

CLAYTON LIBRARY FRIENDS
Executive Board Meeting
January 20, 2016
Clayton House Board Room

Board Members Present

Les Fullerton
Pat Metcalfe
Sue Yerby
Kathleen Dickerson
Randy Pace
Elani Hantel
Loren Martin
Fidel Ramirez
Resa Hennings
John Dorroh

Board Members Absent

Mary Martin

Other Members and Guests:

Steve Goodman
Susan Kaufman

Minutes

President Les Fullerton called the meeting to order at 10:16 AM. President Fullerton asked Treasurer Resa Hennings to introduce the scheduled speaker.

Treasurer Hennings introduced Mr. Steve Goodman of Goodman Financial Corporation to the Executive Board. Goodman Financial Corporation, the fiduciary for Clayton Library Friends (CLF) financial assets was present to discuss the prior year performance of CLF investments.

Mr. Goodman began his presentation with a brief description of the 28 year history of Goodman Financial Corporation. He continued with a more lengthy description of CLF assets and the firm's management of the assets including the following points:

- The 2013 amendment to the investment policy expired in December 2015. The amendment, captured in the following 2013 motion allowed Goodman Financial to invest CLF assets in BBB rated bonds that would yield a higher rate of return compared to the required minimum bond rating as stated in the Investment Policy.
Motion 26 January 2013-01 Motion by Kathleen Dickerson, seconded by Resa Hennings, to allow deviation from the weighted average portfolio quality requirement effective immediately, through December 31, 2015, thus allowing more investments in higher yielding, yet still investment grade quality bonds.
- In 27 years, the firm has never had a BBB bond default. The rating of the bond is only one aspect analyzed prior to investing in or retaining a bond.

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- The firm performs a daily reconciliation of account values to the guidelines in the CLF investment policy.
- The firm also performs monthly and quarterly reviews of the portfolio, with a rigorous review two times per year.
- The firm recommends a renewal of the 2013 motion through 2018 with an additional statement allowing the asset manager the flexibility to evaluate and retain a bond that may fall below investment grade (e.g. BB rating)

Motion 20 January 2016-01 Motion by Randy Pace, seconded by Resa Hennings, to allow deviation from the weighted average portfolio quality requirement effective immediately, through December 31, 2018, thus allowing more investments in higher yielding, yet still investment grade quality bonds. Additionally, in the event that a bond falls below investment grade, the manager shall have discretion to retain the bond. Motion Passed Unanimously.

President Fullerton thanked Mr. Goodman for the presentation.

After Mr. Goodman departed, President Fullerton asked for a moment of silence in memory of Mike Hantel. Subsequently, President Fullerton began moving through the meeting agenda.

Treasurer Resa Hennings asked if there were any additional questions regarding the Goodman Financial presentation or CLF finances. She also remarked that both the audit engagement and the work for the 990 filing were in process.

Director Fidel Ramirez explained that the new, yet unused CLF website is two years old and needs updating. He recommended that the board consider hiring a contractor to complete the work necessary to get the site up and running. Director Ramirez also noted that payments to Aaron Baxter were incomplete.

Director John Dorroh mentioned that neither he nor Sue Kaufman were available to attend the 2016 National Genealogical Society (NGS) Family History Conference in Fort Lauderdale, FL. He indicated that he would plan to attend the 2016 Federation of Genealogical Societies (FGS) conference in Springfield, IL and possibly 2017 NGS in Raleigh, NC.

Clayton Library Manager Susan Kaufman asked if CLF would be willing to fund the cost of the service agreement for the ScanPro equipment. Ms. Kaufman did not have the exact pricing available, but remarked that a one year contract would be more expensive than a three year commitment.

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Both President Fullerton and VP Sue Yerby lean towards getting experience with the maintenance needs for one year before committing to a 3 year contract.

Sue Kaufman proposed the funding be provided by CLF for one year and have HPL IT work it into budget for future years. She will mail quotes to validate. Treasurer Hennings will update costs and email final budget.

Director Dorroh asked if a quarterly check process to the Houston Public Library (HPL) Foundation would be acceptable for funding binding expenses. Sue Kaufman agreed to monitor bindery needs and work with John Dorroh to obtain funding to cover bindery costs. Ms. Kaufman also indicated that HPL has committed to completing the signage by June, 30, 2016.

The meeting adjourned at 12:13 PM.

Signed:



Kathleen Dickerson, Secretary



Les Fullerton, President