

LITTLETON PUBLIC LIBRARY  
BOARD OF TRUSTEES

**MEETING MINUTES**  
**January 31, 2018**

**IN ATTENDANCE:** Sara Maclver (chair), Jani Fillion (vice-chair), Mary Swinyer (treasurer), Judith Dean, Kim De Lutis (secretary), Barbara Enderson, Kevin Hastings, Judy Jones Girouard, Meagan Carr (director)

**Excused:** Joe Evans

**GUEST:** Ken Kinder from Stifel Nicholas

**CALL TO ORDER** Sara Maclver (chair), at 6:58pm.

Ken Kinder from The Kinder Financial Group attended to discuss our portfolio and the market. The generous donation of Fran Heald = \$654k market value. Ken explained the graphs, the asset value and net performance. Page 5 highlights the investment account. He explained 6.25% has been the average annualized net return since 2012, which is exactly where he wants it to be. Stifel charges 1% of the invested assets annually on the first \$500k; thereafter, 0.85% annually. The Heald Fund generates \$20k/year in interest. The \$80k is meant to be spent, and it's generating \$20k a year *in addition* to that. Ken mentioned if we let the \$80k grow, we can get it out of the restricted account. Kevin asked about the redline. Ken explained the graph is showing a history of the restricted and unrestricted funds. Kevin asked if we could break the two out separately for simplicity. Jani added that there was a deduction of the principal in the first 6 months, which was made up for in the value of the portfolio and then depreciation. The board had voted to allow the fees to come out of the principal (value of the appreciation) so that we could make better use of the income. Market is at its peak; this is reflected in the portfolio. The growth in the portfolio is on the restricted side. Jani asked if we could invest the income for a better return but still be available. Ken said yes, but it is unsafe. Judy mentioned a \$50k annuity. Kevin said the fees would outweigh the gain, but said we'd have to weigh the pros and cons. Judy suggested we could do it for a year. Judith asked if we could transfer to a local bank or Vanguard Fund; Ken said yes. For instance, if we wanted to do a bank CD, then the funds are available. Or we could tier them (we have \$80k) if we put \$10k in a 30, 60, 90-day. Kevin asked if we should use the income to spend the money on the library or tie it up in an investment.

Page 6 shows how the money is invested. Ken believes in asset allocation. Where do we put the money? It matters less whether we choose Apple vs. a CD or stocks. Ken wants to take the least amount of risk (bonds) rather than a higher return and diversify. Judith asked how often he would change it up. Ken said they monitor portfolios on a daily basis; over the course of a year, maybe 3 or 4 times. They don't actively trade to try to get incremental gains. They pick the market environment and then make changes. In essence, they like to buy and hold.

MSV = Motion, Seconded, Vote

**ACTION:** Completed **ACTION:** To do

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The investments he has chosen for us are all high quality. They have a certain amount of dividends. We also have somewhat lower quality investments (junk bonds) because they pay higher dividends. This is a means to diversify and maximize gains while minimizing risk.

Ken didn't recommend changes tonight. We have a 60:40 allocation, meeting all the fiduciary responsibilities to the board and the Town.

In order to measure whether a stock is too high, one must look at the Price relative to corporate Earnings. P/E as a fraction. The answer would be relative to the industry. Today, the market is high relative to the earnings. Because of the tax cuts, the savings to corporations will keep the earnings high. This helps the market rise.

Page 26 shows growth after a recession. Because the recovery for this latest recovery is slow and steady, it could plot along for a while. The rate of growth is not sustainable over a long period of time, but it doesn't necessarily mean it will crash. It could just slow down.

Our portfolio is income heavy so it is less likely to feel the effects of a tech crash. Our companies are defensive — boring. Ours is protective of a large drop, but we are more susceptible to rising interest rates, which can also be detrimental. Judith mentioned that may be a good reason to invest for the short term.

Kevin said the restricted account has grown well. Should we increase the income withdrawal? Ken said we could shift principal gains to income. These gains would be subtle but significant over time. If we maintain the goal of 3.5% and let the principal grow, that would increase our portfolio safely. If we asked Ken to put \$50k in a portfolio that mimics the restricted account, the returns would be the same. Ken said we should be more growth-oriented on the unrestricted account and have a better mix of growth and income, whereas the restricted account is all income. He urged caution on that money, because we may need it. The board thanked Ken for his attendance and good work.

MSV –To approve minutes from 1.3.18 – Barbara/Judith (8-0) – MOTION APPROVED  
Judy asked about vacation days being carried over. Discussion ensued. The board agreed to leave as voted upon.

Meagan announced gift donations. Our appreciation goes to:  
\$200 Dr. and Gale Sauter

\$13.90 from Angela Marchetti

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**ACTION:** Completed **ACTION:** To do

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**OLD BUSINESS:**

**ACTION:** Sara will contact Starr Construction

**ACTION:** Meagan to reach out to Val Poulson to ask about shoveling. We're being shoveled out now Tuesday through Friday.

**ACTION:** Meagan to ask Joe DePalma for sawhorses for closed walkway signage. Didn't get sawhorses but got old signs out saying no entrance. Unfortunately, they keep falling down due to melting snow.

**ACTION:** Meagan to ask Joe DePalma for better signage/sawhorses for closed walkway signage.

**ACTION:** Meagan to get quote for art descriptions. (about \$120).

**ACTION:** Sara to reach out to Jerry Eames to ask if they would like to be involved. He said the last thing he did was for the Chamber, and that he donates to Pollyanna, but would not want to put his name on the fundraising letter.

**ACTION:** Jani to check for the policy. Jani emailed the board.

**ACTION:** Meagan to set up a meeting with the Program Committee (Mary, Kevin, and Kim) Sent email on January 4 with info, but no meeting scheduled.

Jani said the McClure Room is not open for public use, only library programs. Kevin asked the board if they agreed that we shouldn't revise it. Judy mentioned that Bethlehem has conference rooms as well. Kevin asked if anyone could think of an exception. Meagan thinks we should be more open and welcoming. Tabled until next month.

**ACTION:** Meagan to ask input from the staff.

**ACTION:** Program Committee to set up a meeting to discuss having a policy about loaning the McClure Room.

**DIRECTOR'S REPORT:** Attached.

**ACTION:** Building Committee to assess RWN's proposal and come up with a plan for the drainage issue (handed out at meeting).

**ACTION:** Meagan to get a quote from Beautiful Visions for the floor in the 800 room.

**New Business**

Meagan requested that the ceiling in the great room be painted.

MSV— To spend \$375 to have the ceiling in the great room painted — Barbara/Jani (8-0) –  
MOTION APPROVED

MSV = Motion, Seconded, Vote

**ACTION:** Completed **ACTION:** To do

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MSV— To allow the FOLPL to use the library for a gala on June 2 — Barbara/Judith (8-0) –  
MOTION APPROVED

**New Business**

Deliberative session is Monday February 5 at 6pm in the LHS cafeteria.

Book Sale: FOLPL wants to be responsible for the Book Sale.

MSV— To turn operations of the Book Sale to the Friends of the Library for the purpose of financially supporting the library — Kevin/Barbara (8-0) – MOTION APPROVED

Sarah signed up to run again for the board. Board vacancies Mary Swinyer (Treasurer) and Barbara Enderson have decided not to serve another term. Mary has been on the board for 10 years and Barbara for 3 years. They will be missed, and the board thanked them for their many years of service and dedication to the library. There will be two positions available.

**Meagan received quote for art descriptions.** (about \$120)

MSV— To appropriate the amount of money to purchase art descriptions — Kevin/Judith (8-0) – MOTION APPROVED

Motion to adjourn at 8:58 pm.

**NEXT MEETING Wednesday February 28, 7pm, library.**

Respectfully submitted, Kim De Lutis, secretary 2.5.18

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**ACTION:** Completed    **ACTION:** To do