

Trust Fund Investment Policy - Benton, NH
Adopted by the Trustees of the Trust Funds, January 29, 2024

Overview:

Benton, NH, a small town nestled in the White Mountains, population approximately 374, has maintained Trust Funds since 1896. The Trustees of the Trust Funds (TTF) oversee Trust Funds for Cemetery, Schools, Roads, Fire, Revaluation, Town-related Maintenance, Bridges, and a Trust Fund Savings Account.

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

- **Expendable Trust Fund for Education:** Benton pays tuition for its children to be educated in other municipalities. If presented with unforeseen costs – special education, new students, etc. – the Town’s school taxes must cover that benefit. When the School Board recommends and voters approve, additional funds are raised to offset anticipated unanticipated needs, these funds are held in trust. TTF are in contact with the School Board and SAU Business Manager.
- **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 – have been invested in the Cemetery Trust Fund. In 2016, the town voted to no longer accept funds for perpetual care. Furthermore, proceeds of newly sold cemetery plots are now added to the Town’s general fund, from which maintenance of these properties is now paid.
- **Capital Reserve 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 TTF until needed for anticipated (not emergency) and voter-approved road repair.
- **Expendable Maintenance Fund:** Created in 2019, this Fund is for repairs to Town-owned buildings, roads, or bridges. It can be tapped by the Selectboard when needed, including in emergency situations.
- **Revaluation:** Costs incurred by town-wide assessment (every 5 years) would be burdensome and volatile to taxpayers without tempering the cost. Funds are raised and held in trust until the Selectboard requests them to meet financial obligations regarding Revaluation of land and buildings.
- **Expendable Fire Trust Fund:** Is available to offset unanticipated mutual aid bills.
- **Expendable Bridges Trust Fund:** The Town accepted Federal funds for bridge repair in 2023 although projects were not shovel ready at the time. These funds will gain interest until they are needed.
- **Trust Fund Savings:** This fund provides a secure account for TTF to deposit, hold, withdraw, or redirect funds related to the Trust Funds.

The Investment Objective:

The primary objective for TTF is security and accessibility. In 2023, TTF moved accounts for all Trust Funds to earn comparatively high interest while also keeping principal amounts secure.

- The Expendable Trust Funds for Schools – often nearing or surpassing the \$250,000 limit for FDIC insurance – is now invested with the New Hampshire Public Deposit Pool (NH-PDIP), a AAAM* rated investment pool specifically designed for New Hampshire’s governmental entities. It is self-insured.
- All other funds are invested at Citizens Bank and are both FDIC and self-insured.
- Statements are generated monthly.

Fixed Income and/or Common Stocks:

- The Expendable Education Trust is held at the NH-PDIP, which invests pooled funds in a diversified portfolio.
- Other funds are invested in Municipal Checking accounts at Citizens Bank.

Performance Management:

TTF, while volunteers, have overseen consistent growth in the funds invested.

Investment Authority and Meetings:

TTF are authorized by the Town to make prudent decisions regarding Trust Funds. They communicate via email as needed throughout the year to discuss pertinent issues, making changes when appropriate. Records of these communications are available upon request. The TTF 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, all available as cash.

Trust Fund	Financial Tool	Account, as of 1/1/2024	% of total	Comments
Savings	Muni - Checking	\$1,500.76	0.34	Available to safely park funds if trust fund is not accessible.
ETF Fire	Muni - Checking	\$11,175.55	2.5	Available to offset excessive fire/mutual aid costs.
CTF Cemetery	Muni - Checking	\$15,010.06	3.36	Common Trust Fund for cemetery plots, (and historically schools & roads.
ETF Education	Pooled with other public funds	\$289,548.91	64.81	Available to offset unforeseen education costs.
ETF Revaluation	Muni - Checking	\$5,131.41	1.15	Awaiting obligation.
CRF Roads	Muni - Checking	\$71,508.15	16.01	Available for voter-approved and funded roads projects.
ETF Town Maintenance	Muni - Checking	\$30,880.29	6.91	Available to address unanticipated repairs.
ETF Bridges	Muni - Checking	22,018.54	4.93	Available for unanticipated repairs.
TOTAL		\$ 446,773.67	100%	

Reporting:

- Quarterly status reports of each Trust Fund is provided to the Selectboard, which we encourage to be posted to the Town's website.
- TTF submit an annual report relative to the Schools Expendable Trust Fund to the SAU23 each July, after their fiscal year has closed.
- TTF 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 and discussed at Town Meeting.
- TTF provide all requested materials to the firm auditing the Town's accounts.

Conclusion:

Benton's Trustees of the Trust Fund, while not professional accountants or auditors, 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