

**Notice & Agenda – Mississippi Valley Library District
Finance Committee Meeting
February 1, 2024 at 5:00 PM**



On-Site at the Collinsville Library (Community Room), 408 W. Main St., Collinsville, IL 62234
Via Zoom: <https://us02web.zoom.us/j/87121135090?pwd=WDZwVkVzMjhvWXFjaDYzajArWUtBZz09>

Finance Committee Meeting

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Public Input
Public comment policies as approved and included in the Board of Trustees Bylaws can be found online at <https://mvlid.org/pdf/2021,'MVLD%20Bylaws%20as%20of%209.20.2021.pdf>
4. Trustee Comments
5. Unfinished Business
 - a. Proposal from Sustainability Partners re: Option for Collinsville Library Elevator
 - b. Possible Investment of MVLD Funds
6. New Business
 - a. Approval of January 16, 2024 Finance Committee Meeting Minutes
 - b. Busey Bank's Positive Pay Option
7. Closed Session
 - a. Closed session, if necessary, for any lawful exemption pursuant to Section 2(c) of the Illinois Open Meetings Act
8. Action for Items Discussed in Closed Session
 - a. Action(s), if necessary, for any lawfully exempt matter discussed in closed session
9. Adjournment

The Mississippi Valley Library District is subject to the requirements of the Americans with Disabilities Act. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are required to contact the library administrator (618-344-1112) promptly to allow the Mississippi Valley Library District to make reasonable accommodations for those patrons.

RE: Touching Base - Mississippi Valley Library District

1 message

mpappas@s.partners <mpappas@s.partners>
To: Kyla Waltermire <kylaw@mvlid.org>

Mon, Jan 29, 2024 at 6:15 PM

Kyla:

Thanks for the feedback.

SP is a 30-day rolling contract. If at any time the Library wants to terminate the relationship, we will simply get the elevator appraised by a mutually agreed upon appraiser and the relationship can end.

What SP is doing that a bank is not doing is recognizing the useful life of the elevator. Just like with water lines, sewer lines, electric poles, etc., you always need them; when they wear out, the utility replaces them, and in the meantime maintains them.

If the elevator's manufacturer says it will last 20 years, then the Single Purpose Vehicle (SPV) that SP creates with its investor will look to that time period in its calculations. If it's 40 years, fine. Note that this will not be an exact thing, because the elevator may last a shorter or longer time; we don't know, haven't gotten there yet. Once the book value to the SPV gets to zero, you can ask for a new one, or simply end the arrangement, or pause it until the need for a new one, or simply continue on with reduced payments into the maintenance reserve, or whatever. Your choice. At that time, any maintenance reserve would be returned (because there may be nothing more to maintain!).

Regarding concern that SP is talking about the long-term but has only been in existence a short time, and therefore has no long-term experience upon which to draw, I can only point to how SP has been created to reply. SP, together with its board of directors, has been formed with the interface of major funding sources. Further, these funders, and especially the collective board of directors, have examined the business model for relevance to the country, intent of longevity, how it can be a viable force on an ongoing basis, and have followed SP's growth, and these players have maintained and increased support. SP has grown and continues to grow. So, while we haven't been around for 100 years, the company has been put together strategically, legally and financially with longevity in mind.

Not to sound corny, but the founder and CEO, Tom Cair, sees this as a mission – he doesn't have to do this, but he has. In our weekly national call this morning, he reiterated the mission. SP and the considerable resources looking to SP to create good projects are indeed in it for the long run.

Please remember that further discussion and Q&A is welcomed. I am less "selling" and more introducing a viable funding mechanism that the Library can work well with.

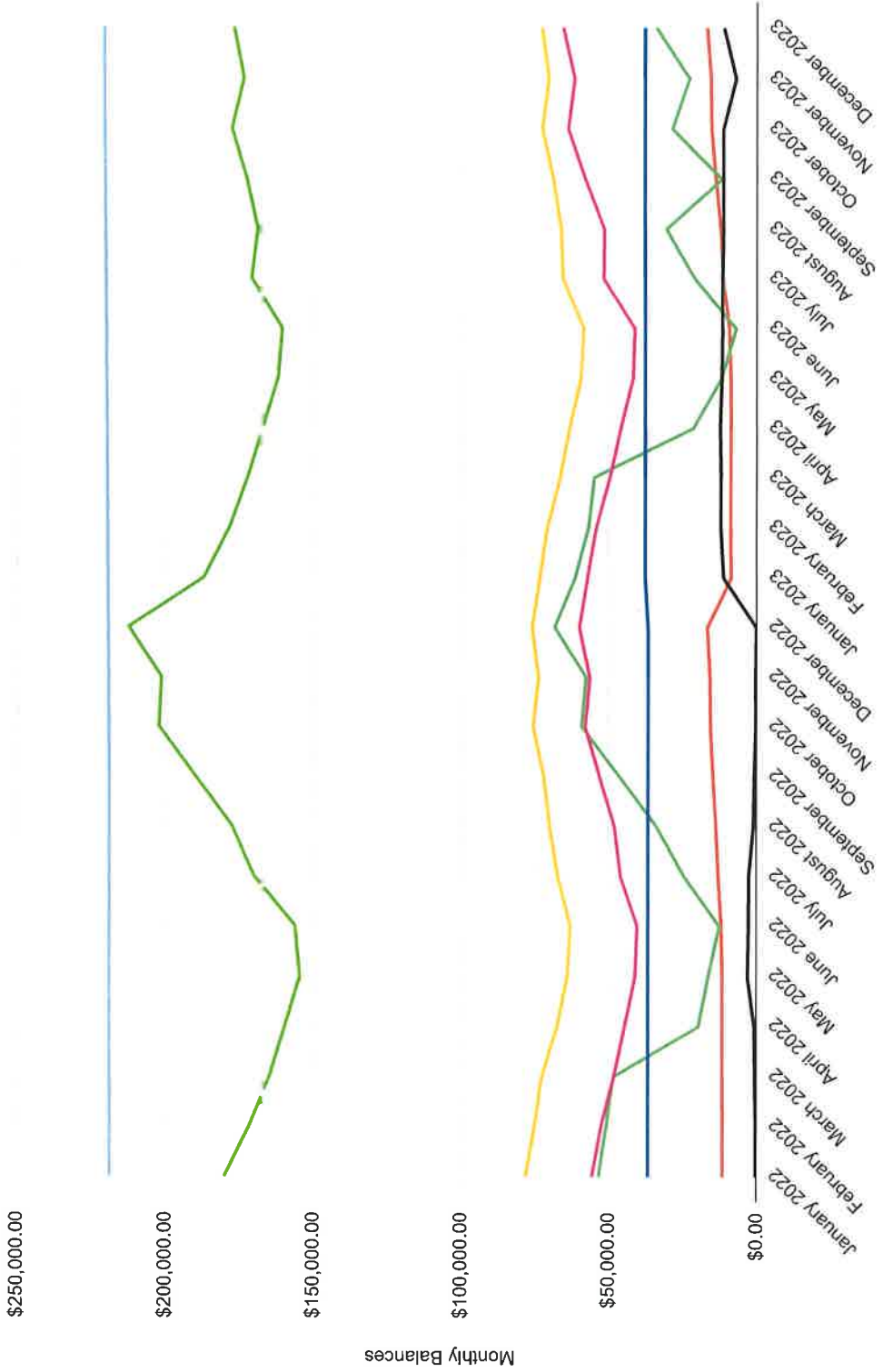
BTW, I am available on Thursday, so please advise as to if you think it best if I'm there.

Mike

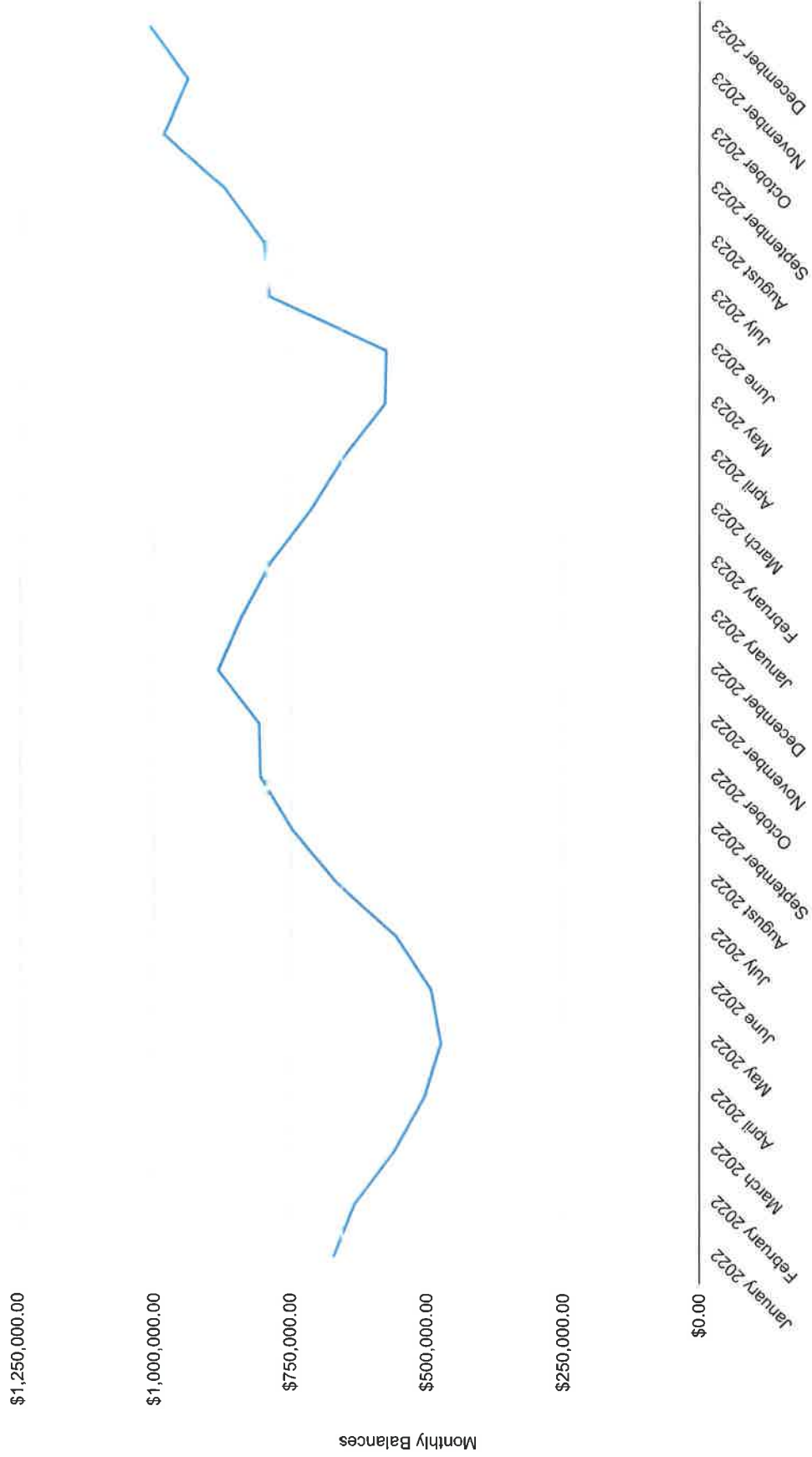
	Working Cash	General	Audit	IMRF	Building	Insurance	FICA	Reserve	Gift
January 2022	\$218,736.11	\$672,527.75	\$11,476.59	\$78,036.29	\$53,309.23	\$179,848.25	\$55,700.31	\$36,549.58	\$237.41
February 2022	\$218,737.79	\$632,374.57	\$11,504.64	\$74,998.37	\$50,606.32	\$171,548.34	\$52,536.78	\$36,549.89	\$237.41
March 2022	\$218,739.64	\$559,304.60	\$11,606.48	\$72,536.11	\$48,386.38	\$164,700.51	\$48,147.04	\$36,550.17	\$512.41
April 2022	\$218,741.44	\$504,977.02	\$11,606.58	\$67,403.25	\$19,675.73	\$159,516.45	\$44,586.15	\$36,550.48	\$719.92
May 2022	\$218,743.30	\$475,080.72	\$11,606.68	\$63,997.28	\$16,272.85	\$154,332.39	\$40,994.66	\$36,550.78	\$2,955.40
June 2022	\$218,745.10	\$493,052.81	\$11,966.86	\$62,949.55	\$12,573.96	\$155,918.47	\$40,329.40	\$36,551.11	\$2,657.43
July 2022	\$218,746.96	\$557,330.76	\$12,980.53	\$67,117.08	\$24,402.11	\$169,791.07	\$45,931.10	\$36,551.39	\$2,521.26
August 2022	\$218,748.81	\$666,611.31	\$13,782.95	\$69,867.70	\$33,699.00	\$177,227.37	\$48,025.02	\$36,551.70	\$1,022.57
September 2022	\$218,830.44	\$747,450.82	\$14,709.15	\$71,840.68	\$46,244.57	\$189,662.67	\$52,981.03	\$36,561.65	\$673.71
October 2022	\$218,969.83	\$805,849.63	\$15,644.23	\$75,541.82	\$59,090.76	\$202,080.86	\$57,944.09	\$36,583.44	\$164.50
November 2022	\$219,104.81	\$808,704.63	\$15,870.77	\$73,741.06	\$57,653.85	\$201,237.00	\$56,463.85	\$36,607.74	\$266.71
December 2022	\$219,244.38	\$884,110.72	\$16,725.36	\$75,922.47	\$68,236.46	\$212,290.54	\$59,955.66	\$36,631.81	\$130.90
January 2023	\$219,384.03	\$840,996.23	\$8,615.22	\$73,399.75	\$61,377.02	\$186,893.90	\$57,223.43	\$37,653.79	\$11,169.98
February 2023	\$219,510.25	\$700,490.00	\$0,090.51	\$70,780.88	\$50,808.78	\$178,209.72	\$54,317.18	\$37,679.32	\$12,131.16
March 2023	\$219,650.08	\$713,525.11	\$8,788.64	\$66,589.86	\$54,931.61	\$172,182.03	\$49,674.49	\$37,701.00	\$12,138.16
April 2023	\$219,785.48	\$652,882.26	\$8,794.06	\$63,390.60	\$21,391.19	\$167,016.48	\$46,029.38	\$37,723.46	\$12,387.47
May 2023	\$219,925.48	\$577,939.61	\$8,799.66	\$59,629.66	\$11,925.35	\$161,959.13	\$41,863.15	\$37,746.72	\$11,753.75
June 2023	\$220,061.05	\$575,353.22	\$9,294.58	\$58,635.34	\$6,983.33	\$160,615.26	\$41,276.47	\$37,771.54	\$11,623.76
July 2023	\$220,201.23	\$789,849.98	\$11,495.05	\$65,723.46	\$21,051.03	\$170,871.38	\$51,800.52	\$37,794.04	\$11,573.22
August 2023	\$220,341.49	\$799,692.78	\$12,332.74	\$66,313.35	\$30,541.70	\$168,864.85	\$51,633.22	\$37,818.12	\$11,338.14
September 2023	\$220,477.32	\$872,052.82	\$13,924.01	\$68,946.51	\$11,775.43	\$172,582.60	\$58,111.95	\$37,842.21	\$11,305.62
October 2023	\$220,617.76	\$984,788.24	\$15,417.00	\$72,683.06	\$28,653.75	\$177,542.77	\$63,944.60	\$37,865.54	\$11,312.36
November 2023	\$220,753.76	\$940,339.22	\$15,660.01	\$70,542.70	\$22,833.06	\$173,581.68	\$61,729.24	\$37,892.21	\$6,937.97
December 2023	\$220,894.37	\$1,010,871.71	\$16,978.52	\$72,815.72	\$34,122.59	\$176,970.97	\$65,650.70	\$37,914.79	\$11,073.92
Balance Average:	\$219,487.12	\$723,089.88	\$12,428.28	\$69,308.44	\$35,525.25	\$175,229.36	\$51,952.06	\$37,174.69	\$6,118.55
Highest Balance:	\$220,894.37	\$1,010,871.71	\$16,978.52	\$78,036.29	\$68,236.46	\$212,290.54	\$63,944.60	\$37,914.79	\$12,387.47
Lowest Balance:	\$218,736.11	\$475,080.72	\$8,615.22	\$58,635.34	\$6,983.33	\$154,332.39	\$40,329.40	\$36,549.58	\$130.90
Expenses Frequency:	As needed (last used in 2019)	A few times monthly	Once annually	Monthly	A few times monthly	A few times monthly	A few times monthly	As needed (last used in 2015)	As needed (could be monthly, could be every few months)

Fund Balances CY 2022-2023 except General Fund

- Working Cash
- Audit
- IMRF
- Building
- Insurance
- FICA
- Reserve
- Gift



General Fund Balances CY 2022-2023



Account proposal

1 message

Schwartz, Rob <Rob.Schwartz@busey.ccm>
To: Kyla Waltermire <kylaw@mvlid.org>
Cc: "Weber, Kent" <Kent.Weber@busey.com>

Tue, Jan 23, 2024 at 3:59 PM

Kyla

It was great catching up yesterday. Here is a breakdown on what we can offer the Mississippi Valley Public Library District:

Existing Money Market/Savings accounts - 3%. Rates are subject to change based on market conditions. No service charge fees (Same as existing accounts)

- You can keep the existing account structures in place.
- I will go ahead and increase the rate to 3%....since there's no reason to delay. If you or the Board has any questions...let me know.

CD opportunities: 3.75% on 6, 9 or 12 month terms. If you want to get a CD set up, let me know.

Sweep account - 2%. \$100 month service charge. Busey would rather offer higher rates on our Money Market/Savings accounts than set up a sweep structure.

- So there is no real advantage to this structure with Busey....but I wanted to include it per your request.

Also - per our discussion, attached you'll find two documents that describe and review Positive Pay. "Positive Pay 101" is shorter and easier to read, while the White Paper document is much more detailed and lengthy.

As far as pricing, we have a couple of standard pricing options for Positive Pay;

1. Check Positive Pay \$40.00
2. ACH Positive Pay \$40.00
3. "Bundled" Price for both ACH & Check Positive Pay \$50.00 (If established at the same time.)

Let me know what questions you have after reviewing this information.

Rob Schwartz NMLS# 556120
Senior Vice President | Market President
330 W Vandalia St
Edwardsville, IL 62025
P: 618.659.6637
F: 1.618.659.6519



The information contained in this e-mail is privileged and confidential. Unless otherwise indicated or obvious from the message, this is intended only for the individual(s) listed above. Please see our Privacy Notices at <http://www.busey.com>.

2 attachments

 **Positive Pay 101 - A guide to preventing payment fraud.pdf**
132K

 **White Paper - AFP 2022 Payments Fraud and Control Report.pdf**
1970K

FCB BANKS
Sweep Account Information
As of January 2024

- Interest accrues daily
- No monthly fees if the average monthly balance remains at or over \$100,000
 - \$25/month if balance is \$50,000-\$99,999
 - \$75/month if balance is less than \$50,000

Fund Balance	% APR	% APY
\$100,000 - \$499,999	2.62	2.65
\$500,000 - \$999,999	3.30	3.35
\$1,000,000+	3.68	3.75

ILLINOIS FUNDS
Investment Information
As of January 2024

- Illinois Funds is a money market investment pool. Sweep accounts are not available, although the MV_D could essentially treat Illinois Funds as a sweep account.
- Transfers to/from Illinois Funds accounts are free of charge.
- Local government investment pools (LGIPs) like Illinois Funds have policies that establish that they operate in a manner consistent with SEC Rule 2a-7. LGIPs are also bound by the Public Funds Investment Act [30 ILCS 235] that limit what Illinois Funds may invest in. Additionally, Illinois Funds' own investment policy prohibits investments in bankers' acceptances, derivatives, asset-backed corporate obligations, and non-Illinois-based municipal securities.
- From the Illinois Funds website:

The Illinois Funds, which is managed in a manner generally consistent with SEC regulated Rule 2a-7 money market funds, has earned Fitch's highest rating (AAAmf). The rating is based on Fitch's analysis of the pool's credit quality, maturity, diversification, and management. The rating demonstrates that the fund has an extremely strong capacity to maintain principal stability and limit exposure to losses due to interest rate and/or credit risk. The Illinois Funds has continuously received the highest prime investment grade for a government money market fund since 1996.

January 2024

Local Government Investment Pool Fund Daily Rates

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 5.402%	2 5.351%	3 5.388%	4 5.373%	5 5.384%	6 5.384%
7 5.384%	8 5.371%	9 5.378%	10 5.378%	11 5.402%	12 5.388%	13 5.388%
14 5.388%	15 5.388%	16 5.394%	17 5.358%	18 5.386%	19 5.409%	20 5.409%
21 5.409%	22 5.374%	23 5.389%	24 5.401%	25 5.408%	26	27
28	29	30	31			

**MINUTES of the MISSISSIPPI VALLEY LIBRARY DISTRICT
BOARD OF TRUSTEES FINANCE COMMITTEE MEETING**

DATE: Jan 16, 2024

TIME: 5:00 PM

PLACE: Community Room, Collinsville Library, Collinsville, IL

Call to Order

Jeanne Lomax, President, called the meeting to order at 5:01 PM. Cathy Kulupka arrived at 5:08 PM.

Roll Call

Committee members present:

Cathy Kulupka

Lisa McCormick

Also present:

Jeanne Lomax, Ex-Officio member

Kathy Murphy, Trustee

Mark Schusky, Trustee

Kyla Waltermire, Executive Director

Matt Harris, Assistant Director

Pledge of Allegiance

Public Input

None

Trustee Comment

None

Unfinished Business

None

New Business

- a. Proposal from Sustainability Partners re: Option for Collinsville Library Elevator
- Michael Pappas from Sustainability Partners provided an overview of his company and the possible option for funding the replacement and maintenance of the Collinsville Library elevator.

- Sustainability Partners is a Delaware Sec. 365 Public Benefit Company that offers municipal governments the option to treat infrastructure as a service.
- Sustainability Partners would fund the elevator's replacement and maintenance and the library would be billed based on usage. The library would pay a monthly service fee to use the elevator.
- Committee members will review the option.

b. Possible investment of MVL D Funds.

- Discussion occurred regarding sweep accounts vs. certificates of deposit (CDs).
- According to law, investments must be guaranteed by FDIC or U.S. Government.
- Waltermire will research sweep accounts and CDs available from banks, investment companies, and The Illinois Funds. She will also find out if other options for guarantee are acceptable.
- Waltermire will also research MVL D's monthly fund flow to determine if a division of funds between sweep accounts and CDs is feasible and if so, how the division should occur.
- There will be another Finance Committee meeting before the February Board meeting to discuss findings. The tentative date for next finance board meeting is Tuesday, January 30, 2024 at 5:00 PM.

Closed Session – None.

Adjournment

A motion was made by McCormick and seconded by Kulupka to adjourn.

Kulupka – Yes
Lomax - Yes
McCormick - Yes

Yes- 3, No – 0, Abstained – 0, Absent – 0

Motion carried. The meeting adjourned at 6:22 PM.

Positive pay 101: A guide to preventing payment fraud

Technology has empowered businesses to make more financial transactions, faster. With this increase in speed and cash flow comes opportunity—not only for our SMB customers, but for bad actors, too. Nearly 30% of companies reported an increase in payments fraud between 2020 and 2021, according to the [2022 AFP Payments Fraud and Control Report](#).

The good news: positive pay can help safeguard your business against payment fraud—and the loss and liability it can incur.

What is positive pay?

Positive pay is a service that banks offer businesses to detect fraudulent checks. An automated system compares the checks presented to the bank for payment to a list of information provided by the business about every check they've written.

Any suspicious checks the system identifies are sent to the business for verification. Generally, banks charge businesses a fee for positive pay—although some offer it as a free service to entice new business banking clients.

The positive pay system is designed to ensure the bank doesn't process [fraudulent checks](#). Even as more businesses adopt card and online payments, checks remain a common payment method. Although our customers love the ease, efficiency, and convenience of ePayments, there are still times when vendors opt for paper checks instead.

How does positive pay work?

Once a business signs up for positive pay, they present the bank with a list of information about every check they've written in the past 24 hours, such as the date, dollar amount, check number, and account number.

The business typically issues this document, known as a check-issue file, on a daily basis.

Whenever the bank receives a check for payment, the positive pay system verifies the date, dollar amount, and other details against the check-issue file. If the system doesn't identify a match, the bank adds the check to an exception report, which it sends to the business for review. The check clears only if the business advises the bank to accept it.

If a business fails to submit the list of checks they've issued on a given day, the bank often declines all the checks presented on that day until the business can verify them.

It's crucial for the check-issue file to be accurate and up-to-date. If you choose to implement positive pay for your business, set up a centralized system for your check-issue file.

As soon as your business writes a check, update the file with all the necessary check details, and schedule routine audits of the document. Use password protection and/or other controls to restrict who can modify it.

Who needs positive pay?

Businesses that regularly issue checks must decide whether the fraud protection it provides is worth the cost. In cases where the bank offers positive pay for free, there's little reason not to enroll.

In cases where positive pay comes with a fee, the value may be less clear-cut. It can help to compare the fee to the losses you might incur as a direct result of fraudulent check transactions, as well as the labor costs associated with addressing check fraud.

What is reverse positive pay?

Reverse positive pay is a type of positive pay in which businesses monitor their own checks. Each day, the bank notifies the business of any checks that have been presented, which the business can verify against their own records. The bank typically cashes the checks if they don't hear back from the business within a certain timeframe.

Reverse positive pay vs positive pay

Reverse positive pay holds businesses responsible for reviewing incoming checks. But with positive pay, that responsibility lies with banking institutions.

While reverse positive pay isn't as reliable as traditional positive pay, many companies opt for it because it comes with less expense. Businesses that want to implement reverse positive pay first need to have an account with a bank that offers it.

The qualifications they need to meet to use the service depends on the bank. Some banks require businesses to have a minimum account balance or a minimum annual revenue.

Reverse positive pay

- Bank reviews incoming checks
- Bank cashes all checks unless the business instructs them otherwise

Positive pay

- Business reviews incoming checks
- Bank declines all checks marked as suspicious unless the business instructs them otherwise

What is ACH positive pay?

Your business can use fraud prevention systems similar to positive pay for electronic payments, although the specifics of how these systems work depends on the type of electronic payment, as well as the financial institution providing them.

ACH positive pay is a form of positive pay designed to prevent fraudulent ACH transactions. Businesses use a system that lets only ACH transactions that meet certain criteria process automatically and flags suspicious transactions for review.

ACH positive pay vs positive pay

Positive pay detects fraudulent checks, while ACH positive pay detects fraudulent ACH transactions.

Also, ACH positive pay relies on a series of filters instead of a list to intercept potentially fraudulent payments. The business sets up custom filters that allow certain ACH transactions, such as those from approved vendors, to automatically post. They can then authorize or deny any blocked ACH transactions as they see fit.

ACH positive pay

- Detects fraudulent ACH transactions
- An automated system allows only certain ACH transactions to process automatically using filters set by the business

Positive pay

- Detects fraudulent checks
- An automated system verifies incoming checks against a list of issued checks provided by the business

Limitations of positive pay—3 scenarios and how to take additional precautions

While positive pay can be an effective security measure, it's not without limitations. Here are some situations where positive pay may not be enough to stop fraud—and the extra precautions you need to take.

Over-the-counter checks

Traditional positive pay is designed to help reduce check fraud, primarily when it comes to transmitted or scanned checks. But not all positive pay systems can handle checks handed over the counter at a banking location—and not all banks offer verification over the counter.

If you're considering positive pay for your business, remember to ensure that all check-cashing scenarios, including in-person, will be properly verified.

Verification of payees

With positive pay, the information used to verify a check typically doesn't include the payee name. Fortunately, many banks augment their traditional positive pay services with payee positive pay, which includes verification of the payee name, usually with additional fees.

If your business is looking to use positive pay, consider your unique situation and whether you need payee verification—and whether your software and bank will support it.

Formatting

Banks transmit their checks in a broad range of file formats—and even a single bank might transmit checks in multiple formats. If you implement a positive pay system for your business, remember to account for this variation.

Positive Pay Takeaways

- Positive pay is an automated system for detecting check fraud that verifies checks presented to the bank for payment against a document listing details about every check the business has issued, known as the check-issue file.
- Positive pay works by comparing the check date, dollar amount, check number, and account number with the details in the check-issue file. If they don't match up, the bank won't clear the check until the business verifies it.
- While positive pay systems can reduce check fraud, they aren't foolproof. For example, not all of them can handle over-the-counter checks.
- Reverse positive and payee positive pay are variations of traditional positive pay designed to prevent fraudulent check payments.
- ACH positive pay is a variation of positive pay designed to prevent fraudulent ACH transactions.

Implementing positive pay

Implementing positive pay is a proactive step you can take to protect your business from losses and other fallout from payment fraud.

BILL comes with [built-in fraud prevention features](#), including positive pay. Sign up for a free trial today.

Source: www.bill.com/learning/payments/positive-pay

Pros and Cons of Positive Pay

Pros

- Effective fraud-protection tool

Cons

- Requires work on the business owner's part
- Bank returns items if you miss review deadline

Pros Explained

- **Effective fraud-protection tool:** Positive Pay can be an ideal way for companies to safeguard their financial accounts against fraud, counterfeit checks and other liabilities. Think of it as an added form of protection for your business. Although not perfect, it does help.

Cons Explained

- **Requires work on the business owner's part:** Each time you write a check, you're required to give the bank the information it needs to validate the check—by manually entering the details or by uploading a file. Although this could take as little as a few seconds, it still requires more work from the business.
- **Bank returns items if you miss review deadline:** The biggest problem with Positive Pay is that you typically must tell the bank that same day—sometimes by 12 p.m. or 4 p.m.—if you want them to return or process flagged items. If you miss the cutoff, your bank will usually return the items, which could cause financial problems or slowdowns for your company.

Source: www.thebalancemoney.com/what-is-positive-pay