



**MEETING MINUTES  
TRUSTEES OF THE TRUST FUNDS  
CEMETERY TRUSTEES  
16 School Street, Allenstown, NH 03275  
July 26, 2023**

**CALL TO ORDER**

The Allenstown Trustees of the Trust Funds and Cemetery Trustees meeting of July 26, 2023 was called to order by Chair Ron Adinolfo at 5:00 pm. Chair Adinolfo called for the Pledge of Allegiance.

**ROLL CALL**

Present on the Board: Ron Adinolfo, Cheryl McDonald, and Richard Caruso.

Allenstown Staff: Sherry Miller, Financial Director

Others Present: Zachery Zwick, Three Bearings Fiduciary  
David Mayes, Three Bearings Fiduciary  
George Lemire, Alternate Trustee  
Mike O'Meara, Volunteer Administration

**Agenda Items:**

- **Informational Session – Meet with Three Bearings Fiduciary to gather information on their products and services**

Chair Adinolfo invited the representatives from Three Bearings Fiduciary to present their product and service offerings to the Trustees.

They began by asking what issues or concerns the Trustees had that they might be able to help with, to which Chair Adinolfo replied that the current losses in the portfolio and current investment strategy, and that the Trustees wished to explore options in the current market to see if a better return could be achieved. The goal is to be Zero to the plus side and no to realize losses of taxpayer money, and to work with an organization that can support the Trustees and be available to meet to discuss changes in strategy, etc.

Three Bearings advised that the goals of Capital Reserve Funds are to keep pace with inflation over time and minimize short-term volatility, which was difficult in 2022 given the Federal Reserve interest rate changes. The typical portfolio strategy is approx. 15 in large cap stocks with the remainder in short-term treasuries and investment-grade corporate bonds, the performance of which was reflected in hand-outs they provided to the Trustees and was reviewed by Three Bearings during the presentation.

Chair Adinolfo inquired about the fees associated with cashing out bonds if monies were needed at short notice. Three Bearings advised that there could be some losses associated with early withdrawal from bonds, but if there was some longer-term visibility (6 -12-month range) to financial needs, they might elect to keep those funds in cash to minimize fluctuations, to which the Chair advised that he has requested this type of information from Dept. Heads. Three Bearings advised that before making a deposit, they typically ask about visibility to financial needs to help minimize fluctuations, at least in the six-month range, and that given current interest rates, there is also an improved return on cash investments with returns of 4.5% to 5 %. They also stated that they are not opposed to holding more cash in these portfolios.

Chair Adinolfo next asked about fees charges for account management. Referring to the Fee Schedule, Three Bearings stated that for Allenstown, it would be 2% on the first two million (\$2M) of the assets under management, followed by 0.35% on the next three million (\$3M) on an annual basis, billed quarterly, based upon a quarter-end balance. They also stated that if a large deposit was

made just before the fee was calculated, it would be backed out and not included in that quarter-end fee.

Chair Adinolfo asked about Bookkeeping, to which Three Bearings advised that they generate monthly MS-9 reports that are typically available by the 10<sup>th</sup> of the following month. Snapshot reports can also be generated for each sub-account and perform the year-end MS-9 & MS-10 Upload to the States Portal on behalf of the Town. They also provide a full document packet for annual auditing purposes.

Chair Adinolfo asked about the mechanisms for withdrawals from the CRF accounts. Three Bearings typically ask for approved Deposit and Withdrawal Forms provided by the Trustees. Checks are made to ensure sufficient monies are either already available in the account or they are raised by sale of investments, with funds provided by either a Check to a party or ACH to a designated Bank Account.

Chair Adinolfo asked about the frequency at which Three Bearings reviews investments with a view to advising clients about possible strategy changes in investment approach. Three Bearings advised that although they are constantly reviewing investments but are not necessarily inclined to change the strategy based upon market timing or philosophy. It is more of a strategic approach, which they believe is more beneficial to the investor, rebalancing when the markets move one way or the other.

The Chair asked about other Towns for which Three Bearings manage investments, which they advised currently total 35, and referred the Trustees to the list provided in the handout. Chair Adinolfo inquired about losses experienced by other towns managed by Three Bearings, they advised that some towns had experienced losses in 2022 but did not have details on their extent, primarily attributed to spikes in interest rates having a negative effect on stocks and even some bonds. Chair Adinolfo asked if the town would lose money in an all-bonds scenario, to which Three Bearings advised not in the short-term, other than to inflation. There was additional discussion about a zero to plus side strategy in the current market and being mindful of the investment of taxpayer money in a small town like Allenstown. Three Bearings also advised that their current strategy of 15% stock and 85% other provides the best approach for an increase in returns that bonds will not provide.

The Chair invited questions from other Trustees. Cheryl McDonald inquired about the longest vs. shortest management timeframe for the towns listed in the handout and was interested in longevity and the reasons for that, as well as new town clients coming on board. Ms. McDonald also asked about any security issues – there have been none.

Ms. McDonald also asked about the process of moving funds to Three Bearings should the Trustees decide to do so. They advised that an Agreement would be required, along with an Investment Policy, after which Transfer Forms would be approved to move the funds to them for future management, which would not take long – possibly two weeks. A Portal would be provided for the Trustees to view account activity.

Chair Adinolfo thanked the representatives of Three Bearing for their presentation at which time they departed the meeting.

- **Financial Statement Review**

Chair Adinolfo reviewed the latest account statement which again showed a loss totaling approx. \$28,000 year-to-date. It was also mentioned that funds were withdrawn from various CRF Accounts, and that the Town Hall CRF had been closed out, with its remaining balance returned to the Town, all of which was reflected in the lower overall fund balance compared to the prior month.

- **Investment Policy – Annual Review & Reaffirmation**

There were no changes to the Investment Policy and the Trustees had no additional questions. The Policy was signed by the Trustees, reaffirming it for the current year. Chair Adinolfo advised that the policy does not have to be filed with the State as it has not changed compared to the previously filed policy.

- **Review/approve minutes from prior Trustee meeting(s):**

- June 22, 2023

Cheryl McDonald made a motion to approve the minutes from June 22, 2023. Rich Caruso seconded the motion.

Roll Call Voice Vote:

Ron Adinolfo- Aye, Cheryl McDonald- Aye, and Richard Caruso- Aye

Motion passed unanimously, and the minutes from June 22, 2023 were approved.

- **CEMETERY TRUSTEES**

- **Update on the status of the transfer of monies and future management of certain perpetual funds from the Town Cemetery Trustees to the Catholic Diocese of Manchester.**

Review of the proposed agreement for the transfer of identified perpetual funds is in progress between Town Counsel and legal representatives of the Catholic Diocese of Manchester – Ongoing at this time.

- **OTHER BUSINESS**

The Trustees discussed the outcome of the presentations from both NHPDIP and Three Bearings. Cheryl McDonald opined that a comparison between them should be conducted, and the Trustees should speak with other municipalities about their experiences with both groups before deciding. Chair Adinolfo stated that the client list for NHPDIP is proprietary and that the Trustees can only speak with their Board of Directors. There was further discussion on what contacts had been made to date, and it was ultimately decided that additional contacts would be made to gather as much feedback as possible so that an informed decision could be made regarding any possible change to the management of the investment pool.

**Confirm date for next meeting**

It was confirmed that the next meeting is scheduled for Thursday, August 24, 2023 at 5:00 pm.

- **Adjourn**

Cheryl McDonald made a motion to adjourn the meeting. Rich Caruso seconded the motion.




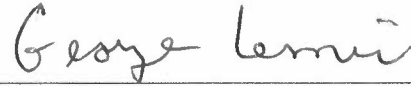
Roll Call Voice Vote:

Ron Adinolfo- Aye, Cheryl McDonald- Aye, and Richard Caruso- Aye

Motion passed unanimously, and the meeting was adjourned at 5:57 pm.

TOWN OF ALLENTOWN  
TRUSTEES OF THE TRUSTS  
CEMETERY TRUSTEES  
PUBLIC MEETING MINUTES  
July 26, 2023

### Signature Page

Original Approval:		
 RONALD ADINOLFO, Chair	8/24/2023 DATE	
 RICHARD CARUSO, Vice-Chair	8/24/2023 DATE	
 CHERYL MCDONALD, Bookkeeper	8/24/2023 DATE	
 George Lemire, Alternate Member	8/24/2023 DATE	
N/A, Alternate Member	DATE	
Amendment Approvals:		
Amendment Description:	Approval:	Date:
	RONALD ADINOLFO, Chair	DATE
	RICHARD CARUSO, Vice-Chair	DATE
	CHERYL MCDONALD, Bookkeeper	DATE
	George Lemire, Alternate Member	DATE
	N/A, Alternate Member	DATE