Library Board of Trustees
Springfield Town Library
43 Main Street Springfield, Vermont
Wednesday, June 4, 2025 at 4:00 PM

The Finance and Audit Committee of the Library Board of Trustees of the Town of Springfield held a meeting on **Wednesday, June 4, 2025 at 4:00 PM** at the library and via Zoom.

The meeting was recorded and will be available for 30 days after the approval in accordance with the Vermont Open Meeting Law.

DRAFT MINUTES – SUBJECT TO APPROVAL

The meeting of the Finance and Audit Committee of the Springfield Town Library Board of Trustees began at 4:02 pm. Library Director Sue Dowdell requested a roll call:

- Attending in person: Sue Dowdell – Library Director and L. Chris Goding – Library Trustee
- Attending via Zoom: Suzette Chivers – Library Trustee
- Public in attendance: Peter Andrews – Trustee of Public Funds

Sue indicated that given Peter's attendance at the meeting and his need to attend another one, the agenda items would be reversed and the Memorandum of Understanding (MOU) - agenda item #2 regarding the trust funds would be discussed first.

Sue shared that Chris has sent out a draft MOU in paragraph form. The purpose of the MOU is so the Town, the Trustees of Public Funds, the Library Director, and the Library Trustees know exactly how everything is supposed to be done now and for the future.

Sue had reformatted that document into one that had sections laid out. She shared the draft that morning with Jeff Mobus, the Town Manager, who indicated that some changes needed to be made, based on town policy. Since the trust funds were turned over to the town when the library became a town department, Jeff indicated that all invoices needed to be paid by the town. The funds were no longer "library funds" but town funds to be used for the library in accordance with the original intent of the donations.

Sue included that information from Jeff and added specifics to the draft document she had sent out earlier in the day regarding the responsibilities of the library director in terms of town purchasing and approval processes.

Sue clarified the invoicing process included in the draft. That the library would submit invoices and their associated warrants to the finance department as is usually done. The finance department would pay the invoice in their usual manner. The Town Treasurer would request reimbursement from the Trustees of Public Funds. The funds would be noted on the Capital Projects Line Item Spreadsheet as additional revenue to that line item. The payment of the invoices would be noted as expenditures from the line item. In effect, the Capital Projects Line item would not be reduced due to the expenditure. For instance, if the line item had $30K at the beginning of the year, and $10K was spent as a "trust fund" expenditure, then the $10K that the Trustees of Public Funds reimbursed the town would be added back in. If there were no other expenditures, the balance would be $30K at the end of the year. The town manager or their designee will ensure the library gets a semi-annual report of the spreadsheet to ensure all are on the same page.

The committee reviewed the draft and made a few additional edits.

- In terms of the Library's responsibilities (I.V. A.3.), the language was clarified to include the Library Board of Trustees' responsibility was to ensure that the trust funds expenditures were in line with the designated purpose of the original gifts.
- In terms of the Library's Request Process
    - (I.V. A.4. 5th bullet) added the words "to the Library Board of Trustees"
    - (I.V. A.4. last bullet), "of the expenditure"
- In terms of the Town Treasurer's responsibilities (I.V. C.2. 2nd bullet), information was added to indicate that the Town Treasurer includes the date of the approval of the expenditure when sending the request for reimbursement.

Peter Andrews was satisfied with the MOU draft at that point and left the meeting at approximately 4:15 p.m.

The draft will be shared with the Trustees of Public Funds, the Town Treasurer, the Finance Manager, and the Town Manager before being brought to the full Library Board of Trustees meeting on June 18th for possible approval. (See attached draft and email communications that occurred before this meeting.)

Chris was still concerned that all expenses/reimbursements were going through the capital projects budget and wondered what would happen if the library director wanted to use the trust funds for a special edition book. Sue indicated that she felt any book purchases use the book line item and the trust funds capital gains distributions cover part of the town's obligation to fund the library. Sue did not see using the trust funds for small purchases.

The committee continued the meeting with the original item #1 on the agenda, a discussion of how the library would document the trust funds. Sue shared her screen and Chris made proposed edits to the document, which is shared with the Finance committee members via the Library Director's Google Drive. Sue also noted that specific minutes and emails were saved in a Trust Fund folder on the Google Drive for future reference so that the Library Director and Trustees would have the needed documentation when another request is made. Sue will work to complete the needed information in the spreadsheet before her last day at the library.

The meeting ended at 4:31 p.m.

Respectfully submitted,
Sue Dowdell
Library Director

Subject: Re: finance committee meeting - draft MOU
From: Sue Dowdell <stld@vermontel.net>
Date: 5/31/2025, 7:02 PM
To: L Chris Goding <lcgoding@vermontel.net>
CC: Suzette Chivers <suzettecyr@yahoo.com>, peter andrews <pbandrews39@yahoo.com>

Discussions may be violating open meeting law...

Sue Dowdell (she/her)
Director, Springfield Town Library
43 Main Street, Springfield, VT 05156
stld@vermontel.net
(802) 885-3108 - library
(802) 369-9262 - cell

On 2025-05-31 18:24, L Chris Goding wrote:

> That's about the only thing that isn't a concern. The two objectives of all this is to have a known process that delivers timely trust fund disbursements, whether that happens four times a year or four times a decade.
>
> Chris
>
> On 5/31/2025 5:16 PM, Suzette Chivers wrote:
> > Honestly, having a MOU just sounds like more redundant paperwork and bureaucracy. Are you concerned about accountability that the funds are spent as described? Thus far, I didn't think it had been a concern.
> >
> > Yahoo Mail: Search, Organize, Conquer
> >
> > On Sat, May 31, 2025 at 5:01 PM, L Chris Goding <lcgoding@vermontel.net> wrote:
> >
> > > The MOU doesn't change any of this. It describes what happens after the select and library boards approve use of funds. The ordinance appears in the MOU as the starting point.
> > >
> > > Chris
> > >
> > > On 5/31/2025 2:41 PM, peter andrews wrote:
> > > This may be all and well good, but the Town ordinance already defines how the funds will be distributed:
> > >
> > > **Sec. 2-48. - Utilization of trust funds and gifts.**
> > >
> > > SHARE LINK TO SECTION | PRINT SECTION | DOWNLOAD (DOCX) OF SECTIONS | EMAIL SECTION

(a) The library trust funds shall be administered under the custodianship of the trustees of public funds. Earnings generated by the library trust funds shall be paid to the town treasurer at least annually for library purposes.

(b) The release of principal from such trust funds shall be as the Selectboard determines with the concurrence of a majority of the library board.

(Code 1990, § 2-49; Ord. No. O-1976-4, § 4-1009, 11-18-1976; Ord. No. O-1992-1, § II, 12-21-1992; Ord. No. O-2003-2, § II, 2-24-2003)

Pete

Pete Andrews

On Saturday, May 31, 2025 at 01:59:34 PM EDT, L Chris Goding <lcgoding@vermontel.net> wrote:

Attached is the draft MOU for consideration at the library finance committee meeting at 4:00 on Wednesday, June 4. I've cc'd Pete Andrews, chair of the Public Funds Trustees, into the conversation. The intention is for the MOU in its final form to be ratified by the library and public funds boards and issued with the town manager. The Wednesday meeting is to finalize what we want to present to the library board. Hopefully Pete can give us, either by participating in the meeting or email before, the viewpoint of a public funds trustee to incorporate into the draft. I'm pretty sure the final version of the MOU will require window dressing such as boards' chairs and town manager's signature blocks and a date. That can come later.

To answer two of Suzette's questions: the public funds trustees nominally meet quarterly so reconciliation would only occur quarterly. The library narrative that we reviewed in early 2025 does appear in the Town Report. It contains a block of figures about visits and programs but no finances.

Chris

On 5/30/2025 11:38 AM, Suzette Chivers wrote:

> Chris and Sue,
> I'm struggling to find the brain space to "debate" any of this. I think it makes sense to have a process for using the money and documenting expenses. The only thoughts I have at this point is that 1. Isn't withdrawing from the trust a fairly uncommon event? It doesn't seem like we need running totals at every meeting. That feels like a lot of extra documentation, when an annual or quarterly report would suffice. 2. The library doesn't have a page in the town report? I would have bet money that we did, but maybe I never looked.
> I will be at the meeting on Wednesday, but my attention is being pulled in a dozen directions at this point in the school year, so I will mostly be defaulting to your expertise.
>
> On Friday, May 30, 2025 at 09:32:09 AM EDT, L Chris Goding <lcgoding@vermontel.net> wrote:
>
> Geez, you're up early and functional!
>
> OK, so #2 is part of what I'm trying to accomplish with the MOU. Good.
>
> I've been thinking I need an outline of what to aim for in the MOU and this is as good a place as any to set it down. Think of it as my thoughts on #2 to be debated among us at our meeting and subsequent full board meeting. [indicates my commentary]
>
> 1. The library decides appropriate need/use of trust$, Public Funds (PF) confirms amount is available for expenditure in time for next selectboard (SB) meeting, SB considers request/confirmation, approves use of trust$. [change of sequence, PF confirmation before SB approval].
> 2. Library maintains running total of approved balance, details of when/$ approved and expended. [New, not reported]
> 3. PF keeps same running total of approved and expended funds. Approvals added when SB minutes report approved. [Also new, also not reported]

4. Running totals reconciled at PF board meetings with library liaison.
5. Payable invoices sent by library to PF, they send to their funds management firm within 2 business days for payment. Amount entered as expended in both running totals. [Doesn't through Town books]
6. PF continues to report earnings and changes in principal as they currently do.[Earnings are the trust $ that goes to the Town]
7. Library reports trust fund expenditures the same way as FOSTL gifts are reported. [New, or possibly not used lately]
8. Library reports trust fund earnings as Revenue that is passed along to the Town the same as non-resident fees, etc.

My argument for this process is that the trust funds are the library's money. The only difference between trust funds and FOSTL money is that we pay rent to the Town to manage and grow the trust funds. MOU will just be a longhand version of what we decide upon from this outline.

I'd like to see the library get a reporting page of it's own in the Town report. Sections for expenses, revenue passed through, gifts and grants, programs/visits, cost of library materials borrowed by a median patron, etc. Maybe another time.

Chris

On 5/30/2025 4:35 AM, Sue Dowdell wrote:

I think a clearly defined agreement needs to be in place so everyone knows how the trust funds are accessed by the library. Who do invoices go to, etc. If the town pays them, then how and when do the funds get returned to the capital projects line. Much of what has been discussed but not finalized.

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On 2025-05-29 20:24, L Chris Goding wrote:

> Sue,
>
> Could you clarify a little what you mean by #2? Is that verifying numbers, reviewing/revising how balances are reported, all of the above, or something else entirely?
>
> Thanks,
> Chris
>
> On 5/29/2025 1:36 PM, Springfield Library Director wrote:
>
> > Thanks, Suzette.
> >
> > Chris, look at the draft agenda please. Let me know what you think. Sue
>
> 1. Call to order
> 2. Documentation of the library's trust fund balances and usage

3. Memorandum of Understanding (MOU) with the Town of Springfield and the Trustees of Public Funds to establish a clearly defined procedure for using the library's trust funds.

4. Adjournment

From: Suzette Chivers <suzettecyr@yahoo.com>
Sent: Thursday, May 29, 2025 12:36 PM
To: Springfield Library Director <stld@vermontel.net>
Subject: Re: finance committee meeting?

I think I can make that work. The end of the school year is brutal, so there's not really any day that's better!

On Thursday, May 29, 2025 at 12:06:55 PM EDT, Springfield Library Director <stld@vermontel.net> wrote:

Hi. Suzette, I wonder if you can make a meeting on Wednesday, June 4th at 4PM? I can extend my time here. I'll need to post the agenda on Monday (need to travel tomorrow). Please let me know ASAP. Thanks, Sue

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From: Springfield Library Director <stld@vermontel.net>
Sent: Tuesday, May 27, 2025 1:05 PM
To: 'L Chris Goding' <lcgoding@vermontel.net>; 'Suzette Chivers' <suzettecyr@yahoo.com>
Subject: RE: finance committee meeting?

I sent your request off to the finance manager and the town manager, Chris.

I can make a meeting at/after 230 on Monday 6/2, Tuesday, 6/3 or Wednesday, 6/4 as long as we are finished by 4PM.

Suzette, please let us know what may work for you. Thanks, Sue

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From: L Chris Goding <lcgoding@vermontel.net>
Sent: Tuesday, May 27, 2025 12:53 PM
To: Springfield Library Director <stld@vermontel.net>; Suzette Chivers <suzettecyr@yahoo.com>
Subject: Re: finance committee meeting?

Let's tentatively schedule a meeting for the first week of June. I need to avoid Tuesday before 2:00, all of Thursday, and Friday 1-2.

I broke out all the references to library figures in the latest Town Report (FY24). The most interesting thing I found is that the fence money appears in two chunks in the FY23 and FY24 capital budget reports. So I guess(?) that gives justification for charging the fence from capital funds. I still want to match library revenue numbers to the Town's reporting.

Sue, I've attached a cash flow report you supplied for FY23. Could you get me the same report for FY24 please?

Thanks,
Chris

On 5/27/2025 7:26 AM, Springfield Library Director wrote:

> Hi Chris and Suzette. Is a finance committee meeting needed? If so, what is your availability so I can schedule it? Thank you. Sue

Memorandum of Understanding
Between the Town of Springfield, the Trustees of Public Funds, and the Springfield Town Library Board of Trustees

Effective Date: [Insert Date]

I. Purpose

This Memorandum of Understanding (MOU) outlines the procedures for the management, reporting, and disbursement of Springfield Town Library trust funds. It aims to ensure transparency, fiscal accountability, and adherence to donor intent regarding the use of these funds.

II. Background

Prior to 1976, the Springfield Town Library operated as an independent entity, managing its own monetary gifts and trust funds through the Library Board of Trustees. Upon becoming a municipal department in 1976, custodianship of these funds transferred to the Trustees of Public Funds. The Trustees of Public Funds now invest and manage these assets and report available earnings as "Investment Account Funds."

Per the Town ordinance (last revised 2002):

- Earnings generated by the library's trust funds are paid to the Town Treasurer for library purposes.
- Use of principal requires approval by both the Town Selectboard and the Library Board of Trustees.
- It is customary to preserve the donated value of trust funds, using only the generated earnings unless otherwise directed.

III. Definitions

- **Investment Account Funds:** Earnings from library trust fund investments available for use.
- **Capital Gain Distributions:** Capital gains distributions reported as revenue.
- **Principal Distributed:** The amount of trust principal disbursed.

IV. Roles and Responsibilities

A. Springfield Town Library

1. **Recordkeeping:**
   The Library Director will maintain a running list of trust funds approved for expenditure, including current balances, expenditure dates and amounts, and disbursement records. The list will be shared with the Library Board of Trustees Finance and Audit Committee.

2. **Reconciliation:**
   The Library Board of Trustees' Finance Committee designee shall submit the library's expenditure list at quarterly Trustees of Public Funds meetings, as appropriate, to ensure reconciliation with Trustees of Public Funds records.
3. **Use of Funds:**
   The Library Board of Trustees shall confirm that expenditures align with the original intent of the donations.
4. **Request Process:**
   - Library Director determines a need for the use of Trust Funds.
   - Library Director requests initial approval from Library Board of Trustees
   - Library Trustee Finance Committee designee seeks written confirmation from a designated Trustee of Public Funds that sufficient funds are available.
   - Library Director follows town purchasing procedures to secure proposals from vendors.
   - Library Director submits a formal request to the Library Board of Trustees for the project, seeking approval to proceed.
   - Library Board of Trustees approves or denies request at a posted Library Board of Trustees meeting.
   - Library Trustee Chairperson sends the request to the Selectboard. That request includes the Trustee of Public Funds confirmation of available funds in the request to the Selectboard.
   - Upon Selectboard approval, the Library Board of Trustees Finance Committee designee notifies the designated Trustee of Public Funds of Selectboard approval. The information sent includes the date(s) of both Library Board of Trustee and Selectboard approval of the expenditure.
5. **Invoice Submission:**
   Upon completion of the said project and receipt(s) of invoice(s), the Library Director will submit the invoice/warrant to the Finance Department to be paid from the Capital Projects Line Item.
6. **Reporting:**
   - Library Director will record the "Capital Gain Distributions" as revenue passed through to the Town.
   - Library Director will record disbursements in the same manner as other library gifts (e.g., FOSTL).
   - Library Director will confirm that Disbursements and Reimbursements are recorded on the town's spreadsheet for the Library's Capital Plan Line Item.

B. Trustees of Public Funds

1. **Custodianship:**
   Continue investment management and reporting of library trust funds.
2. **Reporting:**
   Maintain a matching record of approved expenditures and disbursements and provide regular reports to the Town.

3. **Confirmation of Availability:**
   Designate a member to provide written confirmation (within seven business days) of available funds when requested by the Library.
4. **Disbursement:**
   Upon receipt of an approved invoice and citation, ensure timely reimbursement payment to the Town and update records accordingly.

C. Town of Springfield

1. **Selectboard:**
   Approve or deny requests for the use of principal from library trust funds based on recommendations from the Library Board of Trustees and confirmation from the Trustees of Public Funds.
2. **Town Treasurer:**
   - Receive earnings from library trust funds and ensure they are allocated for library purposes.
   - Request reimbursement from the Trustees of Public Funds to the Town for the foresaid Capital Expenditures
3. **Finance Department Reporting**:
   Trust Funds dispersed for Capital Projects will be recognized as additional revenue under the library's Capital Plan Line Item.
4. **Town Manager or their designee**: Send a semi-annual update of the current Capital Plan Line Item Spreadsheet to the Library Director to share with the Library Board of Trustees.

V. Amendments and Review

This MOU shall be reviewed annually and may be amended by mutual agreement of all three parties. All amendments must be documented in writing.

VI. Signatures

For the Town of Springfield:

Name: Jeff Mobus

Signature: _____

Title: Town Manager

Date: _____

For the Trustees of Public Funds:

Name: Peter Andrews

Signature: _____

Title: ___Trustee of Public Funds_____

Date: _____

For the Springfield Town Library Board of Trustees:

Name: ___pattrice jones_____

Signature: _____

Title: __Library Board of Trustees Chairperson____

Date: _____