

**Elk Rapids District Library Board of Trustees
March 23, 2021 SPECIAL Meeting held via ZOOM**

Note: Minutes follow the agenda

1. Call to Order: By President Tom Stephenson at 4:00 pm

Members Present: Barb Johnson, Dick Hults, Karen Simpson, Liz Atkinson, Tom Stephenson, Julia Pollister Amos, Chuck Schuler and Diane Geddes (Diane arrived 10 minutes late after having computer trouble)

Also Present: Director Nannette Miller and Cazber Wolever from Independent Bank Treasury Management Department and 1 member of the public

Members absent: None.

2. Banking Options for Expansion Fund

Director Miller introduced Cazber Wolever who went over the insured cash sweep account that we have with Independent Bank . It has the full FDIC insurance but there is concern over the access to the account. Anyone who has access to the deposit account essentially has access to draw the cash sweep account funds. That means that one person could draw on the cash sweep account without authorization from anyone else. Dual signature is not required currently at Independent Bank and he is researching if that could be added to the account. They do offer a "Positive Pay" account which would potentially offer some additional authorization validation via online input by one person and then another person would authorize by signing the checks.

Stephenson asked what the fee for that would be. Wolever stated that we currently earn net +/--\$99.00 on ICS balances if we used Positive Pay we would earn net +/--\$70. He considers the difference to be not a large expense in relationship to the additional safeguards on the account. If interest rates went up money could be moved back to earn the best potential net result.

Hults asked for clarification on the interest rate that we are earning on \$1.6 million . Wolever said that ICS is .008% it's fully insured as a deposit account. There would be higher rates on lower account values.

Atkinson asked if they had any accounts that had no cap on what the FDIC insurance covers. Wolever said just ICS up to \$140 million.

Johnson gave some history on why the account was opened.

Atkinson pointed out that we just need to fix the one signature issue which is a security issue that needs to be fixed right away. Stephenson concurred that immediate issue needs to be fixed.

Pollister Amos asked who would manage the online portion of the Positive Pay. Miller pointed

out that she should not be the one who does that since she is the one who physically writes the checks. Stephenson said that he assumed that it would be the President and/or Treasurer. The Positive Pay accounts requires that the online portion be managed. Wolever reminded that he was still waiting for an answer to whether they can make the dual signature requirement available.

Atkinson asked if the account could be frozen for a week until our next board meeting.

Motion: to freeze the account "post no debits" on the account by Atkinson/Pollister Amos

Roll Call: Schuler: Yes; Stephenson: Yes; Hults: Yes; Johnson: Yes; Simpson: Yes;

Atkinson: Yes; Geddes: Yes; Pollister Amos: Yes.

Motion carried.

3. Public Comment:

No one wished to speak

4. Adjournment

By order of the Chair at 4:26pm.