

TRUSTEES OF FORBES LIBRARY
Meeting of November 26, 2012

Present: Ms. Burnham, Mr. Carrier, Ms. Downing, Ms. Hess, Mr. Rowe, Mr. Morin, Ms. Moulding, Ms. Sheirer, Mr. Twarog. **Also Present:** Ms. Doris Huard and Mr. Joshua Paul of Bartholomew Inc.; Dee Michel, observer for the Friends of Forbes Library; Ms. Jennie Pittsinger, representative of the Forbes Library Employee Association (FLEA). **Absent:** none.

The meeting was called to order at 3:50 PM in the Watson Room in Forbes Library.

Bartholomew Inc. Report

Ms. Huard introduced herself and Mr. Paul who presented the Forbes Library Investment Strategy Review dated November 26, 2012, including background information on Bartholomew Inc., an overview of the economy over the past year, and details about the Forbes portfolio's performance.

In response to a question from Mr. Morin, Mr. Paul said that Forbes does still own some Bank of America stock, which is a legacy holding from before Bartholomew took over the account in 2009, and that he is watching it closely since they've been downgraded. Mr. Paul said that overall the economy has stabilized, but recently has stagnated due to worries about the fiscal cliff. Even once that issue is resolved, there are other economic concerns in the near future including dealing with the debt and deficit, unemployment, financial problems overseas in Greece and Germany, and the costs associated with hurricane Sandy. Year-to-date, markets are up, although down in the last quarter. The trailing one and two year averages are also positive, although the five year trailing average still shows a negative number due to the financial collapse in 2008. The Morningstar snapshot of the Forbes' portfolio shows the current asset allocation to be 11.92% cash, 37.62% U.S. stocks, 17.23% non-U.S. stocks, 28.25% bonds, and 4.99% in other/not classified assets. Mr. Paul then reviewed individual holdings in the Forbes portfolio. Since inception in January 2009, the portfolio has returned a rate of 10.23%.

Mr. Paul then discussed options for socially responsible investing (SRI) for Forbes based on environment, social, and governance (ESG) issues. Mr. Paul recommended a targeted approach, choosing an SRI investment in a particular asset class when it is available and has been carefully researched. Mr. Paul said that SRI funds performed well in 2011 because large-cap stocks did well, but have not performed as well in 2012 because mid-cap, small-cap, and growth stocks outperformed large-cap stocks, and are not as well reflected in SRI funds. For this reason, Mr. Paul does not recommend limiting Forbes' options to only SRI investments, but to use a balanced approach in particular asset classes. Mr. Carrier said that it is important to weigh the issues of SRI with the fiduciary responsibility of the Trustees to maximize the endowment to the benefit of Forbes Library. The Trustees thanked Ms. Huard and Mr. Paul for their presentation and said they will discuss SRI later in the meeting.

Ms. Huard and Mr. Paul left the meeting at 4:45 P.M.

Public Comments

There were no public comments.

Secretary's Report

Ms. Hess moved that the Secretary's Report of October 22, 2012 be accepted and placed on file with a few minor corrections. Mr. Rowe seconded the motion, which was passed unanimously.

Treasurer's Report

Mr. Morin reported that he met with the auditor about setting up the library's new QuickBooks account in early November, and again two weeks ago. Forbes is a very large account and it will take some time to get the new system up and running. Mr. Morin is entering information from 2011 in order to be able to generate appropriate reports. There is a high learning curve, but ultimately it will be a major benefit when it is fully operational. Mr. Morin presented the Treasurer's Reports dated August 31, 2012 and September 30, 2012. He will present the October and November reports at the December Trustees' meeting. It is not possible to generate reports in the same format he has been using, so Mr. Morin needs to pull out the appropriate information from QB and put it into his format.

Mr. Morin reported that the Aid Fund closed the end of August with a surplus of \$30,800. August was a three-pay period month, which is why the wages category is over budget. The building insurance and EAP fees were pre-paid for the entire fiscal year in August. The Book & Media fund has a \$6,300 surplus. The library fines category should be closer to budget on the October financial report. Mr. Morin transferred \$1,000 to the RCCR Centennial Fund from the endowment per the Trustees' vote. Mr. Morin transferred \$5,000 from the Richard Garvey Book & Media Fund, collected from the parking meters, to the endowment. Mr. Morin transferred \$10,000 from the endowment to the Stahl-Halberstadt Fund and \$50,000 from the endowment to the MacFarlane Fund per votes made by the Trustees.

Mr. Morin reported that the Aid Fund is over budget at the end of September due to August being a three-pay period month. Electricity is over budget because the summer was a heavy power usage season, and gas is under budget since the heating season has not set in yet. Morin transferred \$1,000 from the endowment to the RCCR Centennial Fund in accordance with the Trustees' vote. The EFT Fund will be reconciled by the end of the calendar year. \$5,000 was sent from the Richard Garvey Book fund collected from the parking meters to the endowment in accordance with the Trustees' vote. \$50,000 was transferred from the endowment into the MacFarlane Fund in accordance with the Trustees' vote. Monthly payroll fund transfers will be on financial reports going forward.

In response to a question from Ms. Moulding, Mr. Carrier said that once all of the expenses related to the Reference Room upgrade have been submitted, Ms. Moulding should provide an accounting report of the project to the Trustees. Funds will be transferred into the Doland Fund to cover all remaining expenses, and the Doland fund will then be closed. In response to a question from Mr. Carrier, Mr. Morin said that he inadvertently left the Second Century Fund off of the Treasurer's report, and that he will email the Trustees with the current balance in the fund.

Ms. Burnham moved that the Treasurer's Reports of August 31, 2012 and September 30, 2012 be accepted and placed on file. Mr. Rowe seconded the motion, which was passed unanimously.

Socially Responsible Investing (SRI)

The Trustees discussed whether and how they should pursue an SRI investment plan. Issues considered included the importance to the Northampton community, the Trustees' level of involvement and time commitment in overseeing investment decisions, Bartholomew Inc.'s management of investment choices, which ESG factors to consider, how to decide which asset classes to consider for SRI investments, and the effect on the overall rate of return of the

Socially Responsible Investing (SRI)(continued)

Forbes portfolio. The Trustees agreed by consensus that some level of SRI investing was the right thing to do and that the library should show leadership by moving forward incrementally in that direction. The Trustees will consider the issue and discuss it further at the next Trustees' meeting in December.

Administrative Report (Ms. Moulding & Ms. Downing)

Ms. Moulding reported that on Halloween evening about 25 people participated in a drumming circle on the front lawn. This was the culmination of the Halloween parade that started at Fitzwilly's and ended at the library. More participants were expected but an accident in the cross walk on New South Street blocked pedestrian traffic and may have dissuaded some people from coming up to the library. The event organizers were very grateful for the library's participation and support. Staff in the library said the drumming lasted about 15 minutes and was not disruptive to patrons inside the library.

A new local monthly magazine called "Pioneer" has just started publishing. It is free and being distributed in the places where other free materials like the Advocate are available. However it is a glossy magazine rather than a newspaper type format. The Pioneer Valley History Network will have a monthly column so the Forbes Library collections will be featured as part of this column. There will also be a regular Forbes Library column which may include lists of new materials at the library, Reader's Advisory suggestions, library events, and other more general Forbes news.

This month's Code Green winner was Jason Petcen who fixed the problematic WiFi reception in the Watson Room so well that compliments were received from two patrons.

Ms. Moulding fractured a bone in her pelvis over a month ago, and has been working half days for several weeks. Ms. Downing has been filling in for her at conferences and some meetings. Ms. Moulding expects to be back to normal in December.

Ms. Hess moved that the Administrative report be accepted and placed on file. Ms. Burnham seconded the motion, which was passed unanimously.

Friends of Forbes

Ms. Hess attended the November 7th meeting of the Friends of Forbes and reported that the Florence Savings Bank Customer Choice Community Grants voting is underway. A second membership letter will go out after Thanksgiving to people who did not respond to the June mailing and it will include a Florence Savings Bank ballot. A separate letter with just the ballot will go to those who already responded to the June letter. The Friends are looking for a volunteer to help with improving their website and they now have a gmail address which goes to Ms. McCormack. They passed their incorporation resolution and will dissolve the old organization and begin as Friends of Forbes, Inc. at their annual meeting in April. They applied for and received a raffle permit and earned about \$600 on the silent auction. They discussed membership issues including length of membership, annual dues, membership benefits and mailings, and will contact other Friends groups to see how membership is handled. Forbes is participating in Valley Gives Day on December 12 organized by the Community Foundation of Western Massachusetts.

Next Meetings

The next regular meeting of the Trustees is scheduled for Monday, December 17, 2012 at 4:00 PM in the Watson Room.

The next meeting of the Friends of Forbes Library will be held Wednesday, December 5 at 6:30 PM. Mr. Carrier will attend on behalf of the Trustees.

The Coolidge Advisory Committee will be meeting in 2012 at 4:00 PM on Monday, December 3. Mr. Rowe will attend on behalf of the Trustees.

Communications

The Trustees received a thank you note from the Sandstener Foundation in Potsdam, NY, acknowledging their gift in memory of Ms. Hess's daughter, Karen Kirchgasser.

Finances: Status of ESCO

On November 7, Mr. Carrier, Ms. Moulding, Ms. Downing, and Jason Petcen met with David Pomerantz, Susan Wright, Chis Mason, and Jason Doyle at Central Services in Memorial Hall. On November 14, Jason Doyle and John Johnson from ESCO spent four hours at the library with Mr. Petcen going over the HVAC situation. They said the library is using more energy than they anticipated and suggested turning off the HVAC system at night and when the library is closed in the CCPLM and Hampshire Room. However, preservation guidelines require that climate control settings be consistent and never turned off to properly preserve collection materials. Ms. Moulding sent copies of these guidelines to ESCO. Ms. Moulding said that Mr. Mason computed Forbes' energy savings based on the amount of energy used and what it would have cost if Forbes was still using oil instead of natural gas, amounting to approximately \$24,000. Ms. Moulding computed the actual dollar amount of savings as \$10,800. The City has offered Forbes the option of paying the debt service on the financing of the work done by ESCO each year through FY2023. The debt service cost for FY2013 is \$15,051 which would increase every year up to about \$19,000 in FY2023. Ms. Moulding said that Forbes has had extraordinary expenses this year for repairs to the HVAC system and the lift at the front entrance, and they were not included in the library's budget. Ms. Moulding had an agreement with Mayor Higgins that the City would cover the cost of extraordinary repairs, but the new administration is unaware of it. Ms. Moulding said that the unbudgeted expenses and ESCO payments significantly impact the library's budget and that she will consider closing the library on Saturdays in June to make up for the shortfall. The library needs to remain open Saturdays in May in order to meet the State certification requirements for open hours. The Trustees asked Ms. Moulding to request that Mr. Mason come to a Trustees' meeting to explain how he arrived at his figures for energy savings.

FY2014 Action Plan

Ms. Moulding distributed copies of the FY14 Action Plan which is required by the MBLC as part of the library's strategic planning process. In response to a question from Mr. Twarog, Ms. Downing said that the Teen Advisory Board was organized by the Simmons College student intern and has been meeting every other Saturday. It is a volunteer group of high school and middle school students who have been assisting with planning for teen programming.

Ms. Hess made a motion to approve the FY14 Action Plan as presented by Ms. Moulding. Ms. Burnham seconded the motion, which was passed unanimously.

Gifts, Bequests, Sales, etc.

The following designated gift was received since the last Trustees' meeting: \$500 from the Harris and Eliza Kempner Fund, Galveston, TX, as a matching gift from Todd K. Thompson, to be used for children's services, to be deposited in the Book and Media Fund.

The following undesignated gifts were received since the last Trustees' meeting: \$500 from Barry Schechter and Kathy Hibshman, Florence, to be deposited in the Second Century Fund; \$300 from Anonymous to be deposited in the Second Century Fund.

The following receipt from sales/rents was received since the last Trustees' meeting: \$307.50 from NEBA for sale of books, to be deposited in the Second Century Fund.

Mr. Rowe made a motion to approve the designated and undesignated gifts and the allocation of the receipt from sales/rents as proposed by Ms. Moulding. Ms. Hess seconded the motion, which was passed unanimously.

Elevator Fundraising Committee

Ms. Downing reported that the committee has been meeting regularly and making good progress. The printed materials are currently at the printers for price quotes and a website is being built with the same information. They will be presented to the Friends at their December meeting. Ms. Downing distributed a list of potential committee members and a list of potential chairs of the committee. She asked the Trustees to review the lists and send her their recommendations. Ms. Sheirer has been entering names into the mailing list database and there are now approximately 1,300 names on the list. Ms. Downing asked the Trustees to review the mailing list and let her know of any corrections to be made, additional names to be added, or names to delete. Ms. Moulding distributed a list of potential questions the committee members might be asked with corresponding answers. She asked the Trustees to email her with suggestions and additions. Mr. Carrier reminded the Trustees that they will be asked to make pledges at the December Trustees' meeting.

Ms. Downing said that Forbes is participating in the Valley Gives Day on December 12. There will be a webpage promoted through email and Facebook, where people can make donations that are eligible for matching funds and prizes will be awarded to donors.

Handicap Lift

Ms. Moulding reported that the handicap lift has been repaired, but is now awaiting inspection before it can be used.

Reports on workshops/meetings/activities

NELA Conference - Lisa Downing, Faith Kaufmann, Molly Moss, and Janet Moulding attended the New England Library Association Annual Conference in Sturbridge.

At 5:55 PM Ms. Burnham moved to adjourn the meeting. Mr. Rowe seconded the motion, which was passed unanimously. The meeting was adjourned at 5:55 PM.