TOWN OF STODDARD - TRUSTEES OF THE TRUST FUNDS

Meeting Minutes - November 9, 2017

Conference Call with Attorney General’s Office

PRESENT: Marylou Stymest, Karen Bell, James Coffee, Terry Knowles (on phone), Attorney General’s Representative Attorney (AG) (on phone)

SUBJECT: Town Annuity, created by previous Trustees Board

Meeting commenced at 11:00 AM

This conference call was arranged between the parties because of concern as to the legality of this annuity; inability to access funds and the question of whether or not the current Trustees should or can close it.

The AG’s office informed the Board members that he spoke with the insurance company. He stated that he had hoped the company would have been more supportive of this situation but they were not. He said that this annuity was not legal and should have never been created.

The AG told the Board that the insurance company said that the Town could cancel the annuity now but would have to reimburse all of the interest earned to this point. The AG’s office said he told the insurance company that this was not an option. The other option the Trustees had was to wait another year and close the annuity at that point because once it passed the five-year mark, the early termination penalties would drop off. The Board members present voted to wait another year and withdraw the funds at that point.

The AG said that there were legal ramifications which could be imposed against the previous Trustees Board for creating this annuity. He also said that the previous Trustees Board could be pressed to repay the penalties paid by the School for withdrawing their funds early from the annuity. Both Marylou Stymest and Karen Bell stated that they knew the previous Trustees Board and all those involved had well-intentions at the time and as long as the Town's money could be recovered, legal action was not necessary.

Karen Bell expressed her concern about the fact that it appeared that the annuity listed Virginia GrandPre as the beneficiary. The AG explained that Virginia GrandPre was not actually the beneficiary and that the Town of Stoddard is the beneficiary. He said that Virginia GrandPre is, in fact, the annuitant. Terry Knowles stated that Virginia GrandPre could potentially have difficulty if she applies for Medicaid or Medicare because she is the listed annuitant on the policy and the annuity would be considered a personal asset. Other than this fact, Virginia GrandPre has no connection to the annuity. The AG assured the Board that is safe to wait the year and withdraw the funds from the annuity at that point. The only downfall to doing this is that there is potential loss of financial growth with these funds while waiting the year.

Karen Bell asked if there was any legal recourse with the insurance company which wrote this annuity. The AG said no.

Meeting adjourned at 12:15 p.m.

Submitted by Karen Bell, Trustees of the Trust Funds, Chairman