

Meeting of the Town Libraries and the Jones Library Board of Trustees  
December 15, 2009, Trustees' Room of the Jones Library

Present: Patricia Holland, President; Sarah McKee, Chris Hoffmann, Carol Gray, Louis Greenbaum, Kathy Wang.

Also Present: Bonnie Isman, Library Director; All of the Library Department Heads; Kirsten Kay of Special Collections and Digital Amherst fame; Tina Swift, SEIU888 President and Library staff; at 7:35 pm, Bob Saul.

The meeting was called order at: 7:08 pm. Patricia Holland postponed discussion of the Minutes of 12/1/09. There were no public comments.

The draft of the Investment Policy has been accepted by the Investment Committee. This is the first revision of this document in many years. Ms. McKee feels that this policy is easier to understand than the original. This document assigns oversight of the invested funds to an Investment Committee. This committee has Patrick Brock, Chair of Hampshire County Retirement Board, as well as Johann Brongers, former Treasurer of Hampshire College and the American University in Kabul, Afghanistan. Both men are 'outsiders,' not on the Board of Trustees. Chris Milne of Gage-Wiley/New England Capital is the new investment manager for the Jones Library, Inc. and this investment policy will assist him in managing the endowment.

Objectives of the investment policy: preserve real purchasing power of the principle in perpetuity; provide a long term total return of 3 to 5% above inflation. "The Board intends the endowment to endure in perpetuity." The most important part: No hedge funds. Hedging techniques are used to guard against dips in the market but no straight hedge funds, no real estate holdings, no venture capital. This policy has more flexible asset allocation guidelines. There will be quarterly Investment Committee meetings and Chris Milne will be in attendance at those meetings. Currently, about 50% of the investments from Vanguard are in a "cash pool," and not specifically invested in stocks or bonds. Now there is a cash cushion for operational expenses, so nothing will have to be sold during a low period. The Investment Committee responsibilities are spelled out on page five of the investment policy document. The new spending rate should be 4% of market value measured by using the values of the previous twelve quarters, (a three year period). The next paragraph, however, says that the spending rate should be flexible. Currently the Board has approved spending at a rate of 5.4%.

**Motion:** The Endowment Committee will be renamed the Investment Committee. Motion by Sarah McKee, second by Patricia Holland. **Vote:** Unanimous.

**Motion:** That non-trustees, at the invitation of the Jones Library Board of Trustees, be invited to be full voting members of the Investment Committee. Motion by Ms. McKee, second by Mr. Hoffmann. **Vote:** Unanimous.

**Motion:** That the Board of Trustees invites Patrick Brock and Johan Brongers to be members of the Investment Committee. Motion by Ms. McKee, second by Ms. Holland.  
**Vote:** Unanimous.

**Motion:** That the Board of Trustees accepts the investment policy with the changes which are indicated in boldface on pages 2, 4, 5, and 6 of the new investment policy document. On page 6, Use the Board “intends” rather than “expects”. Motion by Ms. McKee, second by Mr. Hoffmann.

Discussion: Ms. Gray wants the Board to indicate to New England Capital that the Library has been spending much more than 4%. She wants them to know that they must earn more than the Library is spending and set their earning goal higher.

**Amendment:** On page 1, change long term return from “3 to 5%” to “3 to 6%.” Motion by Ms. Gray, second by Ms. Holland. **Vote:** Unanimous.

**Motion:** On page 5 delete the sentence which is duplicated on page 4. Motion by Ms. McKee, second by Mr. Hoffmann. **Vote:** Unanimous.

**Vote** on original motion: Unanimous.

Staff presentations on the FY11 budget regarding the worst case scenario which is a 10% cut of all Library departments’ budgets followed.

Tina Swift spoke first: Administration

Adult Services – Beth Girshman

Children’s Services – Sondra Radosh

Circulation Department – Amy Anaya

Reference – Rosemary Loomis

No. Amherst Library – Maggie Spiegel

Munson Memorial Library – Sue Hugus

Special Collections – Tevis Kimball

Building Maintenance – George Hicks was absent but his written presentation was in the packet of departments’ cuts.

Technical Services – Carolyn Platt

Ms. Gray wants the Library to accept a used coffee machine, which needs plumbing, and is stored in someone’s garage. Ms. Isman indicated that all donors must be informed that the Library reserves the right to dispose of gifts if unused.

The meeting adjourned at 10:10 p.m.