

FRIENDS OF THE PALO ALTO LIBRARY
BOARD OF DIRECTORS MEETING
June 14, 2017
Rinconada Library
MINUTES

1. Call to Order:

The meeting was called to order by Nigel Jones at 9:35 a.m.

Present: Tom Clark, Nancy Cohen, Peter Dehlinger, Charlotte Epstein, Nigel Jones, Tina Kass, Suzanne Little, Shaun Maguire, Karen Neier, Jim Schmidt, Martha Schmidt, Steve Staiger

Absent: Gerry Masteller,

Guests: Gayathri Kanth

2. Agenda Approval

Nigel Jones proposed removing two items from his report: Tote Bags and Maintenance.

► **Jim Schmidt moved approval of agenda as amended. The motion passed unanimously.**

3. Minutes of Previous Meeting

► **There was a motion to approve the draft minutes of May 10, 2017. The motion passed unanimously.**

4. President's Report (Nigel Jones)

- *School/City Liaison Committee:* The committee is creating a joint City/PAUSD RFP to identify a consulting firm that will work with the committee to develop a collaborative plan for the Cubberley Community Center. When completed, the plan will be reviewed by the City Policy and Services Committee as well as a group from the PAUSD. Nigel will place a copy of the RFP (titled "CCC-RFP") on the Document Repository and also send it to all Board members.
- *High Value Listings:* About 11k items are currently in the high value inventory. Amazon has changed a number of policies, including the basis of their pricing to vendors (to include shipping costs), and is also limiting listings of some recent titles. There may be additional changes in Amazon policy and their business model.
- *Membership:* Martha Schmidt will be handling the Member Sale in July. Raji Ramamurthi is away for the months of June and July, and Martha has continued to shoulder responsibility for the Membership database until her return.
- *FOPAL 80th Anniversary:* Nigel suggested that we start thinking about a special event or activity for this milestone, which will occur next year. Jim Schmidt volunteered to work with Tom Clark to develop a proposal for ways to celebrate. They will have some recommendations at the September meeting. He asked if we have a date that could be used as the official "founding date" for the celebration. Steve Staiger will check.
- *Earthquake Safety:* Nigel will contact Janette Herceg again about instructions/guidelines that she's developed for volunteers.
- *Foreword Update:* The Spring issue is completed and issued.
- *Nominating Committee:* Nancy Cohen is talking to people about serving on the Board.
- *Volunteer Lunch Cost:* Nigel asked for a sense of the Board regarding what members would like to do in the future, explaining that no funds or arrangements are in place for 2018. Jim suggested that we appoint an ad hoc group of the volunteers to consider the options. Others suggested that volunteers who don't attend the lunch probably have a very different opinion about what should or should not happen.

Suzanne Little noted that relatively few people attend the lunches (about 30), and suggested that there could be a recalibration of expectations among the volunteers who attend. For example, lunches have been fairly elaborate and might not need to be. Nancy and Nigel will make recommendations about next steps for discussion at the July meeting.

- *FOPAL Banner*: Nigel is still looking into creating a FOPAL banner to hang on one of the Palo Alto underpasses. In response to the question of how hard these banners are to handle and install, Steve said that it's not difficult, but it's important to install a banner when there's not much traffic on Alma and it's almost essential to have at least two people on hand to do the job. Nigel will work on preparing the content of the banner with Ann Justice and then follow up on getting approvals from the city.
- *Acterra*: Acterra is donating their library to FOPAL. This could be the basis of a "special" at a future sale.

5. Library Director's Report (Gayathri Kanth)

- *Summer Reading Program Kickoff*: This included a number of "non-reading" activities and was a great success. The first day attendance resulted in 405 children, 142 teens, and a 235 adults signing up. The program includes a variety of activities that will count towards the self-determined goals for participants. More information about the program is at: <http://www.cityofpaloalto.org/news/displaynews.asp?NewsID=3567&TargetID=140,162>
- *Replacement title detail*: A follow-up to Diane Lai's presentation to the Board last month regarding the title replacement program was sent out as an email to all FOPAL Board members.
- *Rinconada and Mitchell Park Libraries Anniversary*: Gayathri noted that 2018 will be a celebration year for Rinconada and Mitchell Park, both opening in 1958.

6. Officer/Committee Reports

Treasurer (Shaun Maguire)

- *Monthly Reports*: Shaun noted that the May numbers are very healthy, among the best we've seen over a number of years.
- *Silicon Valley Community Foundation*: Shaun reported on discussions he had about the SVCF after the FOPAL Board decided in May that he should investigate the possibility of moving some of the FOPAL funds to that organization. He first talked with Katy Siegman (treasurer at the PA History Museum), who, although fairly new at her job, was able to comment on the museum's experience. The museum's expectation was that by investing in the SVCF they would be eligible to receive grants from the organization, but that hasn't happened. In addition, they haven't been particularly satisfied with the returns they've received on their investment in one of the short-term funds. The museum has therefore decided to pull out their funds. Steve is on the History Museum Board, and confirmed that the board had hoped that they might be eligible for funding. In addition, the PAHM had actually seen negative returns from their investments. After talking with Katy Siegman, Shaun then contacted staff at the SVCF and received more detailed information from them. He learned that the SVCF levies a 1% fee on all deposits to support the activities of the foundation in addition to any other costs. The Board agreed that Shaun should proceed with his review of FOPAL investment alternatives with the goal of increasing returns. There was also a brief discussion of responsible investing, with no specific conclusion.
- *FOPAL Financial Assets*: Given the report on the SVCF as well as the near-term availability dates of a couple of the FOPAL investment vehicles (SFCU CD and a Luther Burbank money market account), Shaun presented recommendations for some immediate changes in the asset structure. He distributed a summary of current FOPAL investment vehicles, explaining that he made some recommendations for changes in the "Pro-Forma" section of the document. A copy of the document is appended to the Minutes and the original document is also posted on the FOPAL Document Repository ("FOPAL Financial Assets June 13, 2017" in the Treasurer folder). During a brief discussion, the Board members endorsed the changes he proposed. Tom Clark raised the question of what the appropriate level of

long-term investments should be, and all agree that that is a broad question that will need additional discussion. Nigel pointed out that the Board may need to reconsider recommendations, given the possible expenditures related to the 80th anniversary.

► **MOTION: Suzanne Little moved that the Board approve the changes in the investment vehicles proposed by Shaun Maguire. Jim Schmidt seconded and the motion passed unanimously.**

- *Grant Funds:* Shaun pointed out that there are FY2017 grant funds that are still unspent by the PACL, and likely to remain unspent as of July 1st. This is not unusual and, in conjunction with the setting up of new accounts for the 2017-18 general grants, Shaun informed the Board that he proposed to “carryover” any unused funds into these new accounting buckets immediately as of July 1, 2017. Shaun pointed out that Section 5.6 of the Standing Rules states: “All grant funds unencumbered at the end of the fiscal year awarded revert to the general fund (i.e. unrestricted).” The Board discussion that followed concluded that the Board’s intention is that once awarded, all grant funds are to remain available, even if not expended within the grant year awarded.

► **Nancy Cohen moved that we change Section 5.6 to read:**

“All awarded grant funds unspent at the end of the fiscal year shall be available during the following fiscal year to the Palo Alto City Library to be used for any purpose.” The motion was seconded by Jim Schmidt and passed unanimously.

- *Accounting Changes:* Shaun referred Board members to some accounting and reporting changes described to the Board in an e-mail that accompanied the distribution of the May 2017 Treasurer’s Report. These principally affect the treatment of third-party restricted and unrestricted donations to FOPAL. Board members had no comments on this matter.

Volunteer Manual (Nancy Cohen)

- Nancy reported that her review and revision of the draft Volunteer Manual has focused on ensuring that all of the details are covered. Tom will add text on books donations and pickups. She asked reviewed to consider 1) if everything has been covered and 2) if there are any mistakes.

7. Adjournment

► **Jim Schmidt moved to adjourn the meeting. The motion was seconded by Tom Clark and passed unanimously at 11:20 a.m.**

FOPAL Financial Assets - June 13, 2017

<u>Institution</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Type</u>	<u>Availability</u>	<u>Notes</u>
Boston Private	90,258	0.05%	Chk/MM/Debit Card	Immediate	Only need to keep \$20k here for current expenses
Stanford FCU	35,591	0.00%		Immediate	\$250k insurance. \$9k p.a. in member fees. Now using on-line bill pay.
	<u>89,145</u>	0.65%	CD	6/15/2017	
Total SFCU	<u>124,736</u>				
First Republic	221,950	0.50%	CD	10/21/2017	No other business with them.
Luther Burbank	83,562	0.70%	MM	Immediate	\$250k insurance. Well capitalized. No other business with them.
Total	<u><u>520,506</u></u>				

Proposals:

Invest \$100,000 at Stanford FCU for one year at CD rate of 0.7%
 Reduct checking account balance at SFCU to \$10,000
 Reduce overall balances at Boston Private to \$25,000
 Increase balance at Luther Burbank to \$163,550
 Make periodic funds movements in future to maintain working balances and improve interest returns.

Pro-Forma

Boston Private	25,000	0.05%	Chk/MM/Debit Card	Immediate	
Stanford FCU	10,000	0.00%		Immediate	
	<u>100,000</u>	0.70%	CD	6/15/2018	
Total SFCU	<u>110,000</u>				
First Republic	221,950	0.50%	CD	10/21/2017	Due in 4 months
Luther Burbank	163,550	0.70%	MM	Immediate	
Total	<u><u>520,500</u></u>				