

## **Kent County Public Library Board of Trustees**

### **Finance Committee**

Minutes of the May 13, 2025 Meeting

Present: John Murphy, Treasurer; Rachel Durso, Trustee; Robert Bell, Executive Director; Chris Walmsley, Director of Office Administration

The meeting was called to order at 4:00 pm.

The minutes of the previous meeting were reviewed and adopted without change.

#### **Maryland State Library Agency Funding**

Mr. Bell reported that he had attended a session at the MLA/DLA Annual Conference by Morgan Miller, the Maryland State Librarian. Ms. Miller shared that the capital funding would be approved, and the allocation from Maryland for the next fiscal year for the library. Mr. Bell stated that the library would receive \$135,142 from MSLA in fiscal year 2026.

#### **Institute of Museum and Library Services Defunding**

Mr. Bell shared that Maryland receives approximately \$3 million through LSTA, of which \$1.7 million goes to libraries and \$1.3 million goes to museums and other organizations. Mr. Bell noted that nothing major would be impacted in the near future, but that services may be cut or reduced if the funding was removed entirely.

#### **Budget Presentation**

Mr. Bell stated that he had received positive feedback on the presentation, and that there would be an open session in early June. Mr. Bell noted that he expected to receive questions from the commissioners ahead of the June meeting.

Mr. Murphy added that he thought the presentation went well, but would need to wait to see how much funding was received before the budget could be presented.

Ms. Durso said that she thought that the presentation went well, and that the commissioners should support the one-time funding requests since they were connected to public safety which was a priority for the commissioners.

#### **Proposal to Improve Management of KCPL Reserve Funds**

Mr. Murphy reviewed the funds held by the library noting that some were kept in Peoples Bank, and the business checking and money market accounts with PNC Bank. Mr. Murphy stated that the funds were split between banks to be below the FDIC limit.

Mr. Murphy stated that he had compared four banks for their returns on Certificates of Deposit. The banks that he compared were Chesapeake Bank, Peoples Bank, PNC Bank, and Truist Bank. Mr. Murphy shared that PNC offered the highest returns, and that Truist offered the second highest returns of banks checked.

Mr. Murphy proposed to move funds from Peoples Bank to Truist Bank and create a rolling 5-month CD. This would mean that 1/5<sup>th</sup> of the funds would be available immediately. Ms. Durso asked if there were any particular rules related to reserve funds that the library would need to have available. Mr. Murphy noted that funds could be withdrawn early from the CD's with a penalty.

Mr. Walmsley reviewed the reserve amounts, noting that the total funds available in the Peoples Bank account were not the amount of the reserve.

Mr. Murphy suggested deferring action until Ms. Walters could attend and weigh in on the options available.

Ms. Durso stated that the library should have a plan for how the funds from the CD's would be used. Ms. Durso asked if it would help supplement the operating reserve, or towards particular projects? Ms. Durso reviewed how investment funds were handled by Washington College, noting that they had a spend down rate which established how much of the funds could be used.

The Finance Committee discussed the scheduling of the next meeting, noting that several members would not be able to attend the June 17<sup>th</sup> meeting as scheduled. The committee said that the meeting schedule would be discussed through email and updated on the library events calendar.

The meeting was adjourned unanimously at 4:28 pm.