Shen Li led a discussion on the ALA portfolio highlighting the following:

Total value as of 9-

As a result, the meeting was adjourned.

Date: 11/3/2023

Time: 9:00 AM

Facilitator: Janice Welburn

IN ATTENDANCE

Trustees - Janice Welburn, Senior Endowment Trustee, Jim Neal, Rhea Lawson, Shali Zhang, Bret Bonf eld (Virtual), Maggie Farrell, and Peter Hepburn, ALA Treasurer.

Staf - Melissa Walling, Director of Member Relations and services, Dina Tsourdinis, CFO, Alan Inouye, Interim Associate Executive Director (Virtual), Public Policy and Advocacy; Kevin Maher, Deputy Director of Government Relations; Denise Moritz, Director of Financial Reporting and Compliance, Keith Brown, Senior Financial Analyst, Holly Robison, Governance Associate and Rosalind Bradley, Director of Administration.

AGENDA REVIEW

Senior Trustee Janice Welburn welcomed the Trustees to the second day of the 2023 fall meeting. Roll call for the attendees was taken. The agenda was reviewed and ref ected the suggested changes from yesterday, including the addition of the ten-year f nancial review and the status of division transfers for FY24. The following action was taken:

Motion: Moved by Shali Zhang and seconded by Jim Neal

To approve the agenda as modified from yesterday's discussion with the addition of two financial items

Motion passed

WASHINGTON OFFICE UPDATE

Alan Inouye, with the help of Kevin Maher, led a discussion of the current environment for ALA vis a vis political issues and trends, changes in House leadership, book banning and other social issues, and staf leadership departures. Among other items highlighted included the following:

Committee on Legislation developing an agenda for 2024
The expired IMLS chair position has been extended but will expire in 2024
The IMLS chair position will likely be a museum person
Working with the American Alliance for Museums on possible candidates

There is a national initiative against banned books

There have been some fundraising ef orts related to the issue of banned books ALA is providing resource toolkits, talking points, and social media/print support for community organizers

The Freedom to Read Foundation has been advocating for more f nancial support on the issue of banned books

STATE OF THE ASSOCIATION (ET #12.0)

Melissa Walling updated the Trustees on activities from around the Association, including an update on the Pivot Plan as a strategic working document driving the Association's activities, i.e., revenue generation and membership growth. The Pivot strategy focuses on the growth of the membership community, to drive revenue and support ALA's mission. She encouraged the Trustees to look deeper at the report for success stories. She did highlight some of the following:

Two very successful conferences – AASL in Tampa, FL, and the CORE Forum in New Orleans, LA were just concluded.

The RDA Toolkit remains the Association's most robust non-US market revenue-generating product and will be expanded into Spanish-speaking language later this year Over \$7.0 million in commitments through Freewill

On track for a "Public Membership" in FY24 to support the mission

A new product through Booklist called Booklist Reader, a public-facing print publication Building strong operations

ALA website project

Utilizing more ALA Analytics

Looking at an E-Commerce Platform for Dues, Donations, etc.

Developing an SAP Concur Invoice (Expense) platform

Better Utilization of Analytics on Membership Patterns

DEVELOPMENT OFFICE UPDATE (ET #12.0)

Melissa Walling and Alan Inouye provided an update to the Trustees. Alan began the discussion by describing some recent developments in Washington. These included the following:

A newrole for Alan Inouye

A new department of Institutional Advancement Programs and Partnerships.

An update on ALA's 150th anniversary celebration campaign.

Contact with ALA's current funders and prospects, including the Library Champions.

Continued recognition of the importance of building up the Annual fund.

PHILANTHROPIC ADVISORY GROUP (PAG) UPDATE

2018² These items were called out and removed as it was felt that they were non-recurring items and should not be considered a part of operations.

The discussion continued with an emphasis on the fact that all of ALA's primary revenue categories are down signif cantly due to the Pandemic. Concern has been expressed (Trustees, members, and vendors) was expressed about the future of ALA's conferences, the f nancial health of libraries, and their continued ability to purchase ALA publications and attend conferences, as well as, memberships.

Dina Tsourdinis reported to the Trustees that management has already begun trying to address the concerns highlighted by the presentation. These include the following:

Generally becoming more efficient in our operations, but specifically financially.

We have started the ef ort of centralizing activities and vendors.

Reduced the number of printing vendors from 12 to 3

Closely reviewing the Association's health beneft program and realized savings of \$260,00 while enhancing employee benefts.

General liability insurance

Centralizing credit card processing

Centralizing all contracts

Open positions contributed to the FY23 surplus and are currently being delayed

- Ø The full cost will be incurred as positions are filled and will erode any future surplus
- Ø The work of some high-level positions is currently being done by consultants, which may mitigate any erosion as they roll of

STATUS OF ENDOWMENT TRANSFER REQUESTS

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Endowment Trustee Committee Cost Coverage

After the above discussion, Keith Brown inquired about covering the Endowment Trustees' annual committee expenses, i.e., a year-end transfer from the Future Fund. The Trustees had some additional discussion and agreed that it made perfect sense to have the committee's expenses covered by the Future Fund and that doing so would alleviate the expense from the General Fund operating budget. Brown said that the failure was on the staf side, as in some years, the transfer occurred, and in others, it did not. Dina Tsourdinis again noted the high level of turnover, i.e., loss of historical knowledge in the accounting department. The question of such an action came up for discussion internally during the closing phase of the most recent audit. Additionally, before taking any action, it was suggested that staf ask the Trustees for their - opinion and recollection of the practice.

The Trustees reaf irmed that the committee expenses of the Endowment Trustees should be covered by a year-end transfer from the Future Fund during the final stages of the annual audit.

NEXT MEETING DATE

The Trustees agreed on a virtual February 22nd and 23rd. Additionally, to support management's desire to save on meeting expenses related to the uncertainty facing the Association, the following recommendations were advanced:

The Winter (February 2024) meeting will be virtual and not face-to-face in NYC. The Spring meeting would be face-to-face in Chicago, with the dates to be determined. The Fall meeting would be tentatively face-to-face in Chicago, with the dates to be determined.

Finally, those reviewing the Endowment Trustees "Operating Manual" were asked to forward any suggestions to Keith Brown by December 1, 2023.

ADJOURNMENT

As the final agenda item was completed, there was a call to end the meeting. After some brief discussion, the following action was taken:

Motion: Moved by Peter Hepburn and seconded by Shali Zhang

To adjourn the 11/3/23 fall meeting of the Endowment Trustees

Motion passed.

As a result, the meeting was adjourned.