



HUDSON LIBRARY
& HISTORICAL SOCIETY

Finance Committee

Meeting Agenda

Date: May 15 , 2019

Time: 7:00 – 8:30 pm

Location: Kanter Room

Attendees: *Called to order 7:03 pm*

Library Administration		Board		Members of The Public
x	Molly Pandelli	x	Carleen Welch	Mary Hughes - Hudson League of Women Voters
x	Leslie Polott	x	Michelle Marshall	
x	Marie Turkovich		John Rydquist	
		x	Rob Swendenborg	
		x	Becky Thompson	
			Basil Musnuff	

AGENDA	
Fiscal Officer Monthly Financial Review	<ul style="list-style-type: none"> Financial Statements April, 2019 <p>See also packet from Molly. April PLF was \$761K. Total is up 2.3%, more than the state. It is higher than projections due to income taxes. Won't know outcome of PLF for the coming State of Ohio budget until end of May. Should receive homestead rollbacks soon. Market value of private fund account is \$2.7M. Brewster still has a net loss.</p> <p>Burton Morgan grant came in (two year grant). Friends gave for adult programming. Several contributions came in memory of Lew Walker.</p> <p>Committee is in consensus to recommend approval of the financials.</p>
Investment Fund Policy	<ul style="list-style-type: none"> Advisor discussion Policy Discussion

	<p>See also handouts from Michelle and Rob.</p> <p>Michelle put together a list of things to consider for the investment policy.</p> <ul style="list-style-type: none">• Investment Objective• Risk Tolerance• Asset Allocation and Diversification• Liquidity• Accountability• Socially / Ethically Responsible Investing.• Monitoring and Reporting <p>She pulled the list from the samples, on line research and textbooks.</p> <p>Rob talked to an accountant (Bob Drew). He recommended we avoid a broker because they are so expensive. Also talked to Steve Hasbrouck, former Board Member. He manages \$6B Legacy Strategic Asset Management. They have a \$10M minimum. He said not to use ETFs as they are tied to sectors and you need active management. Leslie said they need someone they can call for advice. Steve said the returns will be low and we should get an index fund on the S&P, and diversify. Steve thought the short term would be about \$1M, then \$1.7M would be considered long term, for review purposes. Rob showed the S&P returns. He said to be truly diversified to have international, and to have some weighting to small cap since the returns have been stable performers. We could also go to Schwab and perhaps get more advice. Molly said we should get some advice on how to review the fund structure.</p> <p>Rob said when he worked on the investment policy years ago, there was a sentence in the policy to say we were conservative and he feels from initial investigation the index fund is conservative. Becky asked if we could have Schwab or others we could call to have a presentation. Becky said we should have someone available each quarter (or whatever we define) so we know what is happening in the market. Committee agreed we need to determine the objective of the fund, and long term/short term. We need to look at what we need to set aside for emergencies, or what we need to know what we would need if the PLF disappeared (about one third of our budget).Becky asked how easy it would be to look over the years what we would need for emergency: annual disbursement, software, feasibility study, and so forth.</p> <p>Committee’s initial comments on objectives of the fund named capital preservation as number one objective. There are about \$526K of endowments we will not spend on the balance. The earnings we may spend. So if we take out of the \$2.2M of the fund, then we need to determine how to break them down. Risk tolerance will need to be defined by each of the buckets. Rob thinks it should be three portions – endowments, rainy day/emergencies, and discretionary. Molly said we pulled \$35K for collection development, about \$5K for legal fees, less than \$1K for staff coffee, \$75K for the feasibility study (that doesn’t happen each year). Usually about \$45K each year.</p> <p>Rob commented we should preserve capital, but should build the fund.</p>

	<p>Next steps include: Molly will prepare the general fund forecast for ten years since we need to start talking about the levy. Molly will complete the capital fund forecast. Michelle asked we see the forecasts a week or so before the meeting so we can jot down ideas on the break down, objective and risk tolerance.</p>
<p>Other Business</p>	<ul style="list-style-type: none"> • Capital Fund Expenditure and Recommendation <ul style="list-style-type: none"> ○ Upgrade to LED Lights • Lew Walker Programming Fund
	<p>Capital Fund Expenditure: See proposal documents. Total is about \$46,070 and includes main corridor on second floor, entry chandelier of the library, the rotunda (addition of sconces), and replace sconces in the Eldridge Reading room. Leslie said the LED is a good route to go and most institutions are replacing lights.</p> <p>Committee is in consensus to recommend approval of this expenditure.</p> <p>Lew Walker Programming Fund: Leslie explained that Captain Walker was a former Trustee and asked the Committee to consider setting something starting up with \$10K. Michelle asked why, and Leslie explained that it usually encourages donations and it is a nice tribute to Captain Walker who was an instrumental Trustee during the building construction. This would pay for Adult Non-fiction programs. Leslie said they will put something in the paper to explain about the fund so the public knows about it. The committee is in consensus to recommend approval of the origination of this fund.</p> <p>Committee approved the April minutes.</p>
	<p>Adjourned at 8:35 pm</p>
<p>NEXT MEETING – June 19, 2019</p>	