



TOWN OF FITZWILLIAM
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BUDGET COMMITTEE MINUTES
January 19, 2017

Members Present: Virginia Doerpholz, Carl Hagstrom, Natasha Michelson, Kathleen Stark, Ben Thomas, Win Wright and Selectmen's Representative Nancy Carney

Members Absent: Martin Nolan

Mr. Hagstrom convened the meeting at 7:00 p.m.

Mr. Hagstrom asked if everyone had reviewed the minutes of last week's meeting.

Ms. Doerpholz made a motion to approve the January 12, 2017 Minutes. Ms. Stark seconded. Mr. Wright abstained. The motion was approved.

7:00 - Fitzwilliam Village Water District Budget:

Mr. Thomas presented the Village Water District budget.

Mr. Thomas reviewed the budget and stated the Village Water District would be using \$6,000 from their bank account this year to off-set some of their costs in the coming year. The rest of their account balance would be put into an expandable trust.

Mr. Thomas noted the base rate of \$500 per year covers 2,000 cubic feet of water usage. Mr. Thomas shared that they are starting a conversation with Granite State Water Association to develop a long term plan for upgrades and possibly next year they would be able to set up a capital reserve to build up funds for repairs.

Mr. Hagstrom asked when their budget would be signed. Mr. Thomas stated that the treasurer was looking at the forms. Ms. Favreau suggested that Mr. Thomas contact DRA.

Mr. Hagstrom asked if there were any questions.

Mr. Hagstrom thanked Mr. Thomas for his budget report.

7:05 - Library Budget:

The Library Trustees were at the meeting to answer questions should they arise.

Mr. Hagstrom stated information was received from the Library Trustees. A copy of the information from the Library Trustees is attached and would become a part of the official minutes. Mr. Hagstrom shared that he reviewed the information from the Trustees which

included the concerns that Fred Wilkinson had raised and the Trustees pretty much addressed those concerns.

Nick Noyes reviewed in detail the items under unanticipated monies. Mr. Wilkinson asked to speak and asked Mr. Noyes about replacement if a patron lost a book and replaced it, are they charged a fee. Mr. Noyes replied yes. The Book Transfer Fund is out of the Library's Special Book Fund and should have been included as anticipated. Mr. Wilkinson asked if it was part of the \$5,000. Mr. Noyes stated it was and they were bringing down their trust funds - \$500 each year. Mr. Wilkinson asked if the Library Special Book fund was a trust fund and was it part of the \$5,000 already claimed. Mr. Wilkinson stated he assumed that the Budget Committee would be getting a report of the Library expenses for 2016. Mr. Noyes stated he would get the report to the Budget Committee. A copy of the 2016 Report of the Library Treasurer is attached and would become a part of the official minutes.

Mr. Hagstrom asked if someone wanted to make a motion. Mr. Wilkinson stated it was only the beginning – it was a deep division between anticipated and unanticipated. Mr. Wilkinson shared his discussion with Terry Knowles regarding gifts. Mr. Wilkinson stated he doesn't agree with what the Library was calling unanticipated. Mr. Wilkinson also stated just because the Library Trustees believe it doesn't make it so.

Mr. Hagstrom stated the Library Trustees tried to contact Terry Knowles. Mr. Noyes stated that most of the funds that are unanticipated are donations. Mr. Noyes also stated that he has different information from Ms. Knowles than Mr. Wilkinson has.

Ms. Stark reviewed the information from the power point from Ms. Knowles and discussed book sales and the art commission.

Mr. Wilkinson stated that the DOJ gets to make that decision and shared that Ms. Knowles hasn't responded to his latest e-mail. Mr. Wilkinson discussed income and being able to forecast.

Barbara Green stated that they don't believe those anticipated funds could be estimated as they have no way of knowing what they might get. Mr. Hagstrom asked if there was a trend. Ms. Green stated they were all over the place. Ms. Green discussed book sales and book donations from Friends of the Library.

Ms. Stark stated she was looking at Mr. Wilkinson's worksheet and many items were zeros and still factored in. Mr. Wilkinson shared his worksheet was a listing of all the receipts claimed by the Library over the last 6 years and was meant to show those items that could be forecasted. Mr. Wilkinson stated neither he nor the Budget Committee, or the Library Trustees could make that decision - it rests with the DOJ.

Mr. Wilkinson stated he took exception with the Library Trustees comments where they stated (first page of their memo – next to last paragraph): If the Library Trustees were to guess at any or all of..... Mr. Thomas stated what Mr. Wilkinson was trying to say is the Budget Committee goes through the Library requests line by line and if there are gifts to the Library that are unanticipated - that is in addition to the budget and it benefits the town. Ms. Stark read from page 35 of the power point from Ms. Knowles regarding unanticipated monies.

Mr. Wilkinson read the RSA regarding anticipated revenues from all sources – shown as offsetting. Mr. Wilkinson stated the Library hasn't done this. It is \$5,000. Mr. Wilkinson

also stated that Ms. Knowles agrees with him on unanticipated and anticipated funds and she would settle all of this.

Mr. Hagstrom shared that he was sure Ms. Knowles would but the budget needed to be passed tonight. Mr. Wilkinson asked the Library Trustees if Ms. Knowles determined what they classed as unanticipated was anticipated would they make the change. Mr. Hagstrom asked if Ms. Knowles had the list and Mr. Wilkinson replied she did. Mr. Wilkinson shared that Ms. Knowles needed to go down all of the items on the list. Mr. Wilkinson shared the conversation he had with Ms. Knowles.

Ms. Doerpholz made a motion to move the question. Ms. Stark seconded. The motion was approved.

Mr. Hagstrom stated the need to accept or reject the gross budget.

Ms. Stark made a motion to accept the budget as written - \$128,012. Ms. Doerpholz seconded.

Mr. Hagstrom asked if there were any discussion. Mr. Wright stated the Budget Committee approves the bottom line budget and this was the number given to the Budget Committee. If there were any anticipated changes, next week's meeting would be the time to adjust the amount. If not, there is no reason it can't be changed at the Town Meeting.

Mr. Wilkinson asked to speak and discussed the increase in salaries.

Ms. Doerpholz made a motion to move the question.

Mr. Wilkinson continued discussion on the Library budget and made comparisons to other local towns. Mr. Wilkinson recommended making the budget the same as last year.

Mr. Wright asked for a roll call vote. Mr. Hagstrom asked all in favor. Mr. Hagstrom, Ms. Doerpholz, Ms. Michelson, Ms. Stark, and Mr. Wright voted in favor. No one opposed. Mr. Thomas abstained. The motion was approved.

Mr. Hagstrom thanked the Library Trustees for coming in.

Mr. Hagstrom asked Committee members to review the list of budgets approved last week. Mr. Hagstrom asked if the Selectmen had anything to say. Ms. Carney stated the Selectmen have set their budget.

Mr. Hagstrom reminded Committee members about the Public Hearing next week.

Ms. Carney shared with Committee members that they have done a wonderful job and she thanked them for their time and talents. Ms. Carney stated it was an important job for the community.

There being no further business, Mr. Hagstrom adjourned the meeting at 8:14 p.m.

Submitted by,

Sheryl White
Secretary

Date: 18 January 2017

To: The Fitzwilliam Town Administrator, Board of Selectmen and Budget Committee

From: The Fitzwilliam Town Library Trustees

Subject: Response to Citizen Fred Wilkinson's E-mail of 10 January 2017 based on his conversation with Ms. Terry Knowles, Assistant Director – Charitable Trust Unit, Department of the New Hampshire Attorney General

Below are descriptions of the line items requested by Mr. Wilkinson.

Unanticipated Receipts:

Arts Commissions – On artists' works displayed by Trustees permission at the Library

Conscience – Patron contributions in lieu of fines

Credits – Credits and refunds on purchases from Library vendors (e.g., Amazon, Staples)

Replacement – Patron contributions for the replacement of lost books

Video Fees – Nominal rental charges on new release, high demand DVD's

Anticipated Receipts:

Book Transfer Fund – Trust funds designated for book, periodical and related purchases

Mr. Wilkinson's main point is "that the budget submitted by the Fitzwilliam Library Trustees only partially complied with budget law in the sense it did not include all the income that needed to be reported. Ms. Knowles had a copy of the spread sheet detailing the individual "receipt" line items as reported by the Library Trustees in the Fitzwilliam annual town reports and she determined many of those receipts needed to be included as "Library income" yet they were not. As we now know Library income is used to offset the amount of the town appropriation which the budget committee cannot determine until all Library income has been declared."

Mr. Wilkinson's presumption is that the private monies received by the Library "offset" the Library's annual request of tax appropriations from the Town. However, the notion of "offset" simply is not accurate. Maintaining the free Library relies on funding from three sources – tax appropriations, trusts overseen by either the Trustees of the Trusts or the Library Trustees and the outside monies categorically enumerated in our Annual Reports to the Town and its auditors. The municipal budget law (RSA 32:5 III) refers to budgeting against anticipated funding sources only which in the case of the Library are limited to the first two of these. All the other private monies that fund Library expenditures are *unanticipated* in that they are neither known nor predictable at the time of budget preparation. Each dollar of these funds *augments* rather than offsets anticipated funding and expenditure. If the Library Trustees were to guess at any or all of these inflows and add these projections to the Library's prepared budget, we would simultaneously add amounts to expenditure line items that totally exhaust them leaving the tax appropriations request unaffected. In short, the outside income received by the Library does not offset public monies but rather adds to and then is used in its entirety in support of the Library's mission to the residents of Fitzwilliam and beyond.

The 2017 Library budget covers anticipated expenditure in the amount of \$133,051.44. Of this amount, \$5,039 will come from trusts to cover book and equipment purchases and non-capital

building repairs, maintenance and improvements. The remaining \$128,012.44 of expenditure is the tax appropriations request which would remain the same no matter what inflow sources might be reclassified from unanticipated to anticipated. These amounts and this point were discussed with the Budget Committee at both our original budget presentation of 27 October 2016 and our follow-up meeting of 3 November 2016.

Mr. Wilkinson concludes that “An agreement on the 2017 Library budget is not be possible without first knowing the total income so it would seem an expedited request to the Library Trustees to define those line items in question is in order. Once done those definitions can be presented to Ms. Knowles for a determination...”

As promised, the Library Trustees intend to provide a more thorough and transparent report covering receipts and expenditures for inclusion in the Town’s 2016 Annual Report. Attached is a draft detailing the receipts portion of this report. The Trustees strongly believe that each one of the 14 line items comprising the \$6,906.08 in outside monies fits the rigorous definition of being unanticipated. We submitted this draft to Ms. Knowles on 13 January 2017 and at the time of this writing are awaiting her response.

The Library Trustees will gladly discuss our classifications with you on Thursday. We are satisfied that our 2017 budget request meets the high standards of the DOJ Charitable Trusts Unit, and our request remains unchanged.

2016 Fitzwilliam Town Library - Receipts
DRAFT

Receipts	Anticipated				Total
	Public (Town) and Private (Trust) Monies		Private Monies		
	Town Funds	Trust Funds	Library Funds	Private Monies	
Approved	Received	% of Approved			
Unanticipated Monies					
Income Generating Equipment					
Copier-Printer			\$451.65	\$451.65	\$451.65
Faxing			\$111.50	\$111.50	\$111.50
Video Fees			\$741.80	\$741.80	\$741.80
Other Unanticipated Monies					
Art Commission			\$92.50	\$92.50	\$92.50
Conscience			\$78.24	\$78.24	\$78.24
Books					
Sales			\$154.50	\$154.50	\$154.50
Replacements			\$84.33	\$84.33	\$84.33
Credits			\$171.75	\$171.75	\$171.75
Friends of the Library			\$1,000.00	\$1,000.00	\$1,000.00
Gifts			\$3,168.16	\$3,168.16	\$3,168.16
Grants			\$500.00	\$500.00	\$500.00
Interest Income			\$6.65	\$6.65	\$6.65
Legal Settlement			\$300.00	\$300.00	\$300.00
Out-of-town			\$45.00	\$45.00	\$45.00
Anticipated Monies					
Trust Funds					
Trustees of the Trusts					
Books			\$2,415.04	\$2,415.04	\$2,415.04
Buildings			\$1,520.00	\$1,520.00	\$1,520.00
Library Trusts					
Books			\$500.00	\$500.00	\$500.00
Buildings			\$699.64	\$699.64	\$699.64
Equipment					
Town Funds	\$151,105.00				\$151,105.00
Direct from Town		\$121,998.39			\$121,998.39
Appropriation Transfers		\$29,106.61			\$29,106.61
Total Receipts	\$151,105.00	\$151,105.00	100.00%	\$5,134.68	\$163,145.76

2016 REPORT OF THE LIBRARY TREASURER

Receipts for 2016	
Art Commissions	\$92.50
Book Fund Transfer	\$0.00
Conscience	\$78.24
Copier	\$451.65
Credits	\$171.75
Faxing	\$111.50
Friends	\$1,000.00
Gifts	\$3,168.16
Grants	\$500.00
Interest	\$6.65
Legal Settlement	\$300.00
Out of town	\$45.00
Replacement	\$84.33
Sale of Books	\$154.50
Sale of DVDs	\$0.00
Town Funds	\$37,594.79
Trust Funds	\$5,134.68
Video fees	\$741.80
Total Receipts for 2016	\$49,635.55
Disbursements for 2016	
Telephone	\$565.54
Internet	\$443.39
Custodial Services	\$885.78
Other Services (Programs)	\$610.00
Alarm Monitoring	\$250.00
Electricity	\$4,960.62
Heat & Oil	\$3,171.02
Water	\$799.66
Repairs - Maintenance	\$3,859.83
Extermination Services	\$285.00
Printing	\$198.82
Dues - Subscriptions	\$1,511.00
Software Purchases - Upgrades	\$1,538.45
General Supplies	\$1,342.33
Office Supplies - including copier supplies	\$1,033.33
Postage	\$172.00
Office Equipment	\$684.38

REPORT OF THE LIBRARY TREASURER - continued

Equipment Purchase		\$1,024.04
Equipment Maintenance		\$571.75
Custodial - Housekeeping		\$209.19
Groundskeeping		\$227.50
Adult Audio Books	\$623.09	
Adult Books	\$7,029.99	
Adult DVDs	\$1,876.12	
Adult Subscriptions	\$1,593.73	
Juvenile Audio Books	\$350.14	
Juvenile Books	\$2,238.69	
Juvenile DVDs	\$301.99	
Juvenile Subscriptions	\$140.72	
Total Books - Periodicals		\$14,154.47
Snow Removal - Hired		\$518.96
Other Charges & Expenses		\$767.50
Meetings & Conferences		\$324.00
Mileage - Travel Expenses		\$380.64
Total Disbursements for 2016		\$40,489.20
Receipts less disbursements		\$9,146.35