



HUDSON LIBRARY  
& HISTORICAL SOCIETY

# Finance Committee

## Meeting Agenda

**Date:** February 20 , 2019

**Time:** 7:00 – 8:30 pm

**Location:** Laurel Lake Room

**Attendees:** *Called to order 7:02 pm*

Library Administration		Board		Members of The Public
x	Molly Pandelli	x	Carleen Welch	Mary Hughes- Hudson League of Women Voters
x	Leslie Polott		John Rydquist	Rob Swedenborg, Candidate
x	Georgina Cogley	x	Becky Thompson	
			Anne Suntken	
		x	Basil Musnuff	

AGENDA	
<b>Investment Fund Review</b>	<p>Discussion with Brian Bishop, Financial Consultant</p> <ul style="list-style-type: none"> <li>• Expansion of Brian’s Role</li> <li>• Portfolio Performance</li> <li>• Portfolio Diversification</li> </ul>
	<p>Committee invited Brian to the meeting regarding the investment fund. Board moved to ETFs to help save on fees and keep up with the market. Brian’s role defined so far is to review the investments and to make sure the way it is invested complies with the policy. At this point, the Board needs more advice, and we need to make sure we are diversified, we have enough cash, and the allocations need to be reviewed because the funds are not meeting the star rating per the investment policy.</p> <p>Brian explained we don’t want to consider the S&amp;P 500 as our benchmark because you will underperform. You need to consider a mix of investments - bonds, international, etc. If you have those other funds, you need to have those in your benchmark. A more diversified portfolio will mitigate swings. In rebalancing you sell high and buy low in a systematic manner. Brian recommends doing rebalancing twice a year. If we look at asset class, that is where diversification comes in. Brian gave the committee information from SEI. SEI is a custodian and hold the assets, but they can help manage accounts, provide advice, etc. Brian does not pick investments</p>

	<p>or allocations. He goes through a questionnaire to provide guidelines on how to allocate based on your risk appetite.</p> <p>Note that the Investment policy should be addressed to explain risk appetite.</p> <p>Board should set goals for the account. The committee allowed Mr. Swedenborg to comment: In the past, the board had a goal to preserve capital and the goals are not included in the current investment policy.</p> <p>Board needs to think long term – 10 to 15 years. Short term is 5 years. So consider risk, time horizon, allocation (exposure in equities etc.).</p> <p>Carleen asked Brian if the rebalancing should be done in the short term, while the committee works on the policy and Brian said that is a good approach. Brian said the committee needs to consider how the fund will be used. He suggested we could put the funds not meeting the star rating on a watch list. The short term bond fund fell to silver and is out of compliance, so the committee technically should remove it. Currently we are on a low interest rate, so we might want to consider something that has a higher yield. He suggested we diversify the bond portfolio as well. Molly will need to find out how much the revisions would cost.</p> <p>Carleen said the committee should work on the rebalancing and the revise the policy. The board needs to define its risk appetite in the policy. The Board should consider if we want to hire SEI. The board needs to find someone to help the board translate the goals to the portfolio. No one on the committee or board is comfortable picking the investments. Need to consider how this ties into the capital project. Basil suggested we have part of the fund with short term goals and part of the fund with long term goals.</p> <p>The committee will undertake this in 2019 and Basil will consider when we will discuss with the Board. Molly presented a summary of the allocations and she will update the schedule for the discussion at the March meeting. Becky will look for other policies to consider. Becky asked Molly to look at other bond funds that would fall into the policy so we will be in compliance. Molly will query if Northwest could provide advising services.</p>
<p><b>Fiscal Officer Monthly Financial Review</b></p>	<ul style="list-style-type: none"> <li>• Financial Statements, Investment Fund Review – January 2019</li> </ul>
	<p>See also packet provided from Molly. PLF up for state. Investment fund is about \$2.6 million, up over \$181,000 from December. Brewster had income for the month. Donations include Friends sponsorship for Apollos Fire. Memorials are coming in for a member of the community. Kinney’s made a donation and we will put it toward programming. Received grant for STEAM programming.</p> <p>Committee is in consensus to recommend approval of financial statements.</p>
<p><b>Other Business</b></p>	<ul style="list-style-type: none"> <li>• Other topics as necessary</li> <li>• Minutes from last meeting</li> </ul>

	<p>Committee may need to move the April meeting since Molly is at a conference.</p> <p>Minutes were approved.</p> <p>Adjourned 8:03 pm</p>
<b>NEXT MEETING – March 20, 2019</b>	