PUEBLO LIBRARY Foundation

Finance Committee Meeting
Meeting: 2 p.m., Thursday, May 2, 2024
Rawlings Executive Conference Room on 4th Floor
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004
With Virtual Teleconference Option

MINUTES

Board Members Present–Joe Arrigo, Abbey Hartless, Chad Heberly, Alexandria Romero, Sherri Baca, and Ashley Huggins.

Excused–Tim Krebs

Staff Present–Nick Potter, Maria Kropf and Gloria Madrill

Guests–Mark Kennedy

Call to Order and Welcome

Ms. Romero called the meeting to order at 2:01 p.m.

Approval of Minutes

No modifications were made to the minutes. Ms. Hartless made a motion to approve the minutes for the February 8 Finance Committee Meeting. Mr. Arrigo seconded the motion. All in favor. Motion passes.

Q1 2024 Stifel Investment Report

Mr. Kennedy talked about the Foundation's investment portfolio performance, the current total market value of the account is $557,016. He noted that we are bringing in an estimated income of almost $16,115 or 2.89% from January through May of 2024. About 65.89% of investments are in equities with real estate investments as a part of that percentage. Mr. Kennedy talked about our stock allocation compared to the allocation of the S&P 500. Currently we are underweight in the information technology section. We have more investments in value stocks than growth stocks which often causes an underweight in the information technology sector. Mr. Kennedy reviewed the income from the last four quarters. The current estimated time weighted return is 3.42% from January through April of 2024.

Mr. Kennedy continued with a report from Professor Jeremy Siegel presented last meeting. Dr. Siegel believes the market could be strong without cutting rates. That we can still see a strong stock market with a difficult inflation rate without cutting interest rates. Mr. Kennedy also included a Morningstar report that shows the positions we hold. There are no change recommendations at this time. Mr. Kennedy added for the Foundation portfolio we are looking to invest money in perpetuity and should be comforted to see the chart going up overall despite large events.

Ms. Baca asked how Mr. Kennedy determines where the funds should be invested. Mr. Kennedy answered if there are no change in recommendations they will distribute additional funds proportionally to the same account based on the Foundation's Investment Policy Statement.

Short-term investment holdings

Next, Ms. Huggins talked about short-term investment holdings. We reached out to Mr. Kennedy to see what type of options are available for funds that can't be invested for the long term. Mr. Kennedy spoke about accounts that are the most liquid. A treasury money market account with a fixed principal has guaranteed funds with next day delivery. Another option would be a CD. Ms. Baca said she liked the option of a money market account. Mr. Kennedy said one of the accounts would be an advisory account and the money market account would be a separate cash account with no annual fee or minimum balance. It was decided that we would create a money market account through Stifel.

March 31, 2024 Financial Report

Next, Ms. Huggins presented the Financial Report. She spoke first about restrictions. She noted that the Summary of Restrictions has not been included. It has not been updated because the finance department wants to make sure all restricted funds are in the right pools (for example, we want to make sure the enterprise zone restricted funds are not in long term investments right now). Want also want everything that goes with fundraising to be processed through the Foundation so we can track it. Ms. Baca shared some history of the Foundation. It was formed with the goal to build investments and additional income.

Mr. Heberly added the CSU Pueblo Foundation has liability driven investments. They look at liabilities, set up the cash account, and create buckets of funds based on need and timing. Mr. Kennedy should be able to make transfers to the accounts. Mr. Potter said we want to look at the options because we anticipate that we will need to start spending some restricted funds but we don't want to divest them. We want to do an analysis of it at how those funds will roll off and when they will need to be spent.

Ms. Huggins reviewed the Balance Sheet and Statement of Revenue and Expenditures as of March 31, 2024. The cash balance was $35,213.84. She noted there is an account payable for an Outstanding Women Award reservation refund. On the Balance Sheet we also added a line with information about restricted amounts to be more in line with our audit. The line will show when we release restrictions. The total assets, liabilities and equity equaled $578,263.78. This quarter, income and expenditures came in for the Outstanding Women Awards. The year-to-date revenue over expenditures was $20,644. Mr. Heberly made a motion to accept the financial report for the period ending March 31, 2024. Ms. Hartless seconded the motion. All in favor. Motion passes.

Q4 2023 Gifts Received Report

Next Mr. Potter provided an update on fundraising activities and gifts received in the first quarter. In Q1, PCCLD and the Foundation combined brought in $269,257.59. The majority of revenue received was from the Andrew W. Mellon Foundation. The Mellon Foundation awarded the library a grant in support of Local History and Genealogy Department to help digitize materials from various communities and individuals. Gifts recommended for transfer to the district include gifts in support of the Lucero Library Capital Campaign and a gift from the Colorado Rock Art Association that helps support the housing of the collection. There was also some activity related to the Outstanding Women Awards (nomination fees and luncheon reservations), unrestricted gifts and other miscellaneous contributions.

The recommendation within the report is to transfer $3,550 from the Foundation to the district. The second recommendation for transfer is $25,000 to the short-term investment holdings that we spoke about earlier in the meeting. With the transfer, it would leave the Foundation about $19,000 in the checking account. Mr. Arrigo made a motion to approve the recommended transfer of $3,550 from the Foundation to the district. Ms. Hartless seconded the motion. All in favor. Motion passes. Ms. Baca made a motion to approve the recommended transfer of $25,000 from the checking account to the short-term money market account being set up. Ms. Romero seconded the motion. All in favor. Motion passes.

New business and old business

There was no new or old business to discuss.

Adjourned 3:01 p.m.

Respectfully submitted,

Gloria Madrill
Recording Secretary