

# **TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON**

Meeting of the Trustees Finance and Audit Committee  
Tuesday, January 10, 2017 at 8:00 a.m.  
Commonwealth Salon, Central Library  
700 Boylston Street, Boston, MA

## **MINUTES**

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held on Tuesday, January 10, 2017, 8:00 a.m., Boston Public Library, Central Library, Commonwealth Salon, 700 Boylston Street, Boston, MA 02116.

Present at the meeting were Finance and Audit Committee Chair Evelyn Arana-Ortiz and Committee members Zamawa Arenas and John Hailer.

Also present were Boston Public Library staff including President David Leonard, Chief Financial Officer Ellen Donaghey, Supervisor of Accounting Sean Monahan, Business Manager Jane Sproul and Assistant Principal Accountant Eunice Andrade and Clerk of the Board Pamela Carver.

Ms. Arana-Ortiz, Chair of the Trustees Finance and Audit Committee (“Committee”), called the meeting to order at 8:12 a.m. and addressed review and approval of minutes of the Tuesday, September 13, 2016 meeting. Upon a motion made and duly seconded, Minutes of Trustees Finance and Audit Committee meeting of September 13, 2016 were unanimously approved.

Ms. Donaghey described the vote before the Committee on the awarding of a Contract for Hope Coolidge. Ms. Donaghey said Ms. Coolidge has been an employee of the Boston Public Library Foundation (“Foundation”) for 5 years. The request is before them for a “no bid” based on her experience with the Boston Public Library Foundation. As of January 2017 there are no paid staff members of the Foundation. The proposal is to keep Hope as a part-time Development Officer (16 hours per week). Three (3) Board members will remain (Hawkins, Burleigh, and Sullivan). The Boston Public Library needs someone to oversee the management of funds and help assist with the 2016 audit, tax filings and financial reports for this year. She is currently secured under a ten thousand dollars and no cents (\$10,000) contract. The proposed eighty five thousand dollars and no cents (\$85,000) contract will be for good for one year with the Boston Public Library as a consultant. Her day to day report will be to the President. By way of background, all assets from the foundation have not yet been transferred, and formal approval from the Attorney General’s office has not been approved yet. We will continue managing the process of a *de facto* dissolution with the Attorney General’s office and Supreme Judicial Court, if necessary. The Foundation will continue to receive some amount of donations and she will provide monthly gift and donor reports. Ms. Donaghey asked that the Committee approve the contract and vote to recommend to the full committee to vote at the next Trustees meeting on January 24, 2017.

Upon a motion duly made and seconded, the Committee:

**VOTED: that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston authorize an Eighty five thousand (\$85,000)dollar contract with Hope Coolidge to provide oversight of the financial management of the Boston Public Library Foundation.**

Ms. Ellen Donaghey updated the Committee on Trust Funds that have been reviewed by the Finance Department at the Boston Public Library (“Library”). The Library draws 5% from its endowment each year and has been focusing on those funds that have more than 3 years of accumulated draws. Library staff members are now reviewing approximately 40 trusts to see if we can spent within the current parameters. If not, Library staff will bring certain trust to the Trustees for a recommendation to loosen some restrictions. These would be three possibilities:

1. For trusts that are restricted by Trustee vote, request trustee authorization to change
2. For trusts that are donor restricted, consider working through Corporation Counsel to request change through Probate Court with assistance of Attorney General’s Office
3. For Trusts that are more than 20 years old and valued at less than \$75,000, ask Attorney General’s Office for authorization to change restrictions

An example was given of the Nichols Book Fund. This endowment has an approximate value of \$4300 (four thousand three hundred dollars and an approximate annual draw of \$220 (Two hundred twenty dollars). This fund is to be used for a book award to recent graduates of Christopher Columbus High School. The Christopher Columbus School is no longer in existence so the funds are unable to be utilized without making a change to the terms. In this situation, the Library might recommend we attempt to change the restrictions to fund literacy programs in that neighborhood. . Ms. Donaghey explained her finance team is working closely with Attorney Caroline Driscoll from the City’s Law Office for guidance on this matter.

Chair Arana-Ortiz stated that they did an audit about 3 years ago on some trust funds as well.

Ms. Donaghey updated the Trustees on the status of the FY18 budget submission. She said finance staff would like to more clearly show how the Trustee (non-city) funds are spent.

Chair Arana-Ortiz stated it would be helpful if Trustee money was broken down a bit more to show where the money is spent. She expressed the need for clearer indication and thought it would show a bigger picture for where funding is needed. Ms. Arenas agreed and suggested more of a breakdown on categories listed in budget (ex. Collections: how much is for books vs. other media outlets).

The Committee agreed that the budget should reflect a better breakdown when presented to the Trustees to show where the allocation of funds are going and will help the others better understand the categories as maintenance, infrastructure type items and personnel. Ms. Donaghey told them she would present with clearer breakdown of categories and allocation of funds when presenting the budget to the full Trustees.

The Committee discussed the final item on the agenda which was the IRS Form 990. Ms. Donaghey stated that the IRS requires that the Library affirm that the Trustees have seen the 990 prior to filing. In the past the Library's Audit firm, CliftonLarsonAllen, has completed this but the Library's Accounting Department has assumed responsibility for the filing. This represents an annual savings of approximately \$5000, she asked the Committee if they had any questions regarding the 990 report and if not will present to the full board of Trustees and file them after the January 24, 2017 meeting. There were no questions from the Committee.

Ms. Arana-Ortiz said this brings up another matter of the auditing firm, CliftonLarsonAllen. She noted that the Library has changed audit firms in the past. Originally, the contract with CliftonLarsonAllen was for 3 years, with two years added and we are now requesting an additional one year, bringing the total up to 6 years. The previous firm, O'Connor and Drew, was used for a total of 6 years as well.

Ms. Donaghey stated they were prepared to rebid with a new company. However, she stated that given the changes with the Boston Public Library Foundation, she feels it would be better to continue with the current firm. Ms. Arana-Ortiz suggested we stay with the firm this year but the committee look to bid this for the next fiscal cycle.

Ms. Arana-Ortiz asked if there was any new business.

Mr. Hailer asked how the new WGBH studio was. He asked if possible for the Finance and Audit Committee to receive updates on the revenue. Ms. Donaghey explained that the lease for the Newsfeed Café and WGBH studio is a fixed lease in the annual amount of \$135,000. Mr. Hailer asked if the BPL had to assume the cost of additional security for events run in the Café that draw bigger crowds. David Leonard explained that they were aggressive during negotiations for WGBH to pay for any additional security needed.

Mr. Hailer suggested it would be good idea for annual updates for the Finance and Audit Committee to review. Ms. Arenas added she would like to have an update on the traffic that is coming from the Johnson Building. It would present bigger picture.

Mr. Leonard suggested that in March they could perhaps give the Board an update on the increased number of visitors and gave the example that the Shakespeare Exhibition has brought in 16,000 visitors in the first month alone.

With no New Business or Public Comment, the meeting adjourned at 8:52 a.m.

Respectfully submitted,

Pamela R. Carver  
Clerk of the Board