



OFFICE OF THE MAYOR
14 Park Place
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APPROVED MINUTES

Mayor's Ad Hoc Advisory Task Force on Library Finances

*Rockville Public Library
52 Union Street
Library Community Room
June 22, 2015
7:00 pm*

Daniel A. Champagne
Mayor
(860) 870-3600

John D. Ward
Town Administrator
(860) 870-3665

1. **Roll Call** - The following members of the *Mayor's Ad Hoc Advisory Task Force on Library Finances* were present: Brian Motola, Julie Clay, Thomasina Clemons, Robert Hurd, John D. Ward, James Luddecke, and Mark Summers. Ann Letendre was conference-called into the meeting.

2. **Adoption of Minutes**

There were no minutes presented for approval.

3. **Citizen's Forum**

4. **Pending Business**

a. None

5. **New Business**

a. Review of Assignment from Mayor - Assignment reviewed. No action taken

b. Finances - No action taken

c. Goals - Discussion took place regarding goalsetting, and the level to which the Task Force wishes to protect the endowment.

i. Possible Goals

1. Decide to what level we want to protect the endowment

2. Decide to what level we wish to set the endowment.

3. To run the numbers regarding each plan.

4. Determine what level of in-kind and non-monetary assistance the Town can offer the Library.

Discussion took place regarding the endowment. Mr. Motola expressed his desire that the Town and Library adopt a policy that would result in the Library being financially independent from the Town. To achieve the result, it is Mr. Motola's thinking that the endowment needs to be built up. If the current operating budget of \$ 908,000 is to be funded by a 5% draw off the endowment, an endowment of \$20 Million would be required. To reach that level, \$800,000 per year would have to be invested into the endowment for 30 years.

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Mr. Motola went on to refine his suggestion by stating that the money could be placed in a “pseudo-endowment” to distinguish it from the current endowment. He also clarified that no all the endowment enhancing funding must come from the Town. Some of it may come from outside services.

Mr. Motola inquired if there were significant known future costs to be incurred. Mr. Hurd does not know of any.

In addition to the Motola plan, the following options were discussed:

- ii. Drawdown Plan - Over the next 5 years, drawdown the endowment. At year 6 the town assumes responsibility.
- iii. Hybrid Plan – Boost the endowment so that it will suffice for 15-20 years. Then the Town would assume responsibility. Mrs. Letendre expressed interest in this position.

Mr. Hurd suggested looking at the Town increasing its annual contribution to the operating expenses. He proposed a 50/50 % split or perhaps 60/40 % funding.

300 k to 600 k
5 year → 15 year → 30 years

Mr. Motola indicated it would be 28 years with the Town increasing its contribution.

Other discussion points:

Ms. Clemmons indicated that she wished to see of funding could be obtained through or with the Board of Education. In the past the library accepted \$250,000 from the Sykes for the Young Adults section, for which they also receive \$10,000/year from private donations.

Mr. Motola suggested talking to the library staff regarding potential savings areas, as well as reviewing the operating budgets.

Mr. Luddecke suggested making a valuation of the services.

Mr. Motola suggested talking to Staff regarding savings and then to review the operating budget.

- d. Future Agenda items - None discussed.

6. Motion to Adjourn

Motion to adjourn made by Mr. Hurd and seconded by Ms. Clay. Meeting concluded at 9:08 pm

7. Next Meeting:

- a. The next meeting of the Task Force will be July 20, 2015 at 7:00 pm in the Rockville Public Library Community Room.