

Finance Committee – Library Board of Trustees

May 16, 2023 3:00pm

In Attendance: Judy Putnam, Justin Somma, Chuck Redfern, Marti Fiske, Jane Pitts, Tom Mullins, Cody Morrison

Special meeting arranged to discuss trustee budget – 6/6 at 3:00p.

Approval of April Minutes – Jane/Judy – unanimous

DONATIONS

Judy:

Cameron Teese \$50

Louise Zerba \$100

Peter Hansel \$50

General unanticipated donations go to general fund, but Rotary donations typically go to books. These donations came from a rotary prompt. Sounds like the intent was to restrict for materials purchases, we recommend that it be restricted for such purpose.

Cash received anonymously \$110 for the general fund.

Chuck: can we insure that thank you letters are issued to these donors. Marti: yes, this is automatic.

BUDGET NOTE

Judy: in past years Gail has paid, software cost is \$3764. Judy would like to take this expense out of her budget and find a different account to pull this expense for. Judy recommends this coming from books and materials budget.

Marti: Zubine is programming software for kids summer reading. Ebsco is we're pretty sure it's for e-materials. Zubine should probably stay as is, but Ebsco might be able to move.

Judy: This is just a preliminary announcement it will be discussed during the 6/6 budget meeting.

We typically have an amount set aside to spend on new books - \$3000-5000 of trustee money for this fund.

CODY MORRISON from MEDC re: the library renovation project

Chuck: what should trustees expect to happen? Milestone, unwinding process, etc.

Tom: city didn't have much luck with the courthouse unwinding, hoping for a better outcome here. Financing structure for this one is simpler than the courthouse

Cory: New market tax credits are a tool to reinvest in impoverished communities, fedgov says we're eligible for some. We completed this job with a variety of funding including new market credits. Tax credit deal lasts 7 years, and our bookkeeper coordinates with city and library. We have 19 months to unwind. We partner with a new markets tax credit auditor, they will visit the week of June 26th to

review our project – we'll set a meeting at some point during the visit. Mascoma bank will be here, they were the lender of record for the tax credit.

Judy: so what are they doing when they're here?

Cory: auditor will examine records. Mascoma will be getting a feel for the project.

Marti: Who do they want to meet, I thought it was just a tour of the building.

Cory: they are hoping to meet with whomever is around, not a requirement. This is not a compliance meeting.

Tom: so this visit is in anticipation of the 2024 unwinding?

Cory: yes.

Tom: why have the site visit

Cory: for context and to make sure we did the project they paid for (generally). Not a deep dive or review of books.

Tom: It's an "as built" check

Cory: yes. When they do unwinding next year that's when legal reps should be present.

Tom: when will they start putting together the closing checklist

Cory: we can review that during the site visit. The auditor will be here on the 27th or 28th of June, that is when they'll go over the transaction and set a timeline and checklist.

Chuck: Could you send an email to auditors to make sure they are aware of the need for the creation of a checklist so Tom's time is used well?

Cory: this will be the deliverable of the auditor's meeting.

Chuck/Tom/Cory conversation – the courthouse problem was a contact problem that was problematic from the start this isn't a repeat of that. Court was supposed to be a payoff no penalty, in loan commitment doc there was a prepayment penalty added. We wound up entering into a settlement to pay it off. That contract was on MEDC's plate which is why it was a problem. Cory will confirm this is not an issue this time around.

Jane: 12/31/2024 is a hard stop for the process?

Cory: yes, that's federal contractual requirement for this project.

Jane: typically what are some things that get on the checklist?

Cory: that I don't have a solid answer right now. We'll find out when the auditor comes up. Probably financials, real estate transaction docs. Essentially you're getting out of an investment deal and getting into a new real estate deal with the city. Auditor will review the transaction including all legal paperwork, the timeline of when to line up documentation, what to get prepared.

Tom: The expectation is the transfer will happen without additional cost. Hopefully that's true.

Cory: I wasn't around when this got set up but I hope so.

Tom: please send me the names of the counsel, finance team, etc.

Chuck: please confirm and disambiguate dates.

Cory: 22nd is date of the Mascoma bank site visit. Auditor will come up 27th or 28th. During auditor meeting we'll review the paperwork and chart out the timeline.

Tom: third party auditor?

Cory: yes. Cohn Resnick is the auditor they do a lot of new markets deals nationwide. MEDC uses a deal-specific auditor, as well as our own local counsel D'Alessio and Associates.

Tom: we pay a management fee for this.

Cory: yes the auditing and legal fees come out of the management fee.

Chuck: are there other parties to this other than mascoma?

Cory/Tom: I don't think so. Cory: I'm pretty sure it was just Mascoma.

3:54 Jane needs to leave

Marti/Justin – we should introduce this option to the trustees at the regular meeting so we can coordinate who attends which meeting

Judy: what is value of being present at the auditor's meeting?

Tom: finance committee members might be of assistance

Chuck: do you know what you'll need from the city as we unwind?

Cory: that's what we'll determine at the auditor meeting.

Chuck: are all facilities getting transferred to City of Keene

Tom: yes, but it will be subject to the 3 part agreement between city, trustees of library, and friends

Chuck: does the former Cheshire TV come into play with this?

Tom: no, they are renting, and money drops into Heberton line item in budget which is pursuant to the 3 part agreement