

**Chester Library Board of Trustees**  
**Regular Meeting, January 9, 2017**  
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1. Call to Order

The Chester Library Board of Trustees held its regular meeting on Monday, January 9, 2017, at the Chester Public Library, 21 W. Main Street, Chester, Connecticut. In attendance were Sandy Senior-Dauer, Deedee Prisloe, Peggy Carter-Ward, Denny Tovey and Karin Badger. Others present included Library Director Stephanie Romano, The Friends President Cary Hull, First Selectwoman Lauren Gister and Patty Petrus. Vice Chairman Senior-Dauer called the meeting to order at 7:30 PM.

2. Secretary's Report

**Motion by Carter-Ward, second by Prisloe, to approve December 19, 2016 Minutes amended as follows -**

**Under Policy for Acknowledging Gifts, 4<sup>th</sup> paragraph, 1<sup>st</sup> sentence should read, "It was noted Cary Hull acknowledges gifts of \$100 or more and another Friends individual acknowledges \$100 or less." Unanimously Approved.**

3. Treasurer's Report

Treasurer Prisloe distributed the Treasurer's Report for January 9, 2017. She reviewed all balances of the checking and savings accounts as well as donations.

**Motion by Carter-Ward, second by Tovey, to accept the Treasurer's Report as presented. Unanimously Approved.**

4. Gwen Orton-Jones Trust Update

First Selectwoman Gister noted she received the report from Murtha Culina Law Firm. They are not affiliated with anything else we're doing in Town. They are a large firm and have trust, ethics and employment departments so are very diverse. She asked them to take a look at the Trust itself, the way the non-profit was set up by Attorney Klomp and what has been done over the years from a number of different aspects, the first one financial. The town auditors gave an opinion this money which was supposed to benefit a town entity was floating outside the town financials and it should be reported accurately to be accounted for. In addition to that without making a judgment about whether the librarians should or should not have been paid separately or in addition to their salary, the auditors report stated they are not 1099 employees. They are town employees so any funds they

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are paid need to also account for FICA and taxes and pension, etc.

First Selectwoman Gister also told Murtha Culina the town was concerned about the transparency issue and employment law issues in that town employees are getting their wages supplemented. These are not bonuses, gifts and this was not a Trust where money was left to specific people. She also asked how this conformed to the town ethics.

Murtha Culina said the Trust was very clear about some things. All the income is to be paid out annually to the Town of Chester for the benefit of the Library, directly or indirectly. Gister read Section 3 which stated "It is my express intent that this bequest shall supplement the budget of said library to provide for the professional staff over that which its budget would ordinarily provide and that this bequest shall permit the library to acquire such books which its budget might not provide for." Culina said that language is a little vague. It could be interpreted to say provide salaries, provide bonuses, provide for additional staff, it can and should pay for books. The standard is "does this benefit the library and how."

Murtha Culina saw the following problems – librarians being paid extra compensation directly does not in their opinion benefit the library, it benefits the librarians. Paying the librarians directly does not comport with benefiting the library. Payment to a town employee of extra money that is hidden is not transparent to the Town of Chester taxpayer and can undermine the code of conduct. It could be interpreted as using public property for personal use. Town employees are supposed to act in the fair interests of the town in a fair and transparent manner. They also discussed the fact the funds are not properly accounted for on the town books if they go to pay for things for the library or librarians.

Gister noted it was Culina's advice to have the income, which the Trustee is required to pay out on an annual basis, be paid to the library or the Town of Chester. It was suggested a restricted fund be set up for this purpose. The process for determining how this money would be spent should be set up by the Town, either the Library Board of Trustees, Board of Selectmen, or a special committee. At that point the Trustee is out as the Trustee's job is to pay it over to the library. The Trust also provides for the Trustee to pay out principal to benefit

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the library. The Trustee maintains full discretion over that.

Gister noted she has not had a chance to speak with the Trustee so didn't feel it was fair at this point to make any specific decisions. This is completely different than what has been done in the past.

Gister further noted the Culina opinion leaves this wide open as far as what this money is used for as long as it benefits the library, directly or indirectly. It could be used for equipment, the building, salaries, books, materials, programming. The main point is the Trust should not be paying the librarians directly. It must go through the Town in some way.

Peggy Carter-Ward asked if there was any opinion on the non-profit set up. Gister noted part of the problem is there are no named individuals in the Trust. This was not a named gift. This was a gift to the Chester Library and the librarians are a part of the library.

First Selectwoman Gister noted she will discuss this with the Trustee when she returns on the 16<sup>th</sup>. She has also talked with Liz Netsch about how she handles other town restricted funds to make sure those monies are protected and accounted for. She also noted there was a big concern that if the Board of Finance knew this money was available, the library budget would be slashed. Gister noted it was very obvious this money was to be supplemental and in addition to provide with extra for things otherwise not able to do.

Gister noted she wanted to strike a good balance between accountability and decision making. The LBOT is an elected board that has as its mission to look out for the best interests of the library. She felt this board will have a very big role in making decisions as to how to deal with this funds for as long as they are out there. So far pretty much all of the Trust principal has been protected over the past 20 years.

Karin Badger noted she heard from the Trustee that everything is up to her discretion and the Board had no say. Gister reiterated the Trustee has discretion with regard to principal. How the money is invested or what kind of accounting is done is between the Trustee and the Probate Court. Badger felt the Board should

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have a say on how the money is paid out as this is for the public library. Gister noted she asked the law firm specifically what the Trustee's responsibility was. They indicated the Trustee's responsibility and discretion is to pay out the income. Once it is paid out, the Trustee has no discretion as to how the income is spent. The Trustee does have complete discretion with regard to the principal.

Denny Tovey asked who the income is paid out to. Gister noted the income is paid out to the library or the Town of Chester for the benefit of the library. The LBOT decides for the most part what the library needs and how to get it.

Gister noted any monies given to the librarians would have to be part of their salary with taxes taken out. Any wages to a town employees is under the purview of the Boards of Selectmen and Finance and part of the budget. It wouldn't necessarily be a bonus. Gister further noted there are still a lot of details to work out and Murtha Culina is available for any additional questions on how to handle certain things legally.

Board members asked for a copy of the letter from Murtha Culina. Gister noted she did not have the original yet but would check with them to be sure this was not lawyer/client privilege, not for distribution.

Peggy Carter-Ward noted one basic question is what can or can't we do with these funds as it sounds like there will be restrictions.

First Selectwoman Gister referenced a portion of the letter regarding how the money is to be spent. Any stipends to the librarians need to be part of the town's library budget. Any employees pay has to be part of the town budget. The Board of Finance has nothing to do with the Trust itself, but does have a say about what town employees get paid. Gister reiterated when it comes to what employees are paid that has to be a budget item. When it comes to what additional monies might be available for books, programs, etc. its definitely a supplement.

Gister noted she envisioned the restricted funds would not be spent every year. There are things that come up that are not budgeted for that are extra, such as the internet thing. There are other things not needed but wonderful to have like the grant for the computers and the counter donation. Those things are costing the

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town more money. The Board of Finance might ask if there are other places to find money to pay for those things. Some of it might be a grant, or it might be the Trust or somewhere else in the budget.

Gister reiterated this is not regular operating money and was never intended to be. Karin Badger noted this is an endowment specifically for the library. Gister noted this needs to be handled in the best way for the library and the town.

Gister noted after meeting with the Trustee she will write up the restrictions on the fund and have them reviewed by everyone so there's no question.

Karin Badger asked what the total cost of management of the Trust was. Gister noted that is totally the Trustee's responsibility. She reiterated there are still a lot of questions to be answered.

#### 5. Building Committee Update

Denny Tovey noted he will be going to the Board of Selectmen meeting on Wednesday. He indicated no public sessions have been held. There needs to be feedback from the public. Someone has to come up with an approach on how the town is going to pay for this. What are the priorities for the town and the cost. The Committee heard in September this would be done by the end of the year. There is a million dollar grant sitting out there with only 11 months left. The Town may lose it. It's not known yet if the Board of Finance is behind this project or not.

First Selectwoman Gister noted she would like to do a 3 to 4 month town visioning and get to know what people want to spend their money on. This has become a project for the Board of Finance, Economic Development Commission and Planning & Zoning to start this visioning process and turn it into the Plan of Conservation & Development. Gister noted she has prepared a draft RFQ proposal for a contractor/consultant. The updated POCD is due in 2019. She also noted the BOS have not voted yet on whether they are behind the Library Project. She indicated she was in favor of it, but there is a problem with the money issue. Peggy Carter-Ward pointed out this is not just a library.

Denny Tovey noted he would like to know how much more people would have to

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pay in taxes so the people can decide. This project has been stalled for 4 months and is losing momentum. First Selectwoman Gister noted she would like a framework of what the Library Building Committee is looking for at the upcoming Board of Selectmen meeting so she can take that to the Board of Finance. Denny Tovey noted it doesn't make sense to discuss this with the public until there is some kind of financial information and the BOF has agreed with the money.

Karin Badger noted there are a lot of people in town that don't want this project. It is very controversial.

There was a brief discussion regarding what grants are available. Tovey asked if anyone has talked to the State Senators and Representatives to see if they can assist in any way. Tovey noted he will update the LBOT after the BOS meeting.

Peggy Carter-Ward reiterated it has to be clear this is a much broader project than just the library. It's an element of Park & Rec. What is the economic value to the Town? New library. New place for children. Will property values go up and people willing to pay more in taxes?

First Selectwoman Gister asked if anyone has another name for this project. Tovey suggested the Redevelopment of North Quarter Park. Carter-Ward reiterated the whole project needs to be projected properly. It's not just a library. Gister noted this has to be marketed to fit Chester as a whole, not just the people who read. It has to be branded better than it has been. Perhaps the Library Building Committee name should be changed.

**6. Policy Manual**

Nothing further at this time.

**7. Million Dollar Grant Update**

Denny Tovey noted the State Million Dollar Grant has only 11 months left. The deadline for achieving our goal is November 24, 2017. Local funds need to be in place by that time, but the town can request a one year extension if it's done by September 2017.

**8. Poetry Reading 2017**

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Vice Chairman Senior-Dauer noted there was no Poetry Reading last year. She also noted there are a lot of great poets in Chester. She will try to book a Monday night in April at the Meeting House. As soon as a date is chosen, she will be in touch with people.

9. Audience of Citizens – none.

10. Other

Peggy Carter-Ward noted there is no clear definition of whether gifts should go to The Friends or the Library. Both are tax deductible. The Board should decide what is appropriate. Cary Hull noted Library funds have to go through the Town Auditor. There was a brief discussion of how funds are spent by both the Library Board of Trustees and The Friends. Denny Tovey asked if it was unusual for an elected board of a town to have its own checking account. He asked if Park & Rec has its own checking account. First Selectwoman Gister replied yes. First Selectwoman Gister asked if there was a policy as far as what The Friends pay for and what the LBOT pays for. There was further discussion on how funds are spent. Director Romano was asked to email a spreadsheet to all members as to how funds are spent. Vice Chairman Senior-Dauer noted this should be an agenda item for next month's meeting.

11. Librarian's Report

Library Director Stephanie Romano reported on the following -

- Teen Advisory Group will be participating with the Montessori School for Martin Luther King Day celebration.
- In February, there will be a Valentine Card Day.
- There will also be a Story and Crafts Day.
- Adult movies – The Graduate on March 27<sup>th</sup> and Some Like It Hot on April 24<sup>th</sup> at Town Hall.

12. The Friends Report

The Friends President Cary Hull reported on the following -

- There will be a Book Sale on January 20<sup>th</sup>.
- The Friends received a Grant for \$3,200. Ann Nord will be working with the children.
- The Friends received an anonymous donation of \$4000.

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13. Adjournment

**Motion by Carter-Ward, second by Badger, to adjourn at 9:20 PM.**  
**Unanimously Approved.**

Respectfully submitted,

A handwritten signature in cursive script that reads "Judith R. Brown". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Judith R. Brown, Recording Secretary