

Keene Public Library Special Finance Committee Meeting Minutes

January 15, 2019

Present: Judy Putnam, Sally Miller, Ken Jue, Tammy Parrott (staff), Allen Mendelson (our Edward Jones Fund Manager)

1. Discussion of potential investment of recent funds received via the Jane Green bequest to the Library
 - a. Recent market volatility
 - b. Explore investment options
 - c. Bequest allocation:
 - i. Restricted for growth: \$132,975.46
 - ii. Unrestricted for current renovation project use if needed: \$326,394.00
(any portion not needed can also be invested)
 - d. Investment Options
 - i. American Funds:
 1. 1-time 2.5% fee
 2. U.S. and Overseas income-oriented funds
 - a. Capital-Income Builder and Income Fund of America
 - i. We already invest in these funds: lost 10-12% in past year
 - ii. Capital-Income Builder: 6.73% gain in 10 years;
3.41% annual pay out
 - Income Fund of America: 8.85 gain in 10 years;
3.28% annual pay out
 - ii. JP Morgan
 1. Lower mix of stocks
 2. 3.5% fee = \$4655 (of \$133,000)
 - a. 2% upfront = \$3325
 - b. 1% later = \$1330
 3. If invest \$250,000 into the fund over 13 month period, then there will be no fee at all
2. Allen provided an overview of the national recovery: we are in the 10th year of recovery , but recent issues of tariffs, trade war and the government shutdown have led to slowing of corporate earnings and continuation of underperforming the international sector; there have been 9 federal interest rate increases

3. Current KPL portfolio: 63% equity and 37% bonds, which is very closer to our stated investment parameters
4. Piano
 - a. A baby grand piano was offered to the library by the Ash Hill Center for the Arts, which has closed operations. Judy had the piano's condition evaluated by a professional. It was assessed to be in good condition with decent tone, although it may not be the most appropriate piano for formal performances. Nevertheless, the staff would find the piano very useful, as the library's previous piano is no longer serviceable. Since the committee was unanimously in favor of accepting this gift, Judy will find out more about the cost of the piano's maintenance and get back to the person who offered us the piano.

Submitted by,

Kenneth Que

1/25/19