

**TOWN OF WALPOLE
HOOPER TRUSTEES MEETING
NOVEMBER 18, 2021**

Hooper Trustees Present: Cheryl Mayberry (Chair); Steven Dalessio; Peggy L. Pschirrer

CALL TO ORDER: Ms. Mayberry called this Hooper Trustees meeting to order at 6:01 PM in the Walpole Town Hall. The three Trustees of Trust Funds, Mr. Robert Kimball, Ms. Karen Galloway and Mrs. Carol Malnati were present. Also present was Mrs. Sarah Downing, Manager of Administration, and Mrs. Regina Borden, Recording Secretary. This meeting was being recorded.

TRUSTEES OF TRUST FUNDS AND HOOPER TRUSTEES JOINT MEETING: Ms. Mayberry advised this meeting is to discuss a need for a Total Return Policy for the Hooper. Mrs. Pschirrer reported that the Hooper Institute needs more money than is available to them now with just interest coming in. They believe with a Total Return Policy they will have more income available to function more appropriately. Its programming has grown over the last few years. They now have a full-time director, their programs have expanded in the schools as they are working more in the 6th and 7th grades than they did in the past, and they also have more community programs. When the Trustees of Trust Funds first changed their monthly reporting, it did not make a lot of sense to her. She has not seen the latest MS-9 for November. Mr. Kimball's last one is September. As she went through it all, Mrs. Pschirrer discovered one of the major changes in 2018 is they began to state the market value of the Trusts which they had not done before. In a Total Return Policy that is really important because that is what they use. Using 2018, 2019 and 2020 she calculated that their income would have been over \$113,000 which is an increase of about \$20,000. They will always have to fundraise at Hooper; not remain static. The objective of the Total Return Policy is to have the principle growing all the time. If you think about any university and the NH Charitable Trust Foundation, they all operate under a Total Return Policy using their interest. They have a policy that is written and it is followed. Cambridge knows how to handle Total Return Policies because they handle the NH Charitable Trust Foundation. It allows their Board of Directors to decide on an annual basis how much they are going to draw down from their market value average over the last 12 quarters. This year they chose 5%. Our library benefited from that as they got 5%. The year before they took 4%. They are not spending everything; they are rolling it in and building their endowment. The second purpose is to smooth things out. Occasionally the Legislature has allowed a university to take as much as 7% when they need more money. We feel we should have a Total Return Policy on the Hooper Education/Scholarship Trust. In 2019, the Legislature adopted an amendment to the Uniform Trust RSA 292-B, V. If you have over \$1,000,000 or more in your trust, then you can go to the Probate Court and with the consent of the Charitable Trust Division and the Trustees of Trust Funds and ask that you be allowed to have a Total Return Policy. Mr. Kimball advised that they have \$1,277,000 in the Maintenance Trust. It could be included as well. They can set the principle now. Mrs. Pschirrer noted they can include this trust as well; it would be growing all the time. Mr. Kimball said they can reset the endowment to whatever number they want. They can take 5% of the growth but they cannot go below whatever number they set for an endowment amount. Mrs. Pschirrer explained that the institution will notify the Attorney General of the application. The Attorney General will be given an opportunity to be heard, etc. Mr. Kimball advised that Hooper I is at \$4,000,000. The application to the court should state we want to reset the Maintenance endowment to \$1,200,000 and the Hooper I at \$4,000,000. We can draw against that 5% or whatever amount they want from each while allowing an increase in the principle. We want to protect what we have now. Right now it is \$3,000,000 on the original endowment so they cannot go below that. They could reset the principle at \$4,000,000 but they cannot go below the \$3,000,000. That is prudent management. Mrs. Pschirrer asked Mr. Kimball for the citation as she will be working with the Town Attorney. They will need something in writing from Mr. Kimball/Trustees of

Trust Funds that they will approve the Hooper Trustees going to court because that is one of their requirements. Mr. Kimball said if they could reset it at \$1,250,000 and \$4,000,000, he would support that. It would never go below that. Even if things go bad and the market has a major correction, they might be back to principal only. Mrs. Pschirrer noted that depends on how much of a correction it is; they will still be using the market average of 12 quarters and if they write a policy correctly and state that the Trustees could use 3-or-4%; in a bad year, they could say 2% which means that everything else gets rolled back into the investment so it should be growing constantly. Mr. Kimball said if they need to protect the principle. Mrs. Pschirrer had the principle figure at \$4,141,359.65 as of September 30, 2021. Mr. Kimball had \$4,129,634.52 market value for Hooper 1. He had \$1,277,852.33 for the Maintenance Trust; Mrs. Pschirrer had \$1,413,859.65. Mr. Kimball pointed out that Mrs. Pschirrer was looking at the wrong column. They have to roll everything into the Total Return Policy. They use the fair market value of the principle. It is the \$4,000,000 plus the income portion. Mrs. Pschirrer said that the amended policy allows that. Mr. Kimball noted they reset the \$4,000,000 on January 1st and \$1,250,000 for the Maintenance Fund. Mrs. Pschirrer mentioned they started to draw down on the Maintenance Fund. They have no scholarship money anymore. It will be gone by the end of this year. They want to be more generous in scholarships. They had accrued \$125,000 interest in the Scholarship Fund but started spending it down a few years ago because college tuition and everything else was so extraordinarily expensive that they should give students more money. Mr. Kimball responded to a question from Mr. Dalessio. They will get 5% of the \$4,129,634.00.

Mrs. Pschirrer asked Ms. Galloway and Mrs. Malnati how they feel about the Hooper Trustees request for the Trustees of Trust Funds to approve their request for a Total Return Policy so the Hooper Trustees can go to the Probate Court with the support of the Office of Charitable Trusts. It is essential that they have the support of the Office of Charitable Trusts for the court. Ms. Galloway advised she is not well versed on this. She does not feel they should touch the principle. She trusts what Mr. Kimball is saying. Mrs. Pschirrer replied they are not touching the principle. The goal of the Total Return Policy is for the principle to grow; as of now the principle is not growing and from her perspective that is wasting money. She knows Boards succeed with Total Return Policies. Ms. Mayberry agreed that they want the principle to grow to meet the mission of the Hooper Institute. Mr. Dalessio feels it is important to do this because of the restrictions that were placed on the Hooper Trustees. Mrs. Malnati hears what Mrs. Pschirrer is saying. Her priority would be not spending down the principle but if they have a good year can they add to the principle. Mrs. Pschirrer noted they will be because that is a part of the Total Return Policy. They will only be using a portion of their income and the rest gets added to the endowment so that grows. Mrs. Pschirrer will work with the Town attorney to draw up a Total Return Policy that will then go to the Office of Charitable Trusts for their approval before it goes to the Probate Court. Remember that Mr. George Hooper only left about \$8,000-plus in 1926. Since 1926 that building was built, the Town built the school that he wanted, and the High School used that facility until the 1960s when Fall Mountain Regional School District was created. Now we are working our way into the Middle School. The Charitable Trust Office did not come along until the 1940s. She does not know when the Trustees of Trust Funds came into existence. It was the Town's people who were working on an investment. It grew considerably over that period of time. Mrs. Pschirrer asked if she can write a letter requesting their support for a Total Return Policy. It might be early December. Mr. Kimball would like a copy. Ms. Galloway and Mrs. Malnati agreed to support this request. Mrs. Pschirrer thanked the Trustees of Trust Funds and summarized that the Hooper Trustees appreciate their time and support.

The Trustees of Trust Funds left this meeting. Ms. Mayberry began the regular Hooper meeting.

HOOPER TRUSTEES MINUTES:

HOOPER TRUSTEES MEETING – November 4, 2021: Mr. Dalessio moved to accept the Minutes of the Hooper Trustees meeting of November 4, 2021, as presented. Seconded by Mrs. Pschirrer. With Mr. Dalessio, Mrs. Pschirrer and Ms. Mayberry in favor, the Minutes were approved.

HOOPER BUSINESS:

October 2021 Reimbursement to the Town of Walpole from the Hooper Educational Fund: Mrs. Pschirrer moved to approve the October 2021 Reimbursement to the Town of Walpole from the Hooper Educational Trust in the amount of \$2,454.79. Seconded by Mr. Dalessio. With Mrs. Pschirrer, Mr. Dalessio and Ms. Mayberry in favor, the motion was approved.

October 2021 Reimbursement to the Town of Walpole from the Hooper Maintenance Fund: Mrs. Pschirrer moved to approve the October 2021 Reimbursement to the Town of Walpole from the Hooper Maintenance Fund in the amount of \$1,782.65. Seconded by Mr. Dalessio. With Mrs. Pschirrer, Mr. Dalessio and Ms. Mayberry in favor, the motion was approved.

ADJOURNMENT:

Mrs. Pschirrer moved to adjourn this Hooper Trustees meeting. Seconded by Mr. Dalessio. Ms. Mayberry asked if there was any additional discussion. There was none. With Mrs. Pschirrer, Mr. Dalessio and Ms. Mayberry in favor, the meeting was adjourned at 6:34 PM.

Respectfully submitted,
Regina Borden, Recording Secretary


Cheryl Mayberry, Chair


Steven Dalessio


Peggy L. Pschirrer

(Note: These are unapproved Minutes. Corrections will be found in the Minutes of the next Hooper Trustees meeting.)