



**MINUTES OF THE LA GRANGE PUBLIC LIBRARY
FINANCE COMMITTEE MEETING
May 12, 2010**

Present: Jane Byczek, Caroline Coryell, Rose Taylor

Other Trustees: None

Absent: None

Staff: Jeannie Dilger-Hill

Guests: None

Presenters: None

Meeting was opened by Chairman Caroline Coryell at 7:31 p.m.

Caroline asked Jeannie Dilger-Hill to tell the committee about the proposed visit of a representative from Edward Jones to talk to the full Board, on Tuesday May 18, about CDARS and other investment suggestions.

CDARS never go above FDIC amounts. Edward Jones does something similar, called brokered CDs. Edward Jones does not take a commission but buys at discount and sells to us at retail. They have full liquidity and money can be added or withdrawn without penalty. The broker can sell at anytime; however if a CD is sold before maturity it will lose interest.

One committee member said she has a personal CD with a local bank which allows her to add or withdraw money without penalty. Perhaps we should look into this as well.

Jeannie said some other investment options are not FDIC insured. More risky, (but sometimes more lucrative), ECR's are available. Also, Treasury Bonds are backed by the full faith and credit of the Federal government rather than FDIC.

Caroline said she felt very uncomfortable putting taxpayers' money in a non-FDIC insured account of any kind, and Jane Byczek agreed. Rose Taylor said she felt the same way.

The Investment Policy was reviewed and, Investment Selection, number 4, states that "other investments deemed appropriate by the Board" may be invested in.

The committee felt that, only if the full Board agreed would we consider investments which were not insured by FDIC.

The third TIF distribution payment has not arrived. However, we are not in the position of having to count on the extra tax revenue. Our budget was drawn up and adopted without the TIF money and Caroline suggested we keep it in the Operating Fund, but ignore it when budgeting. If an investment opportunity looks good we can move some of it, but we should not use it to add items to the budget unless we have a short-fall of tax revenue down the road and absolutely must use some of it. Jane and Rose concurred; the committee agreed that it's no different than a household

budget where you spend what is necessary and put away what you can for a rainy day. Jane noted that we have a number of strategic plan items that may involve some costs in the future, where we might want to utilize that money. Jeannie suggested that when that happens, we might consider a deficit budget, where expenses exceed income, knowing that the TIF money is still in the operating fund for that purpose.

Although some of the language of the Investment Policy is from the 1990's writing, the committee decided it serves its purpose and there would be no changes at this time.

We will listen to what the broker from Edward Jones has to say at Tuesday evening's board meeting, but not utilize TIF distribution revenues at this time.

We have to prioritize items on the Long Range Plan and, with the 2010-2011 budget in place we need to have some "wiggle room" in the event there is a short fall in tax revenues. Especially since no one knows what the next year or two may bring.

Jeannie talked a little about the "Cyberbar" idea and that Agati had come to do some very preliminary measurements in case we decide to install some.

Any money left in the budget (excluding the TIF reserves) will, as in past years, be transferred to the Special Building Fund for contingencies.

It was moved by Rose to adjourn, seconded by Jane.

Meeting adjourned at 8:30 p.m.

Respectfully submitted,

Caroline Coryell
Chairman