

HPL minutes

Holyoke Public Library Board of Directors Meeting		
6.10.2014	4:35	location
Present	<i>Board Members:</i> Jeremy Smith, Susan Carey, Bellamy Schmidt, Manuel Frau-Ramos, George Mettey, Joan Steiger, Patrick Leahy, Tom Barrett, Susan Carey, Sandy Ward, Janet Stupak, <i>Financial Manager</i> Andrew Parker, <i>Archivist</i> , Eileen Crosby, <i>Library Director</i> Maria Pagan, <i>Friends</i> Tim Damon	
Not Present	Terry Plum, Wesley Kulig	
Facilitator	Susan Carey	
Note taker	Jeremy Smith	
Previous meeting minutes	Approved	

REPORTS

President's Report	
Maria Pagan	
Discussion	The plans for the park redesign and renovation were approved. We are working on finalizing the plan.

Finance Committee & Treasurer's Report	
George Mettey	
Discussion	Cash position is \$175,045.
Operating profit & loss shows a year to date loss of \$28,655.	
Endowment funds were transferred from MorganStanleySmithBarney	
The Mass Cultural Facilities Grant has been received in the amount of \$246,420. Receipt of IMLS Grant of \$100,000 is pending.	
See Appendix A for detailed report.	

Personnel Committee Report	
Bellamy Schmidt	
Discussion	We received four resumes for the Computer Coordinator position. We will be interviewing three of the candidates this week.

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HPL Realty Corp		
Bellamy Schmidt		
Discussion	The city would like a payment towards the city loan in June	
Motion		Person Responsible
That the Holyoke Public Library pay the City of Holyoke \$385,000 in the month of June towards the city loan. Approved		George Mettey
		Bellamy Schmidt

Director's Report	
Maria Pagan	
Discussion	The fire system is up for testing. We will be seeking quotes from companies to do the testing.
The chillers are up and running.	
We are keeping an eye on the "pond" that has developed in the parking lot. Bill Fuqua will be talking to the engineer.	
A few volunteers are working from the city tax write off program. Career Point has a few youths wanting to be placed as well.	
There are several budget items that need to be addressed in the next fiscal year: elevator maintenance contract, copier, insurance and computer software.	
The Summer Reading Program is under way.	

Archivist Report	
Eileen Crosby	
Discussion	ScanPro reader is getting a lot of use.
The History Room has two major events scheduled for the fall: Discover Holyoke & Home Movie Day.	
We have brought in two new acquisitions: Holyoke Street Railway and Holyoke Cooperative Bank collections. In addition, we acquired the C.R. Wilhelm glass plate negative collection.	

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We received a donation of a book on the first female race car driver, who was from Holyoke. We are hoping to get the author of the book to come visit.

Kristin Van Patten, our new intern from Simmons College, is working out well.

On June 26-27 representatives from the Boston Public Library are coming to evaluate material for possible digitization. The cost to be a member of the digitization program is \$100 a year.

We are trying to find a tool for organizing collections. We would like to upgrade our current collection management software, Past Perfect, to a newer version.

Eileen went to a workshop on conducting oral histories.

See Appendix B for detailed report.

Long Range Investment Committee

Tom Barrett

Discussion	Transfer of funds from the endowment is complete.
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Friends Report

Tim Damon

Discussion	IRS filings are still in progress.
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We received \$6209.76 in 2013 and \$6993.94 in 2014 at the Future Begins Here fund raising event.

Wednesday is the Friends Annual Meeting at 5:30pm.

FDA Report

Maria Pagan

Discussion	The buy a brick print mailers are going out June 23 rd .
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OLD BUSINESS

Policy Committee

Susan Carey

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Discussion	Janet has volunteered to be on the policy committee
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NEW BUSINESS

FY 2013 audited financials, letter and management response	
Bellamy Schmidt	
Discussion	We have audited financials for FY 2013. There is a letter from the auditor as well as a management response. Since the material is old, many of the recommendations are not relevant to our current economic position.
See Appendix C for full report and response.	

HCC Bus	
Tom Barrett	
Discussion	Tom has been in touch with Ken White at HCC about the possibility of the free HCC bus, "La Guagua", making a stop at the library.

Motion made and seconded to adjourn at 5:50pm

NEXT MEETING

Tuesday July 8 at 4:30 at the Holyoke Public Library.

APPENDIX A

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Report of the Treasurer June 10, 2014

During the month ended April 30, 2014 the Holyoke Public Library's cash position closed at \$174,045. Although this is a minor decrease from last month's position, there has been a sharp decline in operating cash on hand. This has been offset by an increase in the Capital Campaign account from money collected from donations and pledges, which is reserved for our upcoming debt paydown.

The operating profit and loss statement shows a year to date loss of \$28,655. The Finance Committee has received the transfer of an additional \$35,000, as was requested during last month's meeting, to narrow this loss.

Transfer of endowment funds from MorganStanleySmithBarney, at the recommendation of the Long-Term Investment Committee, settled prior to June 1. However, the adjusting entries for the endowment balance were not posted as transactions at month end are still settling. March and April entries have been passed due to settlements for dividends receivable and changes in value during the liquidation process for the transfer from MSSB to Rockefeller. As of May 30, the cash value of the endowment was \$6,332,886.

The Massachusetts Cultural Facilities Council grant has been received by the Library in the amount of \$246,420, and the IMLS grant has been submitted and is pending receipt in the amount of \$100,000. The final disbursement from the MBLC Construction Grant of \$436,760 has been received by the City of Holyoke as of April 30. The LEED grant is pending certification of the building's energy efficiency. Receipt of these grants will assist in the paydown of the City loan. At this time, the Capital Campaign checking account has funds sufficient to pay the minimum amount due to the City in June.

Respectfully submitted,

George Mettey, Treasurer

APPENDIX B

Archivist's Report

10 June 2014

ecrosby@holyokelibrary.org

1. Usage: History Room usage was slightly down in April compared to February and March. We continue to welcome new visitors to the Library and to the History Room (and have numerous repeat visitors). I will submit a quarterly report next month. The ScanPro reader/scanner has been in higher demand as patrons discover its advantages.

2. Events and Exhibits:

I attended the Holyoke Historical Commission's annual awards presentation and staffed a table with brochures and copies of historic maps; several people stopped by with questions.

Planning is underway for fall events. I hope a new speaker series will begin in September. In October, the History Room will participate in 2 events: Discover Holyoke and Home Movie Day. During Discover Holyoke, we plan to set up in the Community Room on Saturday, October 11, and invite the public in for a variety of activities: contributing to a memory board, having up to 5 of their own photos scanned and saved to disk, and participating in identifying photographs (ours and those of visitors) of Holyoke locales. The last activity will be preceded and followed by some online crowdsourced photo identification. The following Saturday, October 18, we will be a site for Home Movie Day. HMD events occur around the world in mid-October. The public is invited to submit home movies in obsolete or near-obsolete formats. We provide the projection equipment and participants supply the audience. The event allows people to view mystery film in their collections and gives them information on the hows and whys of home movie preservation. Jeremy Smith is taking the lead on this event.

We are also trying to organize some informal genealogy gatherings for July.

Planning is also underway for exhibits. I am trying to stay informed regarding the upcoming event for donors (to view their plaques) so I can create an exhibit highlighting founders.

3. Acquisitions: Thanks to lots of help from Tom Keeler, Jeremy Smith, Kristin Van Patten, and Tim Damon (and the Springfield Archives), the archives has received 80+ boxes of records of Holyoke Street Railway and Holyoke Cooperative Bank. Each collection came with a brief inventory. The C.R. Wilhelm collection of glass plate negatives has been re-housed and brought on site. I am working with the donor to gather more information on C.R. Wilhelm and his family and to discuss how to publicize the donation and the collection. I will be organizing a trip later this month to pick up items related to the history of National Blank Book. Discussions with other potential donors are ongoing.

4. Interns, Volunteers: Kristin Van Patten, our new Simmons advanced archives intern, began work in late May. She is currently reviewing our Reading Room and volunteer training procedures.

5. The Digital Projects Committee met last week. We discussed progress toward getting some of our most in-demand items and collections digitized through the Boston Public Library digitization program. We hope representatives from BPL are tentatively scheduled to make a site visit in on June 26 or June 27, during which they will assess and perhaps take with them collections to be digitized. An individual membership Digital Commonwealth (cost: \$100) will permit us to have our own page in the state online collections repository. I plan to use History Room funds for the annual membership fee.

I will also be setting up an Omeka.net site (annual fee may be \$49.00 - 99.00) for online exhibits. The library renovation exhibit will reside in Omeka and will be linked from our website.

I have discovered that the most straightforward solution for improving how we organize collections is to purchase an upgrade to our collections management software, Past Perfect. Maria and I have been discussing when we might be able to make the software purchase.

6. Other projects and activities:

Oral History Project: I attended a workshop on oral history interviewing at the Vermont Folklife Center in May and expect to be following up with them on equipment recommendations.

Several good suggestions for people to interview have been forwarded to me. Janet Curley and Jim Sheehan will be acting as advisors on the project and Kristin Van Patten will also be involved. We will be meeting next week and have invited Michael Hines (videographer) to the meeting.

We are continuing to work on making collections more accessible and better organized.

APPENDIX C

**HOLYOKE PUBLIC LIBRARY CORPORATION AND AFFILIATE
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

PRIOR YEAR RECOMMENDATIONS

1. Investment and Spending Policy

The Library has an investment policy statement effective as of November 17, 2011. This investment policy should be updated in order to account for changes in the organizational structure of the Library and its future needs. During our audit procedures, we noted a formal written spending policy for endowments, however this calculation is being performed differently than what is written in this policy. We also noted that the policy didn't include the 7 prudence steps required by the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). We suggest that the spending policy be updated for the actual requirements of the Library. If the Library is to comply with UPMIFA, a calculation of potential underwater endowments and true allowable total return must be performed.

Management Response:

The concerns of this comment are (i) that the Trustees have not adopted an up-to-date investment policy and (ii) that the Trustees need to be more concerned with complying with the Uniform Management of Institutional Funds Act of Massachusetts. They acknowledge that they did not specifically address the 7 prudence steps but will address them in a future revision of the policy.

2. Monitoring Of Investments

The Officers and Trustees of the Library should be monitoring its endowment assets based on the current investment policy in place. It appears that this is not being done on a regular basis.

Management Response:

The Bylaws of HPLC (Section 4 of Article VII) provide that three annually-elected Trustees "shall hold, manage, administer, invest, and reinvest the Endowment Funds". These trustees receive monthly summary reports on the status of the various accounts. They also meet no less than quarterly with representatives of Morgan Stanley Smith Barney (MSSB) to go over the performance of the endowment assets, and a part of that review involves assessing the investments from the point of view of the guidelines set forth in the investment policy, the possible advisability of including asset classes in which endowment assets have not yet been invested (such as, for example, a recent decision to authorize a limited amount of investment in convertible bonds) as well as considering possible changes in the investment policy.

It was decided at the August 28, 2012 HPLC Board meeting that members of the Finance Committee would attend some meetings of the Trustees with MSSB and that the committee would report regularly to the Board on the status and activity of the endowment. Accordingly, the Finance Committee has begun to meet regularly with the Trustees to review investment policy, practices and activity. The Bylaw Committee is also reviewing the roles of the Trustees in the greater context of the organization, and reassessing the role of the Board in working with and monitoring the Trustees. As of October 2013, the Trustees of the endowment have been dissolved and replaced by the Long-Term Investment Subcommittee, which includes two representatives from the Board of Directors and is chaired by an additional Director. George Mettey and Bellamy Schmidt act as Board of Director representatives, Jon Lumbra (City Treasurer) serves on the committee, and Tom Barrett is acting chair.

**HOLYOKE PUBLIC LIBRARY CORPORATION AND AFFILIATE
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3. Restricted Fund Distributions

The Trustees make a quarterly distribution of income for restricted funds based on an historical formula. It is recommended this formula be revised based on the current list of restricted funds.

Management Response:

The auditors recommend that the formula used to determine the quarterly distribution to be made from the permanently restricted funds be revised. Such a revision is in fact being done.

These funds constitute a quite small percentage of the total endowment funds. The trustees, as well as HPLC's Financial Management, are aware of the restricted nature of these funds. Distributions from these funds have always been accounted for separately by the Financial Manager by way of an annual statement showing how restricted funds have been applied for the stated purposes, and what amounts distributed to HPLC remained unspent at the end of the particular fiscal year and were, therefore, carried forward for future spending for the restricted purposes.

There have been no distributions since the first quarter of fiscal year 2012 and the Trustees are pursuing releasing many older funds from restrictions per new provisions of Massachusetts law. Most permanently restricted funds are of low value and some restrictions no longer apply to the organization's mission or purpose (i.e. restrictions requiring the purchase of vinyl audio recordings); these funds will be returned to the endowment upon approval of the Office of the Attorney General.

4. Accounting for Investments

The Library recorded its investment activity at the end of the fiscal year. It is recommended that the financial director of the Library reconcile the MSSB statements on a monthly basis and make necessary journal entries to record investment income and changes in market value of the portfolio.

Management Response:

The Finance Committee and the Trustees agree that HPLC's Finance Manager should reconcile the MSSB statements on a monthly basis and make the necessary journal entries to record investment income and changes in market value of the portfolio.

In addition, HPLC consults with Jo Sarnelli, CPA to aid in the monthly investment reporting and reconciliation.

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HPLC RESPONSE TO MBK

1. The Long-Term Investment Committee recently hired a new investment advisor, Rockefeller and Company. In conjunction with this new advisor the committee is reviewing and revising the investment policy and will address the UPMIFA Act. The committee will also examine and update the Library's spending policy.
2. In order to improve the management of endowment assets, the Long-Term Investment Committee conducted a search for a new investment advisor. As a result the committee hired Rockefeller and Company, and at the same time changed the approach to the investment of the endowment. Rather than self-manage the funds with the advice of an investment advisor, the committee decided to invest all of the endowment assets – as a partner – in a fund wholly managed by Rockefeller and Company. The committee believes this provides greater expertise to the management of the endowment assets, and lowers the investment risk. The Rockefeller fund is specifically designed for non-profit organizations, and follows generally accepted policies for non-profits.
3. There have been no distributions since the first quarter of 2012. We have made the first steps of the application to the Attorney General's office to release the restrictions on most of the restricted funds, but have not had a response yet.
4. In seeking a new investment advisor the Investment Committee specifically looked for a provider who would consolidate activities on a single statement, in order to make more efficient the reconciliation process for endowment activity. End-of-month reconciliations from a single consolidated statement of investment activities to the general ledger of the Library Corporation began in May, 2014.