

Brooks Memorial Library

Finance Committee

Tues Feb 2, 2021 4:45 PM - 5:45 PM (EST)

In accordance with public health guidelines, this meeting will be held virtually

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AGENDA

- 1) Call to Order
- 2) Agenda/Changes or additions
- 3) Approval of Minutes of January 11, 2021
- 4) Public Comment
- 5) Old Business
 - Performance Benchmarks for investment of endowment fund
- 6) New Business
- 7) Set next meeting
- 8) Adjourn

Excerpts from Trustees' Endowment Policy:

I. INVESTMENT PHILOSOPHY FOR THE TRUSTEES' PERMANENT FUND

The Board of the Brooks Memorial Library has a fiduciary responsibility to realize the best return possible, while exercising ordinary prudence, when investing the funds placed in its keeping for the benefit of the present and future users of the Library.

The Library's investment activity has, by its very nature, a long-term horizon. Historically, the stock market has returned more than CDs or other fixed income investments. Consequently, the Library's Institutional Funds (including the Permanent Fund and the Endowment Funds) should be invested with an objective of total return, employing both value and growth stocks, domestic and international, large and small capitalization, fixed income securities and cash. Equity exposure should be in the range of 25% - 75%. This portfolio can accept a moderate level of risk while maintaining a value-oriented approach, but not at the exclusion of growth. It is the customary practice of the Board to withdraw 4% of the Permanent Fund into cash per annum for use in the library budget. The Endowment Funds, also, customarily provide annual income for the uses specified by their donors.

Management and expenditure of the Institutional Funds should take into consideration the long-term viability of the funds for the sustainable future of the Library. Consistent with the Library's community-oriented mission, the Board may consider support of local entities and other environmental, social, or governance factors in making investment decisions, as long as these choices do not measurably increase investment costs, reduce returns, or introduce risk to the portfolio in excess of that necessary to meet the Board's growth and spending objectives.

In making decisions about these expenditures, the Board is bound by Vermont law Title 14, Chapter 120, the Uniform Prudent Management of Institutional Funds Act.

II. INVESTMENT POLICY STATEMENT FOR PROGRAM-RELATED FUNDS

The Library's Program-Related Funds (including the Trustees' Project Fund and the Small Gifts Fund) are to be invested for the short term and should avoid investments that could lose value. The Board prefers very safe instruments for these funds (generally some form of bond or CD).

III. INVESTMENT REVIEW, BUDGETING AND ACCOUNTING OF INSTITUTIONAL FUNDS

The Trustees will:

- Retain an independent Investment Advisor to invest the Trustees' Permanent Fund.
- Review the performance of the Investment Advisor on a yearly basis.
- Consider soliciting proposals from other Investment Advisors for the purpose of comparison at least once every five years.
- Provide a yearly accounting of income from the Institutional Funds and Program Funds to the Board of Selectmen, the Town Finance Committee and the Townspeople.
- Review investment strategy developed by the Asset Development Committee for the Board's approval.