

**Spring Green Community Library Board Meeting**  
**Tuesday, July 9, 2019**

The meeting was called to order by Sue Meise at 5:00 PM in compliance with the Open Meeting Law. This meeting also included a closed session under Sections 19.85(1)(c).

**Present:** Ed Lilla, Linda Thering, Linda Kettner, Sam Van Hallgren, Janet Keel, Carrie Portz (director)

**Absent:** Robin Reid

**Guest:** Bridget Roberts, Mike Peterson

**Agenda:** Linda Kettner moved to accept the agenda seconded by Janet Keel. Motion carried.

**Presentation by Mike Peterson of PCB Wealth Management:** Discussion of starting with a written investment policy that will outlast changes in Board members and guide investments, Mike will provide examples to Carrie. Linda T asked about investing funds that have restrictions on them, and Mike discussed having a separate designated account with the restriction listed, have a general account with more flexibilities, maybe have 5-6 accounts. Each account may have different risk choices, some FDIC insured some more aggressively invested. Sue asked about next steps, what he will help with. Mike said he can help with investment policy and has software for modeling the risk and can give guidance on what ups and downs in market to expect versus the purpose of the account. Emphasizing allowing flexibility within the investment policy to reallocate between stocks, bonds, cash, etc. Mike has no account minimum to invest with him though a smaller investment amount limits what funds he can recommend due to funds having a minimum investment. Management fees for a nonprofit is about 0.5%. Carrie asked how investment for a library is different from personal investment. Mike explained that investment for a library does involve multiple different personalities with different preferences, also are looking at an infinite life expectancy versus a retirement account with a start and end date. Mike will meet with us again after we review examples and also asks us to determine different accounts/funds based on restrictions and designations for certain accounts. Carrie asked about what would be best regarding working with a foundation account versus a market broker. Mike explained that some foundations already have a large investment pool with higher account minimums, and their portfolio may not fit your investment strategy, they cannot customize things. For example, your \$ gets entered into an account with millions, and you get a statement, but don't get choices to move your money and reallocate based on local preferences. Mike explained that it comes down to who you are comfortable working with. Discussion of laddered bonds and long-term strategies where holding them to term means you do not lose the principal unless the company goes under.

**Minutes from June 4, 10, 11, and 17 Board Meetings:** Linda K moved to accept all 4, seconded by Sam Van Hallgren. Motion carried.

**Treasurer & Financial Report:** Linda T mentioned CD rates varying between banks. Sam moves to accept, Linda K seconds. Motion carried.

**Approval of Bills:** Ed L moved to accept, Linda K seconds. Motion carried.

**Librarian's Report:** Items checked out still down, more programs but attendance is down, computer use is down. Sue wonders how often we should review how many computers we have for use. Carrie mentioned that we are replacing 2 per year with the technology fund. SCLS wants to end acting as a "bank" to hold the technology fund, should we ask Sauk County Library board to do this or have it come directly to each library. Sam mentioned buying ipads/tablets for kids doing things like playing games to free up the public computers or so that we need one less computer.

**Presentation by Marty Van Pelt of South Central Library System:** Marty brought handouts: Fund Account Management Agreement, SCLSF Investment Policy, Investment brochure, and SCLSF Account Summary. Marty explains the SCLSF is 501c3 and there are some companies like Alliant that will only donate to a 501c3. Some libraries diversify to multiple groups/foundations, like SCLSF and the Madison Community Foundation. SCLSF minimum is \$500, and you can get the money returned about a week or so after requesting (if the request is less than \$5K, if more than \$5K prefers a 30-day notification). The Madison Community Foundation is more like an endowment and you do not get the minimum investment back. SCLSF provides a foundation option without the small library needing to go through the time and expense of starting their own foundation. SCLSF provides a monthly excel spreadsheet (so you can manipulate how the data is displayed for your needs). Money is invested through First Business Bank out of Madison and MKE. First Business is a bank for large accounts, corporations, nonprofits (not small individual accounts), they watch daily and direct investments for SCLSF. There are 2 fees: (1) to SCLSF on a sliding scale (0.5-1%, cheaper the more you invest) and (2) to First Business charges an investment service costs, currently it is 0.55% charged to SCLSF, and the Foundation charges the library its percentage of that cost (e.g. if First Bank charges \$100 in fees, and SG library is 1% of the Foundation funds, then SG's proportion of the First Bank charge is \$1).

SCLSF has its own Wealth Management Investment Policy. Not a get rich quick, librarians not known as risk takers. Maintaining a large margin of safety on the portfolio. 40% fixed income and 60% equities, +/- 10%. SCLSF holds a fundraiser annually and donates a portion back (and a portion of fees) to the libraries or to things all libraries use like OverDrive. This year is the year they have made more than the ~\$13-15,000 per year it costs to run the Foundation. They aren't making a profit, a portion of the fees is returned to benefit libraries (though not a check directly to the library). SCLSF can handle stock donations, so that the donor does not have to pay capital gains. Can only invest donated money in SCLSF, cannot be government/tax money. Marty meets with First Business quarterly on the market. SCLSF has only one account with First Business, so there are lower fees, higher interest accounts. There aren't different investment choices, no choices for different accounts. Except that, they have one library with 3 different accounts even though it ends up with a lower interest rate, they wanted the different account for tracking. The SCLSF is 501c3, so if someone wants to donate to a 501c3, they need to make the check directly to the SCLSF with Spring Green in the memo to direct that it is gifted for our library. Marty stated that this is only part of a library's investment strategy; libraries may have money at the municipality, in checking account, in CDs, now the SCLSF provides a foundation option. There aren't really other options for this kind of foundation, and it really benefits the small libraries to have access to a foundation/501c3 without doing that paperwork and auditing

themselves. SCLSF chose First Business bank after interviewing other banks and being dissatisfied with BMO, who they had used before. Marty says that First Business provides discounts, knows names, and provides considerations like hosting a fundraiser for SCLSF.

**Back to Director's Report (we interrupted Carrie when Marty showed up):** Waffles with Wolfie was popular and Wolfie has been donated, will be getting another foster. Adult programming. Good feedback about the children's art booth at the SG Art Fair. Some days at library we have had huge patron count numbers, over 400 one day, over 200 one Saturday. Community Wide Garage Sale this coming weekend Thurs-Sat. Someone started petitioning at the library, it was not noticed and they started pressuring people. Bridget talked to them Monday when Carrie was not here. Carrie noticed we do not have a policy about people petitioning at the library, thinking we should have it posted on the bulletin board. Carrie noted that a lot of libraries have a no petitioning policy. Bridget talked about how they started to get more pushy Saturday, Bridget talked to Sue M as Carrie was out, and then Bridget talked to them. Sam asked what the bulletin board policy is. Carrie mentioned other libraries put the petitions in with their more business posting policy.

#### **Friends' Update:**

##### **Old Business**

-Update on plans for south-side of building/drainage correction: Ed had to leave early. Bruce will be coming to look

##### **New Business**

-Discussion of Library Investment Strategy/Policy. We heard Mike and Marty's presentations. Lets bring our thoughts to the next meeting. Discussion of the benefits of a local person, local contact at a bank.

**General Public Comment:** Bridget Roberts mentioned the beautiful cardinal outside. Bridget wants to thank Carrie for everything she has done for the library in the last 2+ years and how far she has brought the library. We will miss you.

**Next Meeting:** August 13 at 5:00 pm

##### **Adjourn:**

Linda T moved to adjourn this meeting, Sam V seconded. Motion carried.

Respectfully submitted,  
Janet Keel