**North Hampton Public Library**

**Board of Trustees Meeting**

**Public Meeting**

**7:00 pm, Wednesday, 14 June 2017**

**North Hampton Town Hall**

***The intent of these minutes is to provide a summary of the essential meeting content and not a transcription.***

Present:  Judy Day, Susan Leonardi, Jacquie Brandt, Susan Grant, Library Director;

Present in Audience: Cynthia Swank and Nancy Monaghan, Friends of the Library, Larry Miller, and North Hampton Public Library and Cultural Center Foundations members, Kelly Parrott, Lewis Roch, John Kollmorgan and Jenny Marshall.

**Call to Order:**

Meeting called to order by Judy Day at 7:02 pm.

**Old Business**

**Presentation from the North Hampton Public Library & Cultural Center Foundation**

Kelly Parrott, gave a thorough and informative presentation regarding the history as well as efforts and interactions with regard to the North Hampton Public Library and the need for and formation of the Foundation. A timeline of events ranging from the establishment of the library in 1892 to the March 17, 2017 vote which passed a Warrant Article for $75,000 was presented.

The need for the formation of a foundation was also discussed in detail. The purpose as presented was as follows:

1. *Create a temporary restricted fund for donations of property, real, personal or mixed from area residents, businesses and others for the charitable purpose of helping to defray the costs of construction and equipping a new public library and cultural center for the Town of North Hampton, or renovating and expanding the existing library building, or for further proposes that benefit the North Hampton Public Library. Such support is to be in addition, and not a replacement, to any support provided to the Library by the town whether budgeted, bonded or otherwise.*
2. *Aid, assist and promote interest in and development of the North Hampton Public Library and Cultural Center and*
3. *Improve the financial support of the North Hampton Public Library and Cultural Center, particularly through gifts, grants and bequests.*

Ms. Parrott, President of the Foundation introduced the other board members and officers. Lewis Roch, Secretary and Treasurer, Susan Leonardi, Jenny Marshall and John Kollmorgen, board members. The slate of officers is reviewed annually and each serve a 3-year term.

Mr. Roch was invaluable in filing for the non-profit status of the Foundation as a 501c3, filing all necessary paperwork with the required state and federal agencies including the IRS.

Ms. Parrott explained that there may have been some misinformation regarding the timely filings of required documents to the Secretary of States Office. She confirmed and provided documentation which supports the proper and timely filing of all necessary paperwork as required by the State and Federal Government.

Ms. Parrot continued with a financial overview. The foundation has two accounts, a Citizen’s Bank Account and a Merrill Lynch Brokerage account. As of December 31, 2016 the accounts totaled $328,257.50. There are an additional $145,000 in contingent pledges. It was noted that no monies from the town are included in the total. The Town holds the funds for the new or renovated library separately in the Town’s Library Capital Reserve Fund.

There were a number of questions presented to the Foundation by Ms. Day on May 26, 2017. Ms. Parrott presented these to the group and commented on each and welcomed questions. One of the questions regarded whether or not the Foundation was a private foundation. The Foundation is a public charity as defined by IRS code 170 (b) (1) (A) (vi). The importance of which was discussed as were its advantages to fundraising.

Some key dates were also discussed. The Foundation registered with the Town of North Hampton on April 4, 2014, received its New Hampshire Charitable Trust Status on July 23, 2014 and on December 8, 2014 received its 501(c) (3) status as a public charity for the IRS effective April 3, 2014. All filing and meeting requirements were reviewed and met. Copies of all filings were distributed to the Trustees. It was noted that the Foundation is not subject to the right to know law as it is a nonprofit organization and not a government agency.

Ms. Day had a question regarding the noticing of meetings of the Foundation and commented that those procedures are governed by the organizations by-laws. Ms. Parrott reference the section in the by-laws outlining this. Ms. Day also asked where one might find a copy of the information. Ms. Parrott has provided a copy of all documents to Susan Grant who will make it available at the public library. Ms. Parrott also indicated that she or other foundation members would be happy to review the information with the Trustees as needed. Mr. Roch provided comment regarding access to current financial and foundation information. He indicated that he could provide the most current information upon request.

Ms. Day commented on the content of the Secretary of States website explaining that the information there may not be as up to date. Given that the state website information may not be current someone searching for information on the foundation there may conclude that the agency has not provided the required information. Terri Knowles, of the Attorney General’s office told Ms. Day that all filings were not completed. Mr. Roch contacted the office immediately upon learning from Ms. Day that the information was not on file. He inquired and the paperwork was in fact filed. The Foundation is and always has been in good standing with all required agencies.

Ms. Day questioned why a certain amendment was made to the bylaws with regard to funds transfer in the event of dissolution of the entity. *Section 12.1 Dissolution. “Upon the winding up and dissolution of the corporation, after paying or adequately providing for the debts and obligations of the organization, the remaining assets shall be turned over to the North Hampton Public Library Board of Trustees to be distributed in a manner consistent with the charitable purposes of the Corporation or consistent with restrictions, if any, of the donors of the funds.” In the amended version, the remaining assets shall be turned over to an organization dedicated to tan exempt purpose within the IRS Code 501 (c) 3*. Mr. Roch indicated that the Attorney General’s office required that the wording were more general in the event the library or entity no longer existed in the future.

Ms. Leonardi, commented that it was important to remember that the Foundation was created to help the library manage funds and assist in fundraising.

**Questions from the audience:**

Mr. Larry Miller, questioned Foundation members regarding the entities tax exempt status, which was received December 8, 2014. Funds received donated by a vote of the trustees. $223,200.00 was donated, $203,000 was earmarked as matching funds for the Warrant Articles. Mr. Miller noted that the library had accumulated funds for many years and that the bulk of the money transferred to the Foundation came from the library. Mr. Roch and Ms. Lenonardi both indicated that this was correct. Another source of funding, approximately $100,000 came from outside sources public donations. $473,000 of donations and pledges received. Foundation has raised $250,000 in addition to the library funds. Mr. Miller indicated that pledges are not actually in the accounts. Mr. Roch said that $105,000 were actually held in cash. Mr. Roch acknowledged that pledges were made contingent upon the building of a new library building. He is hopeful that once a location for a new library is established, that those pledges, approximately $145,000, will become actual cash donations. It was further stated by Mr. Roch that a concerted effort to raise funds has not been made due to the uncertainty about the new library. Ms. Leonardi said that it was important to note that there was unsolicited support. Mr. Roch said that these were funds raised without knowing a location, timeframe or plan. Additionally Mr. Roch is confident that there will be no difficulty in coming up with the funds to build the new library once a plan is in place and that there will be ample community support.

Ms. Day asked where donations could be accepted and if there is any information to give to potential donors. Ms. Grant said that the library had pledge forms. Mr. Roch indicated that one just needs to write a check to the library and get it to the foundation. Ms. Parrott said that there was a plan in place when the library was proposed as part of the community campus. The foundation suspended its relationship with the consulting firm OPUS, due to there not being a clear plan or direction. Ms. Parrott stated that it will take a concerted effort with the Trustees, Library, Foundation and the Friends to see a new library to fruition. She also stated she looked forward to an update and the next steps in the process. She further stated that the foundation was a fundraising vehicle by which tax free donations could be made from the public and the funds are earning some interest.

Cynthia Swank, Friends of the Library president, made a statement regarding the Foundation website not containing information they needed. She requested a copy of all documentation provided. Specifically she was interested in the bylaws. She said that she found, after some research, that some foundations have a member of a Friends group on the board as well as a member of the trustees and felt that this promoted a more concerted effort. She questioned why this was not considered in the foundation’s formation in 2014. Ms. Leonardi stated that the foundation wanted to remain small with regard to fundraising and the privacy issues surrounding donors. Ms. Grant indicated at the time of formation there were a small number of Friends in the group and the group declined to accept donations for the large capital campaign initiative. Ms. Parrott stated that the friend group at the time concentrated on more operational purposes. Ms. Swank questioned whether they would consider adding a Friend to the group. Also wondered if there would be consideration for adding additional library Trustees to the board as well. Ms. Parrott said the group would take it under advisement and present the idea at the next Foundation meeting. Ms. Parrott stated that at the time of formation, there were three trustees on the foundation board as well and that their terms have expired.

Ms. Swank commented on the town reports with regard to the financial statements. She added that the library and funds description can be potentially confusing. She suggested a narrative to better explain the entities and funds transfers. She added that the friends fundraising information should be included as well. Ms. Parrott suggested that the Trustees look into how that information may be shared -- citing perhaps that the trustees look at how other towns report such information, Rye, Greenland and Newington were suggested as those towns have recently had significant capital campaigns.

**Discussion of Progress on Pre-bond Contract 1 & 2**

Ms. Leonardi explained that there were a number of non-public meetings with the intent of moving a plan for the new library forward. She explained that little progress has been made with the architectural firm to date however, a motion was made to utilize the existing building plan to formulate a concept and visualization on a stand-alone library building on a piece of land the size of the homestead property. She is hopeful that work on plans can be initiated by the next trustees meeting. Ms. Day commented that it was the intent of the trustees to utilize the information and plans that have already been done and not “recreating the wheel.” Mr. Roch stated that the Foundation would be interested in how much the new library would cost. Ms. Leonardi acknowledged that that was the intent.

**Update on 275th Celebration:**

Ms. Day indicated the libraries participation in the Memorial Day town celebration was a great success,

in spite of the inclement weather.

**Administrative:**

**Approval of Minutes of May 10.**

Motion to accept minutes made by Ms. Day, seconded by Ms. Leonardi and unanimously approved.

**Library Directors Report:**

Discussion as to what items should be highlighted in report to be made public as proposed by Ms. Day. Ms. Leonardi said that she used to highlight parts of the report to be incorporated into the minutes. Trustees to discuss what to include in future minutes. Ms. Grant indicated that the new drinking fountain installed on June 14.

**Youth Services Report**

Ms. Leonardi thanked Boy Scout Troop 162 for the two new gardens planted. Ms. Day thanked Barbara Dewing and John Hubbard for redoing the bench. There is a shade tent that goes up during the day.

**Treasurers** **Report**

**Increase in insurance costs.**

Ms. Grant discussed the 21 percent increase in insurance cost were due to more town employees utilizing the insurance. She was told to anticipate 10% increase prior to budgeting. Adjustments had to be made in order to compensate for the increase. Initially all employees were to have received a 3% raise. Ms. Grant utilized non-appropriated funds to make up for the difference for the three full-time employees who have insurance. Ms. Day was concerned initially that the increased insurance costs would cut into salaries. Ms. Grant explained that the increased funds were taken out of non-appropriated funds. It was explained that another plan had to be chosen with a higher deductible and larger co-pay, so a larger raise was given. This amounted to about $2000 in funds.

Ms. Day asked if a new plan should be looked into for next year. Ms. Grant said that the budget can be set for next year knowing what the cost are this year. Ms. Grant said that perhaps she could look at other options.

**Public Comment**

Cynthia Swank asked about utilizing the existing building plan with regard to working with the architectural firm. She wanted to clarify what exactly that was. Ms. Leonardi explained that the building plan was the 90-page document produced in 2012 and that the needs for the library had not significantly changed. Population has remained stable. The plan is on the town website.

Next regular meeting scheduled for July 12, 2017at 6:30 pm

**Adjournment**
The meeting was adjourned by Ms. Day at 8:33 pm.

Respectfully submitted,

Jacqueline Brandt, secretary