



HUDSON LIBRARY
& HISTORICAL SOCIETY

Finance Committee

Meeting Agenda

Date: September 18, 2019

Time: 7:00 – 8:30 pm

Location: South Flood Room

Attendees: *Called to order at 7:00 pm*

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

AGENDA	
Fiscal Officer Monthly Financial Review	<ul style="list-style-type: none"> Financial Statements August, 2019
	<p>Marie reported in Molly's absence. See also financial packet.</p> <p>Question last month regarding a check was an annual premium for Fiscal Office bond.</p> <p>Total PLF is up 6.2%. Received second advancement of property taxes. Market value is \$2.7M, a decrease. In August café had net income. Rob asked why we paid other libraries and Marie explained that it was for fees we collected on the other library's materials returned to us.</p> <p>Committee is consensus to recommend approval of the financials.</p> <p>Minutes: no edits from last month. Committee approved minutes.</p>

Investment Fund Policy	<ul style="list-style-type: none"> • Review risk profile • Advisor Presentations
	<p>Legacy: Doug Krapf and Dave Wohlabaugh. Advise about 6-institutions and 100 families. Founded in Hudson; three branches including wealth management, retirement planning and institutional consulting. See also packet received. Part of Wells Fargo. Provide monthly overview each month to clients. Service to institutional clients is fiduciary oversight and education. Provide checklist annually to make sure we meet the fiduciary needs. Help understand investments, they are transparent on fees and where they are at with fees. They are a boutique firm within a larger firm. Standard fund: investment consulting fee, investment managers or in our situation, the transfer fee and Custodian fees to hold the fund. They stressed they are fiduciaries as well as we are. They are global in investing because of the global economy. Meet with clients each quarter, but is driven by client needs. Meetings are usually one hour. Basil provided background of the fund and why the Board moved to ETFs and that we are looking for more advice on how to manage the fund. Dave explained the advisor comes in and manage the process as a partner to the board and provide advice and guidance. The advisor provides continuity and backbone to navigate the market. Likes the way we are invested. Low cost and good performance. Today we are in moderate to aggressive growth. They provided a more conservative growth portfolio. Yield is part of the return. Goal is to be high on the Y axis, return and low on the X for risk. Red circle is current portfolio and the square is the proposed portfolio. Positive Sharpe is a better return. Recommending 0.04% in fees. Does not include a custodian fee.</p> <p>Dakota: Work with about ten not for profits. Their experience has been that all organizations struggle with these decisions and the investment policy is very important. They can show us sample investment policies. Found that we are taking a lot of risk in our portfolio. Stock position is usually lower. When they design a portfolio, they say their report card is based on S&P, but is only about a third of what they invest in; you want to be diversified across other markets and each would have their own benchmarks. Was affiliated with SS&G, but now merged with Dakota Wealth. About \$1B under management. Big believer in balancing risk and return. They recommend a more conservative approach, and have separate accounts for each of the goals. Rainy Day fund would be on the lower end of risk and its own investment policy. Morningstar is backward looking rather than forward looking. They internally benchmark the investments (see ERISA Fund Monitoring) that they use to monitor our portfolio. Blue is the benchmark. Work with Pershing and BNY Mellon. Fee structure is a percentage 1% on first \$3M, and discount for non-profit, to .75%. Average portfolio is \$1-5M.</p> <p>Northwest: Will McCullough, Jim Marcus. Currently hold investment account. Basil explained the history of the fund. Will mentioned the portfolio takes on fair amount of risk. He suggested we keep a rainy day fund, keep it invested as we are now. Northwest has an in-house investment fund manager to help. He said they work with about six libraries in Pennsylvania where he is from. They can provide the advice but need to know what we want and how we want the accounts structured. They charge a percentage of the assets or on a consulting basis, or commission basis. Fees are based on the involvement we want from them. Discounting since we have our accounts and looking at 0.9% on actively managed account. Home office is Warren, Pennsylvania. Takes about three business days to do a trade and get the money into the account. Jim would be our primary contact and would come for the quarterly meetings.</p> <p>Michelle has another advisor that has been recommended. Committee agreed to meet with him on Monday before the Board Meeting. Finance will meet at 7:00, Board meeting will be moved to 7:30. Assuming he can make it.</p>

Other Business	
NEXT MEETING – October 16, 2019	

Adjourned at 8:49pm