



**MINUTES OF THE LA GRANGE PUBLIC LIBRARY  
FINANCE, PERSONNEL AND ARCHIVES COMMITTEE  
August 6, 2009**

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**PRESENT:** Jane Byczek, Caroline Coryell, Rose Taylor

**OTHER TRUSTEES:** Mary Nelson

**ABSENT:** None

**STAFF:** Jeannie Dilger-Hill

**PRESENTERS:** Bob Santore, Chris Daly from Harris Bank

The two representatives from Harris Bank introduced themselves and gave an overview of the options they have for holding Public Funds.

First they discussed ECR's (Earnings Credit Account). These accounts have a monthly bank fee, which, by maintaining a "compensating balance", can be covered by the remaining balance. They did tell us that bank fees and charges on a \$600,000.00 deposit are \$250.00 a month, at this time, but by depositing the fee money in a non-interest bearing account; no "hard dollar" fees would be paid.

Their next suggestion was their "Off Balance Sheet" sweeps. The money in our account which is not needed for clearing monthly checks would be invested in "Money Market Mutual Funds". They explained that this money is not deposited in the Bank but in a mutual fund made up of various investments. Some funds are invested in Government Treasury Bonds and other secured investments. These funds are not FDIC insured.

Next was the Certificate of Deposit Account Registry Program (known as CDAR's). Although the money is handled by Harris, it allows us to spread our investments over several banking institutions and are, usually, FDIC insured, as each bank holds only the FDIC insurance amount. We receive just one statement for all deposited monies and the credit of each participating bank is reviewed regularly. There are some restrictive rules, they told us quotes are on Tuesdays only and wires on Wednesday only. Our funds would receive a wide variety of maturity dates, but only one combined rate for total funds processed through the CDAR's bank network.

Another option would be Harris Public Funds, which are indexed to the Illinois Funds. The interest rate is reset monthly, based on the previous month's average daily rate. This fund has full liquidity (we can write checks for any amount at any time) and, they informed us that, based on anticipated balance levels, Harris can offer a "kicker rate". For instance we may receive, on \$1,000,000.00 per year we had in the Harris Public Fund, additional interest of up to \$1,500.00. Harris stated these funds were "collateralized" daily.

They also said they have regular CD's; however rates right now are extremely low and not expected to recover in the short term. (They did not seem terribly hopeful about the long term either).

After the two gentlemen left there was open discussion. Jeannie Dilger-Hill said the person she had originally contacted was Pat Sandercock. Since he was unable to make it tonight, he sent these two men to give us an overview of what Harris could offer.

It was suggested that we ask for a prospectus to give us more information and direction.

We also need to talk to Lou Cipparrone at the Village to find out what options and regulations apply to us, as we are a Municipal not a District library.

Jane Byczek said we need to find out just what we are allowed to invest, and it would be worthwhile to discuss this with Pat Sandercock.

Also, should we invest the bulk of the TIF funds to cover future shortfalls? We are already learning that all this brand-new equipment is, mainly, only guaranteed for a year or two.

Rose Taylor suggested we ask for a prospectus to show us, in more detail, what Harris could offer us.

Right now Linda Montelo uses a system created by Steve Moskal, relying on information and charges from six months back to figure how much to transfer from operating cash each month in order to pay the bills. She said the TIF money would go into the Special Building Fund on July 1<sup>st</sup>.

Jane said that Hinsdale had Operating Funds and Capital Funds, but it was not a Municipal Library and the rules may be different, or may have changed in the past few years.

Caroline had talked to Lou previously about putting the TIF money (which may amount to close to \$300,000 altogether) aside and investing it. At that time she was told this would not be a problem. But Jeannie was asked to speak to him again, now that we have some of the money on hand, about exactly what we can and can't do with these funds in the short term. Also, we need to know if our funds must be covered by FDIC. Can we put taxpayer money in a non-insured account? (Or should we?) We can't hold monies indefinitely, but we don't want to just fritter it away either. We need to know if we can (or need to) create another fund for investments. We are looking at costs for creating our "Brand", logos, and a special look unique to our Library. Also we need start-up money to create a new Web-site, and the Staff has some projects this money could fund.

Our next year's per-capita grant money (if we receive it) was to be used to purchase ten laptop computers for patron use. Jeannie suggested using some of the TIF money for this now and then replacing the money when the grant comes through.

We (the committee) did agree that we cannot spend it all and then have no cushion for the future.

It was proposed that we give this information to the full Board along with our recommendation to invest as much as we are allowed. We would also present the laptop proposal to the full Board.

Jane moved to adjourn, seconded by Rose.

Meeting adjourned at 8:31 p.m.

Respectfully submitted,

Caroline Coryell  
Chairman