

1/9/2023 WPL Meeting Minutes - (revised 2/7/2023)

In Attendance

Jenn Warner, Library Director
Susan Scott, Chair
Emily Hutcheson, Trustee
Heidi Hardin, Trustee
Shaheen Parks, Trustee

Alli Palmgren, Assistant Dir.
Chris Welles, Secretary
Joe Mullin, Trustee
Cecily Cassum, AIC

Michael Machnowski - Partner, Moneta Group; pro-bono advisor *Trust Fund Spending Policy* (via Zoom)

The meeting was called to order by Susan Scott at 9:31 AM

Approval of Minutes:

Motion: Joe Mullin moved to approve the minutes of December 5th, 2022.

Second: by Shaheen Parks. **Motion passed unanimously.**

Endowment Spending Policy Approval:

Motion: Joe Mullin moved to approve the Draft Spending Policy with suggested edits.

Second: Shaheen Parks. **Motion passed unanimously.**

Director's Report

December, with planned vacation, had many full time absences. Some libraries had to close early. WPL were able to keep normal hours with all remaining staff pitching in. Looking forward to the Winfred Rembert program 1/18/2023 at Town Hall w John Thompson.

AIC Report - Cecily Cassum

For the first 4 months of FY 2023, the AIC budget is generally on track. Excluding a major donation (to be amortized over 3 years, paying for half of Abby's position) and the capital expense of the laser printer, the current average monthly deficit is about \$7K; which is close to the \$7.4k monthly projection presented to the Select Board in February.

Endowment Spending Policy Update

The Endowment Spending Policy provides that the Board will approve each year the amount available to be spent the following year. The Board need not spend the entire approved amount; it can decide to preserve a portion of the annual approved spending for future capital or operating uses.

The Town's Finance Department produces a monthly "red and green" report that tracks the balance of income earned and income spent in each trust account. The Library will need to track, as part of the endowment draw calculator, the approved and unspent amounts year over year, sharing this information with the Library Board and Town Administration on a regular basis or upon request.

Pursuant to the new Spending Policy, every calendar year, as part of the annual spending process review, the Board is to reevaluate the percentage withdrawal rate, initially approved at 4%, to be used in the annual spend calculation, which is as follows:

The annual spend calculation — 40% endowment market value-based and 60% prior-spending based:

Step 1: 40% of the annual spending amount is based on the average market value over the prior 5 calendar years of the five Fidelity Funds currently governed by the Policy, times 4% (Or another percentage determined annually by the Board).

Step 2: 60% based on the previous year's approved spending amount, adjusted by the actual inflation rate within a 3% to 7% range.

Adjournment: Joe Mullin moved to adjourn at 11:16 AM. 2nded by Heidi Hardin.

Next Meeting: February 6th, 2022 at 9:30 AM

Respectfully submitted, Christopher Welles, secretary