



106 Washington Avenue, Oshkosh, Wisconsin 54901-4985

MEMORANDUM

DATE: August 20, 2020
TO: Oshkosh Public Library Board of Trustees
FROM: Jeff Gilderson-Duwe
RE: Library Board Finance Committee

At the July 30, 2020 regular meeting, the Library Board tabled the matter of electing members to the Board's Finance Committee. The matter was tabled after discussion of the functions of the committee and the need for regularly scheduled meetings. The board directed me to examine its by-laws and library policies pertaining to the role of the committee and to report back.

Under the section pertaining to the President's duty to appoint members to committees, the By-Laws of the Oshkosh Public Library Board (last amended July 25, 2013) read as follows:

A Finance Committee of three (3) trustees and up to two (2) members-at-large from the community will be appointed by the incoming President at the first regular meeting in July of each calendar year. The Finance Committee, with the addition of the Library Director, will act as the Investment Committee for library trust funds and will provide the Library Director with guidance on library financial matters as needed.

The Library's Trust Fund Investment & Fund Management Policy (approved May 29, 2014) assigns the following duties and responsibilities to the Investment Committee:

- Comprised of the Library Director and the members of the Library Board Finance Committee.
- Annually reviews this policy and recommends changes to the Library Board;
- Adheres to criteria of prudence and due diligence in formulating its recommendations to the Library Board for the investment or disposition of any gift, donation or bequest received by the Library;
- Provides guidance to the Library Board on the selection of the Investment Manager and the Custodian;
- Reviews investment and custodial reports;
- Monitors the performance of the Investment Manager;
- Communicates key information from investment and custodial reports to the full Library Board on a regular basis; and
- Avoids any conflict of interest with investment transactions.

"A Library in Every Life"

Thus, the primary continuing role of the Board's Finance Committee is to serve as its Investment Committee. As you can see above, the policy, as approved in 2014, called upon the committee to fulfill a number of regular review and reporting tasks. In July 2014, the Library Board approved transfer of the majority of the trust fund assets then under custodianship of the City of Oshkosh to five funds within the investment pool of the Oshkosh Area Community Foundation. I do not believe that the Finance Committee has met since the trust funds transfer was implemented in September 2014.

I propose that the Library Board consider the following measures at the August 27, 2020 regular meeting:

1. President Melms-Simon appoint members to the Finance Committee to serve from July 2020 to June 2021; and
2. Refer two key tasks to the Finance Committee for completion before the end of June 2021:
 - Review the Trust Fund Investment and Fund Management Policy. Revise the policy as needed, especially with an eye to defining the ongoing tasks of the Investment Committee such that they may be regularly performed in practice. Recommend any policy changes to the full board for consideration.
 - Research and draft policy language on disposition of Library financial reserves. Determine whether a standalone policy is needed or whether it would be suitable to address the matter in the "Trust Fund Investment and Fund Management Policy."

If a matter seems to call for consideration by the Finance Committee, any trustee may ask that it be placed on a regular meeting agenda with a request for referral to the committee. I do not propose that the Board revise the by-laws section on the Finance Committee at this time.