

# TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

## Meeting of the Trustees Finance and Audit Committee Tuesday, September 18, 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 Tuesday September 18, 2018 at the Central Library in the Kirstein Business Library-Exchange Room.

Present at the meeting: Committee Chair Evelyn Arana-Ortiz and Committee members, Zamawa Arenas, John Hailer, and President David Leonard. Committee member Representative Byron Rushing was not present.

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 8:00 a.m.

The first matter of business was approving the Meeting Minutes from July 30, 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 July 30, 2018.

Matthew Hunt of CliftonLarsonAllen presented a review of Boston Public Library Financial Statements for Fiscal Year 2018.

Mr. Hunt said the auditing process went smoothly and thanked the Boston Public Library staff for their timely and responsive attitude. He reported that it is CliftonLarsonAllen policy not to include the auditor’s opinion in the draft financial statement. It is expected that the rating will be “Unmodified,” the highest available.

In describing the Financial Highlights of the report, Mr. Hunt pointed to the General Fund noting it remained steady and was good overall especially with the Trustees funds (noting the addition of the Roman Trust).

He then reported balances in each of the General Fund categories: Restricted Fund (programs and general trust holdings); Unassigned and Assigned Funds (state aid, and enterprise funds from special events).

He also detailed revenues in the following categories: Intergovernmental Revenues; Special Events; Fees and Fines for Services; Gifts; and Investment Income.

Trustee Arenas asked if income from Special Events can be expected to rise this year. Ms. Donaghey said there is minimal room for additional growth. The large events on weekend nights provide the majority of the revenue. We often have events in both Johnson and McKim. There are weekends that are not booked but those tend to be during the less popular time of the year. There is anticipated growth for weekday bookings but those generate less revenue than weekend events.

General Fund expenses, were as high as \$7 million in recent years but were \$5 million in FY18. This included: Salaries and Benefits; Books and Related materials; Programs; Administrative costs such as

Contractual Services and Utilities; and Equipment, Furniture and Repairs and Maintenance. The fluctuation may be due to some non-occurring items such as salaries. Ms. Donaghey explained some salaries that were initially planned to be paid by the Foundation in FY18 were moved to the city as the Library had a surplus in its city budget. This was done with the approval of the City's Office of Management and Budget.

Ms. Donaghey added that since the departure of the previous IT director, our IT expenses have decreased. The Library is setting aside funds so that when a new IT Director is hired, that individual will have the resources to move projects forward.

Mr. Hunt concluded his report by adding that they are awaiting the Foundation's reports. The Foundation was doing their internal reviews but doesn't anticipate any major surprises. Ms. Donaghey explained that the final vote of the financial statements is contingent on the Foundation letter with no surprises for the full Board of Trustees to approve at their September 2018 meeting.

The Chair called for a motion, it was duly made and seconded and,

**VOTED: “that the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston approve the Boston Public Library’s Draft Financial Statements for the Fiscal Year Ending June 30, 2018.”**

Next, Ms. Donaghey explained that there were two routine votes before the Trustees to approve. These are a contract with United Elevator Company for the maintenance of the elevators in the library buildings and a contract with Glass & Mirror Inc. for the repair and installation of windows. She explained that they only received one bid for the elevator contract. With no questions or comments, the committee made a motion, was duly made and seconded and,

**VOTED: “that a contract publicly advertised in accordance with the provisions of G.L.c.149, Section 44A - 44I, be entered into with United Elevator Co. Inc. 195 Libbey Industrial Parkway #3 Weymouth, MA 02189, the sole eligible, and responsible bidder, for Inspection, Testing, Servicing and Full Preventive Maintenance of Elevator Equipment in Various Library Buildings for a multi-year (thirty five [35] month) period beginning August 1, 2018 through June 30, 2019, and on July 1, 2019 and on July 1, 2020, at a total cost for the thirty five (35) month period not to exceed \$ four hundred seventy seven thousand, seven hundred dollars and zero cents (\$477,750.00). The cost for the first Fiscal Year (2019) is not to exceed one hundred fifty thousand, one hundred fifty dollars and zero cents (\$150,150.00), and for each of the next two fiscal years (Fiscal Years 2020 and 2021) not to exceed one hundred sixty three thousand, eight hundred dollars and zero cents (\$163,800.00) and one hundred sixty three thousand, eight hundred dollars and zero cents (\$163,800.00) respectively”.**

**VOTED: “that a contract publicly advertised in accordance with the provisions of G.L.c.149, Section 44A-44I be entered into with Glass & Mirror Inc. 190 Broadway Somerville, MA 02145, the most eligible, responsive and responsible bidder, for Window Installation and Repairs in Various Library Buildings for a multi-year (thirty five [35] month) period beginning August 1, 2018 through June 30, 2019, and on July 1, 2019 and on July 1, 2020, at a total cost for the thirty five (35) month period not to exceed fifty nine thousand, eight hundred seventy seven dollars and sixty cents**

**(\$59,877.60). The cost for the first Fiscal Year (2019) is not to exceed eighteen thousand, eight hundred eighteen dollars and sixty nine cents (\$18,818.69), and for each of the next two fiscal years (Fiscal Years 2020 and 2021) not to exceed twenty thousand, five hundred twenty nine dollars and forty six cents (\$20,529.46) and twenty thousand, five hundred twenty nine dollars and sixty nine cents (\$20,529.46) respectively”.**

Ms. Donaghey explained the next vote was to extend Hope Coolidge’s contract for the financial management of the Boston Public Library Foundation. Given the work surrounding the establishment of a new Fund she was hopeful that Ms. Coolidge will be moving to employee status in the beginning of next year. With no questions or comments, the committee made a motion, was duly made and seconded and,

**VOTED: “that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston authorize a forty thousand (\$40,000) dollar contract with Hope Coolidge to provide oversight of the financial management of the Boston Public Library Foundation.”**

Ms. Donaghey explained that The Catered Affair will be renovating the two restaurants at the BPL and will be purchasing new furniture that will be presented at a later meeting this year. This vote will be to recommend to the trustees to delegate approval to the Finance and Audit Committee. She noted they are dealing with wholesaler to replace the furniture. With no questions or comments, the committee made a motion, was duly made and seconded and,

**VOTED: “that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston delegate approval of the purchase of furniture for the McKim Restaurants to the Finance and Audit Committee.”**

Ms. Arana-Ortiz moved onto the next item on the agenda and called on Ms. Donaghey to review select trusts. Ms. Donaghey explained the state allows us to petition the Attorney General’s office to modify trusts that are valued at less than \$75, 000 and that are more than 20 years old. The Library has a number of these trusts and has selected a subset of 12 trusts, with an average corpus value of approximately \$14,000 and an annual distribution of approximately \$700, that are for specific branches for review. The intent for this change would allow the branches to use the funds for any type book or programming. The Library has addressed the Trustees previously expressed desire to keep the individual named trusts. The Library is, however, requesting authorization to liquidate two Trusts. The first is the Marjorie Wiggin Prescott fund, established in 1960 and with a current value of less than \$3000. The Library proposes moving those funds to the Albert Wiggin Trust, which has an approximate value of has a value of \$360,000. Mr. Wiggin was the father of Marjorie Wiggin Prescott. Additionally the Library requests permission to liquidate the South Boston Fund into the Charles Meade Fund, which is also dedicated to the South Boston branch.

Finally the Library is requesting a change to the restrictions of the Charles Wilkins fund. This was an unrestricted gift in 2007. Mr. Wilkins placed no restrictions on the gift, however, the Trustees restricted the funds to the use, care and conservation of the John Adams Collection. The Library would expand this to the care, support exhibition of and/or improved access to special collections material. This request does not need AG approval.

With no questions or comments, the committee made a motion, was duly made and seconded and,

**VOTED: “that, the Trustees Finance and Audit Committee recommend the Trustees of the Public Library of the City of Boston approve the recommendations to remove restrictions and consolidate certain funds as presented to allow the Boston Public Library to move forward with the Attorney General’s office with the assistance of Counsel.”**

**And,**

**VOTED: “that, the Trustees Finance and Audit Committee approve the removal of the restriction on the Charles J. Wilkins Fund for the conservation of the Adams Collection to allow for use within the Rare Books collection.”**

Ms. Donaghey presented the BPL’s FY18 Gifts Report. She explained that the Jamaica Plain Friends donation for the museum passes was not reflected in this report, but that they received the funds shortly after the start of FY19 and this will be noted in her presentation to the Full Board meeting. Mr. Leonard called attention to the many generous donations from the Library’s affiliate groups. There was some discussion on moving the BPL donation boxes to more visible locations.

In regards to new business, Ms. Donaghey, assisted by Ms. Laura Irmischer, explained that there was an update to the Rare Books move. They had a smaller contract of less than \$10,000 for the services of Belfor Company. They explained that they discovered a small leak and had to bring in the vendor to assist with the packing, cleaning and the return of over 700 books. They wanted the Trustees to be aware of it. They had to make room at the Archival Center for the renovation and discovered inadequate shelving. The facility is currently in the middle of a programming study.

With no public comment, Ms. Arana-Ortiz adjourned the meeting at 8:50 a.m.

Respectfully Submitted,



Pamela R. Carver  
Clerk of the Board