

**Trustees of Trust Funds
Meeting Minutes
Friday, November 21, 2014
Conference Room, Merrimack Town Hall, East Wing**



The meeting was called to order at 8:35 a.m. Trustees present were Balcom, Wilkes and Christensen. Also present was Tom Boland, the Deputy Finance Director for the Town of Merrimack. Guests were Paul Micali, Town Finance Director. Michael Powers from Bay State Forestry, Ron Miner, Merrimack Village District (MVD) Superintendent, Jill Lavoie, MVD Admin. Manager and Michael Klass, attorney for the MVD.

Plans for a new well at the Mitchell Street Forest (Tax Map Parcel 6B 224-1) were presented by Ron Miner. The Trustees are custodians of the Watkins Forests (TMP 6B-158) which abuts. The MVD wishes to construct a new well at the Mitchell Street site and the required Sanitary Protection Area (SPA) is a 420 foot radius that extends into the Watkins Forests. The MVD is seeking an easement deed for that area. This Watkins Forest site comprises approximately 61 acres; the easement would cover just over 6 acres. The Trustees are custodians of the land under a bequest from Harry J Watkins which sets forth plans to cut and sell timber, the net proceeds to benefit Merrimack Schools. SPA rules from the NH Department of Environmental Services (DES) Env 302.06 require that the SPA be left in a "natural state" which would preclude such timbering. In pre-meeting research, Christensen had discussed with Rene Pelletier at DES the possible ways to deal with this conflict. It appears the simplest remedy is for the easement to include language that permits forest management. At the request of the Trustees, language making specific reference to the DES Rules, forest management and the bequest from Harry J. Watkins will be added to the easement deed.

Discussion followed regarding access, forestry practices and potential damage or inappropriate use of the SPA. Michael Powers stated that he had walked the site this week and did not see signs of snowmobile or ATV trails. The MVD stated that they would install signs to warn the public of the SPA. The easement deed will be considered by DES as part of their approval process.

On a motion by Balcom, second by Wilkes, the easement deed was approved pending review by Town Counsel, 3-0-0. Paul Micali will arrange that review.

Mike Powers presented information on the Watkins Forests, 61 acres between Mitchell Street and Bean Road, with access from Profile Drive, and 61 acres with frontage on Lawrence Road, also approximately 61 acres, 23 of these acres are actually in Bedford, NH. Both parcels are designated as Tree Farms, meeting related standards. The intent is to use the standards to improve the crop and thus receive a better profit on timbering. Part of this process is an updated management plan every 10 years. The properties were last cut in 2004 and the management plan was updated at that time with the cost being part of the cutting overhead. After preliminary walks on both sites in the last few days, Powers stated that it would probably be four to five years before the southern (Bean Rd/Mitchell St) site was ready for a cut. The Lawrence Rd. site would benefit from some maintenance cutting, in the next year or two. It might go to bid in late 2015 with accrual cutting perhaps over the winter into early 2016. It was noted that the Watkins will require a committee of three including a member of the school board to supervise the cutting, while the Trustees are generally responsible for maintenance between cuts and any other affairs of management. The Trustees are scheduled to meet with the school board on December 1, 2014.

Approved: January 23, 2015

The cost of the management plan is \$30.00 per acre or about \$3700.00. It was determined by the Trustees that such a fee might be paid out of the existing income in the Watkins Forest Income Fund held in Fund D, or possibly deferred until the cut on Lawrence Rd. This will be part of the discussion with the school board on December 1.

Correspondence: No new bills have been received.

A letter from Linda Garces invited the Trustees to the Watkins Prize Spelling Contest at the Middle School at 8:00 a.m. January 20, 2015. The prizes and a stipend for the contest coordinator were discussed. This would be the first year for a stipend. Previous prizes for seven finalist contestants were, first four: \$50, 40, 30, 20, with \$10 to the three Honorable Mentions. In addition, each student received a \$25.00 gift certificate to Barnes and Noble Bookstore. On a motion by Wilkes, second by Balcom it was agreed that a stipend of \$75.00 would be paid to the coordinator, the first four prizes would remain the same and the Honorable Mentions would be increased to \$15.00 each. This would bring the total expense to \$435.00. Motion passed 3-0-0.

The Watkins Prize Speaking Contest was discussed next. Balcom will draft some rules and guidelines for the school to reinstate this program. Christensen will advise the principal, Marsha McGill so that she can start looking for a coach/coordinator. Prizes will likely parallel the Spelling Prizes. Final approval will be at the January meeting.

The minutes of October 24, 2014 were approved 3-0-0 on a motion by Balcom, seconded by Wilkes.

Wilkes presented a spreadsheet for Fund D showing various financial analysis figures and led a discussion on the fund. Our cash position is approximately \$80K on the Principal side and \$90K on the income side. It was agreed that 24% cash was high, and that buying is difficult as the market is at all-time highs. After further discussion, a motion by Wilkes, second by Balcom, to buy \$30,000 of PFF and \$20,000 of RDS passed 3-0-0. It is anticipated that the school district will be requesting funds from Fund D in the first quarter of 2015, further reducing the cash position to guideline levels.

The Trustees have been invited to the December 1, 2014 school board meeting. In anticipation, Christensen developed a spreadsheet for discussion with the school board, focusing on funds that are for the benefit of the schools. A simplified report will be developed for the meeting giving both cost basis and market value information.

Future meetings are scheduled for
December 1, 2014 (School Board)
January 23, 2015
February 20, 2015

A motion to adjourn at 10:40 a.m. was made by Wilkes, second by Balcom and passed 3-0-0.

Respectfully submitted,

Chris Christensen
Trustee Secretary/Treasurer