

FIRST REVISION

**Trustees of the Trust Funds
Special Meeting Minutes
November 22, 2011**

PRESENT: Members – Marlene Green, Peter Glenshaw, and Blake Allison

TOWN: Dina Cutting

The meeting came to order at 4:30 p.m.

This special meeting of the Trustees was called to resolve business unfinished at the November 17th meeting.

1. Fund Deposits

- **Emergency Enrollment Cap. Res. Fund** – This new trust fund was created by voters last March 8th at the 2011 Annual Town Meeting. Marlene said an account had been established and that she had made an opening deposit of \$50,000 (Check #000021484 from SAU #76/Lyme School District) as appropriated by the voters.
- **Dreyfus Accounts Deposits** – The following deposits were made into the Dreyfus money management fund. Bridge Capital Reserve Fund -- \$20,000 (Check #024895). Property Reappraisal Capital Reserve Fund -- \$5,000 (Check #024902)

2. Other Business

- **Bessie Hall Trust – Dina Cutting** joined the meeting to discuss concerns about the Bessie Hall Trust and distribution of its funds.

The Bessie Hall Trust Fund was created by voters in a series of articles approved at the 1983 and 1987 annual town meetings. The purpose of the account was to receive the annual payout from the Bessie Hall Unitrust - a Trust originally established by Bessie Hall in 1973, with what was then known as Dartmouth National Bank (now Bank of America) serving as Trustee. The Town of Lyme is the sole beneficiary of the Trust. Each year, the Trustees calculated the annual 10% payout and a check was sent to the Town of Lyme to be used for Bessie's intended purpose as stipulated in the Trust document; "to provide fire protection to the residents of the Town of Lyme and surrounding towns through the services of the Town of Lyme Fire Department."

On 11/29/2010 Marlene sent an e-mail to Terry Knowles, Assistant Dir. Of the State of NH Dept. of Justice Charitable Trusts Unit, expressing the Trustees' opinion that this account should not be under the Trustees' supervision because "the Town of Lyme is not the trustee of the Bessie Hall Trust nor does the Town have any access to or control over the corpus of the Bessie Hall Trust." She proposed that the Trustees submit a warrant article to the 2011 Annual Town Meeting that would dissolve the Bessie Hall Trust with the Unitrust's income then being distributed directly to the Fire Department as stipulated originally by Bessie Hall's will.

Terry Knowles responded by e-mail on 1/06/2011 that such a warrant article was probably not necessary because "previous votes of the town did not comply with the (State of NH) statutes." She went on to explain that "funding a capital reserve fund with private money is not legal." She also noted "The Fire Dept. has no statutory authority to receive or administer distributions from a private trust, and the Bessie Hall money cannot

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be turned over to the Fire Chief to be expended at his discretion.” Alternatively, Knowles recommended that the funds be received by the Town of Lyme, and “treated as anticipated revenue. When the Fire Chief prepares his budget on a gross basis he can include the Bessie Hall money as offsetting revenue to his budget as long as the money is being used to provide *“fire protection for residents of the Town of Lyme and the surrounding towns through the services of the Fire Dept. (Knowles’ emphasis)”*

Knowles included the following example:

Fire Department budget request:	\$100,000.00
Anticipated revenue from Bessie Hall Trust	\$3,000.00
Balance to be raised by taxation:	\$97,000.00

“When the Bessie Hall check comes in the Board of Selectmen hold a hearing to accept the check and it is then used as an offset to the Fire Department’s budget just like state highway funds are used to offset the Highway budget,” Knowles said.

After some discussion, it was agreed the Trustees should end any appearance of involvement with the Bessie Hall Unitrust. It was further agreed that Dina would work with the Town attorney to draft a warrant article to be presented at the 2012 Annual Town Meeting dissolving the Bessie Hall Trust account currently being administered by the Trustees of Trust Funds. All funds currently being held by the Trustees in said account would then be released to the Town to be applied as offsetting revenue to the Fire Department’s annual budget.

Peter said he would draft a letter to Dina confirming today’s discussion and resolution.

The meeting was adjourned at 6:00 p.m.

The next regularly scheduled meeting is Thursday, December 15th at 4:30 p.m. at the Town Offices.

Respectfully submitted,

Blake Allison, Secretary