

Selectmen's Meeting Minutes

Tuesday, September 18, 2007

Present: Selectman Maxfield, Ives, and Bowles.

Also present: Road Agent David Rice, Fire Chief Jeff Burr, Library Trustees Phil Nadeau, Sandra Blanchard, and Greg Silva, and Terry Knowles of the Attorney General's Office, Charitable Trust.

Chairman Maxfield called the meeting to order at 6:30 PM.

- I. Selectman Ives moved to approve the Selectmen's Meeting Minutes of Tuesday, September 11, 2007 as presented. Seconded by Selectman Bowles. All in favor. Motion carried.
- II. The Board met with Road Agent David Rice.
 - a. Mr. Rice advised the Board that Pike is almost finished with their part of Clough Pond Road and the Highway Crew would continue with dressing of the roadside as they worked their way along Berry Road. He stated the Berry Road work is not taking as long as he had expected it to. Mr. Rice said they would be working on the header and riprap on Wednesday. Chairman Maxfield stated he had driven by the right-of-way and felt that the Highway Crew had done a great job on the reconstruction.
 - b. Mr. Rice stated that Alan Minery would be continuing with roadside mowing.
 - c. Mr. Rice asked the Board if he could have Rob Bowen fill in mowing the Town property while a part-time employee is out for a medical issue. The Board agreed.
 - d. Mr. Rice asked the Board about obtaining prices for a grader. He said that he would like to do the same thing that they did with the excavator and the lease/purchase over 5-6 years. Mr. Rice said that the excavator would be paid off this year. He said the grader is approximately 21 years old. The Board advised Mr. Rice he should move forward with obtaining the prices.
 - e. Selectman Ives discussed a driveway issue on Berry Road and stated he would like to see that if any driveway is changed in any way that it is reviewed to be sure the water runoff does not go out into the road. Selectman Bowles said that the Zoning Ordinance in place calls for a 12-foot driveway at -2% grade, and he feels that Mr. Rice needs to review all of the driveways that have been issued permits to be sure that they meet the ordinance that is in place. Selectman Ives said that Mr. Rice needs to work with the Code Enforcement Officer to be sure this issue is taken care of. Selectman Bowles said he would like to see

Berry Road addressed and taken care of so that the Highway Crew does not have to go out there next spring and work on these same problems. Mr. Rice said that they had been grading Berry Road with a crown and are going to go back to grading it flat with a pitch to the uphill side and have the drainage flow towards the culverts. Selectman Ives discussed the need to be sure that every property owner controls the water that comes off his or her property. Discussion ensued regarding the issue of Dee Dee Maratea's property on Berry Road. Selectman Bowles stated when he measured the right-of-way relative to the abutment, he found that it was 2 ½ feet in the right-of-way. He said nothing is to be done on that property until engineered plans or written direction as to what they plan to do are forwarded to the Town's engineer to review. Selectman Bowles said the Selectmen have given Ms. Maratea strict orders that nothing can be done on that property until reviewed by the engineer. Chairman Maxfield stated that the Town's Engineer has gone out to the property since the wall collapsed and is working with Ms. Maratea's contractor. Selectman Ives said they needed to do stabilization before anything was moved around.

- III. The Board met with Fire Chief Jeff Burr.
 - a. Chief Burr advised the Board that he had received a letter from the State regarding surplus equipment. He asked if the Board needed a letter from him deeming the old tanker truck surplus and ready for the auction. The Board agreed a letter should be drafted.
 - b. Chairman Maxfield asked how things went for the Fire Department during the race event. Chief Burr said things went well. Discussion ensued regarding holding an "after action meeting" possibly on September 27, 2007 at DOT.
- IV. Chairman Maxfield stated that one pistol permit was submitted for signature and approval.
- V. The Board began their review of weekly correspondence.
 - a. The Board was advised of a meeting scheduled for Wednesday, September 26, 2007 at 6:00 PM in the Historical Society to discuss the growth management ordinance with Attorney Mayer, Planning Board, Zoning Board, and Board of Selectmen.
 - b. The Board received the final fully executed settlement agreement regarding the Police Department Personnel issue.
 - c. The Board received copies of the study completed by the Brookline Public Works Study Committee regarding highway department budgets in 24 towns with a population of 4,000 – 6,000.
 - d. The Board received copies of the SDS/ZBA litigation as well as notice of the hearing date on December 10, 2007 at 10:00 AM at Merrimack County Superior Court.

- e. The Board received copies of a memo from Planning/Zoning Secretary Donna White regarding the Base Floodplain Elevation study submitted by MDP for the Villages at Loudon.
- f. The Board received copies of the Concord Monitor article regarding the growth management ordinance passed by Boscawen.
- g. The Board received a follow-up letter from Engineer Judy Houston regarding DES requirements for on-site personnel.
- h. The Board received a follow-up letter from DRA regarding Loudon's 2008 Certification.
- i. The Board received a memo from DOT regarding the final inspection for the signal relocation on Route 106.
- j. The Board received copies of the ZBA Site Walk minutes from August 30, 2007 for review.
- k. The Board received copies of the August property transfers.
- l. The Board received notification from DES on an inspection at Colin Cabot's dam.
- m. The Board received the Fire Department billing to NHIS for the Nextel race event in the amount of \$43,317.75.
- n. The Board received a notification from Merrimack Valley School District stating the Town owes an additional \$54.00 on last year's assessment. Mrs. Lee will follow up on this issue.
- o. The Board received notification that the DOT statewide dispatch has moved to a new location.
- p. The Board received an invitation to the "Green Home" open house on October 5, 2007.
- q. The Board received notification of a junkyard licensing workshop on October 22, 2007.
- r. The Board received information on the Local Government Center conference on November 7-9, 2007.
- s. The Board received notification of the State Auction on October 13, 2007.

VI. Chairman Maxfield introduced Terry Knowles of the Attorney General's Office Charitable Trust who was here to meet with the Selectmen and the Library Trustees. Ms. Knowles advised those present that she is a former Selectman and former Library Trustee so she has experience on both sides. She said that her role this evening is to explain the laws and stay neutral; she does not take sides. Ms. Knowles stated under NH Law, libraries are given extraordinary authority in order to protect libraries from the budget cuts that arise during the budget process. She said that if you were to look at an organizational chart, the Board of Selectmen and Library Trustees are on the same level. Ms. Knowles went on to state that RSA 202-A:11 says, "The Library Trustees shall expend all monies raised and appropriated by the Town for Library purposes." She said some towns have all their library bills forwarded and paid by the town, while others have chosen to handle their own taxpayer money. Ms. Knowles stated if the Library Trustees want to handle

their own money, the State Statute says they get to do that. She said the Statute says the money will be paid over to the Library Trustees by the Town Treasurer, according to a payment schedule agreed upon by the Library Trustees and Board of Selectmen. Ms. Knowles said the Selectmen can agree to pay the taxpayer money to the Library monthly, quarterly, semi-annually, annually, or whatever works so the cash flow for the Town and cash flow for the Library does what it should be doing. She said when it comes to Capital Reserve Funds, the townspeople vote to have agents to expend the money and in the case of Library Capital Reserve Funds it could be the Selectmen, Library Trustees, or both. Ms. Knowles stated that since it is public money, it is up to the voters of the community to decide who will be in charge to spend that money. She asked what questions people had. Selectman Bowles asked if the Selectmen were mandated to comply with the request or could they wait until this issue could go before the townspeople and let the voters decide. Ms. Knowles said the question is regarding paying the money directly to the Library Trustees. She said that there is no "home rule" in the State of NH, which means NH is a Statutory State and what the Statute says goes. Ms. Knowles said there is no local control with this issue. There has to be an agreement between the Selectmen, and Library Trustees and the Library Trustees get to expend all monies raised and appropriated by the Town for library purposes. Selectman Bowles said it is not as simple as handing over a check because of auditing, changes in elected officials, and paying from the different accounts. He said he feels that it is in the best interest of the Town that things remain status quo until the voters can weigh in on this issue at Town Meeting. Ms. Knowles advised the Board that the Library Trustees are bonded and if anything goes wrong, it would not be the Board of Selectmen that would be investigated, it would be the Library Trustees. Selectman Ives said he felt the current system has been working well for decades and doesn't see a reason to make a change now as long as the bills get submitted, which they haven't been for quite a while. He said he felt that not submitting the library bills for payment shows fiscal irresponsibility. Selectman Ives said he would like a response from the Library Trustees as to why all of a sudden they want to change the way the bills have been paid. Phil Nadeau said he was only speaking for himself, not for the Trustees, and he is not saying anything is broke or that this will fix it. They have asked Ms. Knowles to educate themselves, the Selectmen, and the public about the importance of the law. He said he thinks it is spelled out really clear. Mr. Nadeau said what they are looking at is the administering of the funds of the library, which they would prefer to do in a cost effective efficient manner, not that it's not being done that way now. He said he thinks it is going to save some time for the Selectmen and Town Office if they do these themselves. Mr. Nadeau said all they are looking for is an agreement with the Selectmen, as it is clearly stated in the law, and it should not come down to an issue of personalities. Selectman Ives said he is not taking it personally. Sandra Blanchard said that years ago libraries were very small and now with the growing communities there are larger and larger buildings. She said that she

has been speaking with other communities similar in size and more and more libraries are realizing it is logical that they get the bills in and they should process them and get the money out. Ms. Blanchard said it would eliminate the duplication of all the paperwork, sending it over to the Town Office, the waiting period, which she said gets to be too much. She said when the Library was smaller, it wasn't a problem, but now it gets to be too much. Chairman Maxfield reminded those who were speaking that they needed to identify themselves for the record. Selectman Bowles said he was not sure where the Library Trustees get the feeling that the Town is not paying the bills on time because that is not the case. He said that he does not believe in the four years he has been a Selectman any bill has been paid late. Selectman Bowles went on to say that there is a system in place that has been working fabulously for longer than he has been in Office, and he knows that there are surrounding communities that do not have as efficient a bill paying system as Loudon does. He said he commends Ray Cummings for getting Loudon headed in the right direction as far as putting the office staff in place to handle these issues and taking some of these issues out of the Selectmen's hands. Selectman Bowles went on to say that the Selectmen review everything every week and the bills are paid. He said he doesn't understand how Mr. Nadeau can say that the Library Trustees are going to be able to pay the bills more efficiently. Selectman Bowles said that he felt if members of the audience had questions pertaining to this issue they should be allowed to ask the questions while someone was here to answer the questions professionally. Selectman Ives asked if the Library Trustees had a copy of the letter from Auditor Paul Mercier. The Library Trustees said they did not receive that letter. Selectman Ives read Mr. Mercier's letter, which addresses his many concerns. Ms. Blanchard stated when Mr. Mercier spoke with the Library he sounded like he was for this change. Chairman Maxfield asked Ms. Knowles what would happen if the Selectmen decided to stand their ground and say they were not going to agree to this change. Ms. Knowles stated that both the Board of Selectmen and Library Trustees raised their right hands and took the oath of office, which states that they promise to uphold the laws of the Constitution of the State of NH. She said that she understands there is reluctance on the part of the Selectmen and they probably have very good reasons as to why they do not want to turn the bill paying authority over to the Library Trustees; however, the Legislature has ruled that this is allowable under NH Law. Ms. Knowles said she felt that litigation over this issue would tear the town apart and cost a lot of money, and it is her hope that something can be worked out. Mr. Nadeau said he tried to put himself in the Selectmen's position and he would probably feel some reluctance to give up some of the control and he feels that this is what it all comes down to, a perception of the loss of control over the administration of funds. He said everyone has to get beyond matters of personal opinion and look at the law, as it authorizes the Library to administer its own funds. Mr. Nadeau said the Trustees are not saying that the moment the Trustees assume the responsibilities they are going to a much clearer job, but they are willing to take the risk and assume the responsibility.

Selectman Ives said the law states that the Library Trustees can request the funds; it does not state that they must request the funds. He said it is up to the Library Trustees to decide whether or not they make the request, and the Selectmen and the Trustees have to agree to the schedule. Mr. Nadeau said it is only the schedule that needs to be agreed to. Selectman Bowles said he does not feel that Mr. Nadeau's statement is 100%, as he is not reluctant to give up anything. He said his concern is that the Library Trustees need to work with the Selectmen, as both Boards are elected by the townspeople. Selectman Bowles went on to say that the Selectmen asked that the Library Trustees come and meet to discuss any issues or questions and the Trustees refused to that. He said that the Selectmen have asked that the Library forward all the bills to the Selectmen's Office for payment, and they have not been forwarded since July. Selectman Bowles stated that those are the concerns of the Selectmen, that the bills need to be caught up and paid on time. He said there are enough issues that the Library Trustees get into by not being willing to do this. Mr. Nadeau said he felt they were here to listen and get a greater understanding of the law, and they are not going to listen to any comments that are derogatory or negative in nature. He said he takes exception to some of the comments that have been made but he would not take the time to debate the comments that the Selectmen have made. Selectman Bowles said he would have liked to see the Library forward the bills so they could be paid and he feels like the Board is being held hostage and he does not know if the Town is accruing interest and penalties. Mr. Nadeau said he takes exception to the term being held hostage. Selectman Bowles said the Board has not seen the bills since July and it is now towards the end of September. Mr. Nadeau said he wanted to have a conversation that is free of personal references, referring to the Trustees as "you folks", "being held hostage", and "refusing to meet." He said this is not true and he does not think it is helpful. He said that after hearing what the law says they can leave the meeting with an agreement to continue to work cooperatively and there is no reason why it cannot happen. Selectman Ives said he takes exception to Mr. Nadeau using the word "cooperatively" because there hasn't been any cooperation, and the Trustees haven't been cooperative. He said the Selectmen have invited the Trustees three times. Mr. Nadeau said he does not have any response to that and it is not true. Selectman Ives said the Board is reluctant to all of a sudden bury the hatchet and make friends because of the history that led up to this evening's meeting. He said that a mediator had to come in order for this meeting to occur and it should never have had to happen. Selectman Ives went on to say that the Selectmen wanted to meet three months ago. Mr. Nadeau said he does not see Ms. Knowles presence here as a mediator, he sees her as an educator to all parties and the public. He said this is a helpful meeting and does not see it any other way and he hopes that everyone has a better understanding of each other. Roy Merrill said as a taxpayer he wanted to know why nothing has been done to pay the bills and wanted to hear the Library Trustees answer as to why they have not come in to meet with the Selectmen after all these months. He said he has been at the

Selectmen's Meetings and listened to the correspondence list with all the references to correspondence with the Library Trustees and their refusal to come meet with the Selectmen and feels the Trustees owe the people an explanation. Ms. Blanchard said that the bills have been paid in a timely manner and there has not been any interest or late charges accrued. Mr. Merrill said he did not feel that answered the question of why the Trustees did not meet with the Selectmen. Mr. Nadeau said they have not refused attending, the request was to meet with the Selectmen, and they found it, as a group of Trustees, difficult to all be together at the Selectmen's Meeting. He said that the Trustees did offer to the Selectmen the opportunity to meet with the Trustees at the Library at a Trustees meeting or even a special meeting. Mr. Nadeau said they have always been open to discussing whatever items needed to be discussed. He said it was never a matter of refusing to meet, they had open days that were offered to the Selectmen, and he was not going to say that they refused to meet with the Trustees. Mr. Nadeau said that has not been accurate. He said they did find it useful if they were going to be meeting with the Selectmen to have someone from the AG's office to be at the meeting to explain the law. Mr. Merrill said he understands that on several occasions the Library Trustees offered to meet with the Selectmen on a Tuesday night over at the Library. He said the Selectmen were meeting at the Community Building approximately 300 feet away and he doesn't understand why it was so difficult for the Trustees to meet at the Community Building if they could have met at the Library. Mr. Nadeau said their meetings are not typically on Tuesdays. He said they meet the second Monday of the month. Mr. Merrill asked if the Library would be hiring an extra person to pay the bills, as it appears they have such a difficult time getting the three Trustees together and he wanted to know how they were going to be able to pay the bills. Ms. Blanchard said that right now the Trustees can pay the bills themselves. She said that will work out fine, and the Trustees are planning as of January 1, to begin to do payroll. She said before that occurs they want to have a bookkeeper in place that would take care of the payroll. Russell Cochran asked if the law states that the Town has to appropriate money to the Library or could they vote to appropriate only a small amount of money for the Library. Ms. Knowles stated RSA 202-A:4 says: "Any Town having a public library shall annually raise and appropriate a sum of money sufficient to provide and maintain adequate public library service therein, or supplement funds otherwise provided." Mr. Cochran asked who decides how much money is sufficient. Ms. Knowles said that hypothetically appropriating \$10.00 would not be considered adequate. She said when a town votes to have a public library, which Loudon has done at some point, the town agrees to take on all the obligations of supporting that library. Ms. Knowles said the law states that because Loudon has a public library, the town has to make sure that it is adequately funded and it is providing services to its citizens. She went on to say she feels it is important that everyone knows she is not at this meeting as a mediator but that she is here as a resource, which she does frequently. Ms. Knowles said that when people are elected into office they

are not hit in the head by a lightning bolt that tells them what all the laws are. Selectman Ives said that his brother is a Library Trustee for the Town of Bow and so he does have some background relating to this subject. Ms. Blanchard said she has been a Library Trustee for a lot of years and has recently become a member of the Solid Waste and Recycling Committee. She said that she has recently noticed being at the Solid Waste and Recycling meetings, which meet on a Tuesday evening that no one can do anything unless the Selectmen tell you that you can. Ms. Blanchard went on to say that the Road Agent, Fire Chief, etc., have to go to the Selectmen for everything, and now there is the RSA that says the Library Trustees have the entire custody and management of the Library. Chairman Maxfield stated for clarification that they are Department Heads, they do work for the Selectmen, and the Library Trustees do not. Ms. Blanchard agreed. She said it wasn't until she was on the Solid Waste and Recycling Committee that she started to see that is what the Selectmen do, they run all of those things. Ms. Blanchard said the Library Trustees per the RSA have the entire custody of the management of the public library. She said it was the legislature that made that decision. Ms. Blanchard said she understands now, after seeing what the Selectman really do, how the Board would feel like it is logical for them to think that they run the library too but the legislature says no, it's different. Selectman Bowles asked about how the RSAs affect the budget and payroll if the Trustees take over those tasks. He said there have been situations regarding labor laws and payroll and he wants to know who oversees those issues. Selectman Bowles went on to say that the Board has to answer to the townspeople and he wants to know who the Trustees are going to go to, to say how much money they want in their budget. Ms. Knowles said that the law gives Library Trustees extraordinary powers but it does not put the Trustees ahead of any other town department when it comes to budgeting; they are subject to the exact same budget process. She said the Library Trustees would need to present their proposed budget to the Selectmen and then it will go to Town Meeting. Ms. Knowles went on to say that the voters have their chance to express their opinion and make cuts to the budget. Chairman Maxfield said that if the Board does not agree to this, the Library Trustees are going to sue the Town, and people are going to try to cut the Library budget down to \$10.00 at Town Meeting. Selectman Ives said when an agreement is reached, he would rather see that the Selectmen give the Library complete autonomy. He said that they would be responsible for all their own bills and their own payroll. Selectman Ives said that the Trustees give raises and benefits differently than all other Town Departments and the other employees see that. He said he felt it would be best if the Trustees were completely separate. Mr. Nadeau said he has only been a Library Trustee for two years and he was unaware that there was any animosity and feels that it is totally unnecessary. He said he agrees this needs to move forward and let the Trustees answer to the public. Mr. Nadeau said that the Trustees have been asking for this or expecting this for years. Ms. Blanchard said that the Trustees have gone through the library hours and pay rate differentiation and it comes to about five cents per hour difference, which

is about \$4.29 per week difference. Selectman Ives stated the Town lost a Zoning Board Alternate/Trustee of Trust Fund/Scholarship Committee member over a few cents per hour. He said it is not about the money, it's the principle. Selectman Bowles said that the Board answers to the townspeople, many of whom are on fixed incomes, and when they get their COLA, it's peanuts. He said he had asked his Mom one time about her COLA and she did not receive enough to purchase a can of beans in a month. Selectman Bowles went on to say that the \$4.29 might not mean much to the Trustees, but it can mean a whole lot to those in town who do not have it. He said the Selectmen have no control over the School and County Budget, but they do try to keep the Town Budget down as best they can. Selectman Bowles asked about personnel policies relative to the Library Trustees making changes or amendments. He said when the Town makes any changes to the Town Personnel Policy, a public hearing must be held prior to any changes being made. Ms. Knowles said that the Library Trustees are subject to the Right-to-Know Law as well as public hearings before they adopt any changes to their policies or regulations. She said any time the Trustees are making changes, they have to hold public hearings too. Selectman Bowles said there have been changes made by the Trustees that the Board has been ordered to do the changes, but there is nothing supporting the change. He said the Selectmen have to keep things in check and follow the posting requirements, and feels everyone has a lot to learn. Ms. Knowles said she felt that communication is really important and that many Library Trustees send notices of meetings and meeting minutes to their Boards of Selectmen automatically. Selectman Bowles said it used to happen. Ms. Knowles said she recommends that the Library Trustees do forward this information to the Selectmen, because under the Right-to-Know Law, people should be able to come to the central location to look at things; a copy should be at the Library and one at the Selectmen's Office. Ms. Knowles recommended to the Library Trustees that they begin again forwarding the information. She said it is only fair as communication is really important. Ms. Blanchard said the problem with the minutes is that they are still in draft form until the Board meets again. Ms. Knowles said that the minutes need to be marked as "Draft" and made available to the Board of Selectmen. Ms. Blanchard said that they do have copies of the "draft" minutes available at the Library. Ms. Knowles said she really, really recommends that the Library Trustees send a copy to the Town Office and when the Trustees amend or accept their minutes, they should send a copy of the official minutes to the Board of Selectmen and have a set of minutes in the Library's Office. She said if you give the public every opportunity to look at the information there will be no misunderstanding and the rumor mill will shut down. Ms. Blanchard said the Trustees try to do that with the Community by sending newsletters. Mr. Merrill said that the Town has adopted that notices be posted in four or five places and he feels the Library information should be posted in those places also. Ms. Knowles said it is up to the community to decide what they want to do. She said that the Right-to-Know Law states that it has to be publicly posted in two places at least 24 hours in advance of the

meeting and that minutes and such have to be publicly available, such as websites and places that are available. Ms. Knowles said she feels the more places things are posted, the better. Mr. Merrill said he has never seen any Library notice posted at any of the posting places. Ms. Knowles said they may be doing it, but they have things to learn also just as everyone does. Selectman Ives asked the Trustees what account the bills were paid from. Ms. Blanchard said out of the Library Trust Funds. Selectman Ives asked if the Trustees depleted the Trust Funds to pay the bills. Ms. Blanchard said they were getting there. Selectman Bowles asked if the Library Trust Funds were set up for specific purposes. Ms. Blanchard said that the Library Trustees can use the funds. Selectman Bowles said that some funds are setup for specific purposes and cannot be used for other purchases and he does not want to see the Trustees doing anything that will get the Town in trouble. He said back in July when the Selectmen sent the notice requesting that the bills be forwarded for payment, there could have been discussion then and this would have all been addressed. Selectman Bowles went on to say this is not as simple as the Trustees are making it sound. Ms. Knowles said that Selectman Bowles is correct, that if the Trust Funds are set up for a specific purpose, the Trustees cannot be using those funds to be paying for their general operating expenses. She said if the Town does not have a copy of the Trust Instruments, she does and can forward a copy if needed. Mr. Merrill asked if the AG's Office should be looking at this issue. Ms. Knowles said it comes down to what the purpose of the fund is. She said some funds are set up so that they can be used for general purpose, while others are more specific and this issue should be looked into. Selectman Ives said he would like to do this in a thought out manner, not just the Trustees saying they want the money and how are you going to give it to us. He said he would like to see this evolve when the Trustees have a bookkeeper and are ready to take over the payroll and everything completely. Selectman Ives went on to say that due to cash flow issues, it may not be feasible to hand over \$100,000.00 at once. He said this is something that needs to be eased into. Mr. Nadeau said that is what needs to be done right now. He asked Library Director Nancy Hendy if that was correct. Mrs. Hendy said except for payroll and they want to begin that in January for the calendar year and IRS reporting. Mr. Nadeau said he felt a meeting should be set up for both parties. Chairman Maxfield asked if the Trustees were planning to use the quarterly payments the Trustees suggested for paying both the bills and payroll, or would there be additional money that would be requested that is not included in their proposed quarterly payment schedule. Selectman Bowles said the amount would be a quarter of approximately \$190,000.00. Ms. Blanchard said they do not plan on taking over the payroll until January. Selectman Ives said he is suggesting that this is delayed until January 1, when the Trustees have everything in place and everyone can ease into the process. Mr. Nadeau said he does not believe that this issue can be resolved at this meeting and the Library Trustees will contact the Board sometime during this week when they can set up a time to have another meeting to discuss this issue. Chairman Maxfield stated the total

annual budget for the Library is \$186,898.00 and the Town is not in a position to hand over that much money at once. He stated that the Board has not had to borrow money (TANs) for a long time and does not want to get into that situation. Ms. Blanchard suggested that the Selectmen could give the Trustees a monthly allotment for their bills, not the payroll at this time. Chairman Maxfield asked Selectman Ives what he meant by giving the Trustees everything in January. Selectman Ives said he felt that if the Trustees took over all aspects of paying the bills and payroll beginning January 1, 2008, it would give the Selectmen time to research and find out the best way for the Town to pay out the money, whether it be monthly, quarterly, or some other schedule. He said he came to this meeting with the feeling that he did not want anything to do with this because of the way things have been handled so far, and now it appears that the State Statutes are going to force the Board to do this; He said he is not going to do this willingly and he feels he is being forced to. Selectman Ives said he does not feel this is the right way to go, but he will reluctantly do it if the State says the Board has to. Mr. Nadeau said that he felt everyone had a better understanding of the laws and he will contact the Board to set up a meeting to come up with a payment schedule. He said he felt that everyone was ready to put whatever happened in the past behind them. Ms. Knowles said that the Selectmen need to look at the cash flow because the Town shouldn't take out a TAN just for the Library. Chairman Maxfield said that he felt the change shouldn't happen until the new budget year in July. He said that if the Town gave the Library Trustees all the bill money and payroll money in January that would be a significant sum. Ms. Blanchard asked if Chairman Maxfield meant one payment. Chairman Maxfield said even quarterly. Mr. Nadeau presented a copy of a proposed sample letter of agreement for review. Selectman Bowles asked once the Trustees take over all the financial responsibilities and are "on their own", what happens with the liability of the building, insurance, etc. He asked if the Trustees take over those responsibilities also. Ms. Knowles said generally the building is a Town building and therefore the Town maintains the insurance on the building. She said it might be very costly for the Library to insure a building by itself. Ms. Knowles also stated that the Trustees control everything within the four walls of the building while the Town controls the building itself. Selectman Ives said that it is his opinion that if the Trustees are doing the payroll and bills then they would also be handling the health insurance. Ms. Knowles said that yes, Selectman Ives was correct. Mr. Merrill asked about the Trustees hiring a bookkeeper to take over the payroll and bill paying regarding the Town's involvement in appropriating more money to hire the person. Ms. Knowles said she felt from her discussions with the Trustees that one of the Library Trustees has taken on the role of the bookkeeper and under NH Law, a Library Trustee is a volunteer position and cannot be paid for their services and the Trustees are bonded. Mr. Merrill asked if one of the Trustees was going to take on the position and do all this additional work at no cost to the Town. Ms. Knowles said that is what she has heard the Trustees say. The Selectmen said that is not what they have heard

the Trustees say. Ms. Blanchard said that right now the Trustees are paying the bills in-house; once they begin processing the payroll they plan to have a bookkeeper in place, which they do not have yet. She said they are still researching this. Ms. Knowles said that would be a budgetary item. Mr. Merrill said he wanted to clarify that one of the three Library Trustees would be the one dealing with paying all of the bills, not someone that is being hired by the Library Trustees; it has to be one of the three Trustees. Ms. Blanchard said it could be, or it doesn't need to be. She said the Trustees are planning to do it in-house. Mr. Merrill asked who is "in-house"; he thought the Trustees said it was one of the three of them. Ms. Blanchard said that the Trustees have been doing it since July. Selectman Bowles asked who is doing it. Ms. Blanchard stated that the Trustees have directed the Library Director to do it and then the Trustees keep tabs on it. Selectman Bowles said he thought that it was stated somewhere that the Trustees had to be the ones to pay the bills and they can't just give the responsibility to someone else. Ms. Blanchard said they keep tabs on it. Selectman Bowles said it bothers him and he feels there is a little more to this situation than just writing a few checks and you can't just let anyone come in and do this. He said there is a lot to this. Selectman Bowles said the Board buys the insurance in a lump because of the amount of employees the Town has and if the Trustees have to purchase their insurance on their own it may cost a lot more money and the employee benefits may not be quite as good as what the Town gets. Selectman Bowles said there is a lot to the process. Chairman Maxfield asked what the Trustees were looking for regarding the payment schedule and when did they want the payments to begin. Mrs. Hendy said in Bow they do it monthly but most likely, they would like it to be quarterly. Selectman Ives said he thinks that the Selectmen need to talk with Treasurer Melanie Kiley and Office Manager Jean Lee to find out what the Town can afford to do. Chairman Maxfield asked what the Trustees were going to do in the meantime regarding paying the bills while the Selectmen make their decision. He asked if the Trustees were going to forward the bills to the Selectmen's Office for payment until a decision can be reached. Ms. Blanchard asked how long the Selectmen were thinking a decision would take. Selectman Bowles said he did not know. He said not only are the Trustees going to be running out of money, they could even be taking money out of an account that they shouldn't even be using. He said that is not responsible, the Selectmen can't be doing things like that and neither can the Trustees. Selectman Bowles said the Trustees cannot just overlook something after they have already done it. Ms. Knowles said she has learned a lot from this evening. She asked the if the Trustees still want to continue taking over the task and responsibilities if the voters did not want to give the Library the extra person to handle the payroll. Ms. Knowles said she was not asking for an actual answer, she just wanted to have the Trustees thinking about this issue because there is a chance that the voters may not appropriate enough money to support this position. She said the Trustees need to look at the whole picture, as it's a big responsibility. Ms. Knowles said it is theirs by law if they want it, but the Trustees need to figure out if

they do want it. Ms. Blanchard said that in talking with other libraries, she has found that it would take a bookkeeper approximately 2-3 hours every other week to process the bills and payroll. Ms. Knowles said she had been responsible as a Library Trustee to process the bills and payroll. She said there is a significant amount of work that the Trustees would be responsible for if the voters did not approve the hiring of a bookkeeper for the Library. Mr. Merrill said he felt that he did not get a straight answer as to who pays the bills now, who writes out the checks. Ms. Blanchard stated the Library Director has been paying the bills under the auspices of the Library Trustees. Mr. Merrill asked who the Library Director was. Ms. Blanchard said Nancy Hendy. Mr. Merrill said that it was the Librarian who was paying the bills. Mr. Cochran asked where the money was coming from if the Selectmen have not given the Trustees any money to pay the bills. Selectman Bowles said the Trustees were taking the money out of the Trust Funds that are set up for the Library. Mr. Cochran asked if the Trustees could be using the Trust Fund money to be paying the general bills. Selectman Bowles said the Board did not know the answer. Ms. Knowles said that she did not know, but she has documentation back in her office and she will be checking into it. Mr. Cochran asked if he had the right to know the answer to his question. Selectman Bowles said that the Board would be getting that answer. Ms. Knowles advised Mr. Cochran that he could submit a Right-to-Know Request to the Attorney General's Office or to the Library Trustees as he is entitled to that information. Ms. Blanchard said that the Trustees do have the information. Chairman Maxfield stated that his concern is that the bills are not being paid properly. Ms. Knowles asked the Trustees if they would have, for the lack of a different word, a truce in the next few weeks where the Library bills get paid, not out of the Trust Funds, one way or another, and, if the bills go to the Selectmen's Office, it is with the understanding that the Trustees and Selectmen are going to come to an agreement and this will all change. She said she is not trying to tell the Trustees what to do, but the bills do have to be paid and if the money does not come from the Library Trustees, it has to come from somewhere. Mr. Nadeau asked if they could agree to that now, that some type of agreement be made to pay the bills. Selectman Bowles said the Trustees needed to agree that they would send the bills for payment. Mr. Merrill asked what the penalty would be and if someone loses their bonding if the Trust Funds were expended and were not supposed to be. Ms. Knowles said she felt it was really important to not raise issues until it is known if there is an issue. She said she is not completely oblivious to the fact that there are some issues here, and she wants to take a look at the Trust Funds as it may say that it is at the Library Trustees discretion. Mr. Merrill asked what the penalty is. Ms. Knowles said that once the Trustees get the money from the Town they could reimburse the Trust Funds because it should have been taxpayer money that was paying the bills in the first place; they are not talking about money that has been stolen. She said the only time you would go after a bond is if the money has absolutely, positively been stolen or misused and she does not hear that here. Mr. Merrill said he didn't mean to

go after the bond, he was asking if they loose their bonding because they did something that they shouldn't have been doing. Ms. Knowles said no, the only way that a bond would be lost to a community would be if the AG's Office or Police took some board to court, then it would be very difficult to get a bond. She said she has never seen that happen with Trust Funds and she has been doing this for twenty-seven years. Selectman Bowles said he would ask again, that the Trustees please forward the bills in a timely manner so the Board can get them paid. He said the Trustees were being stubborn and it didn't appear that they were going to do it. Mr. Nadeau said that comment was not necessary. Selectman Ives said his other concern is that the Trustees want to do this now, but they may not be the Trustees in one or two years. He asked if once the new Trustees are in place could they decide that they no longer want the responsibilities and ask the town to take it back. Ms. Knowles said the only way that happens, because the responsibility lies with the Library Trustees to do it, is that they have to ask the town. She said some towns, out of the goodness of their heart, will do their payroll and the bills. Ordinarily the Selectmen's Office does not want anything to do with it, so the Library Trustees would have to come back to whatever Board of Selectmen were in office and say that they no longer want to be responsible, and ask if the town is willing to take it on. Ms. Knowles said that the Board of Selectmen have to decide whether they agree or not and if the answer is no, then the answer is no. Selectman Ives asked what happens if the Selectmen did not agree and the Library fell into disrepair with the bills not being paid. Ms. Knowles said that is where the AG's Office comes in. She said if there were a violation of the oath of office, the AG's Office would be in Loudon in an instant. Selectman Ives said that is what he is trying to look out for. He said it is already difficult enough to fill the ballot with names and by adding on this responsibility, it is going to make it even harder to find volunteers. Ms. Knowles said the AG's Office gives free seminars for Library Trustees, Cemetery Trustees, and Trustees of the Trust Funds and it is important that all the Trustees know what they are doing. Chairman Maxfield asked if Ms. Knowles could leave the information for the seminars as the Town has just appointed a new Trustee of the Trust Funds. Ms. Knowles said that she would also be leaving copies of the guidebooks that the Selectmen can give to their Trustees. Chairman Maxfield said he felt that at this point the Selectmen need to do some research and decide on what they wish to do. Ms. Knowles said if any questions arise, anyone should feel free to contact her office. Chairman Maxfield thanked Ms. Knowles for her time and advised the Library Trustees that the Selectmen would get back to them with their decision.

- VII. Chairman Maxfield recognized Paul Johnson from the audience.
 - a. Mr. Johnson said that he doesn't understand how the Board could trust sending all of the money to the Library if they are possibly taking money out of somewhere they are not supposed to be and they don't even know if they are allowed to or not. He went on to say that he hopes if the Selectmen agree to have the Library take over all the

responsibility they never agree to take it back. Selectman Bowles said this Board of Selectmen will not be in office forever and all that he can say is that each taxpayer has a vote for who they want to put in for Trustee and the budget and he hopes each person does cast their vote. Chairman Maxfield said he wanted to know if the State Attorney General's Office will order the Board to do this and he is going to ask. Selectman Ives said he wanted to set the record straight that no one knows if the Trustees have done anything wrong, and the Board has to presume and hope that they haven't. Mr. Cochran said if they have been using the money for anything other than what it was designated for, then it's a problem. The Board said that is what will be looked into. Chairman Maxfield stated Peg Buzzell paid all of the Library bills using the interest from the Trust Funds so maybe the Trustees are ok.

Selectman Bowles moved to adjourn the meeting at 8:15 PM. Seconded by Selectman Ives. All in favor. Meeting adjourned.

THE LOUDON BOARD OF SELECTMEN

Roger A. Maxfield, Chairman

Steven R. Ives, Selectman

Dustin J. Bowles, Selectman