Finance Committee Meeting
Meeting: 2 p.m., Thursday, November 6, 2025
Rawlings Executive Conference Room on 4th Floor
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004
With Virtual Teleconference Option

M I N U T E S

Board Members Present–Ms. Abbey Hartless, Mr. Joe Arrigo, Mr. Chad Heberly, and Ms. Alexandria Romero

Excused–Ms. Sherri Baca and Ms. Bri Reyes

Staff Present–Mr. Nick Potter, Ms. Maria Kropf and Ms. Gloria Madrill

Guests–Mark Kennedy

Call to Order and Welcome

Ms. Hartless 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 7 Finance Committee Meeting. Mr. Arrigo seconded the motion. All in favor. Motion passes.

Q3 2025 Stifel Investment Report

Mr. Kennedy provided an update on the Foundation's investment portfolio performance. The current market value of the account, is $698,921. Interest income is $19,353 or 2.77% in dividend and interest income. We currently hold 63.74% in equities, after taking out our REIT/Real Estate positions of 5%, the portfolio nets 58.74% in stocks which is an acceptable portion according to the Investment Policy Statement. Our stocks total $445,554. Mr. Kennedy noted our performance from January 2023 to November 2025 is up $179,396 or 12.16%. He also mentioned that interest rates may be decreased with a new Federal Reserve Chair in May or June. He noted the account is bringing in around $1,100 a month and doesn't have any recommendations for change.

Mr. Kennedy also shared some information about the Foundation's money market account. The current balance is $594 and the current yield is 3.96%. Mr. Kennedy also mentioned that a recession could be possible at the end of this year or beginning of next year and if it does occur it would impact information technology investments the most. Mr. Potter asked if there may be any short-term impacts on investments with the government shutdown. Mr. Kennedy said that some of the volatility we are seeing in the market is coming from that uncertainty. Mr. Potter also said the Finance Committee is in the process of doing a review of our investment policy. Mr. Kennedy offered to review it again and send over any notes to consider. Mr. Kennedy also reminded the committee that Stifel monitors the asset allocation. The Foundation is at 12.5% in the top 10 holdings versus 38% of the market holds in the top 10 holdings of the S&P 500.

September 30, 2025 Financial Report

Ms. Kropf reviewed the financials starting with the balance sheet. The total assets, liabilities, and equity equaled $739,201.25. She noted in the prepaids category we have a total of $600.78 which includes our Otter AI subscription. Next, Ms. Kropf reviewed the Statement of Revenues and Expenditures. She talked about the revenue and expenditures for the quarter and the year-to-date. Total unrestricted revenue for the quarter was $55,542 and the total expenditures for the quarter were $70,885, bringing a revenue under expenditures total this quarter of $15,343. Mr. Potter noted there will be revenue and expenses hitting for the Booklovers Ball next quarter as well as donations coming in from end of year activities. Mr. Heberly commented the expenses exceeded the revenue this quarter due to the contribution made to the district. Ms. Kropf then talked about the Summary of Restrictions report. She noted the total current balance is $156,104.44. Mr. Heberly made a motion to accept the financial report for the period ending September 30, 2025. Mr. Arrigo seconded the motion. All in favor. Motion passes.

Q3 2025 Gifts Received Report

Mr. Potter provided an update on fundraising activities and gifts received in the third quarter. In Q3, PCCLD and the Foundation combined brought in $193,801.42. There was some activity this quarter related to the capital campaigns (Building Community Together Capital Campaign and Lucero Library Capital Campaign), Booklovers Ball sponsorships and ticket sales, unrestricted gifts and other miscellaneous contributions.

The recommendation within the report is to transfer $12,836.44 from the Pueblo Library Foundation to the district. Mr. Arrigo made a motion to approve the recommended transfer of $12,836.44 from the Foundation to the district. Mr. Heberly seconded the motion. All in favor. Motion passes.

Form 990 Tax Return

The Form 990 was given to us by the auditors. There were some issues with the draft that were corrected with the help of finance committee members and the Form 990 is now ready to be signed and filed. The committee discussed possibly of exploring other options for the development of the 2025 Form 990. Mr. Heberly made a motion to accept the Form 990 and move to the full board for approval. Mr. Arrigo seconded the motion. All in favor. Motion passes.

2026 Budget

Mr. Potter spoke about the 2026 Budget. Most of the numbers remain the same but there were a few updates. Revenue and expenses for events were increased. We are brining in more money in events and we anticipate there may be more event expenses. The elevators at Rawlings are being so the Outstanding Women Awards luncheon will need to be moved offsite. Professional fees were also increased. These fees include what is paid to Stifel. Credit card fees were also increased as more gifts are being made electronically.

2025 Audit Engagement and 2025 Form 990 Engagement

Next, the audit engagement letter was discussed. There is a proposed increase of $347 for the next year which is in line with the contract. It was decided to table this and hold off on recommending signing it.

Review of Investment Policy

Next the committee spoke about the Investment Policy and if they had any recommendations for updates. Mr. Heberly suggested the fiduciary language be updated. In the investment advisory section to require that the advisor acts like a fiduciary, which is what he is already doing. Also, he recommended in the guidelines that the small cap language be updated from a $500 million threshold to a $2 billion threshold. Mr. Potter suggested adding this item to old business for next meeting and if anyone has any other suggested changes to the Investment Policy to reach out to him. We hope to make the updates and present the updated investment policy at the February meeting.

Approval of Audit Vote

Mr. Potter noted it was discovered at the last regular Foundation board meeting after the audit was discussed there wasn't a vote held to approve it. During the meeting next week we will call for an approval so it is noted in the meeting minutes.

Adjourned 3:10 p.m.
Respectfully submitted,
Gloria Madrill
Recording Secretary