

QUEENS PUBLIC LIBRARY
FINANCE AND INVESTMENT COMMITTEE
TUESDAY, MARCH 1, 2022
REPORT

A meeting of the Finance and Investment Committee was held virtually via Zoom on Tuesday, March 1, 2022. The meeting was called to order at 6:03 PM by Committee Chair, Julissa Gutierrez.

I. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Matthew M. Gorton	Board Member	Present	
James M. Haddad, Esq.	Board Member	Present	
Haeda Mihaltses	Board Member	Excused	
Earl G. Simons, Ed. D.	Board Member	Excused	
Julissa Gutierrez	Committee Chair	Present	
Carl S. Koerner, Esq.	Board Member	Present	
Cloyette Harris- Stoute	Board Member	Present	
Judy E. Bergtraum, Esq.	Board Member	Present	
Jimmy Van Bramer	Board Member	Present	
Dennis M. Walcott	President & CEO	Present	
Michael Tragale	Chief Financial Officer	Present	
Justin Deabler, Esq.	General Counsel & Sr. VP	Present	
Sung Mo Kim, Esq.	Chief Operating Officer & Sr. VP	Present	
Nick Buron	Chief Librarian & Sr. VP	Present	
Susan Latham	Executive Director, QPL Foundation	Present	
Vishnu Dawah	Controller	Present	
William Goldband	VP, Information, Technology & Development	Present	
Sara Hausner-Levine, Esq.	Deputy General Counsel	Present	

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Justin Carroll, Esq.	Associate General Counsel	Present	
Chauncie Brooks	Sr. Manager, Infrastructure & Support	Present	
Danielle Walsh	Community Library Manager, South Jamaica Library	Present	
LaNiece M. Ince	Executive Assistant to President & CEO	Present	

II. AGENDA

Action Item(s)

1. Approval of Bills for the Month of January 2022 (ID # 2620)

Recommended Motion for Consideration by the Finance & Investments Committee:

I move that the Finance & Investments Committee recommend to the Board of Trustees approval the January 2022 bills in the aggregate sum of \$3,732,601.

RESULT:	RECOMMENDED [Unanimous]
MOVER:	Matthew M. Gorton
SECONDER:	Julissa Gutierrez
AYES:	Matthew M. Gorton, James M. Haddad, Esq., Julissa Gutierrez
EXCUSED:	Haeda Mihaltses, Earl G. Simons, Ed. D.

2. Acceptance of Financial Reports for the Period Ending January 2022 (ID # 2618)

Recommended Motion for Consideration by the Finance and Investment Committee:

I move that the Finance & Investments Committee recommend to the Board of Trustees acceptance of the Budget Reports for Board-approved operating funds and Balance Sheets for all funds as of January 31, 2022.

RESULT:	RECOMMENDED [Unanimous]
MOVER:	Matthew M. Gorton
SECONDER:	Julissa Gutierrez
AYES:	Matthew M. Gorton, James M. Haddad, Esq., Julissa Gutierrez
EXCUSED:	Haeda Mihaltses, Earl G. Simons, Ed. D.

Report(s)

3. Investment Performance Reports (ID # 2617)

Michael Tragale, Chief Financial Officer & Sr. VP, reported that Wilmington Trust, TD Bank, and JP Morgan would present on the asset allocation, fees, and consolidated performance of the Library's investment portfolio.

Wilmington Trust

Walter Dillingham and Carly Nathanson of Wilmington Trust gave a brief overview of the Library's portfolio with Wilmington Trust.

Mr. Dillingham reported that since 2013, Wilmington Trust has managed four library accounts with the Library's assets totaling \$15.7

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million. The advisory fee is .50% or 50 basis points on the first \$25 million.

Ms. Nathanson reported that the library's portfolio is diversified, which is important at this time. Due to the volatile markets, Wilmington Trust will be keeping a close eye on the markets and new developments.

In 2021, the managed portfolio's yearly return was strong with an increase of 12.2% and, since inception, the portfolio has increased by approximately 7.9%. The portfolio is currently rebalanced to a 60/40 mix as indicated in the Library's investment policy statement.

Mr. Tragale asked whether, based on the reduction in alternative investments, the advisory fees would decrease next year. Ms. Nathanson reported that the fees are embedded in the returns that were presented; however, it would bring down the expense ratio.

Mr. Haddad asked how Wilmington Trust develops the allocations within the investment portfolio. Mr. Dillingham reported that the portfolio is developed with guidance from the Wilmington investment committee and the Library's investment policy statement. Every portfolio is customized to fit the customer's needs.

Mr. Tragale thanked Mr. Dillingham for Wilmington's longstanding service on behalf of the Library.

TD Bank

Beatriz Pallares and Tony Santos of TD Bank gave the board an overview of the TD Bank investment portfolio.

Mr. Santos reported that, as of December 2021, the Library's asset balances were approximately \$14.587 million, an increase from 2020 of \$1,102,205. The bank's blended fee is 1.536%. He reported that last year the portfolio performed strongly, and TD was proud of last year's return.

Board trustee Carl Koerner asked Mr. Santos what investments are considered "alternative" within the investment portfolio. Mr. Santos reported that merger arbitrage, both long and short positions, are considered alternatives. He also reported that the portfolio has been rebalanced to a 60/40 mix, in line with the Library's investment policy.

JP Morgan

Jennifer Marks and Colby Royce of JP Morgan gave a brief overview of the JP Morgan investment portfolio.

Ms. Marks reported that this year, JP Morgan will mostly focus on equities within the library's portfolio.

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Ms. Royce stated that last year, net fees, the Library's portfolio increased 10.5%. However, the presentation is not in line with the report received. An updated report will be provided for the committee's review.

Since inception in 2013, annually the investment portfolio has increased 6%, which is expected from a mixed 60/40 investment portfolio.

In 2021, equities increased 16%, fixed income increased .1%, with 19% of alternatives assets allocated across the four managed accounts, which increased the portfolio by 12%. Ms. Colby reported that based on the revised library investment policy, alternative asset allocations were removed from the portfolio.

Mr. Tragale stated that JP Morgan has the highest advisory fee. Ms. Colby reported they have offered to decrease their fee from .65% to .55%. Due to time constraints, Ms. Royce asked if this could be discussed with Mr. Tragale and committee chair, Julissa Gutierrez, at a later date and time.

Mr. Tragale recommended to the committee that, of the three managers, Wilmington has provided the highest returns with the lowest fees and has been consistent. Ms. Gutierrez stated that any decision on the status of the three investment managers should be discussed with the full board.

RESULT:	PRESENTED
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4. FY'22 Bi-Annual Credit Card Usage Summary (ID # 2621)

RESULT:	PRESENTED
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5. Payroll for the Month of January 2022 (ID # 2619)

RESULT:	PRESENTED
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III. ADJOURNMENT

1. Motion to Adjourn (ID # 2626)

Recommended Motion for Consideration:

I move that the meeting be adjourned.

RESULT:	RECOMMENDED [Unanimous]
MOVER:	Matthew M. Gorton
SECONDER:	James M. Haddad Esq.
AYES:	Matthew M. Gorton, James M. Haddad Esq., Julissa Gutierrez
EXCUSED:	Haeda Mihaltses, Earl G. Simons Ed. D

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The meeting was closed at 6:57 PM.

Committee Chair

Attachment: F & I Committee REPORT - March 1, 2022 (2632 : Approval of F & I Committee Report - March 1, 2022)