

**ILSLEY PUBLIC LIBRARY BOARD OF TRUSTEES REGULAR MEETING  
MONDAY, DECEMBER 9, 2019  
ILSLEY LIBRARY, MIDDLEBURY**

***MINUTES - DRAFT***

Board decisions are unanimous unless otherwise noted.

Present:

Board members: Catherine Nichols, President; John Freidin; Faith Gong, Secretary; Amy Mincher, Treasurer; Joe McVeigh

Library Director: Dana Hart

**CALL TO ORDER**

See Board Packet for agendas and accompanying documents.

President Catherine Nichols called the meeting to order at 5:04 PM.

**APPROVAL OF MINUTES**

DECISION: The Board approved the minutes of the regular meeting on November 13, 2019, with the following amendments:

Changing "Shelburne Museum" to "Sheldon Museum" on p. 1.

Adding "without parental permission" to the fourth paragraph on p. 3.

The Board also approved the minutes of the special meeting on October 21, 2019.

**PUBLIC COMMENTS**

There were no comments from the public.

**MCTV REPORT**

There has not been a meeting of the MCTV Board since the most recent Ilsley Trustees meeting, so there was little to report. The next meeting will be this coming Wednesday morning. Joe McVeigh is continuing to encourage MCTV to be more innovative with its programming.

**FRIENDS' REPORT**

Amy Mincher reported that Chris Kirby and Tricia Allen had given a presentation of their recent programs to the Friends at their recent meeting. They requested additional money that was quite a bit higher than in the past. Their budget requests were well received, and both Dana and Amy felt that they

would be approved. However, Dana added that Friends Treasurer Cynthia Waters has been concerned about meeting budget requests as they've had a decline in income.

Dana reported that Lorrie Muller is doing well and has been moved to a rehab center in Rutland.

### **DISCUSSION OF BOARD FINANCES**

Dana and Amy have been discussing creating a more formal policy regarding library finances. They looked at other libraries' financial policies and found a hodge-podge. These policies tend to highlight both Board financial policies and internal library policies. Amy added that Dana is also following the town rules for library finances.

Dana presented the question: What are these funds for, and how do they support the library?

Amy added: Should we be calling our funds an endowment? And what exactly can they be used for?

They felt that clear guidelines were important and should be decided upon by the whole Board.

Joe asked whether they had consulted Lara Keenan on this question. Is there any guidance under Vermont library law for how trustees make these decisions? Especially in light of working with a town that approves the library's budget? Joe would like to invite Lara to come meet with the Board and give us a little tutorial. Dana was open to asking Lara, but thought the spring would be the best time.

The Board currently has \$90,000 in the trustee accounts, but only \$20,000 is unrestricted.

John wondered whether if we spent less money in those categories, could we spend it in the general fund. Answer: No.

Dana clarified that the Vanguard funds have nothing to do with the town, but that income from those funds goes into a trust agency account that is audited by the town. We get about \$1,000 in income from these funds annually. We do have control over where we invest that money, so a policy could direct the Treasurer on how to best invest the restricted funds.

John suggested that the unrestricted funds be used "for extraordinary expenses not in the budget." Joe added fundraising. Dana suggested Board expenses.

Joe questioned whether it was legal for trustees to raise funds. He referred to the Greenfield, MA library renovation project, in which trustees weren't allowed to campaign for the bond vote.

Continuing the discussion of what the funds could be for, Amy added professional development for the Board and staff, and future Director searches. John expressed a strong preference for finding a way to include this in our budget.

Joe asked whether we'd be able to use trustee funds for any special purchases, such as furniture or technology.

John questioned whether we want to guard that \$20,000 or not. He'd prefer guarding it from being spent so that it's really only used for extraordinary things.

Dana replied that she likes the idea of having a certain amount saved for extraordinary things, but it would also be nice to use money on top of that for one-time purchases, even if it's not the primary use of the funds. John's concern is that \$20,000 doesn't go very far.

John asked who owns this money. Dana's understanding is that they're the trustees' funds to control.

Joe returned to the initial discussion questions to clarify that his understanding is that the restricted funds are an endowment. The monies are not meant to be spent as they come in. The income from the restricted funds is available to be used twice a year, when it goes into a trust agency account, and Chris and Tricia decide when and how to use the funds (according to their restrictions.) A trust agency account is an account that the town administers, that's not tied to a fiscal year. The town would like to reduce the number of trust agency accounts, because they're harder to administer and report on.

John wondered about possibility of creating an independent legal entity that holds this money. Dana feels that the trust agency accounts currently work very well as they are.

Joe suggested a policy of encouraging unrestricted gifts, but that a minimum be set for restricted funds. (Say, \$5,000 or more.) Gifts less than \$5,000 will be liquidated and spent in a manner appropriate to the gift. John added that the interest from restricted funds should be spent in a reasonable amount of time, provided that it doesn't conflict with the donor's wishes. This could be both a policy and a brochure for those interested in giving.

Each restricted gift has its own separate investment account. John thinks we should make very clear that we're going to liquidate anything we get.

Joe clarified that the advantage of Vanguard is that it deals in mutual funds to spread out your risk, and it makes it easier to invest in the market as a whole. But we could easily shrink down the many Vanguard funds to three. Everyone felt comfortable with this.

We would need to decide on an investment policy that is both sufficiently broad and sufficiently specific to guide the Treasurer. We would like to both increase growth and maintain dividends of restricted funds. We can do better than the current interest (less than 2%)

Amy wondered about hiring a professional investment advisor. She will look into what it would cost us to have a "Vanguard advisor" to help guide the Treasurer. John would prefer finding someone with investment expertise in the Middlebury community who would help the library pro bono, or an accountant. Amy is planning to talk with Beth Davis to have an initial look at the finances.

Should a minimum balance be maintained for the unrestricted funds?

Dana wrapped up the discussion with the sense that this gives her and Amy enough of a framework to proceed. They will draft potential language for the governance committee. She would like the Board to consider when it might be appropriate to spend unrestricted funds on Board expenses.

John pointed out that the stock market is about as high as it's been right now, and some people think it may crash. He would advise Amy to liquidate all stock.

#### **DIRECTOR'S REPORT**

Dana announced that the next meeting should be at Sarah Partridge Library.

Barbara Clearbridge has written a column in Thursday's edition of *The Addison Independent* about her experience bringing up her concerns about a specific book. Dana did not feel it did the library any harm and wondered if she should write a response. The Board felt that she did not need to respond.

Dana will present the operating budget to the Selectboard, as well as the revenue budget on Tuesday, December 17. All of our revenue lines have gone down. She anticipates that revenue will continue to go down. Her question is whether she should mention that the Board is considering going fines free. (The revenue from fines is projected to be \$10,000, which is \$1,000 less than last year. Actual fines last year were \$9,000. Non-resident fees and lost materials are also down.) Dana would also like to expand our services to surrounding towns – should she mention that as well? The Board supported her mentioning the possibility of going fines free, but felt she didn't need to mention bringing services to surrounding towns.

#### **BOARD COMMENTS AND UNFINISHED BUSINESS**

Cynthia Waters, Friends Treasurer, would like the Trustees to liquidate an anticipated upcoming gift of stock and pass it along to the Friends to fund programming. The implication is that they may not be able to fund all programming otherwise. (In the past, this gift has sometimes gone to the Friends.)

A meeting with Kathleen Ramsey and Brian Carpenter, along with Catherine, Dana and Joe, will take place on Wednesday morning at 10:30.

Joe McVeigh reminded us that we should be recruiting candidates to fill the upcoming Board vacancy.

Amy reported that she went to Renee Ursiti's book discussion and had a very positive experience.

Catherine commented positively on the film club run by Steven Gross.

John reported on a pleasant experience he had at Ilseley requesting the purchase of a book.

#### **ADJOURNMENT**

President Catherine Nichols declared the meeting adjourned at 7:05 PM.

#### **NEXT REGULAR MEETING**

Monday, January 13 at 5:00 PM at the Sarah Partridge Library.

Respectfully Submitted,  
Faith Gong, Secretary

