

**THE WAGNALLS MEMORIAL FOUNDATION
BOARD OF DIRECTOR'S REGULAR MEETING
MONDAY, JANUARY 28, 2008**

The Board of Directors held a regular meeting on Monday, January 28, 2008 at 7:00 p.m. with the following board members present: Mr. David L. Wynkoop, Mr. George M. Sheehan, Mr. John H. Rogers, Ms. Deblin Jennings, Mr. Stuart Payne, Mr. Jared McGill and Ms. Theresa M. Krooner. Mr. Carl C. Heister was absent. Ms. M. Ellen Gruber, Executive Director, and Mrs. Sandra K. Hall, Office Manager, were also present. Mr. Craig Howell, CPA of Howell & Associates, attended as a guest.

Chairman Wynkoop called the meeting to order at 7:00 p.m. while silent attendance was taken by Mrs. Hall.

Chairman Wynkoop then welcomed Mr. Craig Howell to the meeting. Mr. Howell distributed a report on the status of the 2005/2006 audits. After a brief presentation, Mr. Howell answered some questions from the Board and then he was excused from the meeting.

MINUTES AND FINANCIAL REPORTS:

The Board reviewed the minutes for the December 17 regular meeting. Mr. Payne requested that the minutes be amended to add "Mr. Payne expressed concerns about how aggressive the portfolio is". Mrs. Hall added that sentence at the end of the fourth paragraph on Page one. Mr. Sheehan motioned, seconded by Mr. McGill, to accept the minutes as amended. The motion passed.

The Board then reviewed the Last Will and Testament of Mabel Wagnalls Jones.

The Board then reviewed the Investment/Cash Summaries as of 01/24/08. Mr. Sheehan reported that the Foundation's Investment Manager, Kevin Kale, had attended the Executive Committee meeting, per the request of the Board last month. The Board reviewed some reports from Manning & Napier that Mr. Kale had provided. There was discussion regarding the current investment allocation and investment objectives. Mr. Sheehan then presented a Portfolio Analysis as of 01/28/08 and a projection of how much would need to be allocated along with the Mortgage Fund in order to have the \$700,000 to re-pay the Stebelton Loan when it is due in June 2010. Chairman Wynkoop polled the Board individually to get each member's thoughts on changing the investment allocation. The consensus of the Board was that the investments needed to be re-allocated. With that, Mr. Sheehan motioned, seconded by Mr. Payne, to instruct the Investment Advisors to move the portfolio from Long-term Growth to Growth with Reduced Volatility, which caps the stock percentage to 60%, and that \$500,000 be withdrawn over the next three months, at the discretion of the Investment Advisors, to be invested in guaranteed CDs and other no risk financial instruments. After some discussion, the motion was amended to read: Mr. Sheehan motioned, seconded by Mr. Stuart, to instruct the Investment Advisors to move the portfolio from Long-term Growth to Growth with Reduced Volatility, which caps the stock percentage to 60%, and that \$500,000 be withdrawn in an orderly fashion at the discretion of the Investment Advisors, to be invested in CDs and other guaranteed no risk financial instruments. The motion passed as amended. The Board decided to review this re-allocation in the next 30 days.

Ms. Gruber presented the 2007 Contributions Final Report and an Annual Summary of Contributions for the last eight years. She also presented the Contributions to Date and Mortgage Retirement Campaign to Date reports as of 01/28/08. Mr. Rogers motioned, seconded by Ms. Jennings, to accept the Contributions. The motion passed.

The Board then reviewed the December Budget Report and Check Register. After Mrs. Hall clarified that the Interest Expense had been paid in December but accrued to January, Mr. Sheehan motioned, seconded by Mr. Rogers, to approve the Financial Reports. The motion passed.

LIBRARY:

Ms. Gruber then presented a 2007 Library Shared Building Expense report, reports of Debt Owed, Statement of Account, Library Recent Activity and Balances in Accounts, and the proposed 2008 Library Budget. Mr. Sheehan reported on the meeting with Ed Laramee, Commissioner, regarding the assumptions that the proposed budget was based on. The Board then reviewed a recommendation from Erma Storts, Library Director, to cut 17 hours from the weekly staff schedule yet still remain open to serve the public. Ms. Jennings then motioned, seconded by Mr. Rogers, to accept the Library Director's recommendation. The motion passed.

The Board then reviewed proposed guidelines from the Library Advisory Group. Mr. Sheehan motioned, seconded by Mr. Payne, to accept the proposed Library Advisory Group's guidelines. The motion passed.

The Board then reviewed two applications of proposed members that the Library Advisory Group was recommending for appointment. Ms. Jennings motioned, seconded by Mr. Sheehan, to accept the recommendation of the Library Advisory Group to appoint Linda Fiely and Patricia Smith to the Library Advisory Group. The motion passed.

THEATRE:

The Board then reviewed a tentative show report for "It's a Wonderful Life", and a Theatre Balance Sheet and Income Statement for 2007. Ms. Gruber reported that the next production would be "The Lion, the Witch, and the Wardrobe" running from May 9 to May 26.

OLD BUSINESS:

Mr. McGill presented three proposals from local engineering firms to develop documents with specifications for the replacement of the chiller units and control system for the heating and cooling system. He recommended Dynamix Engineering and presented reasons for his selection. After his presentation, Mr. Rogers motioned, seconded by Mr. Sheehan, to accept Mr. McGill's recommendation to contract with Dynamix Engineering to provide the heating and cooling specifications. The motion passed. The Board applauded Mr. McGill for all his hard work in obtaining the bids for the heating and cooling specifications.

Ms. Gruber presented the 2007 Room Bookings report that showed the number of paid and free events and the monies received for the year.

NEW BUSINESS:

Ms. Gruber presented information on the Talent Show to be held the first week of February and the Cabaret to be held on Saturday, March 8, at 8:00 p.m. She also presented the Real Estate Tax Bill for the McGill Building since the building is now being used for commercial purposes. Ms. Gruber then distributed a request from the Lithopolis Honeyfest Committee to use the Wagnalls grounds with access to the museum, dining hall, meeting room, outside electric and use of the parking areas, again this year on Saturday, September 6, 2008 from 10-6.

With that, the meeting was adjourned at 9:05 p.m.

Sandra K. Hall, Recording Secretary

David L. Wynkoop, Chairman

Carl C. Heister, Secretary/Treasurer