



Board of Directors Meeting
Meeting: 11:30 a.m., January 13, 2016
Bret Kelly A Conference Room, 1st Floor
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004

M I N U T E S

A. Welcome and Call to Order..... Julie Rodriguez

Ms. Rodriguez called the meeting to order at 11:39 a.m.

B. Roll Call and Verification of QuorumJane Carlsen

Board Members Present: Julie Rodriguez, President; Jim Stuart, Vice President; Michael Voute, Treasurer; Lyndell Gairaud; Anthony Nunez; and Joyce Vigil.

A quorum is met with 6 of 7 (86%) members present.

Staff Present: Jon Walker, Midori Clark, Sherry Baca, Jeanette Cortez, and Jane Carlsen.

Others Present: Michael Salardino.

Excused: Carol King.

C. Modifications to Agenda for January 13, 2016 All

Michael Salardino's presentation was moved to the first item in the Treasurer's Report.

D. Approval of Minutes of October 14, 2015 Meeting All

Mr. Nunez made a Motion, seconded by Ms. Gairaud, to approve the Minutes of the October 14, 2015 Meeting. All in favor. Motion passes.

E. Treasurer's ReportMichael Voute

InvestmentsMichael Salardino

Mr. Voute introduced Michael Salardino from Security Service Investment Group who distributed a Portfolio Review from Raymond James. Mr. Voute invited Mr. Salardino to explain recent events and how he sees things going forward. It was noted that the Foundation is investing for the long term and recognizes things will change on a month-to-month basis. There was a discussion of the reasons for moving to Raymond James and the reliability of this investment group. Mr. Salardino said media reports focus on major changes rather than long-term results. For the past five years, the market has been going straight up, and this a normal correction. Volatility is the price you pay for

good long-term results, and a lot of planning was done to make sure it is a long-term portfolio. Mr. Salardino commented on the importance of patience and faith in the system.

Mr. Salardino reviewed the Executive Overview reviewing Asset Allocation in detail which shows how Foundation money is invested. He also reviewed the Gains and Losses, Value Over Time, and Projected Cash Flow sections. Projected Cash Flow is important for Foundations that rely on income to meet expenses. Mr. Voute pointed out that Value Over Time reflects the first ten days of trading in 2016 when the worst happened.

Mr. Salardino then referred to the Holdings with Annualized Returns. He explained each of the funds and reviewed the history of their returns which extend up to 15 years. He pointed out there have been two bear markets in a 15-year period. Developing markets are out of favor recently because of China but have performed well over time. The Capital Income Fund was developed for foundations where the top priority is to have the income go up all the time. Franklin is a balanced fund that will have high-yield funds. New Perspective Fund is all profitable and pay dividends which is good for a foundation.

There was discussion of when to make changes and past performance of various funds. Domestic have outperformed foreign over the last five years, S&P has been on fire, Washington Mutual has outperformed by as much as 12% but over a 15-year period only 6%. Mr. Salardino said it is important to get balanced, but then to stay balanced. When you rebalance, you take money out of something that is doing well and move it into something that is not as good. The adage "Buy low, sell high" is a forced discipline.

Treasurer's Report Michael Voute

Financials for month ending December 31, 2015 were distributed. Mr. Voute noted that it is preliminary and shows activity since the last Foundation Board meeting. The Final figures will be sent by email later, and the audited statements will be available in June. Mr. Voute also reviewed the Balance Sheet which is also preliminary. Approval will be requested with the final reports are provided.

2016 Budget..... Michael Voute

Mr. Voute said the 2016 Budget is also preliminary and will be presented at the April meeting with more reliable figures. Mr. Nunez asked if this must be reported to the government. Mr. Walker explained the Foundation is not a government agency and does not have the same reporting requirements as the library.

Accounting Procedures Michael Voute

Mr. Voute explained the procedures set out the way the Foundation contributions will be documented as an accounting practice. It establishes categories of various donations received by the Foundation, what will be done with the cash balances accumulated and how donations will be tracked as unrestricted, temporarily restricted or permanently restricted, and how expenses of the Foundation will be categorized.

Mr. Voute made a Motion, seconded by Mr. Nunez, that the Board of Directors approve the procedures to instruct staff to follow these practices so there will be no problems with the auditors and so the Board can answer any questions as to details of donations.

There was discussion in which it was noted that these will be effective for 2015 practices as well as going forward. The procedures were recommended by the auditors with staff

input, will streamline the audit process and follow accounting standards for non-profits. All in favor. Motion passes.

F. Director's Report..... Midori Clark

Leadership Institute

Midori Clark distributed a flyer and article that appeared in the *Chieftain* and discussed the recruiting efforts resulting in ten applicants who have an average 3.85 GPA and are very invested in the community and their schools. Every high school (except Rye) is represented and two students attend school in Colorado Springs (St. Mary's and Fountain Valley).

The next step will be to host a couple of orientation sessions. Workshops will be scheduled in February, March, April, May and June, and the participants will plan a ball on July 16. At that point, the participants will be using what they learned and will be in charge of the agenda. Ms. Clark said fundraising had a goal to raise money for ten scholarships. Eight requested scholarships, and \$5,100 has been donated. Two applicants will be paying their own tuition. Staff are looking for facilitators to conduct leadership workshops and are open to ideas about curriculum. There was discussion surrounding the learning curve during the first year, and next year it may also be open to 9th grade students. It is hoped that this year's participants will encourage next year's applicants. Ms. Clark will provide dates and times if Foundation Board members would like to participate.

Together We Read / March Women's History Month

Ms. Clark said the library is launching its first mini-read in March in conjunction with Women's History Month. The book selected is *Liar, Temptress, Soldier, Spy* by Karen Abbott, and this year Outstanding Women Awards will include a copy of the book. The book focuses on four women who served undercover in the Civil War. Ms. Clark said the books selected for All Pueblo Reads tend to be fiction, so for the mini-reads, they decided to select nonfiction titles. Ms. Clark described a number of programs in support of the book, including a re-enactment of Mary Todd Lincoln. On Friday, March 25, Karen Abbott will be in Pueblo for a VIP reception with a presentation, book signing and a dessert and champagne bar. Tickets will be \$30 and capped at 200. On Saturday, March 26, the author will make a presentation at Pueblo West free of charge, but without dessert and champagne.

Ms. Clark plans to hold another Together We Read program to connect with the Summer Reading Program which has the theme, *Exercise Your Mind*, and they are considering titles to link with that theme.

Ms. Rodriguez said these are not replacing All Pueblo Reads, and Ms. Clark added that the intention is to appeal to all readers. Ms. Clark is investigating having Sara Gruen, author of *Water for Elephants*, for this year's All Pueblo Reads. Ms. Vigil questioned whether this is a project of the Foundation if it has no involvement in plans for it. Ms. Clark explained that All Pueblo Reads is a library program, and the Black Tie Ball is one of the events of All Pueblo Reads. There is a committee of community and staff members who develop programming around the title selected, and that committee will begin meeting in March. Several years ago, the committee developed a list of about 15 titles to pursue for future events, and 2016 would be a good time to include a Foundation Board member on the committee. The committee will be considering titles to include on

the next list this year. Ms. Vigil emphasized that it is important for the Foundation Board to be more than a figurehead without a role other than to attend the event.

G. Board business Julie Rodriguez

Elections

Ms. Gairaud made a Motion, seconded by Ms. Vigil, to elect Julie Rodriguez, President; Jim Stuart, Vice President; Michael Voute, Treasurer. All in favor. Motion passes.

Committee Assignments

A list was distributed inviting members to sign up to volunteer on a number of committees, including the All Pueblo Reads Committee.

H. Old Business Julie Rodriguez

Board Member Vacancies Jim Stuart

Mr. Stuart asked if there is an open seat on the Board. Ms. Clark explained that the Board of Trustees had approved Michael Voute to fill the at-large vacancy left by Dr. Schultz, which created an opening for a member from the Friends. The Friends will discuss a nominee at their next meeting. Ms. Rodriguez was approved for another term.

Next Meeting: Wednesday, April 13, 2016

Adjourned 12:47 p.m.

Respectfully submitted,

Jane Carlsen
Recording Secretary