



LIBRARY BOARD OF TRUSTEES

CITY OF PALM SPRINGS, CALIFORNIA

www.palmspringslibrary.gov

REGULAR MEETING AGENDA

WEDNESDAY, JUNE 2, 2021

5:30 P.M.

Pursuant to Executive Order N-29-20, this meeting may be conducted by teleconference and there will be no in-person public access to the meeting location.

- To view/listen to the meeting live, please use the following link:
<https://us02web.zoom.us/j/82759094611> or call 1-669-900-6833, Meeting ID: 827 5909 4611
- Submit your public comment to the Library Board of Trustees electronically. Material may be emailed to jeannie.kays@palmspringsca.gov. Transmittal prior to the start of the meeting is required. Any correspondence received during or after the meeting will be distributed to the Board and retained for the official record.
- You may provide telephonic comments by calling the Library Director at (760) 322-8375 by no later than 4:00 p.m. to be added to the public comment queue. At the appropriate time, a staff member will call you so that you may provide your public testimony to the Board.
- The meeting will be recorded and the audio file will be available from the Office of the City Clerk and will be posted on the City's YouTube channel, as soon as practicable.

TRUSTEES

Craig Borba, Ed. D.
Melissa Cronin
Juanita Garner

David Kelly, J.D., M.B.A.
Ed McBride

Palm Springs is an inclusive world-class city dedicated to providing excellent and responsive public services to enhance the quality of life for current and future generations.

Staff representative: Jeannie Kays, Director of Library Services, Palm Springs Public Library

I. CALL TO ORDER - ROLL CALL

- II. **ACCEPTANCE OF THE AGENDA:** In order to meet Brown Act requirements, items may be added to the agenda only upon decision by a majority of the Board of Directors to add the item because of a need for immediate action. This Agenda was available for public access at the City Hall exterior bulletin board (west side of Council Chamber), and City Clerk's office on or before 5:30 p.m., May 26, 2021. A courtesy posting of this Agenda can be found on the Library's website at www.palmspringslibrary.org. Pursuant to the Government Code Section 54957.5, the designated office for inspection of public records in connection with the public meeting of the Library Board of Trustees is the office of the City Clerk, City Hall, at 3200 East Tahquitz Canyon Way, Palm Springs, California.

Acceptance of Agenda:

Motion: Second: Approved: Opposed: Abstention Names(s):

III. PUBLIC COMMENTS: This time has been set aside for members of the public to address the Library Board of Trustees on Agenda items; and items of general interest within the subject matter within jurisdiction of the City. Although the Library Board of Trustees values your comments, pursuant to the Brown Act, it generally cannot take any action on items not listed on the posted Agenda. Three (3) minutes are assigned to each speaker.

IV. CONSENT AGENDA

A. Meeting Minutes of May 5, 2021

B. Library Statistics

C. Donation Report

Acceptance of Consent Agenda:

Motion: Second: Approved: Opposed: Abstention Names(s):

V. ADMINISTRATIVE REPORTS

A. Friends of the Palm Springs Library

B. Palm Springs Public Library Foundation

C. Library Staff

VI. TREASURERS REPORT

Acceptance of Treasurers Report:

Motion: Second: Approved: Opposed: Abstention Names(s):

VII. DISCUSSION/ACTION ITEMS

A. 2021-22 Spending Requests from Library

Motion: Second: Approved: Opposed: Abstention Names(s):

B. Library Trust Fund Cash Account report

Motion: Second: Approved: Opposed: Abstention Names(s):

C. Treasurer Kelly's January 25, 2021 memo regarding Library Trust Fund:

Review examples of investment policies

Motion: Second: Approved: Opposed: Abstention Names(s):

D. Certificate of Appreciation-David Kelly

E. Discussion about vacant Treasurer position

Motion: Second: Approved: Opposed: Abstention Names(s):

VIII. TRUSTEE/STAFF COMMENTS/FUTURE AGENDA ITEMS

IX. **ADJOURNMENT:** The meeting of the Library Board of Trustees will adjourn to its next regularly scheduled meeting at 5:30 p.m. on Wednesday, July 7, 2021 in the Large Conference Room at Palm Springs City Hall or virtually.

The Palm Springs Public Library Board of Trustees meets at 5:30 p.m. on the 1st Wednesday of every month, unless noted otherwise, virtually or in the Large Conference Room at Palm Springs City Hall, 3200 East Tahquitz Canyon Way, Palm Springs, CA.

THE PUBLIC IS INVITED TO PARTICIPATE

COMMITTEES:

STANDING:

ADVOCACY	CRONIN
BUDGET	KELLY/MCBRIDE
BUILDINGS	BORBA
POLICIES/BYLAWS	BORBA/GARNER


AD HOC:

FOUNDATION LIAISON	BORBA/MCBRIDE
FRIENDS LIAISON	KELLY/BORBA
MEASURE J LIAISON	CRONIN

AFFIDAVIT OF POSTING

State of California)
County of Riverside) ss.
City of Palm Springs)

I, Jeannie Kays, Director of Library Services of the City of Palm Springs, California, hereby certify this Agenda was delivered to each member of the Library Board of Trustees, provided to all parties who have requested such notice, posted at City Hall before 5:30 p.m., on May 26, 2021, and posted on the City's website as required by established policies and procedures.



Jeannie Kays, MLIS
Director of Library Services

PUBLIC NOTICES

Pursuant to G.C. Section 54957.5(b)(2) the designated office for inspection of records in connection with the meeting is the Office of the Library Director, Palm Springs Public Library, 300 S. Sunrise Way. Complete Agenda Packets are available for public inspection at: Palm Springs Public Library. Agenda and staff reports are available on the City's website www.palmspringsca.gov. If you would like additional information on any item appearing on this agenda, please contact the Director of Library Services at (760) 322-8375.

It is the intention of the City of Palm Springs to comply with the Americans With Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, If you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact Lisa Brock at 760-322-8387 to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

PALM SPRINGS PUBLIC LIBRARY
BOARD OF LIBRARY TRUSTEES
MINUTES

Palm Springs Public Library
Teleconference via Zoom

May 5, 2021

1. CALL TO ORDER

President McBride called the meeting to order at 5:33 p.m.

ROLL CALL

PRESENT

Craig Borba	Yes
Melissa Cronin	No
Juanita Garner	Yes
David Kelly	Yes
Ed McBride	Yes

STAFF PRESENT: Jeannie Kays, Director of Library Services.

CITY STAFF PRESENT: Lisa Brock, Library Operations and Collection Manager.

PUBLIC PRESENT: Nanci Morrison, Robert Engel.

2. CHANGES OR ADDITIONS TO THE AGENDA:

None.

3. PUBLIC COMMENTS: None.

4. CONSENT AGENDA

MOTION: (Kelly/Borba, 4-0) To approve the consent agenda.

4. A. Meeting Minutes of April 7, 2021

4. B. Library Statistics

5. ADMINISTRATIVE REPORTS

5. A. Friends of the Palm Springs Library

Nanci Morrison gave the report. The Friends had their Annual Meeting on Sunday, April 25th. They had author Wade Rouse speak; he writes under the pen name Viola Shipman.

5. B. Palm Springs Public Library Foundation

President McBride gave the report. The Foundation is continuing to send \$2000 to the Trustees towards the loan balance. The Financial Board is creating an Investment Policy. The Board is actively seeking new members. They are looking into ways to promote the Library and the Library Foundation. Director Kays said the Foundation has paid \$6000 towards the loan.

5. C. Library Staff

The Library is open! Temporary library hours are Monday-Thursday 10-6 and Friday-Saturday 10-5. Once we fill some of our vacancies, we can return to our full hours of operation.

We have requested to become an active Passport Acceptance Facility. That process takes about a month. We will let the community know when that service is active again.

During the month of April, we had 1,464 pickup appointments in our Library-A-Go-Go service.

Mobile Hotspots are available for circulation. We have 20.

Virtual Programming:

We are continuing to offer online programming through our YouTube Channel. Search Palm Springs Public Library to find our videos. Children can do a birdhouse kit this month. The teen kids, Dino Dig, are all gone. Youth and Teen programming goes dark after May 13 in preparation for Summer Reading Program.

Adult Program: T-shirt Tote Bags video available May 6.

Summer Reading Program is coming in June and July. The program will be entirely online again through the app Beanstack. Everyone earns badges and entry tickets to win grand prizes by reading and tracking your minutes read. We will have weekly videos and craft kits for kids and teens. Adults will have a variety of programs and will sometimes have a kit to go with the program.

6. TREASURERS REPORT

Treasurer Kelly reported the Library Trust Fund balance is \$1,807,222.34. Director Kays said that when the Trustees approve money for books from the Kropitzer Trust the money is moved to the Trust Fund books account and all purchases go through that account. Earlier this fiscal year Trustees approved \$20,000 for DVDs, \$10,000 for eBooks, and \$10,000 for non-fiction books; \$5000 originally and an additional \$5000 later in the fiscal year. The Friends of the Library account still needs to be fixed; Director Kays is working with the Finance Department to correct the issue. The payments the Foundation has made are not yet reflected in the Notes Receivable balance. Director Kays said the payments are in the cash account and we are waiting on the Finance Department to move the money to the line item. Trustee Kelly says he does not see the payments in the cash account. Director Kays will look into this and provide the report that shows the money being deposited into the cash account and reflected in the balance. Treasurer Kelly said in the past he requested a report that shows donation inflows and the reports are not being provided. Director Kays said a report will be included going forward.

7. DISCUSSION/ACTION ITEMS

7. A. Report of Measure J meeting by President McBride.

President McBride gave the report. Over the next two fiscal years, Measure J has set aside \$580,000 for the Frey building remodel. Starting in fiscal year 2023-2024 there is \$2 million, then the next year \$4 million and another \$4 million the next year. For a total of \$10 million put aside for the main library project. The Measure J commission asked that the Library prepare a report on how they want to proceed with the money and where we are with the project planning. Director Kays should be prepared to go before Measure J in September as they finalize the budget.

7. B. Treasurer Kelly's January 25, 2021 memo regarding Library Trust Fund:

Treasurer Kelly gave the report. President McBride suggested everyone share their opinion about approaching the City and taking this on. Trustee Garner says she does not have an opinion yet but asked how the current investment works; is all the money the City has lumped together and earns interest then the interest income is allocated to each fund or is the money all invested separately and each separate fund earns its own interest. President McBride said he thinks if the Board went to the City and said they would like to explore removing all or a portion of the Trust Fund and put it into their own investments they would have to discuss it and how the logistics would work. He said they could specify that they want to be more active with how it is invested and managed by the City. Trustee Borba said he does not see the Board managing the money on a daily basis but

instead using a company like the Community Fund. He provided the Investment Policy from the Regional Access Project; they have their money split between Wells Fargo and the Community Fund. Director Kays will include the policy in the next Board packet. Their policy specifies how much money is liquid and how much is invested. The concern he has with the City managing the money is the current rate of return. President McBride said the Trust Fund is considered public money and so there might be restrictions on what can be done with the funds. He will share the Palm Springs Rotary Foundations Investment Policy they also have their money split between Wells Fargo and the Community Fund. President McBride said the next step is to discuss if the Board wants to do this and if so map out the next steps.

7. C. Discuss Setting Joint Meeting with Trustees, Friends, and Foundation

Postponed at this time.

8. TRUSTEE/STAFF COMMENTS/FUTURE AGENDA ITEMS

None.

9. ADJOURNMENT

The May meeting adjourned at 6:53 p.m.

RESPECTFULLY SUBMITTED,



Jeannie Kays
Director of Library Services

April 2021 vs. April 2020

LIBRARY STATISTICS	2021	2020	%CHANGE
MATERIALS CHECKED OUT (Total)	13,382	5,440	2556%
Print	5,101	90	5568%
Media	3,584	237	1412%
Electronics	7	0	-
Other (Downloadable & In-house)	4,697	5,113	-8%
LIBRARY CARD REGISTRATIONS (Total)	135	160	-16%
Palm Springs Resident	92	80	15%
California Resident	42	80	-48%
Out of State and/or Fee Cards	1	0	-
DOOR COUNT (Main)	0	0	-
DOOR COUNT (WMML)	0	0	0%
PUBLIC COMPUTER SESSIONS (Main)	0	0	-
PUBLIC COMPUTER SESSIONS (WMML)	0	0	-
WiFi COMPUTER SESSIONS (Main)	181	111	9%
WiFi COMPUTER SESSIONS (WMML)	25	23	9%
PROGRAM ATTENDANCE	0	0	-
Pre-School	0	0	-
School Age	0	0	-
Family	0	0	-
Teen	0	0	-
Adult	0	0	-
NO.OF PROGRAMS (Total)	0	0	-
Pre-School	0	0	-
School Age	0	0	-
Family	0	0	-
Teen	0	0	-
Adult	0	0	-
VIRTUAL PROGRAMMING (Total)	23	0	-
Pre-School	12	0	-
School Age	1	0	-
Family	0	0	-
Teen	4	0	-
Adult	6	0	-
LIVE ATTENDANCE (Total)	74	0	-
Pre-School	0	0	-
School Age	0	0	-
Family	0	0	-
Teen	0	0	-
Adult	74	0	-
ON-DEMAND VIEWING (Total)	171	0	-
Pre-School	89	0	-
School Age	6	0	-
Family	0	0	-
Teen	51	0	-
Adult	25	0	-
VOLUNTEER HOURS	0	0	-
ILL REQUESTS FROM OTHER LIBRARIES	63	0	-
NO. OF DAYS OPEN (Main)	0	0	-
NO. OF DAYS OPEN (WMML)	0	0	-
NO. OF PASSPORTS PROCESSED	0	n/a	-
PHOTOS	0	n/a	-



City of Palm Springs

Palm Springs Public Library

300 South Sunrise Way • Palm Springs, California 92262-7699

Tel: (760) 322-READ (7323) • Fax: (760) 327-5744

www.palmspringslibrary.org

May 25, 2021

Alan Cisek
[REDACTED]

Dear Mr. Cisek,

On behalf of the Palm Springs Public Library and the Library Board of Trustees, I want to thank you very much for your April 17, 2021 contribution to the Library of \$150.00.

Without the generous support of donors, the Palm Springs Public Library would not be able to offer all that we do. We cannot thank you enough for your donation.

With gratitude,

Jeannie Kays
Director of Library Services
Palm Springs Public Library
City of Palm Springs

SELECTION CRITERIA: genledgr.fund='151'
 ACCOUNTING PERIOD: 10/21

FUND - 151 - LIBRARY ENDOWMENT			
ACCOUNT	TITLE	DEBITS	CREDITS
11010	Cash	1,807,769.50	
11110	Unrealized Investments	.00	
TOTAL RETAINAGE		1,807,769.50	.00
12120	Accounts Receivable	.00	
12215	Accrued Interest Rec	2,925.66	
12418	Notes Receivable	78,000.00	
TOTAL Receivables		80,925.66	.00
16151	Prepaid Expenses	.00	
TOTAL Other Assets		.00	.00
TOTAL ASSETS		1,888,695.16	.00
21100	Accounts Payable - System		.00
21112	Sales Tax Payable		.00
TOTAL Accounts Payable		.00	.00
21201	Accrued Wages Payable		.00
TOTAL Wages Payable		.00	.00
23287	Deposits Payable		.00
TOTAL Other Liabilities		.00	.00
TOTAL LIABILITIES		.00	.00
29306	Budgeted Transfers-Out		.00
29322	Transfers to Other Funds		.00
29341	Reserves for Encumbrances		.00
29342	Resrv for Continuing Appr		.00
29348	RESERVE FOR LIB ENDOWMENT		.00
TOTAL Fund Balance		196,547.36	2,085,242.52
TOTAL EQUITIES		196,547.36	2,085,242.52
TOTAL LIBRARY ENDOWMENT		2,085,242.52	2,085,242.52
TOTAL REPORT		2,085,242.52	2,085,242.52

SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER
 DATE: 05/20/21
 TIME: 12:37:49

CITY OF PALM SPRINGS
 EXPENDITURE STATUS REPORT

PAGE NUMBER: 1
 EXPSTA11

SELECTION CRITERIA: orgn.fund='151' and orgn.orgn1='50' and orgn.orgn2='2752'
 ACCOUNTING PERIOD: 10/21

SORTED BY: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL,2ND SUBTOTAL,ACCOUNT
 TOTALED ON: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL
 PAGE BREAKS ON: FUND,FUNCTION,DEPARTMENT

FUND-151 LIBRARY ENDOWMENT
 FUNCTION-50 LIBRARY
 DEPARTMENT-2752 LIBRARY TRUST
 1ST SUBTOTAL-4200 MTRLS, SUPPLIES & SVCS

ACCOUNT	TITLE	BUDGET	PERIOD EXPENDITURES	ENCUMBRANCES OUTSTANDING	YEAR TO DATE EXP	AVAILABLE BALANCE	YTD/ BUD
42195	SPECIAL DEPT SUPPLIES	52.81	.00	.00	.00	52.81	.00
42530	DUES & SUBSCRIPTIONS	3,750.00	.00	.00	.00	3,750.00	.00
44051	FRIENDS OF THE LIBRARY	.00	.00	.00	239.00	-239.00	.00
	TOTAL MTRLS, SUPPLIES & SVCS	3,802.81	.00	.00	239.00	3,563.81	6.28
50004	FUTURE LIBRARY PROJECTS	1,536,895.59	.00	.00	.00	1,536,895.59	.00
51026	TRUST FUND BOOKS	48,282.22	3,655.43	23,776.43	21,223.57	3,282.22	93.20
51031	KROPITZER TRUST DONATION	211,665.74	.00	.00	.00	211,665.74	.00
51036	WELWOOD PATIO	147,308.36	.00	12,762.14	134,546.22	.00	100.00
51040	PR LIBRARY CAMPAIGN	8,263.46	.00	.00	3,000.00	5,263.46	36.30
	TOTAL CAPITAL	1,952,415.37	3,655.43	36,538.57	158,769.79	1,757,107.01	10.00
	TOTAL LIBRARY TRUST	1,956,218.18	3,655.43	36,538.57	159,008.79	1,760,670.82	10.00
	TOTAL LIBRARY	1,956,218.18	3,655.43	36,538.57	159,008.79	1,760,670.82	10.00
	TOTAL LIBRARY ENDOWMENT	1,956,218.18	3,655.43	36,538.57	159,008.79	1,760,670.82	10.00
	TOTAL REPORT	1,956,218.18	3,655.43	36,538.57	159,008.79	1,760,670.82	10.00

SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER
 DATE: 05/20/21
 TIME: 12:38:53

CITY OF PALM SPRINGS
 EXPENDITURE AUDIT TRAIL

PAGE NUMBER: 1
 AUDIT21

SELECTION CRITERIA: orgn.fund='151' expledgr.key_orgn='2752' and expledgr.account='50004'
 ACCOUNTING PERIODS: 1/21 THRU 10/21

SORTED BY: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL,2ND SUBTOTAL,ACCOUNT

TOTALED ON: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL

PAGE BREAKS ON: FUND,FUNCTION,DEPARTMENT

FUND - 151 - LIBRARY ENDOWMENT
 DEPARTMENT - 2752 - LIBRARY TRUST

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	CUMULATIVE BALANCE
50004								FUTURE LIBRARY PROJECTS	
151-50-2752-2752								- LIBRARY TRUST	
50004					.00	.00	.00	BEGINNING BALANCE	
07/06/20	11-1				.00			POSTED FROM BUDGET SYSTEM	
07/23/20	13-1				1,545,441.27			CARRYOVER 19-20 TO 20-21	
07/27/20	13-1				1,545,441.27			CARRYOVER 19-20 TO 20-21	
07/27/20	13-1				20,454.32			CARRYOVER 19-20 TO 20-21	
07/27/20	13-1				-1,545,441.27			CORRECT CO 19-20 TO 20-21	
11/24/20	25-5		111003B		-30,000.00			PURCHASE BOOKS	
03/04/21	13-9				1,000.00			02-02 01B FUTR LIB PRJS	
					TOTAL FUTURE LIBRARY PROJECTS	1,536,895.59	.00		1,536,895.59
					TOTAL 1ST SUBTOTAL - CAPITAL	1,536,895.59	.00		1,536,895.59
					TOTAL DEPARTMENT - LIBRARY TRUST	1,536,895.59	.00		1,536,895.59
					TOTAL FUNCTION - LIBRARY	1,536,895.59	.00		1,536,895.59
					TOTAL FUND - LIBRARY ENDOWMENT	1,536,895.59	.00		1,536,895.59
					TOTAL REPORT	1,536,895.59	.00		1,536,895.59

* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER
 DATE: 05/20/21
 TIME: 12:39:38

CITY OF PALM SPRINGS
 EXPENDITURE STATUS REPORT

PAGE NUMBER: 2
 EXPSTA11

SELECTION CRITERIA: orgn.fund='001' and orgn.orgn1='50' and orgn.orgn2='2710'
 ACCOUNTING PERIOD: 10/21

SORTED BY: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL,2ND SUBTOTAL,ACCOUNT
 TOTALED ON: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL
 PAGE BREAKS ON: FUND,FUNCTION,DEPARTMENT

FUND-001 GENERAL FUND
 FUNCTION-50 LIBRARY
 DEPARTMENT-2710 LIBRARY
 1ST SUBTOTAL-4900 SPECIAL CHARGES

ACCOUNT	TITLE	BUDGET	PERIOD EXPENDITURES	ENCUMBRANCES OUTSTANDING	YEAR TO DATE EXP	AVAILABLE BALANCE	YTD/ BUD
TOTAL LIBRARY		2,373,656.11	116,414.31	38,632.44	1,777,494.55	557,529.12	76.51
TOTAL GENERAL FUND		2,373,656.11	116,414.31	38,632.44	1,777,494.55	557,529.12	76.51
TOTAL REPORT		2,373,656.11	116,414.31	38,632.44	1,777,494.55	557,529.12	76.51



MEMORANDUM

DATE: June 2, 2021
 SUBJECT: ITEM 7A- 2021-22 SPENDING REQUESTS FROM LIBRARY
 TO: Library Board of Trustees
 FROM: Jeannie Kays, Director of Library Services

In order to keep the library collection at the caliber the community expects, it is requested that the Trustees approve funding requests of \$40,000.00 for the Fiscal Year 2021-22 for library materials. Unanticipated exceptions and emergency requests may arise. Of these requests, \$10,000 for nonfiction books would be spent from the Kropitzer Fund, which specifies that funds can be spent on nonfiction books in English for adults.

Library Board of Trustees Spending Request 2021-2022		
TRUST FUND BALANCE	\$ 1,807,769.50	AS OF APRIL 30, 2021
FISCAL YEAR 21-22 SPENDING REQUESTS		
Nonfiction books	\$10,000.00	Use Kropitzer Funds
Adult Fiction	\$10,000.00	
eBooks	\$10,000.00	
DVDs/Blu-ray	\$10,000.00	
TOTAL REQUESTED	\$40,000.00	



MEMORANDUM

DATE: June 2, 2021
 SUBJECT: ITEM 7B- TRUST FUND CASH ACCOUNT REPORT
 TO: Library Board of Trustees
 FROM: Jeannie Kays, Director of Library Services

At the May 5, 2021 meeting, Trustees requested a detail report of the cash account for the Library Trust Fund, specifically to track the Library Foundation Loan repayment. In the General Ledger Audit Trail, you will see a cash balance of \$1,807,769.50. This cash balance matches Page 1 of the Balance Sheet in the Financial Packet. The General Ledger Audit Trail details every deposit in and every payment or withdrawal out of the Trust Fund cash account. These documents are current as of April 30, 2021, the last full month of transactions. We can print partial months, but we are unable to recreate those reports before Library Board of Trustees board packets are due, therefore, it is recommended that we review reports using month-end data. This means that the most recent data available is as of April 30, 2021.

As of April 30, 2021, there have been a total of \$22,000 recorded on the \$100,000 loan, giving a remaining balance due of \$78,000. There are three outstanding payments totaling \$6,000 not showing in these reports. They will appear in future financial reports and do not affect the cash balances shown in your reports. Cash balances will adjust in the May reports, which you will receive at your July 2021 meeting. The chart below documents actual payments received, which will reflect in future reports.

FOUNDATION LOAN		\$ 100,000.00		
DATE	DESCRIPTION	AMOUNT PAID	BALANCE	NOTES
7/30/2015	LOAN ORIGATION	\$ -	\$ 100,000.00	
6/1/2017	PAYMENT	\$ 5,000.00	\$ 95,000.00	APPLIED
11/29/2017	PAYMENT	\$ 5,000.00	\$ 90,000.00	APPLIED
8/24/2020	CHECK 1007	\$ 10,000.00	\$ 80,000.00	APPLIED
2/23/2021	CHECK 1100	\$ 2,000.00	\$ 78,000.00	APPLIED
3/31/2021	CHECK 1101	\$ 2,000.00	\$ 76,000.00	-
5/3/2021	CHECK 1102	\$ 2,000.00	\$ 74,000.00	-
5/18/2021	CHECK 1103	\$ 2,000.00	\$ 72,000.00	-
			\$ 72,000.00	

ACCOUNTING PERIODS: 1/21 THRU 10/21

(INACTIVE ACCOUNTS INCLUDED)

SELECTION CRITERIA: genledgr.fund='151' genledgr.account='11010'
 TOTALED ON: FUND,ACCOUNT,PERIOD

FUND - 151 - LIBRARY ENDOWMENT

ACCOUNT	DATE	T/C	REFERENCE	VENDOR/PAYER	DEBIT	CREDIT	DESCRIPTION	NET
11010	Cash							
11010	Cash				.00		BEGINNING BALANCE	
	07/06/20	19-1	NEW YEAR		1,930,241.18		BEGINNING BALANCE	
	03/10/21	19-1	CLOSE YR		6,669.57		TRANSFER 13TH PERIOD BAL	
	07/09/20	19-1	VENCHK			861.00	VENDOR CHECKS	
	TOTAL PERIOD 1				1,936,910.75	861.00		1,936,049.75
	08/24/20	24-2			10,000.00		CASH RECEIPTS INTERFACE	
	TOTAL PERIOD 2				10,000.00	.00		10,000.00
	09/17/20	19-3	VENCHK			2,000.00	VENDOR CHECKS	
	09/30/20	19-3	4674		16,374.96		FY21 Q1 INTEREST ALLOCS	
	TOTAL PERIOD 3				16,374.96	2,000.00		14,374.96
	10/01/20	19-4	VENCHK			112,606.97	VENDOR CHECKS	
	10/15/20	19-4	VENCHK			1,000.00	VENDOR CHECKS	
	10/31/20	19-4	4723			16,374.96	RVRSE FY21 Q1 INT ALLOC	
	10/31/20	19-4	4725		8,093.07		CORRECT FY21 Q1 INT ALLOC	
	TOTAL PERIOD 4				8,093.07	129,981.93		-121,888.86
	11/23/20	24-5			176.25		CASH RECEIPTS INTERFACE	
	11/24/20	19-5	VENCHK			21,939.25	VENDOR CHECKS	
	TOTAL PERIOD 5				176.25	21,939.25		-21,763.00
	12/01/20	24-6			26.25		CASH RECEIPTS INTERFACE	
	12/02/20	24-6			17.00		CASH RECEIPTS INTERFACE	
	12/09/20	24-6			76.25		CASH RECEIPTS INTERFACE	
	12/09/20	24-6			16.50		CASH RECEIPTS INTERFACE	
	12/22/20	24-6			125.00		CASH RECEIPTS INTERFACE	
	12/23/20	19-6	VENCHK			176.25	VENDOR CHECKS	
	12/31/20	24-6			1,000.00		CASH RECEIPTS INTERFACE	
	TOTAL PERIOD 6				1,261.00	176.25		1,084.75
	01/01/21	19-7	5046		3,076.39		FY21 Q2 INTEREST ALLOCS	
	TOTAL PERIOD 7				3,076.39	.00		3,076.39
	02/18/21	19-8	VENCHK			2,422.15	VENDOR CHECKS	
	02/23/21	24-8			2,000.00		CASH RECEIPTS INTERFACE	

* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER
 DATE: 05/26/21
 TIME: 16:48:30

CITY OF PALM SPRINGS
 GENERAL LEDGER AUDIT TRAIL

PAGE NUMBER: 2
 AUDIT221

ACCOUNTING PERIODS: 1/21 THRU 10/21

(INACTIVE ACCOUNTS INCLUDED)

SELECTION CRITERIA: genledgr.fund='151' genledgr.account='11010'
 TOTALED ON: FUND,ACCOUNT,PERIOD

FUND - 151 - LIBRARY ENDOWMENT

ACCOUNT	DATE	T/C	REFERENCE	VENDOR/PAYER	DEBIT	CREDIT	DESCRIPTION	NET
11010	Cash			(cont'd)				
	02/25/21	19-8	5124			119.50	RECALSS LIBRY EMDWMNT	
	TOTAL PERIOD 8				2,000.00	2,541.65		-541.65
	03/04/21	19-9	VENCHK			12,835.29	VENDOR CHECKS	
	03/04/21	19-9	5244			119.50	FRIENDS OF LIB DEC 20 PYM	
	03/18/21	19-9	VENCHK			2,430.20	VENDOR CHECKS	
	03/18/21	24-9			483.00		CASH RECEIPTS INTERFACE	
	03/18/21	19-9	5245			318.01	POST CORRECT DEP 3/18/21	
	03/31/21	24-9			2,050.00		CASH RECEIPTS INTERFACE	
	03/31/21	19-9	5351		4,052.59		FY21 Q3 INTEREST ALLOCS	
	03/31/21	19-9	5351			4,052.59	FY21 Q3 INTEREST ALLOCS	
	03/31/21	19-9	5365		4,052.59		FY21 Q3 INTEREST ALLOCS	
	TOTAL PERIOD 9				10,638.18	19,755.59		-9,117.41
	04/01/21	19-10	VENCHK			935.66	VENDOR CHECKS	
	04/14/21	24-10			150.00		CASH RECEIPTS INTERFACE	
	04/15/21	19-10	VENCHK			2,719.77	VENDOR CHECKS	
	TOTAL PERIOD 10				150.00	3,655.43		-3,505.43
TOTAL	Cash				1,807,769.50			
TOTAL	LIBRARY ENDOWMENT				1,807,769.50	.00		
TOTAL REPORT					1,807,769.50	.00		

* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER
 DATE: 05/26/21
 TIME: 16:51:37

CITY OF PALM SPRINGS
 CASH RECEIPTS REPORT

PAGE NUMBER: 1
 STATMN21

SELECTION CRITERIA: transact.yr='21' and transact.fund='151' and transact.account='37105'

FUND - 151 - LIBRARY ENDOWMENT
 DEPARTMENT - 151 - LIBRARY ENDOWMENT

CASH			---RECEIVABLE---		-----DESCRIPTION-----						
ACCOUNT	DATE	DEPARTMENT	ACCOUNT	PROJECT	ACCOUNT	RECEIPT	NUMBER	ACCOUNT	-----PAYER-----	RECEIPT	AMOUNT
11010	08/24/20	151	37105						CASH RECEIPTS INT		10,000.00
11010	12/22/20	151	37105						CASH RECEIPTS INT		125.00
11010	12/31/20	151	37105						CASH RECEIPTS INT		1,000.00
11010	02/23/21	151	37105						CASH RECEIPTS INT		2,000.00
11010	03/18/21	151	37105						CASH RECEIPTS INT		483.00
11010	03/31/21	151	37105						CASH RECEIPTS INT		2,050.00
11010	04/14/21	151	37105						CASH RECEIPTS INT		150.00
11010	05/03/21	151	37105						CASH RECEIPTS INT		2,000.00
11010	05/18/21	151	37105						CASH RECEIPTS INT		2,000.00
TOTAL CONTRIB NON-GOVT SOURCES											19,808.00
TOTAL LIBRARY ENDOWMENT											19,808.00
TOTAL LIBRARY ENDOWMENT											19,808.00
TOTAL REPORT											19,808.00

**Palm Springs Library
Board of Trustees**

Memo

To: Jeannie Kays, Director, Palm Springs Library

From: David Kelly, Treasurer, Palm Springs Library Board of Trustees

cc:

Date: January 25, 2021

Re: Library Trust Fund/Endowment

The purpose of this memo is to provide some background on the duties and responsibilities concerning the Library Trust Fund/Endowment. At the end of the memo are items for further discussion.

Legislative History

According to *At Sunrise: The History of the Palm Springs Library* by Henry Weiss (1999), the Alleine's Library of Palm Springs (a/k/a Palm Springs Public Library) opened in late 1925. A fund was established in 1924 for the new library from the donation of \$200 by Martha Hitchcock. Palm Springs was incorporated in 1938. On July 5, 1939, the Palm Springs City Council adopted Ordinance Number 60 which established the Library under the California Education Code. The Board of Library Trustees first met under the ordinance on November 9, 1939. Resolution 219 (1939) established the post-incorporation Library Board of Trustees (November 4, 2020 memo to the Trustees from Jeannie Kay, Library Director, Library Trustees Meeting Agenda, dated November 4, 2020, p. 23). According to *At Sunrise*, the Trustees immediately set upon fundraising for the building of the Welwood Murray Memorial Library.

In a memo from Library Director Jeannie Kays to the Trustees dated October 7, 2020 (see Library Trustees Meeting Agenda dated October 7, 2020, pp. 32-47; a request for resolutions concerning the Library Trust Fund), the affirmation of the Library Trust Fund and the roles of the Trustees, Librarian and City Manager are found primarily in two resolutions: 11431 dated May 7, 1975 and 17288 dated October 3, 1990.

Resolution 11431 (1975) establishes a special fund to be known as the “Library Trust Fund.”

Resolution 17288 (1990) states in its third paragraph “Whereas the City’s Board of Library Trustees has requested that the public library be re-established as a full municipal department” and in the next paragraph “to be managed by the Library Board via the City Librarian.”

According to *At Sunrise* (p. 100), the Library had been an autonomous department until the mid 1970’s “and the magnitude of its budget, staffing facilities, and level of public services warranted full department representation.”

Section 1 of Resolution 17288 states the City Council shall retain the following authority over the Library:

- A) Library Trustees shall be appointed by the Mayor with the consent of the City Council
- B) The City Council shall annually review, amend as necessary, and adopt the library’s operational budget
- C) The City Council shall establish the number of and compensation ranges for library paid employees
- D) The City Council shall act upon library legislative items (Resolutions, appointments, budget amendments, etc., as required

Section 2 of Resolution 17288 states the City’s Board of Library Trustees shall retain the following authority over the Library:

- A) The Library Board shall manage and control the Library Trust Fund
- B) The Library Board shall establish and amend library policies and procedures as required
- C) The Library Board shall establish, amend, and periodically review all library fines, fees and charges and ensure such charges are incorporated into the City’s Master Fee Schedule
- D) The Library Board shall manage the approval of all library purchases from the Library Fund (subsequent to Council’s approval of the literary budget) and the Library Trust Fund
- E) The Library Board shall develop and amend long and short-range library plans
- F) The Library Board shall manage all library facilities
- G) The Library Board shall consult with the City Manager with regard to evaluation and appointments of City Librarians.

Section 3 of Resolution 17288 states the City Manager shall retain the following authority over the Library:

- A) The City Manager shall appoint and evaluate the City Librarian in consultation with the Library Board
- B) The City Manager shall recommend appropriate amendments to the annual Library Fund operational budget prior to its submission to the City Council
- C) The City Manager shall apply the provisions of the City’s current Personnel Rules to library paid employees
- D) The City Manager shall assign departmental duties to the City Librarian as required (subject to the consent of the Library Board)
- E) The City Manager shall communicate directions from the City Council to the City Librarian as necessary

Marcus Fuller, Assistant City Manager in a memo to Ed McBride, Trustees President dated June 8, 2020 references Resolution 17288 as establishing the relationship between the City and the Board of Trustees. He noted that Section 2A of the Resolution gives the Trustees control of the Library Trust Fund which is accounted by the City as a Special Revenue Fund (Fund 151). He wrote, "In compliance with Resolution 17288 – the City only approves expenditures from this fund with express approval of the Board of Trustees." (see Library Trustees Meeting Agenda dated July 1, 2020, pp. 17-30.

Fiscal Management

A memo from Trustee Treasurer David Kelly to Jeannie Kays, Library Director dated October 29, 2019 (presented in the Trustees November 21, 2019 meeting packet) reported a meeting among Kelly, Kays and David Lacy, Assistant City Finance Director. Mr. Lacy reported the City manages over \$200 million in cash and investments, of which the Library Trust Fund is pooled into. An independent investment advisor specializing in the needs of municipalities is responsible for safeguarding the public's funds while minimizing market risk and maximizing both liquidity and yield. Mr. Lacy reported the City earned \$1.1 million in interest at a rate of 1.8% for the fiscal year ending 6/30/2019 and the Library received a proportional credit.

Further Information Requests

- Request the City Treasurer provide the interest rate for fiscal year ending 6/30//20.

Discussion Points

1. The Library Trust Fund should have its own charter with a statement of purpose, objectives, and investment guidelines. The charter should state the type of Library projects it will consider funding, and which need special approval, if any.
2. An independent investment advisor will want to review the charter to establish its role and responsibilities in administering the Library Trust Fund.
3. If the Trustees assign the investment advisor role to the Trustee Treasurer, would it be appropriate for the Board of Trustees to obtain Directors and Officers insurance to protect against potential liabilities?
4. Will we need to engage independent legal counsel to make changes in the management of the Library Trust Fund? What may be required of the City Clerk or City Attorney to make changes to management of the Library Trust Fund?

Resolution No. 2019.04
Regional Access Project Foundation, Inc.
Investment Policy Statement
Adopted October 23, 2019

Purpose

This policy establishes investment objectives, policies, guidelines and eligible securities related to all assets held by the Regional Access Project Foundation (“RAP”), primarily for investment purposes (“institutional funds”). In doing so, the policy:

- clarifies the delegation of duties and responsibilities concerning the management of institutional funds.
- identifies the criteria against which RAP’s investment performance will be measured.
- communicates the objectives to the Board, staff, investment managers, brokers, donors, and funding sources that may have involvement.
- confirms policies and procedures relative to the expenditure of institutional funds.
- serves as a review document to guide the ongoing oversight of the management of the organizations’ investments.

This policy specifically applies to all assets held for long-term growth purposes, specifically investment accounts held at Wells Fargo and The Community Foundation serving Riverside and San Bernardino Counties brokerage and other specifically identified assets.

Where possible, RAP will endeavor to incorporate guidelines from California Government Code Section 53601.

Delegation of Responsibilities

The Board of Directors of RAP has oversight regarding all decisions that impact RAP’s institutional funds. The Board has delegated supervisory responsibility for the management of our institutional funds to the Finance Committee. Specific responsibilities of the various bodies and individuals responsible for the management of our institutional funds are set forth below:

Responsibilities of the Board

The Board shall ensure that its fiduciary responsibilities concerning the proper management of RAP’s institutional funds are fulfilled through appropriate investment structure, internal and external management, and portfolio performance consistent with all policies and procedures. Based on the advice and recommendations of the Finance Committee, the Board shall:

- select, appoint, and remove members of the Committee.
- approve investment policies and objectives that reflect the long-term investment-risk orientation of the institutional funds.

Responsibilities of the Finance Committee

Members of the Finance Committee are not held accountable for less than desirable outcomes, rather for adherence to procedural prudence, or the process by which decisions are made in respect to endowment assets. In consideration of the foregoing, the Committee is responsible for the development, recommendation, implementation, and maintenance of all policies relative to RAP's institutional funds and shall:

- develop and/or propose policy recommendations to the Board with regard to the management of all institutional funds.
- recommend long-term and short-term investment policies and objectives for RAP's institutional funds, including the study and selection of asset classes, determining asset allocation ranges, and setting performance objectives.
- determine that institutional funds are prudently and effectively managed with the assistance of management and any necessary investment consultants and/or other outside professionals, if any.
- monitor and evaluate the performance of all those responsible for the management of institutional funds.
- recommend the retention and/or dismissal of investment consultants and/or other outside professionals.
- receive and review reports from management, investment consultants and/or other outside professionals, if any.
- periodically meet with management, investment consultants and/or other outside professionals management, investment consultants and/or other outside professionals.
- convene regularly to evaluate whether this policy, investment activities, risk management controls and processes continue to be consistent with meeting the goals and objectives set for the management of institutional funds.

Responsibilities of Management

Management shall be responsible for the day-to-day administration and implementation of policies established by the Board and/or the Finance Committee concerning the management of institutional funds. Management shall also be the primary liaison between any investment consultants and/or other outside professionals that may be retained to assist in the management of such funds. Specifically, management shall:

- oversee the day-to-day operational investment activities of all institutional funds subject to policies established by the Board and/or the Finance Committee.
- contract with any necessary outside service providers, such as investment consultants, investment managers, banks, and/or trust companies and/or any other necessary outside professionals.
- ensure that the service providers adhere to the terms and conditions of their contracts; have no material conflicts of interests with the interests of RAP; and, performance monitoring systems are sufficient to provide the Finance Committee with timely, accurate, and useful information.

- regularly meet with any outside service providers to evaluate and assess compliance with investment guidelines, performance, outlook and investment strategies; monitor asset allocation and rebalance assets, as directed by the Finance Committee, and in accordance with approved asset allocation policies, among asset classes and investment styles; and tend to all other matters deemed to be consistent with due diligence with respect to prudent management of institutional funds.
- comply with official accounting and auditing guidelines regarding due diligence and ongoing monitoring of investments, especially alternative investments. Prepare and issue periodic status reports to the Board and the Finance Committee.

Specified Individuals

The following positions will be authorized to undertake investment transactions on behalf of the Finance Committee: Foundation Chair, Foundation Vice Chair, and Foundation Treasurer. All transactions must be signed and authorized by one of the three above listed positions as well as the Chief Executive Officer of RAP.

Investment Considerations

All individuals responsible for managing and investing RAP's institutional funds must do so in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. In making any decision relative to the expenditure of institutional funds, each of the following factors must be considered, and properly documented, in the minutes or other records of the applicable decision-making body:

- general economic conditions;
- possible effect of inflation or deflation;
- the role that each investment or course of action plays within the overall investment portfolio of the fund;
- expected total return from the income and appreciation of investments;
- other resources of the organization;
- the needs of the organization and the fund to make distributions and preserve capital; and,
- an asset's special relationship or special value, if any, to the organization's purposes.

Guidelines for Investing

The investment goal of the total return fund is to achieve a total return (income and appreciation) of 6% over a full market cycle (7-10 years). The following guidelines apply to the three main investment asset classes:

Money Market Funds and Certificates of Deposit: Allowable range: Minimum 5%; Maximum 50% of total assets

A quality money market fund will be utilized for the liquidity needs of the portfolio whose objective is to seek as high a current income as is consistent with liquidity and stability of principal. The fund will invest in "money market" instruments that have been rated by at least one nationally recognized

rating agency in the highest category for short-term debt securities. If non-rated, the securities must be of comparable quality. Certificates of deposit shall be purchased in amounts not to exceed FDIC insurance limits.

Equities: Allowable Range: Minimum 20%; Maximum 60% of total assets

The equity component of the portfolio will consist of high-quality equity securities traded on the New York, NASDAQ or American Stock exchanges, as well as high quality Real Estate Investment Trusts. The securities must be screened for above average financial characteristics such as price-to-earnings, return-on-equity, debt-to-capital ratios, etc.

No more than 5% of the equity portion of the account will be invested in any one issuer. As well, not more than 33% of the equity portion of the account will be invested in stocks contained within the same industry. No more than 5% of the portfolio will consist of investments in Real Estate Investment Trusts.

It is acceptable to invest in an equity mutual fund(s) adhering to the investment characteristics identified above, as long as it is a no-load fund, without 12(b)(1) charges, which maintains an expense ratio consistent with those other funds of similar investment styles as measured by the Lipper and/or Morningstar rating services. Preference will be given to exchange traded funds and index funds over mutual funds.

Prohibited equity investments include initial public offerings, restricted securities, private placements, derivatives, options, futures, and margined transactions.

Exceptions to the prohibited investment policy may be made only when assets are invested in a Mutual Fund(s) that periodically utilizes prohibited strategies to mitigate risk and enhance return.

Fixed Income: Allowable Range: Minimum 35%; Maximum 75% of total assets

Bond investments will consist solely of fixed income securities that have an investment-grade rating (BBB or higher by Standard & Poor's and Baa3 or higher by Moody's) that possess a liquid secondary market. If the average credit quality rating disagrees among the two rating agencies, the lower of the two scores will be used for determining eligibility.

No more than 5% of the fixed income portfolio will be invested in corporate bonds of the same issuer to the extent such bonds mature in more than six months. This rule specifically excludes bonds maturing in six months or less. As well, not more than 20% of the fixed income portfolio will be invested in bonds of issuers in the same industry. Moderate risk bonds, which are those with a BBB rating from Standard & Poors or a BaaX rating from Moody's, will not exceed 15% of the fixed income portfolio.

The maximum **average maturity** of the fixed income portfolio will be 10 years, with not more than 25% of the bond portfolio maturing in more than 10 years.

Prohibited securities include private placements, derivatives (other than floating-rate coupon bonds), margined transactions, and foreign denominated bonds.

Performance Measurements Standards

The benchmarks to be used in evaluating the performance of the two main asset classes will be:

- **Equities:** *S&P 500 Index*- Goal: exceed the average annual return of the index over a full market cycle (7-10 years)
- **Fixed Income:** *Lehman Brothers Government/Corporate Index*- Goal: exceed the average annual return of the index over a full market cycle (7-10 years).

It will be the responsibility of the Finance Committee of the Board of Directors to regularly review the performance of the investment account and investment policy guidelines, and report to the Board of Directors at least quarterly with updates and recommendations as needed.

Investment Management

The Finance Committee will be tasked with selecting an investment manager to actively manage its investments. The investment manager will be required to provide quarterly reports to the Finance Committee that provide an evaluation of the allocation of the invested assets, as well as the performance of the funds. The investment manager will meet with the Executive Committee and Finance Committee at least annually.

The CEO may authorize, without additional consent or approval, any transaction recommended by the investment manager in order to execute trades to further the investment goals of the investment or otherwise maintain the Organization's investments within the Guidelines for Investing.

Expenditure Considerations

The Board of Directors and the Finance Committee are responsible for the establishment of a balanced reserve fund spending policy to (a) ensure that over the medium-to-long term, sufficient investment return shall be retained to preserve and grow its economic value as a first priority; and (b) to provide funds for the annual operating budget, as necessary, in an amount which is not subject to large fluctuations from year-to-year to the extent possible.

Rebalancing

Once an asset allocation is implemented that matches the portfolio's risk tolerance, rebalancing at least annually should allow the maintenance of risk exposure at an appropriate level. Investment managers shall consult with the investment committee before rebalancing.

Monitoring

The Finance Committee shall review the investment manager reports on a quarterly basis and summarize its review for the Board of Directors. At least annually, the Finance Committee shall review the performance of the investments and report the same to the Board of Directors.

Expenditure of Institutional Funds

All decisions relative to the expenditure of institutional funds must assess the uses, benefits, purposes and duration for which the institutional fund was established, and, if relevant, consider the factors:

1. the duration and preservation of the institutional fund;
2. purposes of RAP and the fund;
3. general economic conditions;
4. possible effect of inflation or deflation;
5. expected total return from income and appreciation of investments;
6. other organizational resources;
7. all applicable investment policies; and
8. where appropriate, alternatives to spending from the institutional fund and the possible effects of those alternatives.

For each decision to appropriate institutional funds for expenditure, an appropriate contemporaneous record should be kept and maintained describing the nature and extent of the consideration that the appropriate body gave to each of the stipulated factors.

Donor Restrictions

In all instances, donor intent shall be respected when decisions are rendered concerning the investment or expenditure of donor restricted funds. If a donor, in the gift instrument, has directed that appreciation not be spent, RAP shall comply with that directive and consider it when making decisions regarding the management and investment of the fund. Any attempt to lift restrictions on any fund shall be conducted in full compliance with the law.

Reserve Fund Expenditures

Each year, the nonprofit is authorized to withdraw **up to 5%** of the total market value of the institutional funds (market value to be determined as of the last business day of the preceding year) for the organization's operating purposes. That spending percentage is applied to the three year average of the June market value.

Chairman Signature and Date: _____

Secretary Signature and Date: _____

Amending Resolution 2016-03

PSPL Foundation Board
Finance and Investment Committee
Investment Policy Statement
August 2020

Introduction

The Palm Springs Public Library Endowment Fund was established to provide long-term financial support to the Library. This Investment Policy Statement presents guidelines for management and oversight of the Fund's Portfolio.

Role of the Finance and Investment Committee

The Finance and Investment Committee of the Foundation Board is acting in a fiduciary capacity with respect to the Portfolio and is accountable to the Foundation Board for overseeing the investment of assets owned by, or held in trust for, the Portfolio.

This document sets forth the investment objectives and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Endowment assets such as an Investment Advisor.

Policies have been formulated consistent with the Library's long-term financial needs and the Foundation Board's tolerance for investment and financial risk, as best ascertained by the Committee. Also, the policies consider the need to provide the Committee with the flexibility to meet changes in financial market conditions and changes in the financial condition of the Library.

Investment Objective and Spending Policy

The Fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Library.

For distributions, the Committee will seek direction from the Foundation Board, the Library Trustees and Library senior management. Distributions should be at a level that would not erode the Fund's real assets over time.

Portfolio Investment Policies

The Committee recognizes that the strategic allocation of Portfolio assets across broadly defined financial asset categories with varying degrees of risk and return will be the most significant determinant of long-term investment returns and Portfolio asset value stability.

The Committee expects that actual returns may vary from expectations and return objectives across shorter periods of time.

Fund assets will be managed as a balanced portfolio comprised of two major components: an equity portion and a fixed income portion. The expected role of equity investments will be to maximize the long-term real growth of Portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of equity investments. Cash investments will be used primarily for Fund liquidity needs.

Long term Strategic Asset Allocation Guidelines

The Committee believes that the asset allocation identified below is an appropriate model or approximation for the investments in the Endowment Fund.

Asset Class	Target Allocation
<u>Equity</u>	<u>40% - 70%</u>
<u>Fixed Income</u>	<u>30% - 60%</u>
<u>Cash</u>	<u>0% - 20%</u>

Depending upon the Committee's evaluation of then current economic and financial conditions, the Committee may elect to adjust allocations from these guidelines to protect Portfolio principal.

Diversification is key to meet the goals of the Endowment Fund. Therefore, the Committee will limit reliance on single securities. The Committee will also evaluate holdings on a regular basis and re-balance the Portfolio if one asset class moves significantly above or below its range in the model portfolio.

The Endowment Fund may accept other forms of investment from donors, but those shall be converted to the funds' primary investments, except in the case of special treatment identified by the Committee and shared with the Foundation Board.

Direct purchase of securities on margin or executing short sales on the part of the Committee is not acceptable, nor is speculative purchasing or selling of derivatives. (A nominal amount of these types of transactions occurring within a mutual fund with otherwise appropriate asset allocation can be acceptable to the Committee).

Monitoring Portfolio Investments and Performance

The Committee will monitor the Portfolio's investment performance against stated goals and objectives. Reporting will be made on regular intervals to the Foundation Board.

Investment benchmarks can be used to compare relative performance.

The performance of professional advisors to the Portfolio, if any, will be evaluated similarly by the Committee and reviewed with the Foundation Board at least annually.

Statement of Direction

For the Establishment of an Endowment Fund

Palm Springs Public Library Foundation Board

August 2020

Executive Summary

In concert with its mission, the Palm Springs Public Library Foundation will establish and oversee an Endowment Fund to provide long term financial support to the Library. Funds will be raised through the Foundation Board's Fundraising Committee and will be managed through the Board's Finance Committee. Disbursement of proceeds from the fund will be carried out by the Treasurer and President, coordinating with the Library Trustees and Library management. The Foundation Board has set a goal to build a \$10,000,000 fund balance over time. Fundraising and management of the endowment fund will adhere to strong transparency and conflict of interest practices.

Endowment Definition and Purpose

In concert with the Foundation's mission to support the Palm Springs Public Library and to increase and broaden the Public Library's use as a cultural and educational institution, the PSPL Foundation will establish an Endowment Fund.

The Foundation understands that an endowment fund is an **investment fund established by a foundation that makes consistent withdrawals from invested capital**. The capital in endowment funds is generally utilized for specific needs or to further an organization's operating process.

The **primary purpose of the fund is to ensure the long-term financial health of a non-profit organization and its beneficiaries**, in this case the Palm Springs Public Library.

Therefore, this endowment fund is created to provide a source of long-term funding for Library needs independent of allocated tax revenues and Friends of the Library efforts. Further, the Endowment itself is separate from other Foundation fundraising efforts, notably a Capital Campaign for the planning and construction of a new or refurbished facility.

Structure

The Endowment will be funded by private sources. The Foundation Board has formed a Fundraising Committee to stimulate donations. The Board has also created a Finance Committee to determine investments for the fund and manage those investments. Disbursement of proceeds from the Endowment will be carried out in accordance with the Foundation Board by-laws and under the

direction of the Treasurer and President. Coordination as to the use of funds from the endowment will be realized between the Trustees, Library management and Foundation Board officers.

Investment Principles

- Invest for the Long Term
- Be great custodians of donors’ contributions
- Protect investment principal while creating sufficient growth to fulfill the Endowment’s purpose
- Operate transparently and without conflict of interest
- Coordinate and communicate with the Trustees and Library and Friends management.

Initial Thoughts on Fund Investment

The Average Annual Growth Rate of the Standard and Poor’s’ 500 index (including dividends) from 2000 through 2019 was 7.65%.

We expect that the Endowment Fund would return between 4% to 6% per year, although there is no guarantee of this return level and there will likely be fluctuations in the return up or down from year to year.

As a long-term financial support arm of the Public Library, and respectful of the endowment’s donors, the protection of principal will be a lynchpin of the fund’s investment approach. The Foundation may seek to retain a financial advisor when the fund balance would justify advisory expenses.

Alternatively, the Finance Committee may identify one or several mutual fund companies that present sound opportunities for investment in a diversified portfolio of US and international stocks, bonds, and cash equivalents. The Finance Committee will develop an Investment Policy Statement further describing the Committee’s approach to investing and managing the fund.

Example of Potential Returns

Endowment:	<u>\$1,000,000</u>	<u>\$5,000,000</u>	<u>\$10,000,000</u>
Return:			
<u>4%</u>	\$40,000	\$200,000	\$400,000
<u>5%</u>	\$50,000	\$250,000	\$500,000
<u>6%</u>	\$60,000	\$300,000	\$600,000

This chart assumes reasonable returns for the Endowment considering the 7.65% return of the S&P 500 over the past 20 years. Estimating payouts from the fund at the annual levels of between 4% to 6% would serve to protect the endowment’s funding levels. The chart indicates that at a level of a \$5,000,000 fund balance, meaningful annual contribution to the Library becomes practical. At a level of \$10,000,000 a significant year over year contribution is possible.

Goal

Therefore, the Foundation sets an internal objective to raise sufficient donor contributions and manage investments to achieve \$10,000,000 in the fund. Timing for achievement of this funding goal will clarify as fund-raising results and early investment returns are realized.

The Foundation is excited about the prospect of embarking on this important project and we look forward to further developments in the near term.

Palm Springs Public Library Foundation

Finance and Investment Committee

Initial Investment

September 2020

Background

The PSPL Foundation will establish an Endowment in support of the long-term financial needs of the Public Library. The Finance and Investment Committee is responsible for investing and managing funds raised by the Fundraising Committee. An Investment Policy Statement has been prepared by the Committee in this regard.

A loan of \$100,000 from the Library Board Trustees has been extended to the Foundation. \$30,000 of that loan amount will constitute the initial investment in the Endowment Fund. The Finance and Investment Committee is interested in keeping expenses low as initial investments are made. A financial advisor may be utilized in the future when the Fund amounts reach a level requiring this expertise.

Objective

The Finance and Investment Committee shall determine an investment(s) for funds donated to the Endowment Fund. This investment will conform to the principals specified in its Investment Policy Statement.

Research Methodology

The Committee has researched mutual fund companies to determine the best choice for first investments.

With regards to mutual fund companies, Morningstar, the premier authority on US based mutual funds was consulted. Morningstar rates the following mutual fund companies as the Top Five in the industry overall as best custodians of invested funds:

- American Funds – Los Angeles, CA
- Dimensional Fund Advisors – Austin, TX
- Dodge and Cox Funds – Kansas City, KS
- T. Rowe Price Funds – Baltimore, MD
- Vanguard Funds – Malvern, PA

Dimensional Funds was eliminated from consideration due to its relatively small size and comparatively lesser known industry reputation.

T. Rowe Price was eliminated because one of the Committee members is invested in several mutual funds at that company.

American Funds works only with registered financial advisors. This would be acceptable to the Committee when an advisor is chosen.

Dodge and Cox Funds would be acceptable to the Committee. However, this firm offers only six mutual funds in which to invest. They also offer fee-based advisory services that could be used as the Endowment grows over time. However, the quarterly minimum fee is \$10,000.

Vanguard Funds offers a broad range of mutual fund offerings and supports over 900 non-profits through their advisory services which again, would be available to the Committee later. Fees at a fund level of \$3 to 5 million would be .40% of the invested amount annually.

Vanguard Funds hold over \$1 trillion in assets. These funds also have an internal cost structure among the lowest in the industry.

After evaluation, the Committee chose to find a suitable initial investment within the Vanguard roster of mutual funds.

Initial Investment

The Investment Policy Statement of the Committee explains that two primary asset classes, equities and bonds, would comprise the Endowment Fund. As a result, the Committee looked for a fund that contained both asset classes in a balanced way. Ultimately, the Committee unanimously selected the STAR Fund for the initial Endowment investment. Per Vanguard:

Vanguard STAR® Fund seeks to maximize long-term total return by investing in a balanced allocation of stocks, bonds, and short-term investments, using a diversified, fund of funds structure. The fund invests in ten Vanguard mutual funds, rather than in individual securities. Using a balanced approach, the fund invests 60%–70% of its assets in common stocks through seven stock funds; 20%–30% in bonds through two bond funds; and 10%–20% in short-term investments through a short-term bond fund. The fund's stock holdings are broadly diversified U.S. stocks, with a small allocation to diversified international stocks. The fund's bond holdings are predominately short- and long-term, investment-grade corporate bonds and GNMA mortgage-backed securities.

The fund currently has over \$23 billion in assets, an expense ratio of .31%, and a 10-year average annual return of 9.51%.

The STAR Fund's market abbreviation is VGSTX and its performance and management can be easily reviewed on Morningstar.com and Vanguard.com, as well as many other financial information sites.

The utilization of this fund was approved by the Foundation Board at its regular monthly meeting on August 10, 2020.

Vanguard STAR[®] Fund

Balanced fund (stocks and bonds)

Fund facts

Risk level Low ← → High					Total net assets	Expense ratio as of 02/27/20	Ticker symbol	Inception date	Fund number
1	2	3	4	5	\$22,420 MM	0.31%*	VGSTX	03/29/85	0056

Investment objective

Vanguard STAR Fund seeks to provide long-term capital appreciation and income.

Investment strategy

As a "fund of funds," the STAR Fund invests in a diversified group of other Vanguard mutual funds, rather than in individual securities. The fund follows a balanced investment approach by placing 60% to 70% of its assets in common stocks through seven stock funds; 20% to 30% of its assets in bonds through two bond funds; and 10% to 20% of its assets in short-term investments through a short-term bond fund. Through its underlying funds, the STAR Fund owns diversified mixes of stocks and bonds. The fund's stock holdings emphasize large-capitalization stocks of domestic companies and, to a lesser extent, a diversified group of stocks in companies located outside the United States. The fund's bond holdings focus predominantly on short- and long-term investment-grade corporate bonds and GNMA mortgage-backed securities.

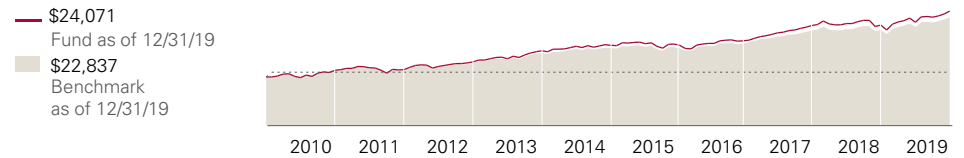
For the most up-to-date fund data, please scan the QR code below.



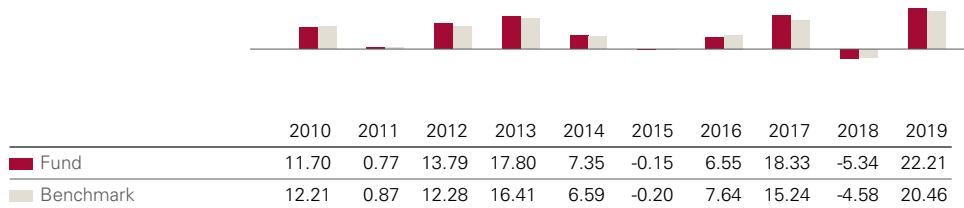
Benchmark

STAR Composite Index

Growth of a \$10,000 investment : January 31, 2010—December 31, 2019



Annual returns



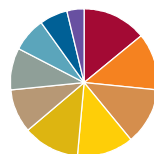
Total returns

	Periods ended June 30, 2020					
	Quarter	Year to date	One year	Three years	Five years	Ten years
Fund	16.69%	1.50%	9.22%	8.25%	7.69%	9.51%
Benchmark	14.13%	-0.53%	6.22%	7.07%	6.80%	8.66%

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

Figures for periods of less than one year are cumulative returns. All other figures represent average annual returns. Performance figures include the reinvestment of all dividends and any capital gains distributions. All returns are net of expenses.

Allocation of underlying fundst



Windsor II	14.1%	International Growth Fund	9.6
LTerm Investment-Grade Fund	12.5	International Value	9.2
Short-Term Investment-Grade	12.5	Windsor	7.5
GNMA	12.4	PRIMECAP	6.1
U.S. Growth	12.3	Explorer	3.8

†Fund holdings are subject to change.

* The acquired fund fees and expenses based on the fees and expenses of the underlying funds.
 STAR Composite Index: 62.5% Dow Jones U.S. Total Stock Market Index, 25% Bloomberg Barclays U.S. Aggregate Bond Index, and 12.5% Citigroup 3 Month U.S. Treasury Bill Index through December 31, 2002; 50% Dow Jones U.S. Total Stock Market Index, 25% Bloomberg Barclays U.S. Aggregate Bond Index, 12.5% Bloomberg Barclays U.S. 1–5 Year Credit Bond Index, and 12.5% MSCI EAFE Index through April 22, 2005; 50% MSCI US Broad Market Index, 25% Bloomberg Barclays U.S. Aggregate Bond Index, 12.5% Bloomberg Barclays U.S. 1–5 Year Credit Bond Index, and 12.5% MSCI EAFE Index through September 30, 2010; and 43.75% MSCI US Broad Market Index, 25% Bloomberg Barclays U.S. Aggregate Bond Index, 12.5% Bloomberg Barclays U.S. 1–5 Year Credit Bond Index, and 18.75% MSCI All Country World Index ex USA thereafter.
 MSCI international benchmark returns are adjusted for withholding taxes.