

Hingham Public Library
Meeting of the Board of Trustees
January 20, 2021

The meeting was called to order at 7:01 p.m. remotely, via Zoom teleconference, due to the Covid-19 closure of the Library.

Present: Trustees Charles B. Abbott, Aylene Calnan, Thomas Carey, Elizabeth Eldredge, Lucy Hancock, Eric Haskell, Mirela Izmirlid, David Mehegan, JoAnn Mitchell, Jeremy Parker, George Schwartz, Edward Siegfried and Tom Ventresca; Library Business Administrator Joan Allen, Director Linda Harper, Assistant Director Anna Byrne, Assistant to the Secretary Laura Arsenault.

Absent: Trustees Arthur T. Garrity, Jr., Town Treasurer and Trustee Ex Officio Jean Montgomery, Selectman and Trustee Ex Officio Mary Power, and Superintendent of Schools and Trustee Ex Officio Paul Austin

On motion made and seconded, it was

VOTED: To approve the minutes of the meeting of November 18, 2020.

Chairman Hancock then noted that the next scheduled meeting will be held on March 17, 2021.

Director's Report

Director Harper spoke about Executive Health Officer Susan Sarni's efforts to spearhead the vaccination program in Hingham, initially serving local first responders as part of Phase One in the State vaccine distribution timeline. The COVID-19 positivity rate continues to be high in Hingham; therefore, the Library is maintaining status quo with contactless services. Most circulation staff continue to work in the building, with exceptions for professional and other staff who can work from home, and those employees exclusively working from home due to health risk concerns. With the current uptick in local cases, the Library may decide to continue to reduce shifts to curtail overlap of employees in workstations. Circulation staff is busy providing contactless holds service, while reference staff is fielding requests for Inter Library Loans (ILL) and research materials. Director Harper reports that no employees have contracted Covid-19 in the months since the Library began providing these remote services.

Director Harper gave kudos to the custodial staff for their tireless effort to keep the building disinfected. Trustee Mehegan inquired if the vestibule where contactless holds are picked up is being heated, as the doors are frequently kept open to the outdoors. Director Harper explained the vestibule is not controlled by the thermostat; therefore, it is not possible to shut off the fan. She further explained that the doors are being left open to promote airflow in that small area for the safety of patrons and staff.

Director Harper provided an update on the recent hiring of new custodian -Sean McAleney. A recent retiree from Verizon, Sean was described by Director Harper as hard working, flexible, talented, and happy for the part-time work. The custodial staff is currently painting the children's department, an area that is in need of a refresher, as it has been almost twenty years since it was painted. Director Harper detailed how the Library is moving ahead with three capital projects, including: the chiller motor replacement, the lobby floor tiles, and the HVAC component replacement. Even with the current COVID-related spending freeze, the lobby floor project can move forward since it involves funds encumbered from a previous fiscal year, and Director Harper has received approval from the Town Administrator to move forward with the other two projects. The HVAC component replacement will be deferred until the moderate temperatures of spring because of the heat and air conditioning shut-off that is required.

Director Harper reported that the FY22 Town budget was presented to the Board of Selectmen and was well-received. The Selectmen did warn of the potential for fiscally lean times ahead. The Selectmen also stated that they have questions regarding the Board of Trustees' FY22 budget. The Library is waiting for final approval on the Capital Outlay line items after a recent Capital Outlay Committee meeting. The Library has yet to present the budget to the Advisory Committee, with Director Harper waiting for a convenient date to do so.

Director Harper then spoke of the statistical benchmarks that ended abruptly in March of 2020 when the Library closed due to COVID-19. She detailed the remarkable shift to online ebook usage and virtual program events, both showing dramatic increases. Ebook usage is up 32.68%, audiobook usage is up 42.58%, and electronic database usage is up 100.93%. Since March of 2020, the Library has hosted 475 virtual programs with 4,743 individuals participating. Director Harper commended the Library staff on the incredible job done pivoting to this current digital model. She listed a number of upcoming virtual events, including an author talk on The History of the Wachusett Reservoir, a Valentine's Day wooden craft-making class, concerts by the Boston Classical Guitar Society, and a beginner chess series, to name only a few. The Library continues to offer virtual story times and technology classes, as well as contactless access to museum passes and print service for patrons.

Finance Committee

Treasurer Parker stated that the Committee last met in November to review the FY22 Town budget. This budget was just presented to the Board of Selectmen last night. The Finance Committee focused on the electric expense line item, which had the largest year-over-year increase. Strict adherence to the Town budgeting worksheet led to this inflated increase. Treasurer Parker explained that this was amended and there is now a more realistic increase for electrical usage in the budget of less than two percent. He then noted that the books and materials line item was also highlighted because of an increase of fourteen percent. Upon further study of both the Town and Trustee FY22 budgets, this books and materials line item was up only a total of three percent, right in line with the Massachusetts Board of Library Commissioners (MBLC) formula for

materials expenditure. For the fourth year, the Trustees' books and materials line item held static at \$215,000, with the Town budget line item escalating in line with the MBLC increase in expenditure. Treasurer Parker continued that there were discussions about the books and material expenditure for the rest of this fiscal year, due to the MBLC waiving the certification requirements on materials spending. Director Harper and the Finance Committee are analyzing if it would be appropriate to reduce spending on books and materials in order to reserve that money for FY22. Chairman Hancock asked if State Aid is expected to not be as robust in FY22 and if the Board should be looking at setting aside funds this year for next year's materials. Treasurer Parker agreed with that line of thinking and plans to have a Finance Committee meeting in the coming weeks to further discuss the options.

Chairman Hancock asked for an update on the reactivation of the Library tax ID. Treasurer Parker explained that next steps would include working with CliftonLarsonAllen, the Town's auditing firm. He plans to connect with them through Town Treasurer Jean Montgomery.

Treasurer's Report

Treasurer Parker noted that we are halfway through FY21, which has been an unusual year financially, with revenue challenges due to the COVID-19 closure of the Library. Library revenue is currently limited to the Annual Drive, State Aid, and portfolio income. The good news is that State Aid is predicted to remain unchanged for FY21 at \$36,424 and that interest and dividend on the investment portfolio will be in line with budget. Treasurer Parker noted that the deficit will be greater than the \$65,000 estimated, with it more likely being close to a \$140,000 net loss. This estimated net loss is based on the Library spending the entire books and materials budgeted amount; he noted that it would be prudent to trim that expenditure. The Annual Drive has raised \$58,000 of the \$70,000 budgeted. The second ask letter, which will be mailed in about three weeks, is not expected to exceed that budgeted total of \$70,000. Middleton and Company typically presents to the Board of Trustees at this January meeting, but Treasurer Parker thought it best to defer that to the March Board of Trustees meeting when we have a better view of the financial situation. The Finance Committee will meet with Middleton and Company in February for a portfolio update and review prior to that March Trustee meeting.

Balance Sheet as of December 31, 2020

As of December 31, 2020, investments totaled \$2,888,583; a month-over-month increase of \$70,044 and a year-over-year increase of \$479,352. Adjusting for a \$30,000 cash distribution, the \$10,425 transfer in from the building fund and management/custodial fees totaling \$20,300, the portfolio increased 22% in the 12 months ending 12/31/20. The S&P 500 Index increased 16% for the same period and the BofA/ML US Corp 1-3-year bond index was up 4%. Annual interest and dividends from the portfolio are estimated to total \$28,662, or 0.99% vs the FY21 budget of \$20,000.

As of January 15, 2021, the investment portfolio totaled \$2,860,753. Current holdings are allocated as follows:

Policy Range	Current Allocation
Equities 65-85%	83.4% - 45 total positions; 11 sectors; 76% in top 5 sectors - Info Tech (28%), Health Care (16%), Financials (12%), Consumer Discretionary (11%) and Communication Services (9%)
Fixed Income 5-30%	9.4% 3 positions; Danaher Corp preferred convertible, Valero Energy, and Vanguard Short Term Bond Fund
Cash 0-20%	7.2% – State Street Institutional US Treasury Fund

As of January 15, 2021, the operating account at Rockland Trust had a balance of \$43,893. The building fund account at Rockland Trust was closed on 12/11/20 and the balance transferred to the cash position of the investment portfolio.

Income Statement through December 31, 2020

Through the first six months of FY21, revenues totaled \$74,993 while expenses have totaled \$98,506 resulting in a net operating loss of \$23,513. The net operating loss through December 31st has been funded by cash in the operating account (Rockland Trust-checking) thanks to deferred spending on books and materials. As expected, revenues have been limited primarily to contributions and income from investments. Other unrestricted contributions are at \$6,425 vs budget of \$12,000. The annual Burr gift was \$3,000 this year vs budget of \$6,000. The Annual Drive has yielded contributions of \$49,260 through December 31st, \$20,740 behind budget. (Through mid-January, additional donations have brought the Annual Drive total up to approximately \$58,000.) While the second ask letter has traditionally yielded some of the larger individual donations, the Annual Drive is lagging prior year trends. Books & Materials expenses have totaled \$75,401, roughly 35% of the full-year budget through the first half of the year. Investment Management Fees have totaled \$10,962, roughly 60% of full-year budget. Program expenses make up most of the remaining YTD expenses. Books & Materials and program expenses can be managed tightly to budget, but Investment Management fees are likely to exceed budget given the growth in market value of the portfolio. These fees are on track to exceed budget by \$4,000.

The anticipated State Aid of \$36,424 has not yet come in. The FY21 net loss is still forecasted to be approximately \$140,000 assuming full receipt of State Aid and budgeted expenses. As of January 15th, the cash and short-term fixed income position of the portfolio totaled \$475,000. There is sufficient liquidity to meet operating deficits as they arise.

Operations Committee

Trustee Izmirlic reported that the most recent meeting of the Operations Committee focused on postponing all projects that are not directly related to the integrity of the building. Director Harper noted that the largest item put off is the parking lot expansion and walkway redesign project. She further explained that it is not possible to do a feasibility study on that project while the building is closed to the public. It is now assumed that this expense will be encumbered, pushing out the construction that much further. Director Harper has received a green light for the three capital projects mentioned in the Director's report.

Development Committee

Trustee Ventresca positively noted that the Development Committee is looking ahead toward brighter times when businesses are open and life is inching back to normal. He encouraged everyone to brainstorm about what type of fundraising event would be appropriate when the Library, a real center of civic life here in Hingham, reopens. Business Administrator Allen then noted that the Annual Drive has generated roughly \$58,000 thus far. This year's average donation is down, currently at \$117, as compared to last year's average of \$147. This year, however, has shown an increase in the number of donors. As of January 15, 2021, there have been 500 donations compared to 450 at this point last year. The second ask letter will be mailed in the first week of February and is targeted to those 300-400 households that have donated within the past three years but have not yet done so this year. Business Administrator Allen had Chairman Hancock pick a number between one and ninety-one for the annual appeal drawing that includes all donors who gave \$150 or more by December 31, 2020. Business Administrator Allen then declared Christine Hadayia the winner of a \$200 gift certificate to a locally-owned restaurant or business of her choice.

Long Range Planning Committee

Trustee Mehegan stated the Long Range Planning Committee last met on December 8, 2020, and at that time, discussed contacting Michelle Eberle of the Massachusetts Library System (MLS) about simplifications in the process of the five-year plan. The plan will now cover the years 2022-2026 and has a deadline of October 1, 2021. The required elements of the plan have been pared back, with libraries only having to map out goals, not objectives and outcomes, as in the past. Trustee Mehegan explained that the Library plans to be very specific, even so. The Long Range Planning Committee will create an ad hoc committee of citizens to evaluate and discuss the needs of the Library. Also included on this committee will be staff members and Trustees. The MLS will help facilitate the required two meetings of this ad hoc committee. The meetings will take place in April and May, possibly into June.

The public survey, which Trustee Mehegan explains is a valuable exercise which connects us with the public, will be available on the Library website within a week. It was discussed that this is a good opportunity to engage with the public on the topic of the Library building's age and inadequate layout to serve the citizens' needs. Paper copies of the survey will also be available for contactless pickup in the vestibule for those without Internet access. There will be a separate survey conducted for the staff of the Library. Trustee Mehegan encouraged those with any suggestions or changes to the survey to contact him as soon as possible. The survey will be on the website until the end of March, at which time Library staff members will compile the data. The five-year plan draft will be written by early July, and in August it will be up for approval by the Long Range Planning Committee. The next step is that it will be forwarded to the Board of Trustees for approval at the September meeting. Director Harper said for everyone to please encourage friends and family members to complete the survey. She agreed to send an email to the Board of Trustee members as soon as it goes live, which will be no later than February 1, 2021. There was also discussion about posting the survey on the Hingham Anchor and publishing news of it in the Hingham Journal.

Chairman Hancock acknowledged that the September 15, 2021 Trustee meeting falls on Yom Kippur; she asked that if anyone wants this rescheduled to a different date to please reach out to her by email.

The agenda being completed, the meeting was adjourned at 8:20 p.m.

Respectfully submitted,

Laura Arsenault for
Arthur T. Garrity, Jr.
Secretary of the Board

Documents:

A complete meeting packet of supporting documents is on file and available for public review in the Library Business Administrator's office.