

## Overview

It has fallen on me, as successor trustee, to manage the trust and what's in it until such time as it can be distributed to the beneficiaries. The beneficiaries are mom's children with each getting a one share of the trust value. The trust assets are the Harrisville house but eventually I might find there are other things in the trust. There are also liabilities like taxes, insurance and upkeep of the house. There are lots of details and restrictions on things like having to create a bank account for a trust, of putting existing bills in the name of the trust, getting a tax id number for the trust and other thoroughly uninteresting things.

## Timeline

The timeline is

- notify siblings about the offer for sale to them - 30 days
- time to prepare proposals -60 days
- time from proposals to closing -120 days

I have been working for weeks to get the property appraised and the system is backed up. So I will probably extend the proposal period from the end of June to the end of the 4th of July holiday.

The timeline could be ~ 6 months which is about the length of the typical time that mom and dad spent in Harrisville for a season. This document outlines two options for how to manage the property this season

## How to deal with the Harrisville house this season

### Harrisville House Seasonal Costs

Fixed Costs whether house is open or not					
service	description	company	cost	#	ext.
property taxes		Town of Harrisville	5733	1	\$5,733
		Metropolitan			
		Group Property			
		and Casualty			
insurance		Insurance	556	1	\$556
pest control			600	1	\$600
	spring/fall				
landscaper	cleanup		150	2	\$300
	mow lawn		40	12	\$480
dock install and removal			100	2	\$200
maintenance/repair budget			500	1	\$500
					\$7,669
Additional Costs if house is open					
plumbing	opening/closing	Pinney Plumbing	200	2	\$400
electricity			60	6	\$360
internet/phone			90	6	\$540
additional maintenance and repair			500	1	\$500
					\$1,800

<b>Costs not included in this analysis</b>	
heating system operation or maintenance	
cable tv	
improvements	
<b>Total Costs for season for house that is open</b>	<b>\$9,469</b>

## Option 1 - keep the house closed this season

In this scenario the trust pays to mow the lawn, pay the taxes and insurance but none of the costs of being able to use the house. Once the house is sold and the trust is dissolved, those expenses would be deducted from the beneficiary shares. (approx. \$1250/share) There would be no celebration of mom's life during the 4th of July holiday at the house or any other use of the house. All determination on how we share the house would be avoided

## Option 2 - open the house for the season

Pending Coronavirus restrictions being lifted, we would be able to have celebration of mom's life during the 4th of July holiday at the house or that could happen later in the season. The family would be able to use the house and the family members who use the house would pay all the additional costs of the house being open as well as a portion of the fixed costs.

## House Management Policies for this season

Assuming that the house would be opened the following policies will be implemented for the season. If after reviewing these policies and the costs for using the house, interest in using the house evaporates, then we will fall back to Option 1 and keep it closed.

Having a house in the family will likely cost more like the \$13000 /yr that is delineated in the cousin's preliminary proposal of May 11,2020. For the trust for this year I have attempted to pare the costs down to the bare minimum. The questions I have to answer for this season are the similar to the questions that any family proposal will eventually have to address. Questions like... How much of the cost of having the house should be borne by everybody involved and how much should be borne by those in the family who actually use the house? Who should be able to use the house when and for how long? What are the policies around trash, linens, utility use, cleaning and maintenance? For this season, these questions will be addressed in the remainder of the document.

Weeks available for this season

weeks May-Nov

1	13-May-20
2	20-May-20
3	27-May-20
4	3-Jun-20
5	10-Jun-20
6	17-Jun-20

7	24-Jun-20	
8	1-Jul-20	McKenna Family celebration
9	8-Jul-20	
10	15-Jul-20	
11	22-Jul-20	
12	29-Jul-20	
13	5-Aug-20	
14	12-Aug-20	
15	19-Aug-20	
16	26-Aug-20	
17	2-Sep-20	
18	9-Sep-20	
19	16-Sep-20	
20	23-Sep-20	
21	30-Sep-20	
22	7-Oct-20	
23	14-Oct-20	
24	21-Oct-20	
25	28-Oct-20	
26	4-Nov-20	

Taking out the free week of McKenna Family Celebration, there are 25 potential weeks in the season. I have based this analysis on the total guess that as many as 12 of those weeks could be used by the family this season. At the very least those 12 weeks have to cover the **Additional costs if the house is open** as well as contributing toward a portion of the fixed costs.

Usage fees		
Additional Costs if house is open	\$1,800	
Weeks used by family	12	
Costs/week Additional Costs		\$150
Fixed Costs per season	\$7,669	
% of fixed costs paid by users	50%	
Fixed cost paid by users	\$3,835	
Cost/week Fixed costs paid by users		\$320
<b>Usage fee per week</b>		<b>\$470</b>
<b>Usage fee per day</b>		<b>\$94</b>

In order to equalize opportunity to stay in the house this season the maximum length of a stay in the Harrisville house shall be set. But you can come back for an additional stay. In the even that more than one family member group would like to stay during the same time slot, preference will be given to the group that has not yet spent time there this season.

Reserving time to stay at the house will be done by an email to the trustee at [mckenna71silver@gmail.com](mailto:mckenna71silver@gmail.com). Availability will be shown in a calendar at <https://calendar.google.com/calendar/b/3?cid=bWNrZW5uYTcx2lsdmVyQGdtYWlsLmNvbQ>

Payment will be made in advance of your stay. Once I have the accounts for the trust open I will add as many convenient ways to make payment as I can like Venmo or Zelle.

Maximum length of one stay	2 weeks
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**Other policies will be as follows.**

Trash: all trash shall be carried out with you at the end of your stay.

Linens: Bring your own sheets and towels

**Cleaning:** You are responsible for leaving the house clean.

Electricity: If your stay is during a period when other family groups will follow your stay then the electricity can stay on . Otherwise turn off the main breaker when you leave.

Food: If your stay is during a period when other family groups will follow your stay then the refrigerator can stay on and you can leave (only good and fresh) food in it. Otherwise empty and clean the refrigerator and leave both doors taped open a crack.

Floating things: pull up all kayaks, boats and floating things.

Outdoor furniture: Organize the furniture out of the way so the lawn can get mowed.

Do something while you are there to make it a nicer place for everybody.

Please do not go through all the things in the house at this point. That process won't begin to happen until at earliest, the 4<sup>th</sup> of July vacation week.

## Conclusion

I am not expecting these policies to be all things to all people and I am sure there are many other formulas and valid ways of managing the property during this time. I have attempted to balance the interests of beneficiaries who are not likely to use the house and are not interested in purchasing it from the trust with the interests of beneficiaries who love the house and are trying to find a way to keep it in the family. The fixed costs for the season do not go away. We can either each pay out of our shares ~\$1250 or each pay ~\$625 out of our shares and contribute part of the other \$625 in enjoyment of the house with maybe our kids and their families also helping to defray those fixed costs.

'The right of beneficiaries to purchase real property from trust' is something that mom and dad put in this trust and it is left to me to do my best to facilitate their wishes as best I can. In some ways this is a trial run. Who will step up and pony up? I hope the house is full of family this season. I have talked to Peri. We will put in a 2 week request if there is interest in option 2 from the family. Please let me know if these policies has squashed your desire to use the house this season. Please let me know if you will be considering a stay in Harrisville so I can put the rest of the wheels in motion and get the house opened up soon. -Tim

