



**Trustees of Trust Funds
Meeting Minutes
Friday, October 29, 2021
Memorial Room, Merrimack Town Hall**



The meeting was called to order at 9:00 a.m. Trustees present were Wilkes (phone), Heinrich and Christensen. Also present: Tom Boland Merrimack Town Treasurer and Finance Director, and Merrimack resident Liz Petrides. Eric Radlof, Forester, was present by phone.

The minutes of September 17, 2021 were approved on a motion by Wilkes, second by Heinrich, 3-0-0.

Eric Radlof, our forester for the two Watkins Forest parcels, (Mitchell Street and Lawrence Road access), reviewed some of the Tree Farm requirements. One is a periodic re-inspection, which was one purpose of our discussion. He will complete the appropriate reports. At previous meetings, we had discussed the unusually high current prices of wood products. Radlof explained that this did not trickle down to landowners due in part to long lead times and the fact that prices were driven up by shipping and handling costs more than supply. His written summary is attached. Christensen will contact the Merrimack Conservation Commission to explore coordinated management of their Mitchell Street property which is our abutter.

In preparation for the November meeting with Cambridge Trust, the following questions were advanced. More explanation of the requested benchmarks (Nasdaq) vs our dividend focused portfolio, risks on emerging market bonds vs yield, and possible use of preferred stocks as part of our portfolio were brought forward.

Liz Petrides had expressed interest in becoming an alternate member of the board. Following discussion with her, Wilkes moved to nominate her as an alternate for appointment by the Town Council, second by Heinrich. Motion carried 3-0-0.

After review of the bill and history of the Merrimack cemeteries, Heinrich moved to pay the Last Rest invoice for the year ended December 31, 2020 in the amount of \$15,068.13. Second by Wilkes; motion carried 3-0-0.

It was announced that on October 28, the Town Council accepted a transfer of the Bear Christensen Trust to the Town for management by the Trustees. Initially, \$3000 is designated to be deposited in the Common Income fund to

provide some immediately available expendable funds. The balance, approximately \$24,000, will be deposited in the Common Principal fund.

Future meetings are scheduled for November 19, and January 21. There will be no December meeting.

On a motion by Wilkes, second by Heinrich, 3-0-0, the meeting adjourned at 9:45 a.m.

Respectfully submitted,
Chris Christensen, Trustee

DRAFT



10/27/2021

Town of Merrimack

Trustees of the Trust Funds
6 Baboosic Lake Road
Merrimack, NH 03054
(603) 424-2542

Re: Lawrence Road and Mitchell Street Parcels- Merrimack, NH

Chris,

I am including the following information to aid in our scheduled phone call on Friday, the 29th. I can expand on any of the topics but this should help guide of the conversation.

October 2019 Site Visit

In October of 2019 we met to review both properties. I am including my notes from that visit below:

“It was great to meet with everyone today to discuss the Mitchell Street and Lawrence Road properties. We all agreed that Mikes management plan recommendations were correct and that no harvesting is necessary until at least 2027. Both properties appear to be growing well at this time with no signs of damage or disease. One thing to note is our discussion of the presence of invasive plant species at the Mitchell Street property. The old landing area on the town property has become infested with autumn olive and oriental bittersweet. We did notice some autumn olive starting to creep into your property. This should be periodically monitored to make sure that these invasive plants do not invade your property. Treatment is recommended for around the timing of the next harvest. This can be reviewed further before the next planned harvest. My walk of the Lawrence Road property didn't show any major population of invasive plant species.”

I find these notes to still be true moving forward.

Tree Farm Re-inspection

Both properties are enrolled in the NH Tree Farm Program. I recently coordinated with Chris to complete the re-inspection. This consisted of filling out the re-inspection form and review of the forest management plan.

Tree Farm is a great national program that supports landowners who actively manage their forestland for a variety of values; originally founded on wood, water, wildlife and recreation. Landowners receive news and updates from the Tree Farm program as well as a re-inspection every six years, allowing the landowner to connect with a Tree Farm inspector such as myself, to review the property and receive additional input. This keeps everyone connected to the management of the property.



Additional benefits for Tree Farmers include better demand and pricing in the forest product markets for sustainably managed and harvested forest products. This benefit sounds great but is generally less available in today's markets in the northeast. We still see some stronger pricing in certain markets but the pricing is minimal.

The Covid Lumber Boom

This has been the topic of year, discussed weekly if not daily. We all saw the incredible spike in pricing for lumber last year and earlier this year. The next comment everyone had was, "My trees must be worth more money! We should capitalize on this right now!" Without diving into incredible discussions on supply, demand, markets etc. the short answer to these comments was "no your trees didn't become more valuable." Very few landowners saw an increase in price of their forest products delivered into the market (mills, log yards, etc). There were small windows of specialized pricing during this time where active harvests could take advantage of the delivered pricing. This only existed for select species as well. The pricing increases were only a minor fraction of the price increases seen at your favorite lumber yard.

Overall forest product markets remain strong this year and appear to remain strong moving forward. We have seen steady pricing but no massive price increases. Logging contractor capacity and weather continue to play a role in slower supply to markets this summer. White pine pulp and whole tree chip (biomass markets) are very slow to nonexistent with some demand increases in the winter months. Saw log markets and cordwood markets are remaining strong.

I don't see any need to push up the time table for harvesting either property at this time based on the Covid Lumber Boom.

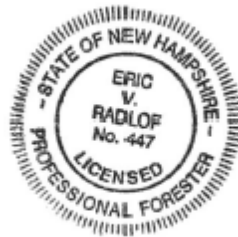
Moving Forward

I do feel it is important to periodically monitor both properties for invasive plants or pest outbreaks. We are also seeing increased weather events including higher winds. It is important to monitor these properties after known weather events including ice storms and wind events in case significant damage is observed, requiring a salvage harvest.

I understand the time line necessary to make a decision to conduct a timber sale of each of the properties. I believe we can reconnect in 2024-2025 to reevaluate the properties and plan accordingly.

Respectfully submitted,

Eric Radlof
Consulting Forester



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Excerpt from Town Council minutes of October 28, 2021

2. Bear Christensen Charitable Trust

Submitted by Chris and Lynn Christensen

The Town Council to consider the request to turn over the Bear Christensen Charitable Trust funds to the Town of Merrimack / Trustees of Trust Funds, pursuant to RSA 31:19.

Chris Christensen was present to share that the Trust was formed in 1990, shortly after the death of their son, Bear. Over the years, they have taken the profits and distributed some to scholarships for Camp Naticook. The funds are currently around \$27,000 and they would like to turn it over to the Town Trustees of Trust Funds rather than going through the process of appointing successor trustees, as the original language when the Trust was created stated that they must turn the funds over when they are done being trustees. Mr. Christensen then said that they have to present this to the Council for a Public Hearing as this is part of the process of turning the money over to the town. Town Manager Paul Micali shared that he has been in touch with the town's attorney, who said that the Council can accept the money and they do not have to have a public hearing, but rather need to hold a public meeting for the Council to take a vote, in public, accepting the funds. He then shared that whatever amount of money they end up receiving from the Trust will go into principle, and Mr. Christensen would like \$3,000 to be set aside the first year to be used for day camp and camp activities for the following year. After this first year, the interest that is earned would be used for the camp scholarships and programs. MOTION made by Councilor Hunter and seconded by Councilor Healey to consider to accept the Bear Christensen Charitable Trust funds into the Town of Merrimack / Trustees of Trust Funds with a December 31st value of \$25,737.26 and understanding that \$3,000 of the amount that comes in will be considered as profit to be used as distributions for this year and follow on the principle will be held and only the profits will be used. Mr. Christensen wanted to clarify that the Trustees of Trust Funds maintain two funds: principle and accumulated income. The accumulated income does not necessarily get spent in any given year, but it is available to be withdrawn depending on requests. Additionally, it is the Trustees of Trust Funds who will decide how much gets spent in any one year, and that it can only come from the surplus funds beyond the principle. Chairman Koenig stated that seeing as Mr. Christensen is a member of the Trustees of Trust Funds Committee, he will be able to assist in the spending and determination of how the funds should be distributed on an annual basis. Town Manager amended the motion as follows: MOTION made by Councilor Hunter and seconded by Councilor Healey to consider to accept the Bear Christensen Charitable Trust funds into the Town of Merrimack / Trustees of Trust Funds pursuant to RSA 31:19, with the principle amount as of December 31, 2020, of \$25,737.26. Of that amount of principle that is transferred to the Trustee of Trust Funds, \$3,000 to be set aside into the income portion of the fund, and any remainder going towards the principle portion, and that the Town Manager or his designee can sign any documents as needed. MOTION CARRIES 6-0-0