Finance Committee Meeting  
Thursday, January 13, 2022  
Via zoom, 4:00 p.m.

Present: Trustees Atherton, Becker, Berlind; Committee Member Robert Kirkpatrick; Library Director Burkey; Assistant Director of Administrative Services Doyle; Director of Finance Harlow; Essex Financial Services advisors Bob Marcinek and Mike LaRiviere

Missing: Trustee Duggan

1. **Call to Order:** Chair Becker called the meeting to order at 4:00 p.m.

2. **Public Session/Comment:** There were no comments from members of the public.

3. **Approval of Minutes:** It was moved (Committee Member Kirkpatrick) and seconded (Trustee Atherton) to accept the minutes of the December 9, 2021 Finance Committee meeting. The motion passed unanimously.

4. **Essex Financial Services:** Mike LaRiviere and Bob Marcinek gave an overview of recent and possible future headwinds and tailwinds in the economy affecting the stock and bond markets. 2021 was a calm year, but 2022 may be volatile; inflation may cause the Federal Reserve Board to raise interest rates; labor shortages and disruptions in the supply chain are a problem; the Russia-Ukraine situation is roiling the geopolitical sphere. But on the positive side, tech and health care stocks are likely to be strong; consumers have cash and spending is up; the job market is good and wages are rising; corporate earnings should stay up. Basic advice from EFS is to reduce growth holdings and increase value holdings by making a 2%-4% investment in a fund such as Parnassus which has no holdings in energy or building materials and is considered an ESG fund. It was moved (Trustee Berlind) and seconded (Trustee Atherton) to move from growth to value by investing in Parnassus, moving approximately $60,000 from T. Rowe Price. The motion passed with Trustees Atherton, Becker, and Berlind in favor, and Committee Member Kirkpatrick opposed. It was agreed that ESF would keep a sharp eye on the performance of the new fund.

5. **Old business:**
   a. **Grants Update:** Library Director Burkey reported that the first installment of the Judicial Branch grant for violence prevention activities has been received and will be used for tabletop gaming materials to provide safe spaces for young people to engage in the library. Quentin Phipps, our representative who helped secure this grant, is an avid gamer and hopes to be involved. Assistant Director of Administrative Services Doyle reported that the library secured 50 mobile hotspots for which the federal Emergency Connectivity Fund will fund broadband internet service through June 30, 2022. Six months of service is valued at just under $10,000 in total, and the hotspots will be distributed to students in Middletown who otherwise lack internet access at home. As for the FY 23 budget, the city has directed that library administrators prepare a flat budget for all items other than contractual salaries.

   b. **FY 23 Budget:** Library Director Burkey explained some changes in the budget. Subscriptions have been cut somewhat, while expenses for books and AV material have been raised to keep Russell Library close to the state per capita library spending on such items. Budgeting for repairs is up as our buildings continue to age. The City has asked for possible “wish list” items; Director Burkey will
submit a capital request. The budget is due at City Hall on February 18; the Board will be asked to approve it at the February 15 meeting.

6. Adjournment: It was moved (Committee Member Kirkpatrick) and seconded (Trustee Atherton) to adjourn the meeting at 5:29 p.m. The motion passed unanimously.

The next meeting will take place on Thursday, February 10, at 4:00 p.m.

Respectfully Submitted,

Wendy Berlind
Wendy Berlind, Secretary