

Trust Fund Investment Policy - Benton, NH

Adopted by the Trustees of the Trust Funds, January 28, 2021

Overview:

Benton, New Hampshire, a small town nestled in the White Mountains, population approximately 364, has maintained Trust Funds since 1896. The Trustees of the Trust Funds oversee Trust Funds for Cemetery, Schools, Roads, Fire, Revaluation, Town-related Maintenance, and a Trust Fund Savings Account.

Purpose: The purpose of the Trust Funds is as follows:

- **Schools:** Benton pays tuition for its children to be educated at schools in other municipalities. As a small town, when a child from Benton needs supplemental education, the Town's taxes must cover that benefit, even if it was not anticipated and included in the annual budget. When the School Board recommends additional funds be raised to offset future needs, these funds are kept in trust by the Trustees. The Trustees are in contact with the School Board and SAU Finance Manager, and determine when funds may need to be liquidated to meet obligations.
- **CTF-Cemetery:** Benton's town-owned cemeteries require maintenance and care. Funds from the sale of cemetery plots and perpetual care donations – and several very historic donations for Schools and Roads – were historically invested in the Cemetery Trust Fund. In 2016, Benton recognized that the income generated by this method (often less than \$15) was in no way enough to operate and maintain the cemeteries, including the "closed" cemeteries. The town voted to no longer accept funds for perpetual care and rather will raise funds annually for the care and maintenance of these properties. Additionally, going forward, the sale of cemetery plots will be added to the general fund for the Town to offset taxes associated with cemetery-related expenses. And so, this fund remains static with the exception of accrued interest.
- **Capital Trust Fund for Roads:** As a small town, Benton only has a few roads. To avoid surprises and soften budget volatility, funds are raised when the Selectboard deems it appropriate, and held by the Trustees until such time as they are needed for road repair. Often times, the town will raise funds over several years to cover costs of a major capital project. These funds are held specifically for said project – not emergency projects – and will be expended upon notification from the Selectboard.
- **Expendable Maintenance Fund:** Created in 2019, this Fund provides funding for emergency repairs to Town-owned buildings, roads, or bridges.
- **Revaluation:** Costs incurred by town-wide assessment would be a burdensome cost to taxpayers without tempering the cost over several years. As such, funds were raised and are held in trust until the Selectboard requests them to meet financial obligations regarding Revaluation of land and buildings.
- **Fire:** The Fire Trust Fund is available to offset mutual aid bills in the event that the budget to North Haverhill, Haverhill, or Warren is insufficient.
- **Savings:** This fund allows the Trustees to accept and deposit or prepare for withdrawal funds related to the Trust Funds.

The Investment Objective:

The primary objective for the Trustees of the Trust Fund is to keep these funds safe and available. The Trustees have achieved this by keeping all funds invested in savings accounts with the Woodsville Guaranty Savings Bank, based in Woodsville, NH. The Trustees receive one statement for each account quarterly.

Fixed Income and/or Common Stocks:

The Benton Trustees of the Trust Funds have not invested these Funds in fixed income or common stock financial tools.

Performance Management:

The Trustees of the Trust Fund, while volunteers, have overseen consistent growth in the funds invested. Great gains have not been made, yet no losses have been reported. Staff at Woodsville Guaranty Bank provides support and advice to the Trustees as needed.

Investment Authority and Meetings:

The three Trustees of the Trust Fund have been authorized by the town to make prudent decisions regarding these funds. The Trustees of the Trust Funds communicate via email as needed throughout the year to discuss issues pertaining to the Trust Funds, and make changes when appropriate. The Trustees meet annually to review accounts and reports.

Asset Allocation

Because Benton's Trust Funds are less complex than those of other municipalities, and the Trustees are volunteers in very different careers, a simple investment strategy is the preferred policy. As such, the funds are broken into the following categories:

Trust Fund	Financial Tool	Term	Account, as of 1/1/2021	%	Comments
Trust Fund Savings	Savings Account	Available as Cash	\$1,499.01	0.601%	Available to safely park funds if trust fund is not accessible.
Fire Trust Fund	Savings Account	Available as Cash	\$10,876.15	4.366%	Available to offset excessive mutual aid costs.
CTF: Cemetery Trust Fund	Savings Account	Available as Cash	\$14,607.98	5.864%	Common Trust Fund for cemetery plots, as well as historically schools and roads
Schools Trust Fund	Savings Account	Available as Cash	\$126,431.68	50.753%	Available to offset unforeseen special ed costs.
Revaluation	Savings Account	Available as Cash	\$6,034.00	2.422%	Awaiting obligation.
CRF Roads Trust Fund	Savings Account	Available as Cash	\$59,605.44	23.927%	Available for voter-approved and funded roads projects
Expendable Town Maintenance	Savings Account	Available as Cash	\$30,053.41	12.064%	Available to address unanticipated repairs
TOTAL			\$ 249,102.67	100%	

Reporting:

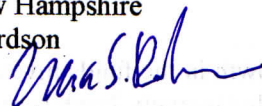
Starting in 2020, the Trustees provide quarterly status reports of each of the Trust Funds to the Selectboard. The Trustees submit an annual report relative to the Schools Expendable Trust Fund to the SAU23 each July, after their fiscal year has closed. Trustees submit annual reports MS-9 and MS-10 to the New Hampshire Department of Revenue, Municipal Services Division and the NH Attorney General's Charitable Trusts Division. This is accomplished via an electronic portal managed by Axiomatic. Summarized information from these reports is published in the Town Report available in March of each year and discussed at Town Meeting. The Trustees provide all requested materials to the firm auditing the Town's accounts.

Conclusion:

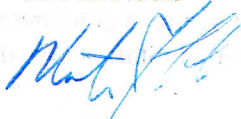
The Trustees of the Trust Fund, while not professional accountants or auditors, do make reasonable efforts and have proven to be successful in meeting the primary objectives of their responsibility: keeping the Town's assets secure.

Respectfully Submitted,

Trustees of the Trust Fund
Benton, New Hampshire
Laura Richardson
Chair



Martin Noble



Mark Elliott

