

LAKE FOREST LIBRARY BOARD OF TRUSTEES

Finance Committee Meeting Minutes – December 11, 2024

Members Present: Trustee Vince Sparrow, Trustee John Johnson, City of Lake Forest Finance Director Elizabeth Holleb, City of Lake Forest Assistant Finance Director Diane Hall Executive Director Ishwar Laxminarayan, Business Manager Leo Hamza

The meeting commenced at 3:32 pm. The Committee welcomed Assistant Director Diane Hall who will be taking over as Interim City Finance Director after Director Holleb's departure in January 2025.

There was no public comment.

Director Elizabeth Holleb provided an update on recent investment activities, reporting the purchase of two treasuries, each with a par value of \$250,000. The first treasury, maturing on February 15, 2027, yields just under 4.25%, while the second, maturing on May 15, 2027, yields 4.24%.

Director Holleb also noted the anticipation of a quarter-point basis drop in the Federal interest rate within the next week. She highlighted that, recently, treasuries have been yielding slightly higher returns compared to CDs.

Executive Director Ishwar inquired whether the committee was interested in making additional investments at this time. Trustees John Johnson and Vince Sparrow recommended deferring further investments until after reviewing the budget cycle. They emphasized the importance of understanding likely expenditures on capital items to better match investments with project timelines and capital needs.

Executive Director Ishwar noted that the Memorandum of Understanding (MOU) with the City of Lake Forest stipulates that any investment must mature within three years. Director Holleb pointed out a current violation of the MOU due to a CD maturing in 2029, which was purchased in July 2024 with a five-year term. Trustees Vince Sparrow and John Johnson will discuss with the Board of Trustees the possibility of amending the MOU to increase the investment limit from \$4 million to \$6 million and extend the maturity term restriction from three years to five years. They will also address the existing violation and propose swapping the non-compliant investment with the City of Lake Forest if the MOU cannot be amended.

The FY 2026 budget timeline was discussed. Trustees Sparrow and Johnson recommended the use of a GANTT chart to better track budgets and projects.

Executive Director Ishwar inquired about the City of Lake Forest's relationship with the Ferguson Group and their management of state and federal grants for the city. Director Holleb explained that the city pays the Ferguson Group a flat fee each month, with additional costs for any grants they want written. Trustees Johnson and Sparrow agreed that this service might be beneficial for the library's future grants and advised Executive Director Ishwar that he has the authority to proceed with hiring a group like the Ferguson Group to handle grants and grant writing.

Trustees Johnson and Sparrow recommended that the library process The Friends' reimbursements quarterly to better reflect these transactions in the financial reports. This adjustment aims to shorten the time frame between when expenses occur on the library's side and when they are reimbursed by The Friends.

Trustee Johnson raised a question regarding the benefits figure, noting that the Year-to-Date percentage realized appears low compared to the budgeted amount for FY2025. Executive Director Ishwar explained that the initial estimation at the beginning of the year anticipated being under budget in the Benefits line. He added that the impact of new hires and the recent benefits changeover should be reflected in the upcoming reports, which will bring the Year-to-Date figure significantly closer to the budgeted amount for the Benefits line for FY2025.

The next meeting is scheduled for Wednesday, January 15 at 3 pm.

The meeting adjourned at 4:35 pm