

# TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

## Meeting of the Trustees Finance and Audit Committee Tuesday, May 16, 2023 at 8:30 a.m. Held via Zoom

### MINUTES

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held virtually on Tuesday, May 16, 2023 via Zoom at 8:30 a.m.

Members present at the meeting: Committee Chair Evelyn Arana Ortiz and Committee members: Navjeet Bal, John Hailer, Senator Mike Rush, and President David Leonard. Jeff Hawkins was absent.

Also, present were Boston Public Library Chief Financial Officer Ellen Donaghey, Clerk of the Board Pamela Carver, staff, and members of the public.

Ms. Arana Ortiz presiding called the Meeting of the Trustees Finance and Audit Committee (“Committee”) to order at 8:33 a.m. The Committee Chair read the welcoming EDI statement and a roll call was taken and determined there was a quorum. Everyone was reminded that the meeting was being recorded and how to sign up for Public Comment.

The first matter of business was approval of the March 14, 2023 meeting minutes. With no comments or edits the meeting minutes were approved.

Ellen Donaghey reviewed the Mayor’s Operating and Capital budgets for FY24. The FY24 budget was \$47,684,960 which reflected an 8.5% increase. The increase allows the BPL to add 14 new staff members, expand branch service hours, and multi-lingual patron service offerings.

After the committee discussed concerns of planning judiciously for potential future recessions due to the current political climate, Ms. Arana Ortiz made a motion that was duly made, seconded, and,

**VOTED: “that, the Trustees Finance and Audit Committee recommend approval by the Trustees of the Public Library of the City of Boston to accept Mayor Wu’s FY24 Recommended Operating and Capital budget.”**

Ms. Arana Ortiz explained that the BPL is in process of developing a Strategic Plan. As a result, the purpose of the next vote was to hire a consultant. Ellen Donaghey explained that they anticipate this proposal to come in around \$200,000. However, she requested the delegation to the Finance and Audit Committee to approve in the event it returns slightly higher than the Committee’s approved thresholds over the summer as not to delay the process.

David Leonard added that a Trustee committee was formed to assist with offering guidance to the BPL’s strategic planning process which is led by Christian Westra. A RFP was drafted for the consultant contract and will be released over the summer.

A motion was duly made, and seconded, and

**VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston recommend the Board of Trustees delegate approval for the Strategic Planning Consultant Contract to the Finance and Audit Committee.”**

Next, the Committee reviewed the 2023-2024 Finance and Audit Committee meeting schedule and with no changes or edits, voted to approve the schedule as follows:

- **September 19, 2023, 8:30 a.m. via Zoom**
- **October 31, 2023, 8:30 a.m. via Zoom**
- **January 23, 2024, 8:30 a.m. via Zoom**
- **March 5, 2024, 8:30 a.m. via Zoom**
- **May 14, 2024, 8:30 a.m. via Zoom**

**VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston the schedule as presented and are subject to change.”**

Ms. Arana Ortiz noted that she will need a delegate to report out for Finance & Audit at the November Board Meeting.

Next, Sebastian Grzejka, NEPC Principal, reviewed the market and portfolio update. He explained that one of NEPC’s recommendations at a previous meeting to raise funds for the annual draw was to add funds to the Vanguard Short-Term Corporate Index Fund. Unfortunately, Vanguard was not willing to waive the minimum investment requirement of \$5 million. However, they offered an alternative to an Admiral Index Fund. The difference is the management fee will be 7 basis points vs 5 basis points. NEPC just wanted to make sure the Committee was made aware of this change to what was originally agreed upon and had their approval for the change. Since this was not a material change, a vote was not required.

Mr. Grzejka noted that they continue to see good performance of the Total Fund which was up 4.3% through March and 4.6% thru April. Overall the investments are doing well under the present managers. The fund started the year at \$65 million and was steadily increasing as of that day. Mr. Grzejka quickly reviewed the itemized total fund performance details.

An overview of the markets in the first quarter of 2023 in light of the fallout from the banking sector and the Federal rate increasing twice was explained. Rebalancing opportunities remained limited as things had not changed much.

Next, Mr. Grzejka reviewed the US Economic Outlook noting that the BPL endowment was well positioned and the current implementation was appropriate. NEPC will return to the committee in an upcoming meeting to discuss any opportunities that may become available.

In summary, he noted from a portfolio perspective, even with all the volatility, the BPL’s allocations have performed quite well with their current managers and are performing as expected.

The Committee discussed the report and asked a few questions.

Ms. Arana Ortiz asked for New Business. She acknowledged this was Ms. Ellen Donaghey’s last Finance and Audit Committee with her upcoming retirement. She thanked her for her guidance to the committee and for her long standing service to the BPL.

Ms. Arana-Ortiz asked for Public comment for which there was none. With no further discussion, the meeting adjourned at 9:17 a.m.

Respectfully Submitted,

Pamela R. Carver, Clerk of the Board