

WOLFEBORO PUBLIC LIBRARY BOARD OF TRUSTEES

Finance Committee Meeting

Wolfeboro Public Library

Minutes December 1, 2016 Meeting

Present: Trustees – Candy Thayer and Susan Raser; Library Director – Cindy Scott; Advisor - Bob Woerheide

The meeting was called to order at approx. 10:45 AM.

Old Business:

Candy has had lengthy conversations with Fidelity in order to remove former trustee Mike Hodder and to add additional individuals who will be accessing the account. Rather than utilizing one log-in name and password as we have done in the past, separate log-ins will be created for Candy, Prue, and Susan which will allow each to conduct transactions with a corresponding record documenting who made the transaction. Cindy Scott and Jill Graham will be given read-only access so they may review the account. In order to complete the changes, the Library Board of Trustees must resolve to revise each account with amendments then submit a Resolution of Unincorporated Business form to Fidelity for each account, signed by Candy and Susan, with Prue's signature witnessed by a Notary. A check writing form was also completed enabling checks to be signed by Candy, Susan and Prue.

New Business:

Reinvestment of Library Trust Funds: Candy asked George Vanderheiden, a local resident who is an expert in financial planning, to review our investment strategy and to make recommendations to enhance potential future earnings. George provided recommendations for each account which were provided to the finance committee. Bob reviewed and concurred with most of George's recommendations although George recommended a Fidelity Floating Rate High Income Fund (FFRHX). Bob determined that FFRHX is not investment grade and our investment policy requires that bonds be investment grade although it allows for a "minor" amount to be below investment grade. The committee reviewed and discussed the options, and the following changes were agreed upon:

1. **Building Fund:** Currently approx. \$124,857 is invested in cash. 30% will remain in cash and the remainder will be invested, with \$30,000 in each of the following Fidelity accounts: Spartan 500 Index Fund Premium Class (FUSVX); iShares Select Dividend (DVY); and Vanguard Small-Cap Value (VBR).
2. **Materials Fund:** Sell \$6,000 of Fidelity Balanced Fund (FBALX) leaving and reinvest in VBR with approx. \$6,000 remaining in FBALX. Leave \$11,000 in DVY.
3. **Huebner-Raddin Fund:** Reinvest \$7,000 in DVY, then invest remainder (\$3,000) in an investment grade floating bond fund. Bob will research and find a suitable fund. This should allow for the production of income with some protection of the capital.
4. **Endowment Fund:** Leave \$15,000 in Fidelity Total Bond Fund (FTBFX), move \$15,000 into VBR, and \$15,000 into FUSVX. \$9,000 will remain in a cash account to cover outstanding checks and other expected contingencies.

Guidelines for Oversight of Library Bookkeeping: Bob was previously asked to provide recommendations for a library policy to implement internal controls to be used by the LBoT treasurer to ensure that all bookkeeping entries are appropriate to the business of the library. His recommendations were discussed and a draft policy will be presented to the LBoT at the December 2, 2016 meeting.

Non-Public Session: None

The meeting adjourned at 12:10 PM.

Respectfully Submitted,
Susan Raser