

# TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

## Meeting of the Trustees Finance and Audit Committee

Tuesday, November 12, 2019 at 8:00 a.m.  
Central Library in Copley Square, Kirstein Business Library-Exchange  
700 Boylston Street, Boston, MA 02116

### DRAFT MINUTES

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held on Tuesday, November 12, 2019 at the Central Library in the Kirstein Business Library-Exchange.

Members present at the meeting included: Committee members, John Hailer, Jeff Hawkins, and President David Leonard. Not present: Zamawa Arenas and Committee Chair Evelyn Arana-Ortiz (who participated via conference call).

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.

The meeting of the Trustees Finance and Audit Committee (“Committee”) was called to order at 8:05 a.m. by Ms. Arana-Ortiz with a roll call and determined there was a quorum. Ms. Arana-Ortiz welcomed Trustee Jeff Hawkins to his first committee meeting since being appointed. She noted for the record that she was not be eligible to vote since she was not physically present and participating via conference call. The first matter of business was review and approval of Meeting Minutes from October 1, 2019. With no edits or comments, a motion was duly made, seconded and the meeting minutes were approved.

Next, Ellen Donaghey was asked to review the contracts. Ms. Donaghey explained the first contract is for an extension of the existing Retro conversion pilot that we just did. The contract is for eighty five thousand dollars (\$85,000) to extend the pilot for one more year. She explained that the Library intends to use the data from this pilot to ask the City for capital funding for a larger retroconversion project. Mr. Tom Blake, Manager of Content Discovery, explained that since March, his team has been working with The Donohue Group who were awarded the bid for the Retro Conversion Pilot program. He explained that this process involves going through a substantial number of the BPL’s older books that are not in the electronic card catalogue. This pilot is designed to generate statistics and numbers to get an accurate idea of how to proceed with extending this project. He went on to say when the original RFP was presented, there were only 2 companies that responded and The Donohue Group received the highest score in the evaluation process. He explained that the BPL has worked with them in the past and have a great deal of confidence in their work. To avoid having to retrain a new company and doing a whole new RFP, the hope is to extend this pilot program by one year and maintain continuity. The collection that is being drawn into this project includes those from the call number classifications of both Library of Congress and old BPL call numbers (which pre-date all other systems and are some of the BPL’s original books) They The old BPL call numbers are outside of the rare books collections, but can be considered our “foundation collection” in many ways. The early statistics show that 20% of them are not in our card catalogue and around 5% may not be catalogued anywhere which may mean we uniquely hold some of these titles. This additional year will allow his team to determine exact number of books to allow a better representation of the statistics across the entire collection and not just pockets, to give more accurate predictions as to when this can be done and estimated costs to complete the project if it is to be considered for a capital project moving forward. There were a few questions asked in regards to the deliverables of this project. Mr. Blake explained they are already seeing some benefits from the work done, and explained moving forward they have dual priorities; to make sure that books can be accessioned into the high density storage and in turn save on a lot of space. Second, outside of rare books, these are the oldest books in our collection and once catalogued, it will be easier to determine which of them should be moved into more secure environments.

**VOTED: “that, the Trustees Finance and Audit Committee of the Boston Public Library approve The Donahue Group, Incorporated of 41 Mechanic Street, Windsor Connecticut 06095 for the second phase of the Retrospective Conversion pilot program contract in the amount of eighty four thousand nine hundred ninety nine dollars and eighty six cents (\$84,999.86) to create and upload MARC records for Boston Public Library books not presently represented in the Library’s online catalog.”**

Ms. Donaghey explained the next vote is to approve a contract with EdTech Strategies, a firm the Library has worked with for the last two years to assist with the eRate funding submission. It is for forty thousand dollars (\$40,000). With no questions a motion was duly made, seconded and

**VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract with EdTech Strategies, LLC of 4805 147th Street, Urbandale, Iowa 50323, in the amount of forty thousand dollars (\$40,000) to assist with the development of the eRate Funding Year 2020 submission.”**

Ms. Donaghey then discussed a contract with Arrowstreet, Inc., an architectural and design firm that worked on the design for the Johnson Project. In response to patron requests, the Library is working with The Catered Affair (TCA) to begin selling gift items in the Newsfeed Café. Arrowstreet had approached the Library approximately two years ago with some design ideas. The Library worked with Arrowstreet and incurred just under \$10,000 in costs for the first iteration of items for sale. This proposed contract would allow us to exceed the \$10,000 threshold. The Library used a high estimate and believes that this will be a sufficient amount of funding for the coming year and beyond. no questions, a motion was duly made, seconded, and

**VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve Arrowstreet Inc. of 10 Post Office Square Boston, Massachusetts 02109, an architecture and design company, for a contract in the amount of forty thousand dollars (\$40,000) to provide design services for items to be sold at the Boston Public Library gift store.”**

The next was the snow plowing contract for forty thousand dollars (\$40,000). She explained this amount has been determined to be a sufficient amount to get through the winter season. The BPL has an obligation to open to the public the day after a storm, and additional capacity beyond facilities staff is needed to make sure all 25 locations are plowed in a timely manner helps. She explained we hire one company Anzalone Construction that we have used for several years. A motion was duly made, seconded, and

**VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract with Anzalone Construction, PO Box 2622, Woburn, Massachusetts 01888, in the amount of forty thousand dollars (\$40,000) to plow certain Boston Public Library Properties.”**

Moving on, Ms. Donaghey explained the BPL is looking into the Northeastern University co-op program to hire a communications student for fifteen thousand dollars (\$15,000) to work with the Communications team. Lisa Pollack, Chief of Communications, noted that, unlike interns, the co-op student will work 32-35 hours per week for 6 months, and was confident the co-op program would be an appropriate fit for improving her team’s capacity to raise BPL’s profile. A motion was duly made, seconded, and

**VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a pilot program with the Cooperative Education program at Northeastern University, 360 Huntington Avenue, Boston, MA in the amount of fifteen thousand dollars (\$15,000). The purpose of this pilot program will be to provide career experience to a Northeastern student for six months, and to offer Library departments the opportunity to undertake small projects for which they would not otherwise have the capacity.”**

The final vote was for an open contract for book cleaning and mold remediation with Belfor Property Restoration. Ms. Irscher explained they have used this vendor in the past, most recently for books that were being moved into storage during the Rare Books renovation. In this particular instance, the Library is asking for authorization up to one hundred thousand dollars (\$100,000). The Collections Division is working an RFP to bid book cleaning and mold remediation work but in the interim, needs the ability to respond to mold outbreaks in a timely fashion. The committee had some discussion and asked several questions regarding mold remediation and the need for cleaning the collections in the future. The Committee determined they prefer to get quarterly updates to report back to the full Board of Trustees regarding this matter. With no further discussions, a motion was duly made, seconded and

**VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston authorize a contract with BELFOR Property Restoration at 138 Bartlett Street, Marlborough, MA 01752, not to exceed one hundred thousand dollars (\$100,000) to respond as needed to clean certain items in the Research Collection, authorization to end with award to vendor selected through an open bid process.”**

Next, Ms. Arana-Ortiz called on Sebastian Grzejka of NEPC to review the BPL’s Asset allocation Impact Related investments. He explained this conversation is a continuation from the last few committee meetings. NEPC agreed to review the BPL’s asset allocations as it relates to exposure in areas such as fossil fuel holdings. The discussion is concerning whether an active manager which would seek to achieve both a financial return and societal contributions. Mr. Grzejka stated NEPC is recommending the committee consider Impax Asset Management, which has two potential funds that would fit this category. A second manager had been under consideration but changes at the firm resulted in NEPC withdrawing the recommendation. Mr. Grzejka explained the committee will need to make a two part decision, the first is a reaffirmation of the asset allocation approach overall and the second is whether to hire an active manager for this portion of the portfolio.

Mr. Grzejka reviewed the BPL’s portfolio noting that the endowment had great overall results over the last quarter from a performance basis. He gave a brief background on how the markets have been trending and performance over the last year.. He went on to discuss the benefits of active and passive management as well as some predictions on the market as well as the need to look at investments from the perspective of diversification of investments and the benefits of a long term view rather than looking at short term fluctuations. He reviewed the current target which represents a conservative return approach. The portfolio was recently adjusted to achieve a stronger risk adjusted return and be better positioned to take advantage of current market opportunities given recent discussions around impact investing and the potential for resulting manager changes, NEPC profiled two options for consideration should this occur. Mix A which looks to achieve a dual goal of maintaining the current risk and return profile, as well as including an allocation to impact strategies through a global equity allocation. In order to achieve the desired characteristics, both US and Non US equity have been reduced in favor of Global equity, which has the ability to allocate across both regions. Mix B represents a slightly more aggressive mix, however, also incorporates the impact investing theme through the global equity allocation. Further this mix increases equity overall, adjusts fixed income towards higher quality core bonds and lastly reduces GAA.

The resulting portfolio has a slightly higher return target to current, along with a higher standard deviation.

Mr. Grzejka reviewed the two manager for consideration, Wellington and Impax. As noted above, Wellington is no longer recommended as two founding partners have recently left the firm. Impax was founded in response to the many global issues and trends affecting the world approximately 30 years ago. They use both top down and bottom up research. From the top down they will use screens (and themes) to make sure each company fits various criteria.

The Committee went on to discuss each of the options and agreed with the proposed Mix A, and to bring in Impax Management. The Committee will interview the manager at the next meeting and bring their recommendation to the Board of Trustees for a vote.

Ms. Arana-Ortiz asked for new business for which there was none. She asked for Public Comment. David Vieira of the City-Wide Friends Group noted that the address of the plowing contract was a PO Box and that vendors should use a full address.

With no further business, the meeting was adjourned at 9:09 a.m.

Respectfully submitted,

Pamela R. Carver