

Madison County Library  
Board of Directors Meeting  
Minutes (draft)  
September 18, 2024

**Attending:** Charles Carter, Katy Cashman, Joe Goodall (arrived at 8 PM), Diane Heckel, Gary Jones, Ruth Miles, Jill Quinley, Kate Rakowski, Cindy Taylor and Bonnie Utz

**Unable to Attend:** Jim Jewett

**Opening:**

Diane called the meeting to order at 7:02 PM.

Katy moved for the approval of the July 24, 2024 draft minutes. Ruth seconded her motion, and the board approved the minutes as presented.

**Library Director's Report**

**Library Statistics 7/1/24 thru 9/18/24**

Circulation totals: **9550**

Overdrive e-book usage: **1761**

Patrons Added: **43 Adult 17 Child**

Updated Patrons: **157**

WiFi usage: **1308 sessions**

Titles added: **424**

**Update**

All is quiet on the library front. After the usual quiet time after the summer reading programs, we have started up with our story time again. As always, we have had small turnouts to start.

We started reading to the Madison Learning Center the first of September. We had a bigger group there that included the Madison Senior Center. All enjoyed the show.

I have been asked to read Halloween stories to the Senior Center in October. It should be lots of fun.

We start reading to the 35-40 students in the Head start program at the Primary School in October. That will continue on every first Thursday of the month.

Diane and I will be staffing a "Sign up for your Library Card" table at the September 29 Book Festival at Revalation.

Please remind everyone that the library has free Covid tests to hand out. If they call ahead, we can have bags ready for them with their names on them.

Bonnie shared two matters for the board's consideration.

First, the rugs and chairs in the front room need to be cleaned. She has used ServicePro before.

They could start on a Saturday afternoon at 2 PM and everything should be dry by Monday morning. The cost for the cleaning would be approximately \$2,000.

Second, install a new water fountain. This style of water fountain would both fill water bottles and have a filter that removes the chlorine. It would cost \$1,400 to install and approximately \$81/year for replacement filters. It would be approximately the same size as the current one so the tight space would not be a problem.

**Treasurer's Report:** Gary reported the July 1, 2024 to September 10, 2024 account summary. The library received \$60,323.21 in income for the period. Expenses for the period were \$48,190.25. Aid from the Virginia State Library was \$19,249.25 with \$10,030.24 already expended. Friends of the Library's income is \$802.80. Donations total \$3,432.00. No funds have been received from the annual fund-raising letter since it has not gone out yet. Gary noted that Madison County's check has kept the library in the black. He said the period July through September is always the tightest time for the library. Charles moved for the inclusion of a more detailed income report in future reports. Ruth seconded, and the board approved the motion.

**Committee Reports:**

Jill reported that the **Friends of the Library** are planning their annual yard sale for October 5 with October 12 serving as a rain date. Jill stated that FOL is asking for tables for the sale and pickup trucks that could be loaded on Friday evening and unloaded at the sale site early on Saturday October 5.

She said that FOL would like to update the bathroom with new flooring and furniture, which would possibly include a changing table. They would also like to paint the room and would keep it ADA compliant.

Charles moved that we approve the FOL's plans for the bathroom. Gary seconded the motion and board approved.

Reporting for the **Grounds and Maintenance Committee** Charles stated that he had installed four solar lights along the sidewalk on the side of the library building. He shared that Heidi Sage had someone who will trim the trees in front of the library in late fall or early winter. He said that the trimming would improve the tree's health and would be given to the library at no charge. He said that he plans to install eight solar lights along the front walk once the tree trimming is completed.

Charles moved that the board authorize Bonnie to go ahead with the plan to clean the carpet and chairs in the library's front room. Gary seconded the motion and the board approved it.

Bonnie said she would like to get quotes from the plumber before we vote on the water fountain.

Katy noted that the north side of the building needs power washing to remove mold and mildew. Charles said he would check into getting it done and will proceed if the cost is less than \$1,000. Kate moved that Charles proceed with the power washing. Katy seconded the motion and the board approved it.

Jill reporting for the **Fundraising Committee** stated that this year's appeal letter has printed and will be mailed the last week in September.

Ruth presented the **5 Year Plan Committee's** suggested format for the 5-Year Plan for next year. The revision reduced the number of goals from 8 to 3. It did a lot of consolidating of Objectives/Action Items. It added a column for the evaluation of each Action Item. Ruth asked the board to study the proposal looking for ways to further improve it. Diane suggested that Bonnie check with the Virginia State Library to make sure the revision will be acceptable to them.

Katy reporting for the **Endowment Committee** presented an Endowment Policies document for the board's consideration. Joe moved that the board adopt the Endowment Policies document as presented. Jill seconded the motion and the board approved it. The approved document is printed below.

**Madison County Library, Inc.**  
**Endowment Policies**  
**September 18, 2024**

**Purpose**

The Board of Directors of the Madison County Library, Inc. (hereinafter referred to as "Library") recognizes the importance of establishing policies for the creation and management of endowed gifts to the Madison County Library Endowment (the Endowment) to ensure fiscal integrity, accountability, transparency, and to support donor investment in the Library's long-term mission and vision.

**Role of Endowment.** The Library Endowment holds funds committed to the Library's mission and vision to ensure its ability to make continuing and long-term investments in its community mission. The Endowment represents permanent operating reserves created through engaging its donors funding long-term solutions to the Library's greatest needs. The Endowment allows the Library to execute key strategies, sustain services through economic downturns that may increase need and limit resources, and act quickly when opportunities to meet critical needs arise. The Library encourages individual donors, corporate donors, and foundation donors to contribute to the Endowment to benefit and further the mission of the Library.

**Role of Policies.** These endowment policies are designed to define the standards for acquisition, administration, and management of endowed gifts. These policies anticipate the most common issues encountered in developing and managing endowed gifts. In the event these policies do not anticipate a specific gift issue, the Endowment Fund Advisory Committee shall determine the recommended course of action.

## **Endowment Definitions**

**Endowment Funds.** Endowed funds are those funds committed to the long-term or perpetual use of the Library where the principal is invested and the earnings from the gift are used to fund areas of interest directed by the donor and approved by the Board of Directors in the case of restricted endowments, or for the purposes designated by the Board of Directors in the case of unrestricted endowments. The endowment pool may hold two types of endowed funds: true endowment and quasi-endowment.

**True Endowment.** True endowment is any gift where the donor, in writing, directs the principal of the gift to be invested and the earnings to be used for the Library's restricted or unrestricted purposes. This written instruction on use of principal may be in the form of a letter, other written instruction accompanying the gift, written instruction on a pledge card, endowment agreement, bequest under will, testamentary gift under a revocable or living trust agreement, or similar written direction.

**Quasi Endowment.** A quasi endowment is a gift contributed to the Library without endowment restriction which is subsequently allocated to the Endowment at the direction of the Board. Funds allocated to the Endowment by the Board can be withdrawn or recharacterized by the Board at a later date or otherwise expended in accordance with these policies.

As of the date of these policies, the Library's endowed funds consist solely of a quasi-endowment.

**Uniform Prudent Management of Institutional Funds Act.** Charitable endowments for Virginia nonprofits are governed by the Virginia Uniform Prudent Management of Institutional Funds Act (Section 64.2-1100 et seq, Code of Virginia, 1950 As Amended). Under this statute, "endowment fund" is defined as "an institutional fund or part thereof that, under the terms of a gift instrument is not wholly expendable by the institution on a current basis." The term does not include assets that the Library designates as an endowment fund for its own use.

## **Endowment Fund Advisory Committee**

The Board of Directors of the Library appoints members to the Endowment Fund Advisory Committee. The responsibilities and duties of this committee are detailed in the Bylaws of the Madison County Library, Inc.

## **Funding the Quasi-Endowment**

The Library's Quasi-Endowment may be funded in several ways:

The Library may allocate amounts as determined by Board policy of undesignated deferred gifts such as bequests or similar gifts triggered by the death of the donor;

The Library may allocate amounts from existing available funds as determined and approved by the Board;  
The Library may allocate amounts as determined by Board policy of any large gifts received by the Library; or  
Donors may choose to allocate gifts to the quasi-endowment.

### **Spending Policy**

The Board of Directors has established a base amount (referred to as the corpus) of the Endowment of \$750,000. The Spending Policy is designed to protect the Endowment's portion of the annual budget from the vagaries of year-to-year fluctuations in market returns, changes in investment yields from year to year that result from changes in interest rates, dividend levels, and pay-out rates and provide for a gradual increase in spendable earnings from year to year.

Each year the budget preparation process will recommend a spending amount expressed as a percentage of the average market value of the Endowment as of December 31 of the previous three years. The average market value for the prior three years will be multiplied by a withdrawal percentage of up to 6%. No withdrawals shall be allowed until the average market value for the last three years exceeds \$750,000. Also, no withdrawals shall reduce the Endowment value below \$750,000.

Any undistributed spending amount from one year shall be added to the corpus of the fund at the conclusion of each year. Approved distributions from the fund may be made on any cycle deemed appropriate to achieve the purpose of the funds and reduce administrative costs and oversight.

Annual distributions from the Endowment Fund shall not exceed the annual spending amount approved by the Board. In the event of special circumstances such as funding an extreme unanticipated funding shortfall, borrowing for acquisition of a significant asset, funding an uninsured loss, or such other extreme situations that could not be anticipated, distributions up to 25% of the Endowment Fund following a two-thirds vote of the Board of Directors. A distribution in the event of special circumstances shall be introduced at a regularly scheduled meeting and voted on at the next regularly scheduled meeting.

The Endowment shall not be spent down as part of a regular annual budget-balancing distribution from the fund.

### **Changes to These Policies**

The Endowment Fund Advisory Committee shall make an annual review of these Endowment policies on a schedule set by the Committee and make any recommendations for change to the Board of Directors no later than March 31 of each year. Any changes recommended by the Committee shall be presented to the Board of Directors at its next regularly scheduled meeting, considered, and approved as appropriate.

Bonnie, reporting for the **Expansion Committee** shared that Dave Pucket is willing to come and answer the board's questions. Diane said she thought that we should wait until we have 12 board members.

### **Old Business**

Diane asked had the raffle for the quilt started. Bonnie said that she had not heard back from the person who had proposed the donation of the quilt. The board expressed willingness to conduct the raffle if the quilt were still available. Bonnie said she would check with the person who had approached her.

Diane noted that the board will need to elect new board members in November to begin serving in January 2025.

Ruth suggested that Mary Anne Hankla and Pamela Schaefer be considered for board membership. Ruth said that she would ask if they will serve and if they agree to serve will present some biographical information about each candidate at our November meeting.

Diane asked each board member to do the same with someone they think might make a good board member.

**Our next meeting will be Wednesday November 20, 2024 at 7 PM.**

Jill moved and Ruth seconded for adjournment.

The meeting adjourned at 8:32 PM.