Finance Committee Meeting
Meeting: 2 p.m., Thursday, November 7, 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–Tim Krebs, Abbey Hartless, Chad Heberly, Alexandria Romero, and Sherri Baca.

Excused–Gloria Madrill and Joe Arrigo

Staff Present–Nick Potter and Maria Kropf

Guests– Mark Kennedy

Call to Order and Welcome

Mr. Krebs called the meeting to order at 2:00 p.m.

Approval of Minutes

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

Current Items

Ms. Baca announced the library is welcoming a new CFO, Bri Reyes. She comes to the library from the City of Pueblo and will be joining us at the next meeting.

Q3 2024 Stifel Investment Report

Mr. Kennedy provided a report about the Foundation's investment portfolio performance. He provided an update on the current market performance and the impact of the presidential election. He explained that markets tend to perform well after elections due to the general consensus of relief of the election being over. He commented there is usually not a lot of buying occurring in front of an election.

Mr. Kennedy also included a report with a more detailed account review. On page two, you will see that the account value is $615,159 and that we are bringing in $17,207 or 2.8% in annual dividends and interest prior to discussing whether or not the account is up or down in valuation. Page three illustrates that we are 68.44% in equities; however, after we take out our REIT/Real Estate exposure of 4.8% (page 4) per our Investment Policy Statement (IPS), we are right at 63.64% in stocks. The bottom of page three provides a dot to dot graph going back 12 months. Page 4 is the sector allocation page. Here you will see that of the $421,032 that we do have in equities, we are well diversified by market sector. Page five is the performance page. The fourth column will provide you with our YTD numbers through yesterday. For the year, we are up $71,094, or 14.21%. Mr. Kennedy mentioned the auditor had reached out regarding questions about our investment percentage in equities. Our investment policy guidelines state that we should have a maximum 65% equity to fixed income ratio. When real estate investments are removed we are within the guideline. Mr. Kennedy recommended a transfer of $15,000 from the American Balance fund to a fixed income account. Making the transfer would assure we won't have an asset allocation question from our auditor for the 2024 year. Ms. Baca asked if it was worth revisiting our investment policy. Mr. Kennedy answered maybe down the road when the account is larger. Mr. Krebs made a motion to approve the recommended transfer of $15,000 from the American Balance fund. Mr. Heberly seconded the motion. All in favor. Motion passes.

Mr. Kennedy also spoke briefly about the performance of our money market account. It is yielding about 4.78% on the $25,000 deposited.

Audit Update

Ms. Baca reported there were a few items updated from the audit but the numbers did not change. Included in your packet is the updated final audit. Mr. Heberly made a motion to accept the audit and move to the Pueblo Library Foundation board for approval. Mr. Krebs seconded the motion. All in favor. Motion passes.

Form 990 Tax Return

Ms. Baca reminded the committee it is the first time the foundation will do a full 990 and not file an EZ form. She reported we are planning on finalizing some items and will meet the November 15 deadline. We will recommend a vote at the next meeting after a final review.

September 30, 2024 Financial Report

Next, Ms. Baca presented the Financial Report starting with the balance sheet. Ms. Baca noted there is a new line item reflecting the new money market account. Ms. Baca mentioned we have a $35 accounts payable for an Outstanding Women Awards reservation refund that will be taken care of after this meeting. We should also see event income and expenses also coming in soon for the Booklovers Ball.

Next, she reviewed the Statement of Revenues and Expenditures. She noted $250,000 moved through the Foundation to the district from the City of Pueblo for the Barkman and Lucero Library renovations. The year-to-date revenues totaled $441,967 and year-to-date expenditures total $337,790 bringing the year-to-date revenue over expenditures to $104,177. Ms. Baca reported we have a total of $215,632.39 in restrictions.

Mr. Krebs made a motion to accept the financial report for the period ending September 30, 2024. Mr. Heberly seconded the motion. All in favor. Motion passes.

2024 Audit Engagement and 2024 Form 990 Engagement

Ms. Baca presented the audit engagement letter. The fee for the audit will be $6,930 and will be an in-kind gift as it is paid by the district. Mr. Heberly made a motion to approve the audit engagement and Ms. Hartless seconded the motion. All in favor. Motion passes.

Restricted funds and summary of restrictions

Mr. Potter reminded the board we have $72,736.12 from previous donations that we want to roll off and use towards enterprise zone projects. The funds are currently in our investment accounts. Since we didn't have a project need at the time, the gifts were put in the investment portfolio until we were at a point when we can use them. We don't want to divest these funds. What we would like to do is build up unrestricted funds in the money market account until it reaches $72,736.12, which we hope to reach by the end of the year, and approve a transfer and release them in February. We currently have about $20,000 of that and will need to raise about $28,000 more to reach that goal by the end of the year.

Q3 2024 Gifts Received Report

Next Mr. Potter provided an update on fundraising activities and gifts received in the third quarter. In Q3, PCCLD and the Foundation combined brought in $76,000.15. The majority of revenue received was from E-rate disbursements and reimbursements. There was also some activity related to the Booklovers Ball (sponsorships and ticket sales), the capital campaigns (Building Community Together and the Lucero Library Capital Campaign), the backpack and school supply giveaway event, unrestricted gifts and other miscellaneous contributions.

The recommendation within the report is to transfer $15,939.81 from the Foundation to the district. Mr. Heberly made a motion to approve the recommended transfer of $15,939.81 from the Foundation to the district. Mr. Krebs seconded the motion. All in favor. Motion passes.

The recommendation within the report is to also transfer $20,000 from the Foundation to the money market account. Mr. Heberly made a motion to approve the recommended transfer of $20,000 from the Foundation to the money market account. Mr. Krebs seconded the motion. All in favor. Motion passes.

It was decided that the review of the 2025 Budget would be tabled until the next meeting.

New business and old business

There was no new or old business to discuss.

Adjourned 3:05 p.m.
Respectfully submitted,

Gloria Madrill
Recording Secretary