

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

Meeting of the Trustees Finance and Audit Committee
Thursday, March 14, 2019 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 Thursday, March 14, 2019 at the Central Library in the Kirstein Business Library-Exchange.

Present at the meeting: Committee Chair Evelyn Arana-Ortiz and Committee members, John Hailer, Representative Byron Rushing, and President David Leonard. Zamawa Arenas 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 8:03 a.m. The first matter of business was review and approval of Meeting Minutes from January 8, 2019. With no edits or comments, the meeting minutes were approved.

Next, Ms. Sara Day from CliftonLarsonAllen, who joined via conference call, was asked to review the Draft Management letter. Eamon Shelton and Ellen Donaghey were also present to assist with any questions from the Trustees. Ms. Day’s report was short with no major findings. There was one recommendation to have longer passwords as this is an evolving standard for security reasons. Otherwise she noted that the BPL was doing well overall. The Trustees commented on how pleased they were with the short report with no major findings. With no questions or comments, Ms. Arana Ortiz called for a motion that 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 vote to accept the Draft Management Letter for the Fiscal Year Ending June 30, 2018 from CliftonLarsonAllen, LLP, Certified Public Accountants.”

Ms. Ellen Donaghey reviewed the four contracts before the committee for approval. The first contract was to purchase four bilingual Spanish early literacy stations for the Children’s Room at the Central Library. She explained they are the most heavily used station in that area and are in need of replacement. With no questions or comments, 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 approve to purchase 4 early literacy stations from AWE Learning, 2501 Seaport Drive, Suite 410, Chester, PA 19013 at a total cost of twelve thousand two hundred dollars (\$12, 200).”

The second contract was for \$15,000 to complete and upgrade the signage for the McKim Building. A motion was duly made and seconded, and

VOTED: “that, the Trustees Finance and Audit Committee approve to enter into a Contract for fifteen thousand dollars (\$15,000) with Metro Sign and Awning, DBA C&D Signs, Inc., 170 Lorum Street, Tewksbury, MA 01876 to complete the signage at Central Library.”

The third contract was to approve up to \$25,000 to Hope Coolidge for the financial management of the Boston Public Library Foundation. Ms. Donaghey explained she believed this to be the last iteration of

her contract. Mr. Leonard added this contract was more of a bridge until the BPL Fund was up and running, which was anticipated in late spring. With no questions or comments, 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 twenty five thousand dollars (\$25,000) contract with Hope Coolidge to provide oversight of the financial management of the Boston Public Library Foundation.

The fourth contract is with Suffolk University for the Boston Mapping Project. Mr. Jim Vrabel briefed the committee on the details. The Boston History Database project is an attempt to develop and maintain an interconnected database/website that contains brief descriptions of the significant events that have occurred throughout Boston history, accompanied when practicable by images, locator maps, and web links. All of the material would be available to the general public, and it would be added to on an ongoing basis, resulting in an ever-growing electronic almanac of the history of the city. An amendment to the Massachusetts FY 2019 budget earmarked \$35,000 to help develop and launch the project. The funds are to go first to the Boston Public Library and then to the eventual host institution (Suffolk University). The Committee discussed the details of this project and its ownership. Mr. Leonard commended Suffolk for taking on this historical project. The Committee asked some questions regarding the logistics and process of how the contract will work. With no further questions or comments, Ms. Arana-Ortiz called for a motion that was duly made and seconded, and

VOTED: “that the Trustees Finance and Audit Committee of the City of Boston approve to enter into a thirty five thousand dollars (\$35,000) contract with Suffolk University for the development and operation of a Boston history on-line database, with funding provided in the Commonwealth of Massachusetts’ 2019 Budget, General Appropriation, Chapter 154 of the Acts of 2018.”

Next, the Committee discussed the three votes to recommend the Board of Trustees delegate to Finance and Audit Committee for approval due to time sensitivity. The first was for a small improvement project of the South Boston Branch Courtyard. This contract was for \$129,000 to make necessary exterior improvements and repairs to the terrace masonry and landscaping. The area will become accessible to all. The applications are submitted through a public bid process for the City Capital projects. 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 vote to delegate to the Finance and Audit Committee to award the Invitation for Bids for: Replacing the Terrace in the Courtyard at the South Boston Branch Library of the BPL, a Chapter 149 Project to: Bautista Masonry, Inc., 99 Milton Street, Waltham, MA 02453, being the lowest, eligible, responsive and responsible bidder for the amount of: One hundred twenty nine thousand dollars (\$129,000.00). This is funded as part of the City Capital project for South Boston: CLD24595 with additional donations from the neighborhood.”

Ms. Donaghey explained the next contract is for the Lower Mills Branch flooring replacement. The bids are currently out and due by April 10, 2019. She explained a delegated vote to the Finance and Audit would ensure to keep the project within the short anticipated timeline for the contracted work and targeted date to reopen the branch. With no questions, 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 to the Finance and Audit Committee to approve and award of the Invitation for Bids for: Lower Mills Flooring replacement which has a budget of: One hundred two thousand dollars (\$102,000.00) as part of the City Capital Project: CLD24594 in order to maintain the construction timeline.”

Mr. Eamon Shelton explained the next vote was for the emergency fire panels replacement contracts in the McKim Building. He explained the emergency panels are no longer supported by the manufacturer and it is challenging to find replacement parts to the two panels. Mr. Shelton hoped to use the same system as the one they replaced in the Johnson Building. He assured the Committee that the building has been inspected and is safe. However, in the event of the system shutting down for any period of time it would necessitate the need for a Fire Marshall to physically be on premise to monitor the system until functioning. He explained they would use emergency funding for critical care and anticipate the project to take three months in total to replace. Mr. Shelton noted they assume some of the risk of it failing and therefore why it is listed as “emergency” and not just a repair. The Committee discussed the importance of not delaying this beyond the May meeting. The Committee agreed to explain to the full Board that an invitation to all members will be extended when any necessary votes are taken regarding this matter before the Finance and Audit Committee. 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 authority to the Finance and Audit Committee to approve contracts of up to \$500,000 for the emergency replacement of the Fire Alarm Control Panel and associated equipment in the McKim Building.”

Ms. Arana-Ortiz mentioned the e-Rate bids are due today but not ready for this meeting for approval. She explained the selected contract will be presented for approval at the full board meeting on March 26, 2019 due to time constraints rather than receiving Committee approval first.

Ms. Arana-Ortiz asked NEPC and Ms. Donaghey to introduce the next topic, which was to review the BPL Investment Portfolio. Ms. Donaghey explained this discussion was prompted by the Boston City Council’s review of all financial investments in Fossil fuels and firearms. Ms. Donaghey explained that the BPL may have some investments in for-profit prisons, but wanted to take a more in depth view and therefore invited NEPC to review for the committee.

Mr. Sebastian Grzejka of NEPC explained that the BPL does have some exposure to some of these investments. He reviewed the performance report of the impacting investments (see attachment) explaining the majority of impacted funds are in fossil fuels (oil and gas at 4.5%) and minimal investment in firearms and prisons (less than 1%). He noted the majority of the exposure was in the index funds. Mr. Grzejka explained that as an investor in mutual funds, the Library is investing a broad range of companies based upon various indexes without assuming the management fees involved in a non-indexed, actively managed fund. In order to eliminate exposure to these investments, the Library would have to significantly reduce or eliminate the use of indexed funds, resulting in higher costs. Mr. Grzejka

summarized in closing that the city's structure probably maintains the same range of 5% or less. He explained that this market is very volatile and each will offer various levels of risk and it depends on the comfort level of the BPL as to which is the best fit. NEPC will remain diligent to review all social equity funds to invest in. The committee agreed to swap out funds that included prisons and guns but maintain others that may include fossil fuels as long as they remain at less than 5%. Mr. Hailer added that the Trustees understand they that they have a fiduciary responsibility to maximize returns while reducing risk for the BPL and the social impact component which limits them on what they can do. The Committee expressed their commitment to remain informed investors and remain diligent to limiting socially impactful investments. The board thanked NEPC for their informative presentation and research.

Ms. Arana-Ortiz asked for new business for which there was none. She then asked for Public Comment. Mr. David Vieira, member of the City-Wide Friends spoke and asked as a matter of procedure that the committee have an opening introduction so that people in the back of the room know who is speaking. He also recommended the Committee begin with a roll call so he can hear who is in attendance.

With no further business, the meeting was adjourned at 9:11 a.m.

Respectfully submitted,

Pamela R. Carver