

Brooks Memorial Library Finance Committee

Mon, Jan 11, 2021 4:45 PM

Virtual meeting via link provided by Town of Brattleboro and publicly accessible
Attending: Jenny Rowe, chair; Leo Schiff, Sirkka Kauffman, John Woodward, Starr Latronica,
and guest Prentiss Smith.

MINUTES

Jenny called the meeting to order at 4:45 PM.

The minutes of the previous meeting were approved after a motion by Leo and a second by Sirkka.

New Business:

- Prentiss Smith, representing his investment management company, was present to discuss the Library's accounts with the committee. Highlights: In general he feels the accounts weathered the past year well, with a 15.5% rate of return. He does not recommend increasing the stock holdings in the endowment account at this point since he anticipates a market correction of overperformance in the next year or two. The cash position of the endowment account is high because bonds have matured over the past year and he is waiting for a good opportunity to buy more bonds. He feels the board's annual 4% draw on the endowment is reasonable, and is not concerned that actual income earned is lower than 4%. He tends to favor stock bought for long-term growth and doesn't pursue income first. The earnings yield of the portfolio is well above 4% and we are getting good reinvestment value. He continues to recommend the Vanguard short-term bond fund held by the Board Project Account. He continues to recommend Schwab as custodian of all the accounts, and continues to offer the Library a discounted fee of .5%.

The consensus of the committee was that our investments are in good hands and we were well satisfied with this review. The committee will endeavor to meet with Prentiss once a year so that everyone remains current with the accounts and how they are being handled.

- Trustees' Annual Report to the Town -- Jenny asked for comments and edits from the board. The report is prepared from the quarterly reports to the board, but is on a calendar year rather than a fiscal year.
- Endowment draw for fiscal year 21-22: This can now be set because it is based on the 12/31/2020 value of the accounts. The committee discussed, and recommends continuing with a 4% draw for next fiscal year.

Account	Proposed 4% for 21-22	4% Draw 20-21
Permanent Endowment	\$96,870.75 (\$24,218 per qtr)	\$87,159.82 (\$21,790 per qtr)
Loud fund	\$980	\$977
Legacy fund	\$1,824	\$1,822
Calista fund	\$800 (capped; 4% = \$910)	\$800

Meeting adjourned at 6:00.