PUEBLO LIBRARY Foundation

Finance Committee Meeting
Meeting: 2 p.m., Thursday, February 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–Abbey Hartless, Joe Arrigo, Alexandria Romero, Sherri Baca and Bri Reyes

Excused–Chad Heberly

Staff Present–Nick Potter, Maria Kropf and Gloria Madrill

Guests–

Call to Order and Welcome

Ms. Hartless called the meeting to order at 2:00 p.m. She was welcomed as new Finance Committee Chair. Ms. Bri Reyes was introduced and welcomed as the library's new CFO.

Approval of Minutes

No modifications were made to the minutes. Ms. Romero made a motion to approve the minutes for the November 7 Finance Committee Meeting. Mr. Arrigo seconded the motion. All in favor. Motion passes.

December 31, 2024 Financial Report

Ms. Reyes reviewed current assets, liabilities and equities. She noted there is a small amount in the prepaids line item for 2025 expenses paid in 2024. The total assets, liabilities, and equity equaled $978,323.37. Next, Ms. Reyes reviewed the Statement of Revenues and Expenditures. She reviewed quarterly and yearly category totals. She noted a couple of items that went slightly over budget, professional fees (which included Stifel fees) and office supplies (which included a subscription to Otter AI). Mr. Potter clarified the office supplies category was a little bit higher because we started using Otter AI to record meetings and create transcripts. He also noted since a full year needed to be paid we have pre-paid for part of the subscription fees for 2025. Total year-to-date revenue was $814,763 and year-to-date expenditures were $394,145. The year-to-date revenue over expenditures was $420,618. Next, Ms. Reyes talked about the Summary of Restrictions report. She noted the beginning balance for 2024 was $184,785.80, year-to-date additions were $603,489.31, and year-to-date released restrictions were $293,070.39 leaving us with an ending balance for 2024 of $495,204.72.

Mr. Arrigo made a motion to accept the preliminary financial report for the period ending December 31, 2024. Ms. Romero seconded the motion. All in favor. Motion passes.

Q4 2024 Stifel Investment Report

Mr. Potter provided a report from Mr. Kennedy about the Foundation's investment portfolio performance. The current value of our account is $617,818. Interest income is $17,821 or 2.88% in annual dividends. We currently hold 66.26% in equities, after we take out our REIT/Real Estate exposure of 4.60%, we net

61.66% in stocks. The report also includes a 12-month dot-to-dot graph of our account value not including yearly additions. There is also a report breaking down our stocks totaling $409,333 by market sector. Our performance since inception is an increase of 11.83% in 2024, up $63,262.

Next, Mr. Potter shared some information about the foundation's money market account. The current balance is $45,739 and the average yield is 4.28%. He also shared an article from economist Jeremy Siegel. Mr. Siegel has a positive but cautious outlook of the market for 2025. He anticipates there will be some market volatility and expects interest rates to be in the higher single digit numbers. Mr. Potter said he would reach out to Mr. Kennedy asking since our account is overweight in the value versus growth space if he would recommend any changes to our investments.

Q4 2024 Gifts Received Report

Mr. Potter provided an update on fundraising activities and gifts received in the fourth quarter. In Q4, PCCLD and the Foundation combined brought in $484,126.21. The majority of revenue received was from E-rate reimbursements and a gift from the Rawlings Foundation in support of the Building Community Together Capital Campaign. There was some activity related to the Booklovers Ball including: sponsorships, ticket sales, silent auction item purchases, text-to-give donations, purchases of umbrella decorations, and other donations. There was also some activity related to the capital campaigns (Building Community Together Capital Campaign, Lucero Library Capital Campaign, and pledge payments from the Your Future Library Capital Campaign), the Lucero Library for programming, Lamb Library, Giodone Library, the Summer Reading program, unrestricted gifts and other miscellaneous contributions. We also received a couple of large gifts from Jarvis and Mary Jo Ryals as well as the Pueblo Cares Foundation. Mr. Potter said he would go in more detail with recommended transfers but for this quarter we would like to recommend the transfer of $271,975.70 from the Foundation to the district.

Ms. Romero suggested we keep yearly fundraising totals on the gifts received reports so we can see the progress from year to year. Mr. Potter also added it would be good to show the annual growth of the investment account on the report.

Restricted funds and summary of restrictions

Mr. Potter reviewed the totals held in the Foundation's accounts: the current balance of the checking account is $346,889.17, the current balance of the money market account is $45,408.84, the current balance of enterprise zone restrictions held is $73,236. To reduce the number of transfers between accounts, we would like to move $37,086.31 from the money market account to the long term investment accounts at Stifel. Then, we would like to move the remaining $8,322.53 from the money market account to the library district. Next, we would like to transfer funds from the Foundation ($346,889.17) to cover the amount Q4 restricted gifts ($271,975.70) from the Foundation to the district and restricted enterprise zone gifts ($73,236). Since we will have already transferred $8,322.53 from the money market account, only $336,889.17 will need to be transferred. After the transfers, there would be around $10,000 in the Foundation Bank of the San Juans checking account for operating expenses.

Ms. Baca asked if the Lenore Chamberlain gifts are included in these transfers. Ms. Reyes said yes, they should be part of the transfer. Also, Ms. Romero asked if the enterprise zone transfer (of $73,236) included everything listed on Summary of Restrictions for the Capital Campaign category. Ms. Madrill said it only includes older enterprise zone restricted gifts, new enterprise zone gifts are released quarterly and would be part of the Q4 transfer (highlighted in pink) we are recommending to the district (part of the $271,975.70).

Ms. Romero made a motion to transfer $37,086.31 from Stifel money market to Pueblo Library Foundation investment account held at Stifel. Mr. Arrigo seconded the motion. All in favor. Motion passes.

Ms. Romero made a motion to transfer $8,322.53 from the Pueblo Library Foundation Stifel money market account to the library district's Bank of the San Juans bank account. Mr. Arrigo seconded the motion. All in favor. Motion passes.

Ms. Romero made a motion to transfer $336,889.17 from the Pueblo Library Foundation's checking account to the library district Bank of the San Juans bank account. Mr. Arrigo seconded the motion. All in favor. Motion passes.

New Business

Addition to Finance Committee

Per the Foundation Bylaws, the CFO is a member of the Finance Committee. Ms. Reyes and the CEO are voting members of the Finance Committee.

Add Bri Reyes as signer, allowing online transfer and access to all Pueblo Library Foundation Bank of the San Juans and Stifel accounts

Mr. Potter reported we would like to add Bri Reyes as a signer to the Foundation accounts allowing her to make online transfers and access all Pueblo Library Foundation Bank of the San Juans and Stifel accounts. Mr. Arrigo made a motion to approve adding Ms. Reyes to the accounts and moving it to the board and Ms. Romero seconded the motion. All in favor. Motion passes.

Audit Update

Ms. Reyes reported auditors will be on site in March to do interim testing and the finance team is doing year-end work to get ready for the audit.

Usage of money market and cash flow

Mr. Potter reported that would like to consider using the money market account more in the future and have a procedure for transfers. Since the committee only meets quarterly, it may be to the Foundation's benefit to consider a policy that when the Foundation's Bank of the San Juans checking account hits a certain amount (i.e. if it hit $30,000) excess funds are transferred temporarily to the Stifel money market account so they can gain some interest until the next meeting.

Mr. Arrigo asked what the operating needs might be needed from that account. Mr. Potter said it would depend on the time of year, earlier in the year we would need $10,000 or so for expenses and for the fourth quarter we may need around $25,000. Mr. Arrigo suggested we may want to consider $30,000 being the max amount held in the checking account before moving funds to the money market account. Mr. Potter mentioned our checking account and money market account are with two different companies and for ease of transfers it may be to our benefit if we see what money market accounts are available with Bank of the San Juans. Before the next meeting, library staff will look into money market accounts with Bank of the San Juans to see how they compare with Stifel.

Mr. Arrigo mentioned we may also want to keep the wording more flexible so we aren't required to transfer a certain dollar amount if our operating needs change. Mr. Potter said we would put a proposal together and revisit it at the May meeting.

Old business

There was no old business to discuss.

Adjourned 2:45 p.m.
Respectfully submitted,

Gloria Madrill
Recording Secretary