

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

Meeting of the Trustees Finance and Audit Committee
Monday, July 30, 2018, 8:00 a.m.
Central Library, Kirstein Business Library-Exchange

MINUTES

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held on Monday, July 30, 2018 at the Central Library in the Kirstein Business Library-Exchange Room.

Present at the meeting: Committee Chair Evelyn Arana-Ortiz and Committee members Representative Byron Rushing, Zamawa Arenas, and President David Leonard. Committee member John Hailer participated by conference phone.

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

Ms. Arana-Ortiz presiding, called the meeting of the Trustees Finance and Audit Committee (“Committee”) to order at 8:03 a.m. She noted that Committee member John Hailer was joining via conference call but was not eligible to vote.

The first matter of business was approving the Meeting Minutes from June 13, 2018. With no additional comments or edits made, the Chair called for a motion that was duly made, seconded, and approved the meeting minutes from June 13, 2018.

Ms. Arana-Ortiz called on Ellen Donaghey, Chief Financial Officer to discuss the letter carving of the Johnson Trustees room. Ms. Donaghey explained that there was a vote before the Committee to approve a specialized vendor for the engraving of the Johnson Trustees room wall. She presented the Committee with samples of his work and noted he was recommended by the previous vendor whom the BPL has used for over 25 years and whom had recommended him. We were hoping to start the project in the early fall. With no questions, the Chair called for a motion, it was duly made and seconded and,

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston vote to approve the vendor, Marsolais Press & Lettercarving, 204 Sisson Road, Harwich, MA 02645, for engraving of the Trustees names and dates of services for no more than \$15,500 (Fifteen thousand five hundred dollars).”

Next, Ms. Donaghey explained that there was a new vote before them to approve a different vendor for the fleet of automobiles. She stated the vendor that was approved in May was not in compliance with the original bid. The figures for insurance and taxes were not included and therefore the pricing was not accurate. She apologized for not catching this error sooner. She explained she was presenting a vote for Merchants Automotive group who was the lowest eligible responsive bidder. With no questions or comments, the committee made a motion, was duly made and seconded and,

VOTED: “that, there be entered into with Merchants Automotive Group, Inc., 1278 Hooksett Road, PO Box 16415, Hooksett, NH 03106-6415, the lowest eligible, responsible, and responsive bidder in the public bidding, advertised under G.L. C. 30B, a contract for the Leasing of Two (2) 4-Door Hybrid Sedans, One (1) Pick-up Truck with Lift Gate, One (1) Passenger Van, & Three (3) Cargo Vans as specified, for a Multi-Year (two [2] year) period beginning August 6, 2018 through August 5, 2020, at a total cost for the two year period not to exceed one hundred seventy six thousand, sixteen dollars and zero cents (\$176,016.00).”

Ms. Arana-Ortiz moved onto the next item on the agenda and called on Mr. Sebastian Grzejka from NEPC to give an update on the Asset Allocation and Implementation. Mr. Grzejka began by giving the Committee a copy of the June investment report and stated that it has been a very volatile quarter and year. Overall, he noted that the returns have been a bit of a “mixed bag.” Ernst and PIMCO, with their exposure to emerging markets, have been the most impacted by market volatility. But overall, long term performance is strong. He further noted that the markets are coming off a relatively long calm and going into a time of uncertainty; however, volatility is short term and long term investments should be positioned well.

Mr. Grzejka reminded the trustees that we began the discussion of diversifying the allocation last year. That allocation (on page 16 of presentation) was designed to diversifying the asset allocation, to diversify the equity exposure, diversity the fixed income exposure to better position the portfolio for market opportunities while maintaining a conservative posture.

There are currently four positions to fill within the allocation, three in non-US equity and one a Multi-asset manager.

Today, NEPC recommends implementing the Hedged Currency position with SSgA’s Hedged EAFE index fund. NEPC believes that this strategy will complement the Earnst International Equity fund, which is an active manager and does not hedge currencies. This is a very inexpensive fund and easy to implement. This would be a \$3m allocation, with the funds coming from SSgA US Equity position (\$500,000) and Earnest International Equity (\$2,500,000). The other allocations will require searches for managers and NEPC will prepare briefing books

After discussion, the Chair called for a motion which was duly made and seconded and

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston voted to allocate \$3m to the SSgA Hedge EAFE fund, in accordance with the Library’s Asset Allocation Plan. :

With no New Business or Public Comment, the meeting was adjourned at 8:35 a.m.

Respectfully Submitted,



Pamela R. Carver
Clerk of the Board