

QUEENS LIBRARY
FINANCE AND INVESTMENT COMMITTEE
THURSDAY, APRIL 26, 2018
MINUTES

A meeting of the Finance and Investment Committee was held at the Central Library, 89-11 Merrick Boulevard, Jamaica, NY 11432 on Thursday, April 26, 2018. The meeting was called to order at 6:45 PM by Committee Chair Robert Santos Esq..

I. Call to Order

Attendee Name	Title	Status	Arrived
Carl S. Koerner Esq.	Board Member	Present	
Robert Santos Esq.	Committee Chair	Present	
Michael E. Rodriguez Esq.	Board Member	Present	
Earl G. Simons Ed. D	Board Member	Present	
James M. Haddad Esq.	Board Member	Present	
Matthew M. Gorton	Board Member	Excused	
Judy E. Bergtraum Esq.	Chair of the Board	Present	

II. Agenda Action Items

The investment firms, Wilmington Trust, TD Bank, and JP Morgan, respectively, gave the board the status the Library's investment portfolios.

Walter Dillingham and Robert Bridges, of Wilmington Trust, gave a brief overview of the Library's portfolio with Wilmington Trust. They reported that although inflation may start to go up, the opportunities outweighed the risks and no signs of a recession. The market has grown in 2018 and much of earnings growth is coming from government tax cuts and possibility of a slowdown in trade. Other factors include, rise of interest rates.

Mr. Bridges reported that the Library portfolio outweigh in equities, concentrated in international equities and emerging markets, and underweight in fixed income. The overall net return, after administrative fees, for 2017 increased to 14.8% above the usual ROI. It was a very strong year and slightly ahead of the long-term midpoint for 2018. Fixed income equities have been positive.

Mr. Tragale reported that the investment managers are working to provide a new approach to providing statistics to the board, which is not included in the Library's current investment policy. The Investment managers are also assisting the finance department in revising the Library's current investment policy. The investment-working group was instrumental in changing the reporting method for the Library's investments.

Wilmington Trust has been working with Queens Library since May 2013.

Alexander Lane and Beatriz Pallares of TD Bank, gave the board an overview of TD Bank investment portfolio and the changes made to the portfolio. Mr. Lane reported that the portfolio underperformed in 2017, with a return of 11.3%, behind the benchmark. However, the year has neutralized and economic growth is rising and is now stronger. He reported that the portfolio will perform well for 2018.

TD Bank has been working with Queens Library since 2013.

He also reported the overhead fees are a little high, due to 3rd party manager due diligence, and handling of day to day asset location advice, account balancing and day to day alignment/business with Queens Library. Moreover, TD Bank is very involved with managing the Library's accounts that may require additional overhead (additional services) and tied into additional accounting services.

Robert Langdon and Connor McKinney, JP Morgan, gave a brief overview of the investment portfolio. 2017 was a great year for the equities markets portfolio, with the library's portfolio up at 13.9%, (55% in equities - 5.9% since inception). With the notion of synchronized global growth within international investment, the portfolio will have volatility but growth in 2018.

The oversight fees are charged based on the total number of assets invested and managed by JP Morgan. Fees are charged based on a tier-structured fee.

1. Approval of Bills for the Month of February 2018 (ID # 1711)

Recommended Motion for Consideration by the Finance & Investment Committee:

I move that the Finance & Investment Committee recommend to the Board of Trustees the

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approval of the February 2018 bills in the aggregate sum of \$3,944,101.

RESULT:	RECOMMENDED [Unanimous]
MOVER:	Judy E. Bergtraum Esq.
SECONDER:	Michael E. Rodriguez Esq.
AYES:	Koerner Esq., Santos Esq., Rodriguez Esq., Simons Ed. D, Haddad Esq., Bergtraum Esq.
EXCUSED:	Matthew M. Gorton

2. Approval of Bills for the Month of March 2018 (ID # 1703)

Recommended Motion for Consideration by the Finance & Investment Committee:

I move that the Finance & Investment Committee recommend to the Board of Trustees the approval of the March 2018 bills in the aggregate sum of \$6,046,832.

RESULT:	RECOMMENDED [Unanimous]
MOVER:	Michael E. Rodriguez Esq.
SECONDER:	Judy E. Bergtraum Esq.
AYES:	Koerner Esq., Santos Esq., Rodriguez Esq., Simons Ed. D, Haddad Esq., Bergtraum Esq.
EXCUSED:	Matthew M. Gorton

3. Acceptance of Financial Reports for the Period Ending February 2018 (ID # 1713)

Recommended Motion for Consideration by the Finance & Investment Committee:

I move that the Finance & Investment Committee recommend to the Board of Trustees that the Budget Reports for Board approved operating funds and Balance Sheets for all funds as of February 28, 2018 be accepted.

RESULT:	RECOMMENDED [Unanimous]
MOVER:	Michael E. Rodriguez Esq.
SECONDER:	Judy E. Bergtraum Esq.
AYES:	Koerner Esq., Santos Esq., Rodriguez Esq., Simons Ed. D, Haddad Esq., Bergtraum Esq.
EXCUSED:	Matthew M. Gorton

4. Acceptance of Financial Reports for the Period Ending March 2018 (ID # 1701)

Recommended Motion for Consideration by the Finance & Investment Committee:

I move that the Finance & Investment Committee recommend to the Board of Trustees that the Budget Reports for Board approved operating funds and Balance Sheets for all funds as of March 31, 2018 be accepted.

RESULT:	RECOMMENDED [Unanimous]
MOVER:	Michael E. Rodriguez Esq.
SECONDER:	Earl G. Simons Ed. D
AYES:	Koerner Esq., Santos Esq., Rodriguez Esq., Simons Ed. D, Haddad Esq., Bergtraum Esq.
EXCUSED:	Matthew M. Gorton

III. Agenda Report Items

At the request of the board at the April 26 meeting, Mr. Tragale distributed a revised OTPS report that includes the expenditures and the progress the Library is making in paying invoices to have a smooth closing at the end of the fiscal year. This report is distributed monthly to staff to ensure the finance closing is on target and funding is spent appropriately.

Collections fees are down and has dramatically dropped within the last few years. This can be contributed to the 24-hour book drops, and mobile and web apps since customers are able to renew material remotely and avoid incurring late fees.

1. Payroll for the Month of February 2018 (ID # 1712)

RESULT:	PRESENTED
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2. Payroll for the Month of March 2018 (ID # 1702)

Mr. Tragale reported the payroll is higher in March due to issuing three payrolls this month, as opposed to two per month. He also reported that Health and welfare expenditures increased due to payroll expenses. Staff are also closing open purchase orders to meet the end of the year deadlines; paying our vendors faster.

RESULT:	PRESENTED
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3. Investment Performance Reports (ID # 1709)

RESULT:	PRESENTED
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IV. Adjournment

1. Motion to Adjourn (ID # 1710)

Recommended Motion for Consideration:

I move that the meeting be adjourned.

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RESULT:	RECOMMENDED [Unanimous]
MOVER:	Michael E. Rodriguez Esq.
SECONDER:	Judy E. Bergtraum Esq.
AYES:	Koerner Esq., Santos Esq., Rodriguez Esq., Simons Ed. D, Haddad Esq., Bergtraum Esq.
EXCUSED:	Matthew M. Gorton

The meeting was closed at 7:49 PM.

Committee Chair