



Mesa County Libraries
BOARD
 OF **TRUSTEES**
 • C O M M I T T E E M E E T I N G •

Finance Committee

MINUTES

Date and Time: Tuesday, March 19, 2019 – 11:30 a.m.

Location: Central Library, 443 N. 6th St., Grand Junction, CO – Administration Conference Room

#	Agenda Item
1	Opening: <ul style="list-style-type: none"> • Call to Order and Roll Call <ul style="list-style-type: none"> ○ Board President Blanchard called the meeting to order at 11:30 a.m. ○ BOARD PRESENT: Barry Blanchard, Dean DiDario, Abby Landmeier (arrived at 11:34 a.m.), Chris Mahre (arrived at 11:31 a.m.) ○ STAFF PRESENT: Laurie Cole, Stacey Smith, Shana Wade • Review of Agenda: The agenda was accepted as presented.
2	Determine 2019 Finance Committee Chair <ul style="list-style-type: none"> • Committee members asked Mahre to serve as committee chair, and he accepted.
3	Investment Update <ul style="list-style-type: none"> • Cole distributed and described a summary of MCL investments with Alpine Wealth Management. • Cole asked if trustees had interest in investing any cash and equivalents, which currently yield comparable to bonds. Trustees indicated that they are comfortable with the current distribution. Decisions will be necessary in the future to renew bonds or move to money market accounts. • Cole conveyed that MCL policy requires the district to retain three months of operating expenses in reserves to mitigate cash flow challenges during the year and unexpected financial scenarios. • Agreed-upon investment procedures allow two qualified MCL staff members to act on investment decisions after advising Finance Committee members. • The committee explored the idea of hindsight forecasting of alternative choices to guide future investment decisions; the difference in returns for low risk investments may not warrant additional costs. Cole asked committee members to inform her of interest in investigating specific further investments. • Committee members tasked Cole with scheduling an investment presentation by Alpine Wealth Management staff in April or May to the full board.
4	Review State Statutes Regarding Investments <ul style="list-style-type: none"> • Cole distributed a list of Level A or above securities that are permitted for MCL investments. • Committee members considered the viability of investing in municipal bonds. They agreed that state or federal bonds are the safest options, and these are clearly permitted by state statutes.
5	Ten-year Forecasting Update <ul style="list-style-type: none"> • Cole opted to present a five-year forecast instead of a ten-year forecast after determining that the numbers became too soft after five years. The forecasting, based on historical data, budgets for 1% annual revenue increases and 2.5% annual increases in expenditures. <ul style="list-style-type: none"> ○ MCL has had 2% revenue increases, but maintaining increased valuations is not guaranteed. ○ The expenditures increase includes minimum wage adjustments from 2018 through 2020.

	<ul style="list-style-type: none"> ○ Although still compliant with policies, the forecasting projections indicate the potential of a negative undesignated fund balance beginning in 2021. ○ The forecast includes expected spending for East Valley Branch (3180 F Road) construction. ● The role of the MCL Foundation was discussed regarding library district income supplementation. ● Committee members examined unknown factors that can influence budget projections including tax abatements, minimum wage increases, insurance changes, utilities, and labor components. ● Wade acknowledged that building a larger branch may require additional staff and operating costs. ● Meeting attendees discussed strategies and timing for the East Valley Branch capital campaign. The importance of initial planning, communication, and community analysis were emphasized.
6	<p>Adjournment</p> <ul style="list-style-type: none"> ● Meeting was adjourned at 12:44 p.m.

Minutes submitted by Stacey Smith, MCL Executive Assistant.