



220 W. 23rd Ave.
Coal Valley, IL 61240
877-542-7257
support.prairiecat.info

PrairieCat Finance Committee

Agenda

June 12, 2025

The Committee will meet on Thursday, June 12, 2025, 10:30 am – 12:00 pm in person at the Sycamore Public Library, 103 East State Street, Sycamore, IL 60178-1440 and at the RAILS Coal Valley Service Center., 220 W. 23rd Street Ave, Coal Valley, IL 61240. The meeting will also be available online via Zoom.

Register to attend the meeting: <https://librarylearning.org/event/2025-06-12/prairiecat-finance-committee-meeting>

We require an in-person quorum for this meeting.

1. Call to order, introductions
2. Introduction of guests and public comments
3. Approve minutes from March 20, 2025, meeting (pp. 2-5)
4. Review and discussion, PrairieCat investment options and recommendations to the Administrative Council (pp. 6-7)
5. Adjournment

Next meeting: September 18, 2025, 10:30 am – 12:00 pm, in person at the Sycamore Public Library, the Coal Valley Service Center, and online via Zoom



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PrairieCat Finance Committee Minutes March 20, 2024

The Committee met on Thursday, March 20, 2024, 10:30 am – 12:00 pm in person at the Sycamore Public Library, 103 East State Street, Sycamore, IL 60178-1440. The meeting will also be available online via Zoom.

[Register to Attend the Meeting: \(https://support.prairiecat.info/events/prairiecat-finance-committee-meeting-2025-03-20\)](https://support.prairiecat.info/events/prairiecat-finance-committee-meeting-2025-03-20)

We require an in-person quorum for this meeting.

1. Call to order, introductions

Present at Sycamore: Carolyn Coulter (PrairieCat), Bryon Lear (MX) Beth Ryan (Chair-JO), Megan Gove (TF), Michael Skwara (HC), Lauren Offerman (TC), Angela Campbell (RP), Kim Halsey (SY), Maria Meachum (WL), Chelsey Knippel (PrairieCat), Elizabeth Smith (PrairieCat)

Present via Zoom:

Absent: Nick Weber (WO)

Ryan (JO) called the meeting to order at 10:30 am

2. Introduction of guests and public comments

There were no public comments. Kat Solheim introduced herself as working on her practicum at the Johnsburg Public Library.

3. Approve minutes from December 19, 2024, meeting

Motion #1: Gove (TF) moved and Offerman (TC) seconded to approve the September 19, 2024, meeting minutes as presented. There was no discussion on the motion. Motion

4. Review and discussion, budget considering proposed changes to reserves structure and hosting fees

Coulter (PrairieCat) went over the proposed budget for FY26. This includes a 3% staff salary increase (COLA) and 1% merit increase but also reflects the salary re-alignments we discussed last year due to our benchmarking survey outcomes. As we discussed, these scenarios reflect a combined per library fee and hosting fee, with each receiving a 5% increase over last year. Reserves were calculated at 2% of expenditures. There are a couple of differences in this draft. We cut out of state travel and added in the Innovative mobile app for those who opt in. This will be charged back to the libraries so there is no net cost to the consortium. Overall, a 3.89% aggregate increase. Union List went down \$11.

5. Review and discussion, Innovative mobile app demonstration and pricing

Coulter (PrairieCat) stated as you may know, the existing contract with OCLC/Capira for our mobile app expires in October of 2025. Currently, 57 member libraries participate in this project, and more have expressed interest once the new contract is in place. PrairieCat operates as an intermediary with these sites, paying for the costs and then charging the libraries to reimburse the consortium. In this way, the project has no impact on the consortium's expenditures.

Over the past months, the UX Committee has done several demonstrations and reviewed the written responses from vendors. We received responses from Innovative Interfaces, OCLC/Capira, Communico, and Bibliocommons. When requesting costs, however, we also desired to see what the impact to providing every circulating library with access would be, and how it would reflect in the FY26 budget.

Coulter continued, given the other elements of the FY26 budget that have caused a larger than usual increase in membership fees, it is suggested that we consider leaving the mobile app as an opt-in, reimbursement platform in FY26, and reevaluate in FY27. A draft budget and App A fee schedule reflecting the costs in the FY26 budget is included in the packet and as you can

see the impact is significant this year. I have configured this budget to reflect taking the \$15,000 in installation fees from the reserves budget in this scenario. If we did not take this from reserves and decide to move forward in FY27 with expansion to all circulating members, we will need to come up with a reimbursement solution for the existing members of the project who would have to shoulder these costs in FY26. Also included is the scoring done by the UX committee based on the demonstrations and written responses that we have received. Included is also the costing information received from all the vendors.

At their meeting on 3/6/2025, the UX committee voted to recommend that we proceed with the Innovative Interfaces proposal. The features as well as the costs for potential expansion to the entire consortium were their deciding factors. There is a great deal of enthusiasm among the members for extending this project to all the circulating membership.

The Committee agreed to take the \$15,000 out of Reserves for the mobile app and then send the FY26 draft budget to Administrative Council for review.

6. Update, in-person quorum and potential changes to remote meeting rules

Coulter (PrairieCat) discussed the possibility of changes to the allowance of remote meetings for the Committee, citing the lawyer's opinion regarding PrairieCat qualifying for the OMA exception due to its service area square mileage. Coulter explained that there will have to be an approved Bylaws change by the Delegates Assembly before this can happen. The remote meetings would have to happen in designated public buildings with the agenda posted at each location. Each attendee must have the ability to be heard during the meetings. More information will follow if the Delegates Assembly approves the Bylaws changes in April.

Knippel (PrairieCat) mention that the next Finance Committee meeting falls on Juneteenth and suggested rescheduling. The Committee agreed to change the June 19, 2025, meeting to June 12, 2025.



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7. Adjournment

The meeting adjourned at 11:20 am.

Next meeting: June 19, 2025, 10:30 am – 12:00 pm at the DeKalb Public Library, 309 Oak Street,
DeKalb, IL and online via Zoom **MOVE TO JUNE 12**



Date: 6/12/2025

To: PrairieCat Finance Committee

From: Elena Mendoza, RAILS Staff Accountant

Re: Investment Analysis and Options

Background

PrairieCat has historically maintained an interest-bearing checking account with Bank Orion, the balance of which is currently \$1,430,867 as of May 23. The current rate of earnings on the checking account is equal to the rate offered by Bank Orion for money market accounts (.30%). The Illinois Funds money market account balance is currently \$253,265 and has earned year-to-date interest of \$9,983 with a rate that tracks closely with the rate set by the Federal Reserve. The PMA (Prudent Man Advisors) iPrime ISC account balance is currently \$52,291 and has earned year-to-date interest of \$1,970 with a rate that also tracks closely with the rate set by the Federal Reserve.

PrairieCat last opened two 24-month CDs on August 30, 2023, in the amounts of \$226,050 and \$226,150, for a total of \$452,200 at rates of 5.112% and 5.250%, respectively. Both CDs are maturing on August 27, 2025, and the funds will be automatically deposited in PrairieCat's PMA money market account. RAILS Finance and PrairieCat staff have reached out to several financial institutions to inquire about investment options for these funds. As we re-evaluate investment options this year, we must consider the economic uncertainty that may impact the Federal Reserve's expectations of two .25% interest rate cuts for this calendar year, and their interest rate projections of 3.9% and 3.4% for calendar years 2025 and 2026, respectively.

Analysis

After speaking with representatives at several area banks, the quotes received for CD investments were:

<u>Bank/Investment Group</u> <u>Name</u>	<u>12 or 13-month CD</u>	<u>24-month CD</u>
Bank Orion	13-month CD at 4.05%	24-month CD at 0.90%
PMA	12-month CD at 4.00%	24-month CD at 3.90%
Blackhawk Bank & Trust	12-month CD at 2.72%	24-month CD at 1.740%

Quad City Bank & Trust	12-month CD at 3.96%	24-month CD – no option
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Please note that these interest rates are adjusted as often as daily, biweekly, or monthly and float with the market. The three highest rates quoted were received from: Bank Orion for a 13-month CD at 4.05%, PMA for a 12-month CD at 4.00%, and Quad City Bank & Trust for a 12-month CD at 3.96%.

Considerations

PrairieCat has a long relationship with Bank Orion, and, over the years, they have been extremely responsive and attentive to all of our needs. The rate they offered for their 13-month CD was the highest rate of all quotes received.

PrairieCat has been a client of PMA (Prudent Man Advisors) for almost two years, and we have a depository account as well as two current CDs which are maturing at the end of August. PMA came in slightly lower for their 12-month CD compared to Bank Orion but offered a significantly better rate for their 24-month CD.

As mentioned earlier, interest rates fluctuate often, but reports from the Federal Open Market Committee indicate that the Federal Reserve has had a conservative approach regarding lowering interest rates due to uncertainty with the economic outlook. They have held interest rates steady at their last three meetings and their projections for calendar years 2025 and 2026 remain unchanged since their December 2024 meeting, at 3.9% and 3.4%, respectively.

Recommendation

Since interest rates are predicted to decrease in the next two calendar years and with the uncertainty surrounding the economic outlook that could be very impacted by tariffs and inflation, we feel it would be beneficial to ladder the maturity of PrairieCat's CDs. Laddering CDs would spread PrairieCat's investments across two financial institutions with different maturity dates, and allows more flexibility in accessing funds if needed. Our recommendation would be, once the two CDs with PMA mature on August 27, 2025 for a total of \$452,200 plus accrued interest, to secure one 24-month CD for less than the \$250,000 FDIC insurance coverage limits including the projected net interest with PMA and another \$250,000 13-month CD with Bank Orion. To do this, PrairieCat will need to move \$250,000 of the matured CD funds from the PMA ISC account to Bank Orion.

The remaining balance in the PMA iPrime money market (ICS) account could either be left there to float with the market and remain available for PrairieCat's immediate use or be transferred to Bank Orion and then Illinois Funds for immediate use, if needed. Currently, the average interest rates as of April for the PMA ISC money market account and Illinois Funds are 4.207% and 4.434%, respectively.