

Minutes of the Board of Trustees

The Town of Amherst and the Jones Library, Inc.

October 4, 2007

Jones Library's Trustees' Room

Present: Trustee Wang, Trustee Holland, Trustee Grose, Trustee Page. Absent: Trustee Turner and one vacancy. Also Present: Library Director Bonnie Isman; Naomi Ossar, James Gorman, Vanguard Asset Management Investment Manager, Will Bridegam, Trustee Emeritus.

The meeting was called to order at 7:09 p.m.

Mr. Gorman talked about the Table of Contents (Page 2 of the Vanguard handout). The performance report is from 6-30-07. September is not available yet. Market Volatility: The stock market has been up and down. If the market goes up or down by 1% or more, the market is termed "volatile." Through July 26th, the market has been volatile 30% of the trading days (which is a marked increase from the previous 5 months when it was 9%). The Library Portfolio does not have any subprime mortgage market bonds (see: Page 5) from Vanguard. (There is a small bit of Bank of America exposure to this, but it's low risk.) Page 7 details the Fixed Income Market Performance. Page 9 discusses the Jones Library portfolio as of 10-3-07.

Page 13 shows the net gain of the portfolio. Going back to page 11, the portfolio is contrasted with indices. Mr. Gorman talked about page 16 (Individual Fund Performance), and then page 18 (International Equity Country Exposure).

AMS (Asset Mgmt Services): The cost of doing business with Vanguard is 0.455% (less than ½ of one per cent).

Ms. Grose asked about the advisability of spending more than 5% of the endowment. Mr. Gorman said, "Five per cent is a good rule to stick with." He pointed to page 19 which shows the historical average returns which were about 5.72 % after inflation. However, if you spend 6%, you may totally use up the assets very quickly.

Ms. Holland asked the percentage of our spending: 5.6% last years and is 5.5% for FY08. 60/40 is the most common split (which we have). 70/30 is riskier, but produces a higher yield over time.

The strategic equity fund is underperforming (mid cap fund) and is managed by Vanguard. Half is actively managed, half is trying to match the market (by computer). At the end of his presentation, Mr. Gorman and Mr. Bridegam left the meeting.

Motion: To approve the Minutes of September 6, 2007. Motion by: Kathy Wang
Second by: Ann Grose. Vote: 4 ayes

Amend Sept. 20th Minutes: Deleted 2.9%. It is prudent to spend no more than 5% of the portfolio.

Motion: To approve the minutes of September 20, 2007 as amended. Motion by Kathy Wang. Second by: Pat Holland. Vote: 4 ayes.

No President's Report.

Director's Report. There are new Patrons' Rights brochures, designed by Janet Ryan. Ms. Isman distributed the Collection Development Policy notes for the Trustees to consider. The last paragraph is new: If withdrawn materials are of special value, they will be offered to individuals or auctions for sale to garner the collectible value.

Motion: To approve the updated Collection Development Policy, Section VII on weeding. Motion by Ann Grose. Second by Kathy Wang. Vote: 4 ayes.

Three others beside Naomi Ossar, expressed interest in becoming interim trustee. They had other commitments and did not attend this meeting. There will be a joint meeting of the Select Board and Trustees on October 29 (Monday) to select the new interim Trustee. All of the candidates are invited to attend. Naomi Ossar spoke to the Trustees, outlining her love of libraries and her experience as a librarian.

Revolving fund issue: No new news.

New Business: Diversity goals need to be updated. This will be tabled to the next meeting.

Committee Reports: JCPC will meet soon. Pat and Ann went to the Four Boards meeting and John Musante presented the same info to BCG. Next year's budget increase is limited to 2%, which is a cut for everyone. The regional schools can increase by 3.3%. The BCG asked for a budget calendar. Ms Isman put together a draft of a budget calendar. The regional school budget goes up and the Library (and Town) will get less. Fundraising Committee: The annual fund drive letter will be ready soon. The planned giving pamphlet has been distributed.

No Personnel Board meeting.

250th Committee: history subcommittee has been meeting. Tevis will go Oct. 22 to the history subcommittee.

Amherst Planning Together: Anita has had to resign due to scheduling conflicts. Molly will take her place.

Burnett Gallery: If they need her, call Anita.

Friends of the Jones: Annual meeting on Nov. 8, at 7 p.m. in the Trustees Room with a presentation by Ms. Goodwin Brown.

Molly, Ann, Anita had met about the Director's review. Ann and Molly will meet with Bonnie.

Next meetings:

Oct. 20, Saturday at Noon: Finance Committee has invited the Jones Library Trustees and other boards to give feedback on budget guidelines.

BCG meets Oct. 10, Joint Capital Planning Committee on Oct. 11

Next meetings:

Oct. 29th with Select Board, time to be announced, Town Room, Town Hall; Nov. 1, Trustees' Room, Jones Library; November 29 at the North Amherst Library; Dec. 13th, 7 pm, Trustees' Room; Jan. 17th, 7 p.m. Trustees' Room

The meeting adjourned at 9:15 p.m.

Respectfully Submitted,
Ann Grose, Clerk

Transcriptionist: Tina Swift