Whiting Library, Chester, Vermont

Regular Monthly Meeting of Board of Trustees

Meeting Notes – May 14, 2024 - DRAFT

In attendance at the Whiting Library Community Room: Matt Gorsky, Bill Dakin, Lyn Smith, Donna McNeill-Hudkins and Gail Zachariah, Library Director. Attending via Zoom – Jessie Krust & Lora Cokolat. Absent – Marilyn Mahusky

Bill Dakin called meeting to order at 6:36 PM

John Conlon, Portfolio Manager from Wilmington Trust Zoomed in to update board on it is investment Account.

John had distributed a copy of the Account Summary and we reviewed.

Bill introduced everyone to John.

John is our new manager. He has been with People's/M&T/Wilmington Trust for 15 years. He handles the Investment Side.

2023, on the equity side, 7 stocks were responsible for 50% of the year. For the sake of risk, we should not have 30% of our funds. By 4th quarter, performance by rest of stocks, so started to do well. Starting the year. Consensus was that Feds would lower interest rates. Economy was stronger, so that pushed expectations out. What moved the stocks higher was that the economy was good. Earnings were good. Right now, consensus is that the Fed will start lowering rates in June. It may be shifted back to July because of the recent data that inflation is still higher.

On our Fixed Income side. Interest rates have gone up, bond prices gone down, so this is not a good contributor to portfolio performance.

Other thing driving the market is that it is an election year. It will be volatile. Expectation is that once we get into 3rd quarter, Feds will make a move. On our Portfolio, we are heavily weighted to Equity. We are performing well. This represents diversity. Fixed income holdings are Mutual funds.

Our expectations increased volatility, rising prices, it will end up by the end of the year. Should see attractive yields. Unless something changes in the cash needs, he would not recommend changes. Most non-profits do not need much of a cash flow.

Questions – how much are we making on this fund – estimated interest on this fund is $4,275. Current yield is 2.4% How can we take advantage of any 4.5 or 5% interest rates available. With a portfolio of this size, it is not available. You could take cash and put it in a Money Market, or buy treasurer bills. Not practical. On a short-term basis, you could take advantage of this. But then we lose return. Right now, with our fixed income assets, the total is 3.9% Cannot purchase individual bonds as the portfolio is not large enough. It would need to be $500K. So, we are not large enough to take advantage of investments. We could do Treasury Bills that are currently returning 5.1% Can we put the money in a 6-month CD. He cannot do it, but we could do it. We'd have to sell stock to cash out.

What is the expense of the portfolio – we have to get from the Administrative. It is usually a negotiated rate. The default is 1.2% Not sure if that is what we're being charged. We are charged about $150./Month We're charged 1%/Month

What was the growth in 2023? Up 14.3% On page 6 of the report.

If we cashed the total portfolio out, what would we get? $169,347.

Who owns the account? It reads as it is a Sub account of Town of Chester.

Can we continue to make about $4000 a year. Performance of 10% for this type of possible, but high. Lower end of the range is 7% - more likely. What kind of growth factor was this set up with? This is a Growth Moderate Income (People's). Wilmington Trust classifies it as Grown & Income. Most non-profits are balanced, an Income Fund. Ours is a little more aggressive.

If we needed emergency funds, how much could we take without seriously reducing the account, and how long to get it. Right now, there's $2,800 in cash available immediately. Everything in the portfolio is liquid. Mutual funds are 1 day normally. Stocks will settle in one day by the end of the month.

Can we use the interest without diminishing the fund, or invade the principal.

If we had to touch the principal, how would it affect the funds. It would depend on the market. If we knew what you wanted, the bank could plan for it.

How do other non-profits. If you draw from it are typically more aggressive. The draw is usually 4%. Do they draw annually? Usually quarterly. Base it on the average at the end of the quarter.

Bill asks if there Are there any other questions. No other questions. John said that if we have any other questions that come up, just let him know. We can meet more frequently if we want.

Any re-cap of this recount? About what was expected. For money in the account, we are not getting much back. Our growth factor is "satisfactory." Bill asks if he may show it to a friend in the business and get some input.

Suggests that we take an annual income that we can apply to our expenses. And We need to get a better handle on the Money Market account. Find out what the average is for the quarterly withdrawal and either use it or open a higher interest account.

Let's move past this.

Additions to the Agenda? None

Approve Minutes for April 9th and April 23rd Meeting. Motion to approve. Special meeting on April 23rd minutes line 43 – change Matta to Matt . . . .Motion to approve with changes. Approved.

Treasurers Reports – We did a side-by-side comparison on the report. Lora also asked that the Town contribution be posted in April every year. Town of Andover has to be billed. They are on a different fiscal year. Laurie will bill the town of Andover in July.

Lora will verify with Laurie at the town what the actual To/From account balance is.

Motion to accept Treasurer Report – Approved.

Youth Services Report – Carrie is doing a lot of outreach to the schools. In the summer we have programs with the schools and pre-schools. Every other week we have the Head Start Program coming in.

Costs are about $150/$250 per program. That is PR and supplies.

Motion to approve Youth Services Report – approved.

Director Report - Discuss privacy and confidentiality for patrons. Wants to cut down on stray documents. When cleaning old Trustee Office there were deposit slips back to 1996. She read a lot of minutes. Filing cabinets filled. Originally that office was for the director.

There is an empty file cabinet and excess furniture. Goal is to put all the Trustee Information on line for access.

There is a snow blower and a shop vac that we have to get rid of. Do we just put outside and give away.

We need to review the "memorandum of understanding" from the Town on who clears the snow.

Gail should draft a new memorandum, present it to the board, and we will approve and submit to the town.

Motion to approve Director's report – approve.

Staff Resignation - We had a resignation. Gail has people expressing interest, so there should not be a problem replacing her. What would qualifications be. Job Description should be reviewed.

Fund Raising Committee Report – the sub committee met 3 times. We need to finalize the letter (distributed), and work flow like who will do what. Need to look at Google Sheet and make comments.

Bill said he sent a marked-up copy. Jesse did not receive.

We will revise and get more info. Comments due by Sunday this week (May 19th). Then Jesse will update and send out the following week.

Donna said she would work with printer, needs a timeline and what we need. Jessie will email Donna to set up a time to talk.

Jesse also needs a high-res logo.

Personnel Policy – this will determine what we can offer a new employee. If we give them a pro-rated insurance Colleen wanted benefits, but we do not want to give benefits. Don't have the budget. There are some people getting pro-rated benefits. As Colleen is leaving, we'll review and Gail should figure out what a fair wage for that position. State just did a survey. Position started at same rate that Will was at. We agreed to give her more hours as there was no director. Then director then decided to increase rate of pay.

Gail thinks there are some changes that need to be made to the Job Description. Keep information on Library Automation Systems. If we give benefits, then we have to adjust pay rate to come back with a total compensation. Title should be changed to what the Director said. If it's policy, we need to review. If we hire somebody, it's a good time to update the Personnel Policy and Benefits. Gail thinks the PTO policy needs to be updated. Add sick leave. Compare with Town of Chester policy.

The pay rate, number of hours or number of people is up to the Director. But it has to be within the budget. The Benefit Policy was updated in January 2024 (see attached), I don't think it was every approved, other than the Holidays.

Public Comments - No Public in attendance.

Move to Adjourn - Next regular meeting is June 11th at 6:30 PM

Motion to adjourn approved. Adjourned at 8:10 PM

Submitted by Donna McNeill-Hudkins