

MONDAY, FEBRUARY 23, 2004
**THE WAGNALLS MEMORIAL FOUNDATION
BOARD OF DIRECTOR'S MEETING**

The Board of Directors held a regular meeting on Monday, February 23, 2004, with the following board members present: Mr. Wisner, Mr. Wynkoop, Dr. Phillips, Dr. Jepsen, Dr. Haynes, Mrs. Fisher, and Mrs. Coffman. Other attendees were Ken Ellinger, Interim Director, and Sandra Hall, Assistant Director.

Mr. Wisner opened the meeting by introducing the guests to do presentations. Representing the Library were Erma Storts, Library Director, Sandi Plinke, Clerk/Treasurer, and Larry Corbus, Library Consultant. Representing the SmithBarney Consulting Group were Joel Altschule and Connie Cordrey, Financial Consultants. Also attending was Carl Spencer.

LIBRARY REPORT:

Larry Corbus discussed various issues regarding the LLGSF and the Fairfield County District Library tax levy, including what could happen if the levy passes, or if the LLGSF is revoked. He reported on the PERS issue by saying that Sandra Hall had sent the requested information to PERS and that they now had all the information needed to make a determination on whether the Library and/or Foundation employees are eligible. Sandi Plinke explained about the transition from Social Security to PERS and options regarding the additional costs involved. Mr. Corbus stated that the employees would have a better retirement plan. He felt the ruling would be favorable for the Foundation, which could help in the LLGSF appeal.

Discussion returned to the Fairfield County District Library tax levy. Dr. Phillips reported that the Library Advisory Board had asked Mr. Corbus to do a letter to clarify that Wagnalls would not receive funds from the tax levy. General discussion ensued regarding the levy, including what could happen if the levy passes or fails, and what the Foundation can do to inform voters that the levy won't benefit Wagnalls. Mr. Wisner recommended forming a PAC.

Mr. Wisner then opened the floor to the list of questions that the Clerk/Treasurer had submitted to the Board. Sandi Plinke, Larry Corbus, and Sandra Hall began discussing what expenses the Library should pay directly, what the Foundation should pay as overhead on behalf of the Library, and what the Foundation should pay directly. After some time, Mr. Wisner suggested that the three of them should set up another meeting to further discuss this issue. He thanked the Library representatives for being present and asked for a motion to go into Executive Session. Mr. Wynkoop motioned and Dr. Haynes seconded. The motion passed and Mrs. Storts, Ms. Plinke, Mr. Corbus, and Mr. Spencer were excused.

CONSULTING GROUP REPORT:

Mr. Wisner then opened the floor to the presentation from the Consulting Group. Joel Altschule and Connie Cordrey reported on the need to make a change to the investment portfolio by adding another asset class to diversify the portfolio and minimize risk. They would like to reallocate the money to add a Large Cap Growth Fund, which could mean less risk and a better return. Ms. Cordrey also reported that a change needed made to the manager of the Small Cap Growth Fund due to the funds having dropped below the minimum amount that the current manager, Westfield Capital, would allow. After a presentation on several different managers, Dr. Jepsen motioned and Dr. Haynes seconded to engage Kayne Anderson as the manager of the Small Cap Growth Fund and TCW for the Large Cap Growth Fund, which were the managers recommended by Mr. Altschule and Ms.

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Cordrey during their presentation. Ms. Cordrey stated that she would leave the paperwork to be signed.

Mr. Wisner then asked about fixed income and Mr. Altschule responded by saying that the Foundation has time to plan but now is not the right time for fixed income. Mr. Wisner asked for predictions on return for this year and both Mr. Altschule and Ms. Cordrey gave conservative figures. Mr. Wisner then thanked Mr. Altschule and Ms. Cordrey for being present and called for a five-minute break while they were being excused.

MINUTES AND FINANCIAL STATEMENTS:

The minutes for the January 19 meeting were approved as read. The minutes for the January 26 meeting were corrected by adding that Pastor Ben Foulk gave the devotion and Pledge of Allegiance. The January financial statements were reviewed. A motion was made by Mr. Wynkoop to approve the minutes and financial statements, seconded by Mrs. Coffman. The motion passed.

INTERIM DIRECTOR'S REPORT:

Mr. Ellinger reported on the purchase of a Smoker Oasis to use during events where there may be smokers outside, the replacement of two toilets in the Library, the need to replace handicapped toilets in the Community Building, and the possible acquisition of pop and food machines. Dr. Phillips offered to give Mr. Ellinger information on the company that his office uses for their vending machine and also to show him how they adapted a regular toilet into a handicapped one.

Mr. Ellinger proposed a 3% raise to Maintenance employees. After some discussion concerning the last raise date and the cost involved, Mrs. Fisher moved and Mrs. Coffman seconded to increase the pay of the Maintenance employees by 3%. Motion passed.

Mr. Ellinger proposed the hiring of a part-time Financial Assistant. After some discussion concerning the amount of time being spent to gather the information for the Attorney General, Dr. Jepsen moved and Dr. Phillips seconded to hire a part-time Financial Assistant. Motion passed. Dr. Phillips suggested that a tracking of expenses related to the Attorney General investigation be kept.

SEARCH COMMITTEE REPORT:

Dr. Jepsen reported that of the 115 applicants for the Executive Director position, the Committee would be interviewing 13. There was general discussion concerning the necessity to hire a Director before the end of the year, if the applicant had to have a Bachelor's Degree completed, salary requirements, and benefit package.

INDIVIDUAL ITEMS:

The Board discussed the Mabel Wagnalls Jones Scholarship program and decided to assess the funding in June before making a decision whether to fund the 2004/2005 Scholarship program. It was suggested that the Board should have any revisions to the guidelines by then so that the brochure could be updated.

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Mr. Wisner suggested selling the Rockwell paintings and putting the money into fixed income. Dr. Phillips suggested retiring debt with the money. There was general discussion concerning the other artwork that isn't currently being displayed, such as the Dildine Chinese collection and the Dunsmore paintings. Mr. Ellinger reported on Mr. Robert Warren's offer to evaluate artwork and make suggestions for renovation.

The Board discussed the need to display the rest of the Bell Collection and a sign to inform patrons about the donor of the collection. Sandra Hall reported that Erma Storts was framing the newspaper article that the Library had on the donor to be hung beside the display case in the Museum.

Mr. Ellinger briefly commented on the 5K Run about the liability issue and the projected fundraising goal.

The Board discussed the selection of new Directors of the Board and a list of potential candidates was prepared.

Mr. Wisner then moved onto the issue of the election of officers. Dr. Haynes made a motion to appoint Mr. Wynkoop as Chairman. Dr. Phillips seconded. Mrs. Fisher made a motion to appoint Dr. Haynes as Vice-Chairman. Dr. Jepsen seconded. Dr. Jepsen made a motion to appoint Mrs. Coffman as Secretary/Treasurer. Mrs. Fisher seconded. All motions passed. Mr. Wisner recommended having next year's election in January.

Mr. Wisner asked for a motion to have quarterly open meetings. No one moved so the motion failed. The Board decided not to have an open meeting in March.

Mr. Wisner then moved onto the last issue on the agenda concerning the Travelogue program. Dr. Phillips stated that he would like to see the program continue. There was general discussion on how this could be accomplished.

Dr. Phillips reminded the Board that they would need to replace his seat on the Library Advisory Board due to his term on the Foundation Board ending March 31, 2004. Mrs. Fisher could be reelected as the Library Advisory Board representative from the Foundation Board.

With no further business to come before the Board, Dr. Haynes made a motion to adjourn the meeting. The motion passed.

Sandra K. Hall
Recording Secretary

Edwin A. Wisner, Chairman

David L. Wynkoop, Secretary/Treasurer