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Town of Grantham Trustees of the Trust Funds Meeting June 14, 2011

Trustee Lewis called the Tuesday, June 14, 2011 meeting of the Town of Grantham Trustees of the Trust Funds (TTF) to order at 7:00 p.m. The meeting was held in the Jerry Whitney Memorial Conference Room at Grantham Town Hall located at 300 Route 10 South in Grantham.

Present: Trustee Joyce B. Spatz and Trustee Robert A. Lewis

Absent: Trustee Robert E. Fogg Jr. excused due to illness

REVIEW AND APPROVE MINUTES OF MAY 10, 2011 MEETING

Trustee Lewis asked if there were any changes to the minutes of the May 10, 2011 TTF meeting. Trustee Lewis noted some format changes at the top of the second page to clarify the items discussed. Motion made by Trustee Spatz to accept the May 10, 2011 minutes with the format changes noted by Trustee Lewis. Seconded by Trustee Lewis.

Unanimously approved

ADMINISTRATIVE

Discussion of bookkeeper and clerk positions

Deferred to July meeting

BOOKKEEPER REPORT

Cemetery Fund Certificates of Deposit

Trustee Lewis confirmed that the Land Preservation and Municipality Revaluation Certificates of Deposit at Sugar River Savings Bank were renewed for a one-year period.

Trustee Lewis advised that a \$250 deposit was made to the Cemetery Development Fund on June 2, 2011.

Trustee Lewis advised that \$23,000 was withdrawn from the Tuition ETF on May 27, 2011 in response to the initial request of SAU # 75 to withdraw funds from the Tuition ETF Certificate of Deposit that matured on May 27, 2011. The funds were deposited on May 27, 2011 to a newly opened Sugar River Savings Bank statement savings account.

Sugar River Savings sent a notice dated June 8, 2011 that VDE Well Renovation CD, VDE BFI Meter Replacement CD and VDE Vehicle & Equipment Replacement CD will mature on July 9, 2011 and will be automatically renewed for a one year period. On June 13, 2011, Trustee Lewis

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sent an email to VDE Manager Weber and Commissioner Fairweather of the pending renewals and asked if VDE anticipated a need to access funds in any of the CD's before July 9, 2012.

OLD BUSINESS

Petitions to amend terms of English and Hudson scholarship funds

Among the funds administered by the Grantham Trustees of Trust Funds are the Mathilde M. and Jackson P. English Educational Trust Fund and the Glenn Hudson Memorial Fund. Under the terms of the English Scholarship Fund, annual scholarships are awarded to two Grantham School District high school graduates. The Glenn Hudson Memorial Fund is awarded to a graduating senior pursuing a post-secondary education. The English Fund scholarships and Hudson Award are limited by the terms of each fund to the interest earned during the preceding year.

In recent years, the annual interest has been insufficient to fulfill the purpose of each fund. Petitions to amend the Mathilde M. and Jackson P. English Educational Trust Fund and the Glenn Hudson Memorial Fund were sent to Trustee Lewis on May 31, 2011 by Attorney Maureen L. Pomeroy with a request that Trustee Lewis execute the petitions on behalf of the Grantham Trustees of Trust Funds. The proposed amendment of the Mathilde M. and Jackson P. English Educational Trust Fund would allow the Grantham School District to expend both interest and principal to award two \$300 scholarships each year in accordance with other terms of the Trust. The proposed amendment of the Glenn Hudson Memorial Fund would allow the School District to expend both income and principal for scholarships to Grantham School District high school graduates in memory of Glenn Hudson. Descendants of Mathilde M. and Jackson P. English and Glenn Hudson have assented to the proposed amendments. The Director of charitable Trusts in the New Hampshire Department of Justice also supports both petitions.

Following discussion, the Trustees agree that amendment of the Mathilde M. and Jackson P. English Educational Trust Fund and the Glenn Hudson Memorial Fund is consistent with the purpose of each Trust and will reduce time required to administer the funds. Motion was made by Trustee Spatz and seconded by Trustee Lewis to authorize Trustee Lewis to execute both Petitions For Amendment Of The Terms Of A Charitable Trust.

Unanimously approved

Agents authorized to withdraw from Town Accounts.

Special Town Meeting was held on May 25, 2011. Results of the Special Town Meeting are:

- Article 1 – To authorize the Selectmen as agents to expend from the Athletics Fields Capital Reserve Fund. Passed by Unanimous Voice Vote.
- Article 2 – To adopt the provisions of NH RSA 41:14-a regarding the acquisition or sale of land, buildings or both. Passed by Unanimous Voice vote.
- Article 3 – To authorize the Selectmen to agents to expend from the Land Preservation Capital Reserve Fund previously established. Passed by Unanimous Voice Vote.

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- Article 4 – To authorize the Selectmen as agents to expend from the Town Office Equipment Capital Reserve Fund previously established. Passed by Unanimous Voice Vote.
- Article 5 – To authorize the Selectmen as agents to expend from the Fire Department Apparatus Capital Reserve Fund previously established. Passed by Unanimous Voice Vote.

The Grantham Selectmen are now authorized as agents to expend from all public money Capital Reserve Funds administered by the Trustees of Trust Funds.

NEW BUSINESS

Town of Grantham request to Discontinue Radio Console Capital Reserve Fund

During the review of previous Town Meeting minutes, it was discovered that 2006 Town Meeting authorization to discontinue the Radio Console Capital Reserve Fund has not been done. On May 17, 2011, Town Administrator Newton submitted a request to withdraw the \$653.06 balance from the Police Department Radio Console Capital Reserve Fund. Discontinuance of the Radio Console Capital Reserve Fund was authorized by Article 24 of 2006 Town Meeting. On April 27, 2011 the Selectmen unanimously approved the discontinuance of the fund and requested the funds be transferred to the Town's general fund. Motion by Trustee Lewis and seconded by Trustee Spatz to withdraw and transfer the \$653.06 balance of the Police Department Radio Console Capital Reserve Fund to the Town of Grantham General Fund.

Unanimously approved

Town of Grantham request to withdraw funds from the Town Office Equipment Capital Reserve Fund

On May 17, 2011 Town Administrator Newton submitted a request to withdraw \$4,520.74 from the Town Office Equipment Capital Reserve Fund. The withdrawal request was unanimously approved at the April 13, 2011 Selectmen meeting to purchase a new computer server. The Voucher for Payment is supported by detailed receipts confirming the expenditure of \$4,520.74. The Selectmen were designated as agents to expend from the Town Office Equipment Capital Reserve Fund at the May 25, 2011 Grantham Special Town Meeting. Motion by Trustee Lewis and seconded by Trustee Spatz to approve the Town of Grantham request to withdraw \$4,520.74 from the Town Office Equipment Capital Reserve Fund.

Unanimously approved

Request by Grantham School Board to withdraw funds from the Tuition Expendable Trust Fund

On June 2, 2011 Jeffrey Walla, SAU #75 School Board Chairman submitted a request to withdraw \$11,645.00 from the Tuition Expendable Trust Fund to cover unbudgeted tuition costs. The June 2, 2011 Voucher amended a previous request to withdraw \$23,000 from the Tuition Expendable Trust Fund. The \$23,000 withdrawal was approved unanimously at the May 4, 2011 meeting of the Grantham School Board. Subsequent to the May 4, 2011 meeting the School

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District reduced its withdrawal request to \$11,645 in anticipation of receiving a final accounting and reconciliation of the tuition figures for Grantham students who attend school in the Lebanon School District. The anticipated final accounting and reconciliation has apparently not been received at the time of the Trustee's meeting. On Monday, June 13, 2011, Trustee Lewis met with SAU#75 employees to ascertain what documents to support the requested \$11,645.00 withdrawal was available. At that time, there was still an overcharge and undercharge to be resolved with the Lebanon School District together with tuition and transportation reimbursement for another student who apparently attends the Lebanon District School on a sporadic basis.

The Tuition Expendable Trust Fund was established under RSA 198:20-c. The last sentence of section I. of that statute states: "Expenditures from such trust funds shall be made only for the purpose for which the trust fund was established." Since the final accounting and reconciliation with Lebanon School District had not been completed, it seemed clear that SAU#75 could not establish the amount of funds needed for the budget overrun. In an effort to accommodate the final accounting and reconciliation, Trustee Lewis offered to approve the full \$11,654.00 requested by SAU #75 if the School Board would commit to making a final accounting of Tuition costs actually paid to Lebanon School District and agree to reimburse the Tuition Expendable Trust Fund any money not actually spent on tuition costs.

The SAU #75 School Board met on the evening of January 13, 2011. In an email after the meeting, School Board President Walla confirmed that the School Board had voted to request withdrawal of \$11,645.00 from the Tuition Expendable Trust Fund. There was no mention of whether the School Board had considered or accepted the offer of Trustee Lewis to pay the full amount of the request subject to reimbursement upon a final accounting and reconciliation. SAU #75 appended pages to its withdrawal request showing tuition payments to the Lebanon School District. It is impossible from this document for the Trustees to determine whether, and by how, SAU #75 will exceed its tuition budget. RSA 198:20-c requires that funds be expended "only for the purpose for which the trust fund was established" Motion by Trustee Spatz and seconded by Trustee Lewis to deny the withdrawal of \$11,645.00 from the Tuition Expendable Trust Fund for lack of adequate documentation that funds will be spent for the purpose for which the fund was established.

Unanimously approved

Request by Grantham School Board to withdraw funds from the Special Education Expendable Trust Fund

On June 2, 2011 Jeffrey Walla, SAU #75 School Board Chairman submitted a request to withdraw \$32,216.00 from the Special Education Expendable Trust Fund. The June 2, 2011 Voucher amended a previous request to withdraw \$31,313 from the Special Education Expendable Trust Fund. The initial \$31,313 withdrawal was approved unanimously at the May 4, 2011 meeting of the Grantham School Board. Subsequent to the May 4, 2011 meeting the School District received additional invoices for special education services and transportation provided to Grantham students. On Monday, June 13, 2011 Trustee Lewis met with SAU #75 employees to review the documentation supporting the requested \$32, 216.00. At that time,

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invoices totaling \$27,706.40 were available. Additional invoices for special education costs incurred during the remainder of the school year will be received at a future date.

The Special Education Expendable Trust Fund was established under RSA 198:20-c. The last sentence of section I. of that statute states: “Expenditures from such trust funds shall be made only for the purpose for which the trust fund was established.” At this point, SAU #75 has invoices totaling \$27,706.40 and are estimating future special education costs that will be billed. To accommodate the receipt of future special education invoices, Trustee Lewis offered to approve the full \$32,216.00 requested by SAU #75 if the School Board would commit to making a final accounting of special education costs actually paid and agree to reimburse the Special Education Expendable Trust Fund any money not actually spent on special education costs.

The SAU #75 School Board met on the evening of January 13, 2011. In an email after the meeting, School Board President Walla confirmed that the School Board had voted to request withdrawal of \$32,216.00 from the Special Education Expendable Trust Fund. There was no mention of whether the School Board had considered or accepted the offer of Trustee Lewis to pay the full amount of the request subject to reimbursement upon a final accounting and reconciliation. At this point, SAU #75 has provided invoices totaling \$27,706.40 to support its withdrawal request. RSA 198:20-c requires that funds be expended “only for the purpose for which the trust fund was established”. Motion by Trustee Spatz and seconded by Trustee Lewis to approve withdrawing of \$27,706.00 from the Special Education Expendable Trust Fund.

Unanimously approved

Request by Grantham School Board to withdraw funds from the Jackson P. and Mathilde M. English Educational Trust Fund

Under the terms of the Jackson P. and Mathilde M. English Scholarship Trust, the annual interest earned is divided equally between the young woman and the young man who, as residents of Grantham, graduated from high school that year with the highest academic record. At its May 4, 2011 meeting, the Grantham School Board voted to award the Jackson P. and Mathilde M. English Scholarships to Matthew Blandin and Haleigh Paquette. For the preceding 12 months, the Trust received \$122.52 interest. Motion by Trustee Lewis and seconded by Trustee Spatz to award a \$61.26 scholarship to Matthew Blandin and a \$61.26 scholarship to Haleigh Paquette.

Unanimously approved

Request by Grantham School Board to withdraw funds from the Glenn Hudson Memorial Fund

Under the terms of the Glenn Hudson Memorial Fund the annual interest earned is awarded to a Grantham resident graduating senior pursuing higher education. At its May 4, 2011 meeting the Grantham School Board voted to award the Glenn Hudson Memorial Award to Madeleine Wells-Bogue. For the preceding 12 months, the Fund received \$33.93 interest. Motion by Trustee Lewis and seconded by Trustee Spatz to award \$33.93 to Madeleine Wells-Bogue.

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TOWN MEETING CAPITAL FUND ACTIVITY REPORT

Trustee Lewis reviewed the minutes of 2011 Grantham Town Meeting and has prepared a report showing all the additions to various capital funds approved at Town Meeting. A copy of the report was provided to Trustee Spatz and will be provided to Town Administrator Newton and to Trustee Fogg.

ADJOURNMENT

The next meeting of the Grantham Trustees of Trust Funds will take place in the Jerry Whitney Memorial Conference Room on Tuesday, July 12, 2011 at 7:00 p.m.

There being no further business, Trustee Spatz moved and seconded by Trustee Lewis to adjourn at 7:55 p.m.

Unanimously approved

Respectfully submitted,

Robert E. Fogg, Jr., Trustee
Joyce B. Spatz, Trustee
Robert Lewis, Trustee