

Special Meeting of the Jones Library Board of Trustees

April 21, 2009, Jones Library Trustees' Room

Present: Trustees Holland, Hoffmann, McKee, Gray, Greenbaum, and Wang.

Also present: Bonnie Isman, Director; Tina Swift, Library Staff; Rosemary Loomis, Library Staff; Tevis Kimball, Library Staff; Carolyn Platt, Library Staff; Susan Hugus, Library Staff; Kay Moran, Finance Committee; General Public; Scott Merzbach, Press; Maggie Spiegel, Library Staff; Amy Anaya, Library Staff.

The meeting was called to order at 7:00 p.m.

Corrections to Minutes of April 7, 2009: On last page, 5th paragraph, add "Ms. Gray suggested organizing a phone bank to call people for more funds." [Other non-substantive changes, such as adding a semicolon have been made in the previous minutes.]

Minutes of April 14th consideration: Change to "Mr. Spurgeon manages a hedge fund and teaches finance at Clarke University." On page one 6th line from the bottom, change principle to 'legal principal.' Mr. Greenbaum added "Both who were here agreed that the percentage of stocks held in the endowment was too high and they discussed the danger of spending down the endowment."

Motion: To approve the Minutes of April 7, 2009 and April 14, 2009 as amended. Motion by: Chris Hoffmann. Second by: Carol Gray. Vote: Unanimous.

President's Report: Sarah McKee has arranged for an anonymous donor to donate a 250th banner for the Library. (This banner will be affixed to a lamp post in Town.) Ms. McKee praised the beauty of the banners and felt that the Jones was conspicuous by its absence, so she located an anonymous donor to purchase a banner. Mr. Greenbaum stated he thinks the banner is a fine idea.

Ms. Gray thanked Bonnie Isman and Tevis Kimball for the tour of the building tour on Sunday. She also added that Tom Flittie of the League of Women voters is encouraging librarians to pick through the League's book sale items.

Ms. Holland thanked Bonnie Isman for memos on the state of the economy.

The Four Boards met last Friday regarding finances. Ms. Holland was not notified of the meeting, so Ms. Isman will speak to that.

The email from Mr. Gorman of Vanguard was in response to Ms. Holland's questions. The risk table is on the back of this email. Mr. Gorman noted that if the Trustees were to put their funds into Treasury bills, they should withdraw from Vanguard to avoid the fees. Ms. Gray pointed out that the invested funds have gained more than 17% in the past month. By consensus, the group invited Mr. Gorman to attend their meeting in two weeks.

Ms. McKee noted that Asian bird flu cases are forecasting a pandemic. Ms. Gray observed if this flu hit the US, it would also hit the stock market. Ms. McKee told the Board that she would be so much happier if the Library were not in stocks. Ms. Gray reiterated that she wants to know what percentage

of stocks other non profits have since everyone seems to agree 60% invested in stocks is too high. Ms. Wang wants Mr. Gorman to compare/contrast the current economic conditions with the risk table, which seems to be outdated. Mr. Hoffmann, as the new treasurer, will contact Mr. Gorman and pose these questions. Ms. McKee noted that Vanguard is increasingly investing in Petro China which gets its profits from the Sudan. Ms. Gray did not wish 'to fund genocide.' Ms. Isman told the group that this is the first time the Trustees will make this kind of investment policy if they choose to do so.

Director's Report: The Four Boards meeting was called to work out a strategy regarding communications with the Regional School Committee. The Leverett representation wanted to use the Tier 1 cut level. The concern was that there was no way that Amherst could meet a Tier 1 Regional School Committee cut level. They discussed the House Ways and Means budget proposal. They left the meeting with the agreement that the Town of Amherst could only meet a "Tier 2 ½ Level" cut, which is significantly less than the Leverett idea. There would be no pressure on Leverett to change its vote because there is the possibility of changing other funding levels. Ms. Gray asked if there were any discussion of COLA's. Ms. Isman talked of bargaining in good faith with existing contracts.

Treasurer's Report: Chris Hoffmann is still transitioning. The Vanguard total assets are \$6,201,758.56. This is up 17.5% from the current market bottom. The investments have gained ~\$180,000.

Budget Planning: The Trustees introduced themselves, and then the Library staff introduced themselves.

Tevis Kimball presented the professional staff proposal (the ten professional librarians on the staff worked on this proposal and presented it to Bonnie Isman, Director, for discussion). This is a 'work in progress' and does not reflect the impact of the effect of utilizing the proposals on either staff or service levels. This proposal does meet the goal of reducing \$120,000 from the budget. Ms. Kimball told the group that 50% of the 32 FTE staff served Adult and Children's services. Ms. Kimball referred to the guiding principles in formulating this budget document. Ms. Kimball noted that the document should say FY10 not FY09, correcting a typographical error. She proceeded to speak of the enumerated possible additions and cuts. Ms. McKee wanted the professional staff to thank all who made generous offers of cutting their hours to save other Library positions. Ms. Gray brought up the possibility of keeping the Jones open on Sundays with volunteers staffing a 'reading room.' The professional staff felt this would not work because it would be a library without services because there would be no professionals to assist patrons. The Library utilizes many volunteers and the staff is grateful for their help, but they cannot replace paid Library staff.

Ms. Hugus asked if the Trustees had considered borrowing \$8,000 from their endowment (in the way that Amherst College has borrowed money to prop its budget). Ms. Gray thought other fundraising avenues, such as a café, might bring in enough money to fund this. Ms. Gray asked where the \$126,000 goal came from. This would be needed to fund Tier 1 cuts. Ms. Gray asked what a level services budget is. It is \$2,218,399. Kay Moran said this week's news from the State House Ways and Means Committee is that local tax revenue is down \$350,000 from January. At this point, there is over a \$6 Million gap for the Town budget, which is worse than previous worse case scenarios. Town budget discussions will not begin until June 1st at Town Meeting. Ms. Isman showed a Town level services budget chart which demonstrates Revenues, FY09, FY10 House Ways and Means, and Scenario 1 Cuts (blue highlights on Jones tax support) presented by John Musante, Finance Director. This indicates a reduction of \$210,218 in the Jones' tax support. This has not been finalized. Not knowing any of state funding, Ms. Isman indicated, 'We are grasping at numbers' in trying to formulate budgets. Mr. Greenbaum observed that in the current year, the Jones Library Trustees gave \$472,000 from the endowment and \$53,000 from

annual fund to the Town toward the budget.

This year, the Trustees will have to utilize \$600,000 in order to retain a level services scenario. The MBLC is considering allowing us to be open 59 hours per week instead of 63 hours per week. They are considering relaxing the requirements to 13% to of total tax appropriation (not total budget). They are also deleting employee benefits charges from the MAR (Municipal Appropriation Requirement). On Thursday, May 7, 2009, there will be a public hearing of the proposed Mass. Board of Library Commissioners' (MBLC) regulation changes in Springfield at the Marriott Hotel. Mr. Greenbaum stated that many other communities, such as Wellesley and Andover pay more tax support to their libraries than Amherst. Ms. Moran pointed out that Wellesley, Andover, etc. have municipal revenues which are millions of dollars more than Amherst's \$ 89,253,480 in revenues. Mr. Greenbaum stated that Amherst's circulation is higher than those other communities. He feels that the Town supports the Library less because of the Library's endowment. Mr. Greenbaum said, "I'm not willing to accept that argument, with all due respect." He feels the Town should support the Library as much as the Schools. Ms. Wang stated that the Library is unusual in that it pays \$250,000 for employee health insurance (unlike other Town departments) and she feels that these other communities do not have this same cost. Ms. Gray noted that health insurance is 10% of the Jones budget, bringing the municipal contribution even lower than in other comparable population municipalities. Ms. Gray proposed a sub committee to bring testimony to the MBLC. Mr. Greenbaum suggested preparing a statement from the Trustees for the MBLC hearing. Ms. Gray suggested putting an announcement and press release publicizing the MBLC hearing on May 7th.

Motion: The Jones Library Trustees endorse the proposed changes in regulations for state library aid and the Library will issue a press release urging the public to attend this hearing to support these proposed changes. Motion by Carol Gray, second by Chris Hoffmann. **Vote:** Unanimous.

Ms. Gray asked Rosemary Loomis to put this on the web site.

The Fundraising Committee will meet at 6 p.m. on May 5, 2009.

Two men from Merrill Lynch (general public) wanted to know if there is an investment policy that the Trustees adhere to for managing the endowment. They brought investment informational materials from their firm. Ms. Gray asked what percentage of stocks the Library should retain. One gentleman said it's 'astute' to not compare the Jones Library to Harvard or Amherst College in terms of the size of the endowment and he would be happy to meet with the "investment committee" privately. Ms. Gray persisted in asking about the 60/40 split and they told her that the 60/40 allocation is "standard." Other institutions such as Smith College have more asset instruments (and more money to utilize).

The meeting was adjourned at 9:40 p.m.

Respectfully submitted,

Tina Swift