

**Flint Public Library
Finance and Budget Committee
December 19, 2019
Room 205, 5:30 PM**

Members present: Brian Larkin, Mathew Schlinker, Jim Richardson, Andrew Watchorn, Linda Pylypiw

Staff present: Director of Library Services Kay Schwartz
Director of Finance, HR & Facilities Connie Palmer

Mr. Larkin called the Finance Committee meeting to order at 5:38 p.m.

Mr. Larkin requested a motion to approve the agenda as presented. Mr. Richardson made a motion to approve the agenda as presented, Mr. Schlinker seconded, all present voting aye. Motion carried.

A call was made to the public. No public in attendance requested to address the committee.

The committee reviewed the minutes from the November 21, 2019 meeting. Mr. Richardson made a motion and Mr. Schlinker seconded to accept and file the November 21, 2019 minutes. Mr. Larkin called the question, all present voting aye. Motion carried.

New Business

Presentation by PFM Asset Management, LLC

Director Schwartz introduced Mr. Michael Barry is a Senior Managing Consultant with PFM Asset Management. PFM Asset Management is the investment advisor for the Michigan Liquid Assets Fund Plus (MILAF), a pooled investment fund for local governments, ISD's and public school districts in the State of Michigan.

Mr. Barry made a presentation to the committee regarding the MILAF fund and the experience of the governmental entities in Michigan that invest through the MILAF fund. There are over 530 local governments using the fund, it has been in place for over 30 years and currently manages over \$5.6 billion in funds for operations, capital improvements (including bond proceeds), trust and reserve funds. The primary objective of the fund is protection and safety of the principal. PFM Asset Management currently manages over \$140.8 billion in assets. During the credit crisis, they completely avoided defaulted credits, structured investment vehicles, subprime mortgages, collateralized debt obligations and auction-rate securities.

All investments are made in compliance with Michigan Public Act 20. Standard & Poor's rates the MILAF+ Portfolio AAAM. PFM offers bond proceeds management services that are competitive, independent, offer full reporting services and does all arbitrage rebate calculations.

Director Schwartz and Mrs. Palmer reviewed what services PFM Asset Management and the MILAF fund would provide for the investment of the bond proceeds. The services are necessary due to the size of the bond issue and the size of the management team.

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Mr. Richardson made a recommendation to the Board of Trustees to engage PFM Asset Management to manage the portfolio of the bond proceeds, Mr. Watchorn seconded. Lively discussion ensued. Mr. Larkin called the question, all present voting aye, motion passed. Everyone present thanked Mr. Barry for his time with the committee.

Review of Draft Financing Timetable for sale of bonds.

Mr. Larkin asked Mrs. Palmer to review the draft-financing timetable for the sale of the bonds with the committee. We are tentatively planning selling the bonds at a competitive sale on Tuesday, February 4, 2020 at 11:00 a.m. Official notice of the sale will be printed in the Bond Buyer. The bond closing will occur on February 25, 2020.

Resolution Approval of Investment Officer

Mr. Larkin asked Director Schwartz to review the resolution. The resolution is being updated to reflect the change in officers on the board and the current institutions the Library uses for its investments. The resolution formally delegates authority to the Director of Finance to enable them work with the different financial institutions on behalf of the Director and Treasurer. Mr. Richardson made a motion to approve the Resolution Approval of Investment Officer to the Board of Trustees, Mr. Schlinker seconded. Discussion ensued. Mr. Larkin called the questions, all present voting aye, motion passed.

Old Business

Financial Statements and Investment Report for the period ending November 30, 2019.

Mr. Larkin asked Mrs. Palmer to review the financial statements and investment report for the fiscal year ending November 30, 2019. Mrs. Palmer reviewed the financial statements and the investment schedule with the committee. The committee reviewed the cash and cash investments, the property tax revenues and the flow of collections and the status of the budget to actual for each activity center and grants. Discussion ensued as the committee reviewed the statements in detail. Mr. Richardson moved and Mr. Watchorn seconded forwarding with the committee's recommendation for approval, the financial statements and the investment report for the period ending November 30, 2019 to the Board of Trustees. All present voting aye.

Capital Projects update

Mr. Larkin asked Director Schwartz to provide an update on the renovation plan for the library. Director Schwartz reported that she would continue the weekly email updates as the project moves forward. We have secured temporary space at Courtland Center with a planned opening date around May 1, 2020. The library will have a party on February 29, 2020 from 12:00 p.m. to 4:00 p.m. to allow the public to come in and say good-bye to the current building configuration. The library will shut down to the public until May 1, 2020 to pack and move to the temporary space and the storage locations.

Director Report

The Director's report is as stated in the updates under capital projects update and the items presented to the committee.

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Board Report

Mr. Larkin reported that the Board of Trustees continued to move forward with the renovation project and the necessary resolutions for it to commence.

There being no further business to discuss, Mr. Larkin called for a motion to adjourn, Mr. Richardson made the motion and Mr. Watchorn seconded. All present voting aye, meeting adjourned at 7:36 p.m.

Respectfully submitted,
Connie Palmer

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