

January 9, 2024
Finance Committee Minutes
Keene Public Library Trustees

Meeting convened at: 3:00pm

In attendance: Judy Putnam, Jane Pitts, Marti Fiske, Alan Stroshine. Absent: Justin Somma.

1. Alan Stroshine, the Trustees Financial Advisor from Edward Jones, was in attendance to provide the annual portfolio review to the committee for the Trustee's Permanently Restricted and Unrestricted Trust funds.

The Trustee's Investment Guidelines Statement stipulates that performance for both funds should be measured by a comparison of returns to the Morningstar Target Risk Index.

By this benchmark, a typical 60/40 portfolio of the Morningstar index achieved a 13.22% return for the year 2023. This assumes for a portfolio with dividend reinvestment.

The Trustees portfolio (average of both accounts) achieved an 11.89% return for 2023, however the Trustees do NOT reinvest our dividend earnings, so we need to adjust our comparison percentage return to be 1-2% lower than the index. When this calculation is taken into account, then our portfolio's performance does align with or slightly exceeds the target benchmark. In future meetings, the Committee will look at the possibility of inserting a qualifying statement into the Trustee's Investment policy which would speak to the need to make this adjusting calculation when comparing performance to the benchmark. Suggested addition: *"KPL Funds performance may be adjusted to be 1-2% lower than the market benchmark due to the non-reinvestment of their dividend income."*

Investment Account – current mix 68/32

14.59% return

Large cap holdings are slightly out of range (see re-balancing recommendation below)

International holdings are low in the target range but this is intentional as it is recommended to avoid a larger exposure in this category for the present.

Recommendation to present to general Board: Re-balance to sell an equity holding, for a purchase in a fixed income fund. Specifically, sell the New Perspective Fund (Equity fund that currently represents about 2% of our holdings), to purchase more holdings in the High-Income Trust Fund (Fixed). The rationale: Anticipation is that as interest rates will continue to drop, bond values will rise. There is no cost to do the re-balancing as we are switching within fund families in the portfolio.

Restricted Account – current mix 49/51

7.53% return

No recommendations for any adjustments to be made at this time.

Total fees paid to Edward Jones for 2023 were: \$1272.06

2. Jane presented the 2nd Quarter cash flow report to the Committee for their review. The Committee approved the report to be presented to the full Board at the January 23rd, 2024 meeting.
3. Jane made the Committee aware of the following six donations that have been received since last month:
 - \$100 from Alex & Coleen Kossakoski (unrestricted)
 - \$300 from the Florence Lipsky Trust (restricted for book fund)
 - \$250 from the Jacob Lichman Trust (restricted to the purchase of books in the Social Justice and History categories)
 - \$1000 from the Thomas P. Wright Fund (restricted to purchases to improve the Wright Reading Room) *
 - \$50 from Cooper Warren (unrestricted) **
 - \$50 from Jon Warren (unrestricted) **

Additional notes on donations:

*Marti is working with Andy Bohannon from Parks & Rec. to obtain quotes on improved lighting solutions for both the Wright Reading Room and other areas of the library.

**Cooper and Jon Warren's gifts were donated in cash. Since Edward Jones does not accept cash deposits, the Library will obtain a check from the City for these amounts that can be deposited by the Trustees.

4. Jane will work with Merri Howe in the Finance Department at the City of Keene to get established on the Trustee's P-Card account, and have access to their tech support. Jane will ask Bill Stroup as Trustees Chair to send a request for the ordering of individual P-Cards for the following people:
 - a. Amy Kraemer – the new Head of Youth & Community Services
 - b. Jane Pitts – the new Treasurer for the Trustees
 - c. Remove Judy Putnam from the account.
5. Jane had the Committee review the Non-Monetary Gift Tracking Spreadsheet that she developed as per guidelines that were set during a Fine Arts Committee meeting on March 1, 2023. All non-monetary gifts exceeding \$500 would be tracked on a simple spreadsheet that would be included in the Trustees Annual Meeting Report to the City each August.

Recommended change to the spreadsheet: the addition of a "Value" column that would record replacement value of the item taking into account additional costs such as shipping expenses.

Jane will continue to track non-monetary gifts received throughout the year and bring them to the attention of the Finance Committee as they are received and/or purchased.

Meeting adjourned: 4:20pm.

Respectfully submitted, Jane Pitts