees a copy of their driver's license. They also would like to receive an official statement from the Town of Durham indicating who the official signers are; if one is not available, Cambridge Trust has a standard form that must be completed. He also said that they would like to receive a letter from the Trustees acknowledging that, especially in the case of capital reserves, the numbers reported in the MS-9 are different from the numbers in the investment statements, and the MS-9 reports should be used in determining the amount of funds that may be spent. The difference in the numbers is the result of the town's decision more than 10 years ago to invest the income cash in some of its funds with Cambridge Trust because at that time the interest rate was close to zero.

Mr. Chris Lucas talked about Cambridge Trust's assessment of developments in the financial sector and job markets. He said that despite the market volatility especially in early August 2024, Cambridge Trust sees the market continuing to chug along although cooling slightly. He said that they expect the Federal Reserve to reduce the interest rate in September and it means that bonds have the potential to do well. They have been moving to increase the duration (which is a measure of the sensitivity of the price or value of a bond to changes in interest rate) of the Town's bonds from 2 to 2.5 years to 4 years by the end of the year. The longer the bond duration the higher the increase in the value of the bonds when interest rates fall. They anticipate continued volatility in the financial market especially because of domestic and global developments.

For Durham's capital reserves account, the portfolio value as of July 31, 2024, was about \$4.38 million. The total one-year return as of July 31, 2024, was 10.04 percent after taking out Cambridge Trust's management fee. The account earned an income of \$110,947 over the same period, and market appreciation amounted to \$243,679. About 57 percent of the account was invested in bonds and 40 percent was invested in stocks. The Capital Reserves account's year-to-date total return of 6.56 percent was higher than the return for the Durham Total Fund Benchmark which was 6.27 percent. The one-year return of 10.04 percent was also higher than the benchmark value which was 9.67 percent.

The allocation of the Trust-Funds account is similar to the Capital Reserves allocation. The portfolio value at the end of July 2024 was \$1.137 million. The one-year income earned as of July 1, 2024, was \$28,413, market appreciation was \$65,963, and total return net of fees was 9.66 percent. The total return was lower than that for Capital Reserves because the duration of the bonds for the Trust Funds was lower than that for Capital Reserves. The short duration hurt the Trust Fund account's performance in July 2024. The performance of the equities exceeded the benchmark returns, but the fixed-income return, both for year to date and one year, fell short of the benchmark's performance.

As of July 1, 2024, the value of the Cemetery Funds account portfolio was just below \$52.2 thousand. The one-year total return for the Cemetery Funds account was 9.74 percent as of July 1, 2024, and income earned was \$1,535 and market appreciation was

slightly over \$3,000. The year-to-date and one-year total return net of fees were lower than their benchmark counterparts. This was due to the account having a lower share of equities at the beginning of the year. That share has been increased.

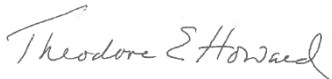
Mr. Lucas and Mr. Fleming asked that they be informed as soon as possible of planned distributions from any of the accounts even if such expenditures are a few months away. They said that, with a potentially volatile market in the next few months, they want to make sure that the funds are available with the least impact on the town's investments.

VIII. Adjourn

The meeting was adjourned at 9:54 a.m.

Next Regular Meeting: September 20, 2024, at 8:30 a.m.

Approved:



Theodore E. Howard, Chair

20 September 2024

Date