

# WHITING LIBRARY BOARD OF TRUSTEES

## Minutes — September 14, 2020

*Present:* Robert Nied, David Lord, Ed Grossman, Lyza Gardner, Vanessa Heybyrne, Colleen Garvey, Cathy Hasbrouck, trustees; Deirdre Doran, Library Director

*Guests:* Remus Preda, Gary Gibbs

*Absent:* N/A

### **CALL MEETING TO ORDER**

Robert Neid called the meeting to order at 9:32AM on the Zoom platform.

A motion to amend the agenda was made (Lyza/Ed) to postpone the discussion of a fundraising CRM to the October meeting. Passed unanimously.

### **APPROVE MINUTES OF AUGUST 10th MEETING**

A motion was made (Colleen/Cathy) to accept the minutes of the August 10, 2020, meeting as amended: the word *business* at the top of Page 2 should read *building*. Approved by all.

### **TREASURER'S REPORT**

#### People's United Bank – Update on Wealth Management and Money Market Accounts

Treasurer Ed Grossman said that his understanding of the purpose of the Library's Wealth Management Account was that it is intended for long-term objectives.

At the onset of the pandemic, the market started to crash, so Ed Grossman spoke with Remus Preda and Gary Gibbs, who manage the account at People's United Bank. Both of them advised the same thing: the intent of the investment should drive sensitivity to volatility—volatility shouldn't be the concern if the timeline is long-term. Ed Grossman said that if these funds *are* for more immediate needs, drops of \$10,000 or more become more significant, but if the intent is long-term, we shouldn't change course. He said that any significant change would require the involvement of the Board.

Gary Gibbs, the account's portfolio manager at People's United Bank, said that the current pool of money was invested as a "Balanced Investment Objective," which means that about half of the money is invested in equities and the other half in bonds or bond-like investments.

Gary Gibbs said he was happy to help the Board draft an *Investment Policy Statement*, which he said would provide a definition of the account's impetus, its history and its intent. He said this is a critical component of a municipal account with a long-term timeframe. Historically, the Library's Wealth Management Account has averaged 8% per year in total return.

Gary Gibbs spoke previously with Ed Grossman about the option of an yearly distribution to the Library, e.g. the library could withdraw and spend 3-4% of the fund's total value per year. This conservative distribution means that, over time, the organization "won't do significant damage" to the principal of the account.

Robert Neid asked: If we have an extreme world event or situation, how should we react? How do we protect the Library and its endowments?

Gary Gibbs said that the first responsibility lies with the fund's managers—in this case, Remus Preda and himself. The managers have the latitude to adjust asset allocation within certain bands, e.g. they can take the equity investments as low as 40% or as high as 60% to mitigate risk tactically. But, he said, some level of volatility will persist, always. He said he's a strong proponent of taking "responsible risk" and explained that long-term market ups and downs go in cycles.

Robert Nied said that the Board needs to be very clear about its risk tolerance, and that if any trustee has a concern about our level of risk tolerance, it should be discussed. Or, conversely, the Board should confirm that it is comfortable with the current approach.

Greg Gibbs said it's important for any Board to be prepared for transition and change: an Investment Policy Statement is a one-page document that could be handed to any new trustee and provide some continuity. The policy statement helps keep track of the core tenets of the account. It also helps when approaching potential donors: explaining how the fund is managed, its policies; it sets a clear intent. "We've found this component to be very important to potential donors."

Ed Grossman asked (with respect to the range of asset-allocation latitude): When moving around between the 40% and 60% balance, do you do that independently, or do you need input from the Board?

Remus Preda said that the fund managers can do that independently; they have that discretion.

Ed Grossman said he had a copy of the investment policy statement that Greg Gibbs sent and that he will distribute it to trustees.

Greg Gibbs said that one successful payout process is to decide as a Board, that “we’re going to take 3% a year,” or similar. “Over longer periods of time, the account will continue to grow, but you have a dependable payout rate.”

Remus Preda said that the most important decision is in defining a purpose for the funds. “What is this money for?” This will define the timeframe, which will inform the risk.

Ed Grossman said: if we took 3.5% of the current value—about \$5000—we could perhaps use it for projects. For example, \$5000 a year for three years.

Lyza Gardner said that as she understood it, the distribution (in this example) would be 3% of the value of the fund at the time of the yearly distribution (i.e. the value would change from \$5000), and that it sounds like the Board would choose a distribution percentage and stick to that over a period of time.

Robert Nied identified next steps. First, endorse and approve an investment policy statement with a goal to “finalize” an Investment Policy Statement in the next month or so. Then the Board should discuss, and go back to fund managers if any questions come up.

#### Financials

Ed Grossman said that income continues to be down (e.g. book sales, copier use) because of lack of in-person Library use, but donations are up. Careful spending on supplies, books, materials, equipment, etc., have left an available amount in those areas of about \$12,000. He recommends that Deirdre Doran start using these funds to purchase the designated items by the end of the year, as carryover to 2021 is challenging.

#### Status of health benefits for the Director and Youth Services Librarian

Ed Grossman said that Town Manager Julie Hance is waiting to hear back from the attorney regarding the status of librarians working for a municipal library: Are they entitled to the same benefits as other municipal employees? He reminded the Board that budget preparations start in October. He said the Board needs to see what the Town comes up with.

#### Donation from Chester Academy

Many donations have been made *in memoriam* Suzie Forlie, including a \$2500 donation from Chester Academy. These are truly appreciated.

### Update on fundraising

Fundraising totals are \$11,540 for 2020, including \$1840 carried over from the November, 2019 drive. Ed Grossman said that fundraising has “gone extremely well.”

### Clarification of fiduciary oversight – authorizing Treasurer to make portfolio allocation decisions in response to financial volatility and/or unusual market conditions.

Robert Nied asked: In terms of the Library’s investments, what authority should the Board’s treasurer have? He consulted with the Vermont League of Cities and Towns (VLCT), which says that the treasurer would typically have authority to make routine changes to the investment and make minor allocation changes. However, VLCT says that it’s best if any major changes are brought to the Board. Robert Nied said that if there’s a major change needed, the Board needs to meet, even if it’s an emergency meeting.

Ed Grossman reminded the Board that the Library also has a Money Market account targeted for shorter-term objectives.

Colleen Garvey asked if any of the money in the wealth management account was constrained or earmarked for specific things.

Robert Nied said that as far as he could discern, consulting with Ed Grossman and former Board Chair Kathy Pellett, there were no specific “strings” attached to the fund.

A motion to accept the Treasurer’s Report was made (Lyza/Vanessa) and unanimously approved.

### **DIRECTOR’S/YOUTH SERVICES REPORT**

Library Director Deirdre Doran said that August was the first month of the Library being open by appointment, and that it went smoothly. The summer reading program wrapped up. Chris Taft came and advised about how to lower high heating costs. The suggestion is to use the heat pumps for AC and shoulder-season heating, but the furnace/boiler alone during the winter. Running both the boiler and the heat pumps is inefficient. A programmable thermostat was also recommended, and is being organized via the Town.

Robert Nied said he checked with Julie Hance and that she’s waiting on an estimate. The Town has agreed to fund the thermostat. Robert Nied will call Chris Taft to help move the process along.

*Presentation of modified Reopening Plan – September book sale*

Deirdre Doran presented a modified “Phase 2B” for the Library’s reopening plan. This new phase would allow the opening of the permanent book sale in the basement (by appointment), resume the acceptance of book donations, and expand the number of appointment slots.

Deirdre Doran said she is working on organizing an outdoor book sale, in front of the Library, for Saturday, September 26.

Robert Nied asked how the book sale fits into the re-opening plans as currently adopted, and the infectious disease policy. Deirdre Doran said that the book sale is covered by a section in the reopening plan allowing for outdoor events.

A motion was made to accept the amended reopening plan (David/Colleen) and was approved unanimously.

*Consideration of change in library hours*

Deirdre Doran explained that having a two-day weekend (i.e. two days off in a row per week) would be a nice thing to provide for Library employees. She suggested that the Board consider changing the Library’s open days from Monday, Wednesday, Friday, Saturday to Tuesday, Wednesday, Friday and Saturday—swapping Monday and Tuesday.

Robert Nied asked if any negative impact of the change had been predicted. Deirdre Doran said that she doesn’t know the school’s schedule well enough to know if Monday afternoons would be a really big time for students to use the Library. She conceded that it is a longer timeframe that the Library is closed—from Saturday afternoon until Tuesday morning.

Colleen Garvey said that lots of libraries aren’t open on weekends at all—many libraries have a two-day gap in service. She said that the changes are a good idea: it’s an important benefit for staff. Schools can adjust.

Ed Grossman suggested collecting data and getting a sense of “how much in advance we need to give heads up [on any changes to opening hours].” He said there might not be much representative recent usage data because of the pandemic.

Robert Nied suggested that Deirdre Doran collect supporting information and data as she is able, and to bring that information to next month’s meeting.

Deirdre Doran suggested that any changes take effect at the beginning of 2021 so “we can see how it affects payroll.”

Robert Neid said he had been asked several times if the Library planned to have evening hours. Lyza Gardner said that, historically, the Library was open in the evening on Wednesdays, but that the time was quite underutilized. Deirdre Doran said she had no resistance to evening hours, but “historically it hasn’t served” many patrons.

Robert Nied said the Board would discuss this again next month.

## **OLD BUSINESS**

### *CRM solution to aid fundraising and outreach*

CRM discussion has been postponed until the October meeting.

### *Review of Gift Acceptance Policy*

Ed Grossman explained that the policy under consideration was the result of reviews and revisions of several versions, including samples from the Vermont Library Association (VLA).

Robert Neid said he saw some language that needed to be edited. Cathy Hasbrouck questioned the status of the Collection Development Policy referenced on page 2.

Robert Nied will work with Ed Grossman on policy edits before submission for approval at the October meeting.

## **NEW BUSINESS**

### *Develop Updated Strategic Plan with mission, vision, long and short-term objectives and action plans*

Robert Nied acknowledged Deirdre Doran’s and Carrie King’s thoughts and write-up of the needs and future of the Library. There was consensus not to conduct traditional strategic planning during the pandemic. The Board agreed that there is a need to update—or replace—the Strategic Plan dating from 2012, and that the VLA may be a valuable resource.

Colleen Garvey stressed the importance of including a professional to conduct planning during strategic planning. Cathy Hasbrouck felt it was important for the trustees to understand the details of a strategic planning endeavor so the professional’s efforts were meaningful.

Deirdre Doran suggested that the 2020 Trustees and Friends Conference, September 21-25 (<https://libraries.vermont.gov/2020TFC>), would be a good resource. The remote meeting, requiring registration, has a breakout session on strategic planning during the pandemic and

beyond Monday, Sept. 21, at 11AM. Ed Grossman felt help from the VLA was worth pursuing. Robert Nied asked that the trustees review the current 2012-2018 Strategic Plan before the next Board meeting.

*Update of Whiting Library By-Laws*

Robert Nied recommended that trustees review the current bylaws to see where corrections and updates are necessary. Changes may be connected to strategic planning.

*Honoring Suzy Forlie*

The trustees acknowledged the outpouring of support for Suzy Forlie's contributions to the library. The trustees brainstormed ideas to honor her memory. David Lord and Cathy Hasbrouck agreed to work on determining a meaningful way to memorialize her contributions to the Library. They will make a recommendation at the next Board meeting.

**PUBLIC COMMENT**

**ADJOURN**

Deirdre Doran pointed out that the next scheduled meeting—October 12, 2020—is Indigenous People's Day and that she was unavailable.

A motion to reschedule the October meeting of the Whiting Library Board of Trustees for Monday, October 19, 2020 and 9:30AM on the Zoom platform was made (David/Colleen) and unanimously approved.

There being no further business, a motion to adjourn was made (David/Colleen) and unanimously approved. The Board was adjourned at 11:55AM until the next meeting on October 19, 2020.

Respectfully Submitted,

Lyza Gardner, Secretary