

Chairman Norm Weldy called the meeting to order at 7:00 p.m. at the Raymond High School Media Center. Members present: Dick Wood, Jack Barnes, Frank Bishop and Greg Bemis. Also present: Town Manager Bates.

Chairman Weldy led a salute to the flag and held a moment of silence for the departed citizens of Raymond.

Chairman Weldy announced that there is no meeting, Monday, February 20th, however, there is a public hearing on Tuesday, February 21, 2006 at 7:00 p.m. to hear comments on the special revenue funds warrant articles, as well as the article to rescind Senate Bill 2. Also, Candidate's Night will be held on Wednesday, February 22, 2006 from 7:00 to 10:00 at the High School Cafeteria. Town Manager Bates indicated that he was aware that Chairman Weldy and Selectman Bishop have a prior commitment with the Legislature and will be unable to attend the public hearing on Wednesday, February 22, 2006, however, this meeting is just to comply with the law. Town Counsel recommended holding it earlier, rather than going to the deadline, which is the Monday after, just in case there was a snowstorm. There are no decisions to be made and no actions will be taken.

Chairman Weldy stated that tonight is a work session with the Trustees of the Trust Funds. The Trustees are Cathy Welch, Tina Thomas and Peg Louis. Also in attendance for this work session from the State is Terry Knowles and the Town's auditor, Bob Vachon.

This meeting was put together to try and get some questions answers on how trust funds should be handled and how can we get the process to run more smoothly.

Town Manager Bates stated that both the Trustees and the Selectmen had questions on how the trust funds are to be handled.

Chairman Weldy asked Bob Vachon come forward and voice his concerns over the last audit. Mr. Vachon stated that over the past several years there have been problems with the prior trustees of the trust funds and getting information. The audit was supposed to be done in January and the trustees were never ready. In addition, there are some issues going way back, 1994. With prior trustees, the perpetual care funds were deposited to the cemetery capital reserve fund \$4,000. In 1995 \$1,500 and some change, in 1996 \$3,500. So from the Town side, since the trustees are not interlaced with the Town, they maintain their books on a cash basis. What hasn't happened in the past and is still not happening, in going through and making adjustments so that the Town's inner funds agree with the trustees. In 2001, there was \$29,000 of a similar error on predominantly one issue. Money came out for a fence around the cemetery was charged for perpetual care and that is really not perpetual care. Perpetual care funds are used only to care for those lots. Mr. Vachon then went over several other problems and how they were taken care of, or will be taken care of. Mr. Vachon stated that the important thing is the trustees can deposit whatever monies are appropriated at town meeting, prior to year-end. Which means they need to get the money from the Town prior to the year-end and pay out all withdrawals

prior to year-end so that their cash base is the same as the Towns. The Trustees do not have to have their report to the State until March 1st. The important thing is that the underlying records, i.e. the bank accounts agree with the MS10.

Selectman Wood asked about the questioning of a name of the fund because it was slightly different than what was approved at town meeting. Selectman Wood asked how closely does the wording have to be on the fund to be deposited into that fund. Cathy Welch asked if she could answer this question. She was told yes. Ms. Welch stated that she believed this was about the pick-up truck verses replacement vehicle. Ms. Welch stated that the trustees thought it legally had to state the same as it previously did if they were putting the money into the same account. Selectman Wood stated that basically what has happened, his impression of what happened, is that in the past number of years there was, for instance in the fire department very specifically a capital reserve fund set up for replacing engine #4. We realized that is too specific so in the subsequent years there was a fire department vehicle fund line set up and he is not sure what some of the funds was that were transferred into the vehicle fund, but Selectman's Wood question is if there were funds into that fund. Is the name so distinctly different that we need to go back and rename everything or is fire engine #4 the same as a fire department vehicle fund. Terry Knowles stated that what needs to be done is to look at your original vote establishing that capital reserve fund. If you had a highway heavy equipment fund and each and every year on your warrant, you should have a deposit into the highway heavy equipment fund. If you want to change the name of the fund, there is an issue there as to whether the change of name actually changes the purpose. A change of name, if there is no change of purpose, if you are going from fire engine #4 to fire vehicle fund, you can do that with a simple majority vote. Selectman Wood asked if that is something that has to go through the legislative body. Ms. Knowles stated yes. She went on to state that if the fire engine #4 fund was going to be changed to a highway vehicle fund, that would need a two-thirds vote because you are changing the purpose of the fund. Chairman Weldy stated to Terry Knowles that in the past the way it was done, because there are different vehicles throughout each department in the town, so rather than have a line for each one of them it was decided to put them into one line and call it a vehicle replacement fund. That is where these came about. Because the issue is when the townspeople voted for fire engine #4 fund, that was noticed, everyone knew what they were voting on. When the Selectmen decided and it is a policy decision to make that change and we are just going to have just one vehicle fund, that is not a problem, but you have to go back to your legislative body to have them agree with what you want to do because once you make it a vehicle fund, we are not talking fire engine #4 anymore, we are talking the grader, the dump truck, maybe even the cruiser, so that does require a vote. Selectman Wood stated that what is being said it may no longer be fire engine #4, but it is still a vehicle within that particular department. Ms. Knowles stated that if you are going from just fire engine #4 to any fire truck that is not a problem. If you are going from fire truck to equipment that is a change. Selectman Wood stated that what was done here was that it went from fire engine #4 to the fire department vehicle replacement fund. Ms. Knowles asked Selectman Wood if at the time the capital reserve fund was established did it say to see if the town will vote to create fire engine #4 capital reserve fund. Selectman Wood stated he would guess that is how it was. Ms. Knowles then

stated that it should go back before the people. But that would be a simple majority vote because you are just going from one fire truck to any fire truck, but if you are going from fire truck to any vehicle outside the fire department, that is a change of purpose and would require a two-thirds vote. Terry Knowles suggested that the Selectmen speak with Don Borrer at DRA regarding this issue. There was a similar issue in another town that he has just dealt with.

Further discussions were held regarding communication issues and deposits and withdrawals. Ms. Thomas asked Ms. Knowles to help them set up a schedule so that the trustees receive the documentation needed sooner than they have been getting them. The trustees will receive a copy of the finalized ballot with what has passed and what has not passed right after election this year. All parties involved will strive for better communication.

Chairman Weldy asked what a good date would be for a deadline to have everything in? He suggested November 15th. Finance Director Collette stated that was okay with her. Tina Thomas stated that that was not early enough. For the withdrawals two out of three trustees have to sign the paperwork. That can take anywhere from a week to a month to accomplish. Ms. Thomas stated that it literally takes twenty business days to transact, to coordinate everyone and the banker. Mr. Vachon asked why it has to take that long, why the changing hands of the certified checks. Why not just place a call and discuss what they have and go with it. Terry Knowles stated that what is missing here is a process. There needs to be some sort of process developed between the Board of Selectmen, the Town Finance Director, the Town Manager and the Trustees of the Trust Funds. In some communities the certified check going into the account is eliminated because the town and the trustees set up a process for a wire transfer so that when the time comes you don't have checks flying around. You have a wire transfer going into the vehicle capital reserve fund; you know exactly where it is going. Confirmation of that wire transfer is given to the trustee of the trust funds, so you don't have \$120,000 check floating around somewhere. You may want to check with the banking institution and see whether that is possible and whether that process can be set up. The bank should be able to do that. Ms. Thomas wanted to clarify that it is not the bank holding things up it is she. She can only get to the bank on Saturdays. Saturdays in December she had a very busy schedule so if she can't get to the bank between 9:00 and 12:00, it has to wait until next Saturday. Ms. Thomas stated that wire transfers, the trustees are scared that if the money gets into the wrong fund, you can't move it out and they want to double check everything and that is why the withdrawals haven't been done, because they do not know without checking everything and making sure everything is absolutely right and they know a mistake has been made in the past and they are striving not to make mistakes and that is why it is taking longer. Chairman Weldy asked about wire transfers and having the account numbers readily available. When the account number is given that account number comes back to you and is repeated several times before the transaction takes place. Chairman Weldy stated that he understands the trustee's reluctance to use the wire transfers, but on the other side of it, it can be used. Ms. Knowles stated that needs to be done in the process if, let's say you have ten capital reserve funds, the trustees and your finance director should know the name of the bank account, along with the bank account

number. When you have this town meeting, if you know that the town has raised and appropriated \$10,000 to go into the landfill closure fund, you need to look at your list and make sure you know the landfill closure fund is with ABC Bank and this is the account number. Then you know where your wire transfer is going and as you said there is a confirmation process to make sure that is exactly the correct account. Ms. Knowles stated that she is not saying that Raymond has to do that, but she is hearing the trustees say that it is an imposition and we do have lives, to get to the bank on a Saturday morning and that what frightens Ms. Knowles is that there might be a large check floating around out there somewhere that has the ability to be lost. That is what is scary. Ms. Knowles thought the wire transfer was a good idea. As long as you know the name and the account number there should not be a problem. Again, that is the process and Ms. Knowles felt that is what is needed. Selectman Bemis suggested the trustees set a schedule to meet four times a year and notify the Board of Selectmen. That should solve all the problems and when they meet they will have all the information needed all the trustees would be there and solve the signature problems. Terry Knowles stated that she believed any mistakes could be corrected.

The question of cemetery perpetual care funds came up and Terry Knowles stated that once the deeds were changed from perpetual care to general maintenance, those funds can don't need to go into the perpetual care account. It is from that time backward that needs to be reconstructed and separate accounts opened. These previous funds are lot specific and they need to remain lot specific. Further discussions were held on this issue. Terry Knowles offered to pull records back 50 years and she can pull them and it will be easier to reconstruct the cemetery perpetual care funds from there up to the point of where it was changed to maintenance fund.

The trustees asked Terry Knowles how they could go about getting the Dudley Tucker Cemetery Trust Fund back in the hands of the family. Ms. Knowles stated that not only would you need to get the permission of the probate court, you would also need the permission of the Attorney General and that individual would then be required to file a financial report with Terry Knowles every single year and pay the filing fee.

To close a capital reserve fund, if the money is withdrawn and a 0 balance remains, do they still have to list that account as a zero balance unless to goes to warrant? Terry Knowles stated yes. You should have the town vote to terminate that account.

Cathy Welch asked as trustees of the trust funds are we supposed to keep the original bank statements from year to year? Ms. Knowles answered yes for ten years and then they can be destroyed.

Cathy Welch made a request that Finance Director Collette return the original bank statements to the trustees as soon as possible. Finance Director Collette stated yes, they are together and will be returned.

Terry Knowles stated her concern over checks being held for so long and how they could easily be misplaced or forgotten. She asked if one of the other trustees could hand carry

the checks for deposit to the bank to get them in there as soon as possible. Ms. Thomas stated she would find time to get to the bank tomorrow night.

Chairman Weldy recognized Kevin Woods, Chairman of the Cable Committee. Mr. Woods had two questions, one was already asked by Terry Knowles about having one of the other trustees deposit the checks. His other question was about the documentation trail process for request of payments, including the warrant article number and invoice, etc. He thinks what got missed in that conversation was initially Chairman Weldy was discussing with Grace would November 15th be a good date for getting money to the trustees, Ms. Thomas mentioned that July was better, then Finance Director Collette said that there is not enough money in July to get that done because that money is collected through the taxes and July is too soon before the tax bills get sent out and the money starts to come in. With this background the question Mr. Woods had was in March the town approves to deposit "x" amount of dollars into different capital reserve funds. What he hears from Finance Director Collette is the Town does not really have that money in March, is that correct? So that although ideally you would like to say okay the town in March approved those capital reserve fund deposits, in March you really can't give that to the trustees to deposit. So the question becomes when can you give that money and that goes back to Peg's question of the trustees really have to be given that money before they can give it back to you in payment. As an example the cable budget, what makes that simple is they know that they get two checks from Comcast, so Finance Director Collette knows when those monies come in the Comcast, those monies can go to the capital reserve funds at that time. Correct me if I am wrong, but it sounds like the Selectmen need to decide when that money is going to go to the trustees and you have to have collected it in taxes? Is this correct? Mr. Vachon stated that like any other normal town June is the tough month. The reason June is the tough month toward the end is you have now paid the school all of its money through June 30th and if your tax bills are late at all, 30 days from the last billing, that could be a problem. But there are a lot of communities who turn over, \$600,000 April 15th. But we are talking a little bit more money here so you need a little more time to do that. He can't believe that it has to wait until December to do it, though. Finance Director Collette stated that she thought that was the agreement when she met with the trustees. Mr. Vachon stated that but then again, if you give it to the trustees on November 15th, it can't sit until February 1st either. That is why we need to get the whole process working and have everybody agree on it.

Ms. Thomas asked Terry Knowles for a little confirmation on the perpetual care funds. In order for the trustees to go forward, the trustees of the trust funds believe that the perpetual care funds are the responsibility of the cemetery trustees, but Ms. Thomas heard Ms. Knowles stated it was the responsibility of the trustees of the trust funds? Is this correct? Ms. Knowles confirmed that it is the trustees of the trust funds responsibility to clear this up. Ms. Knowles stated she would request some of the Town's reports from archives to see how far along she can get the trustees with those. Then you would only have the intervening period up until 1994, 1995 whenever perpetual care was done away with. Ms. Knowles does not think it is going to be as big a job as they think, as she suspects the reports are correct for a lot of years and somewhere along the line

someone just stopped doing them. Ms. Knowles will get the trustees that much and then she will tell them how to get the rest.

Once the perpetual care funds are straightened out, the cemetery trustees will need to give the trustees of the trust funds an itemized accounting of what they want from each account.

Further questions were asked and discussions held.

Chairman Weldy asked if there were any further questions from the Board?

There were no further questions and the Board of Selectmen thanked the trustees of the trust funds, Terry Knowles and Bob Vachon for their help in resolving the issues discussed.

Peter Buckingham came forward and voiced his concerns over inaccuracies in the Conservation Commission's draft minutes regarding a warrant article he has put in. Selectman Wood stated that Mr. Buckingham should go to the Conservation Commission and discuss his concerns with them. Selectman Bishop stated he would accept the letter Mr. Buckingham gave the Board of Selectman, however, everybody has the right to express their opinion whether they do it through newspapers or however they do it, as long as they are not using taxpayers money. Everyone has to understand that the process is that everyone has a right to his or her own opinion.

Motion by Selectman Bishop to go into nonpublic session pursuant to RSA 91-A:3, II(c), seconded by Selectman Barnes. Chairman Weldy polled the Board, Selectman Bemis – yes, Selectman Barnes – yes, Selectman Bishop – yes, Selectman Wood – yes. Motion passed unanimously.

The Board went into nonpublic session.

Motion by Selectman Wood to come out of nonpublic and to seal the minutes of nonpublic until no longer needed, seconded by Selectman Barnes. Motion passed unanimously.

Motion to adjourn by Selectman Bishop, seconded by Selectman Barnes. Motion passed unanimously.

The meeting adjourned at approximately 9:30 p.m.

Respectfully submitted,

Kathy L. Cramer
Selectmen's Secretary/
Recording Secretary