

**Branch District Library
Finance Committee Minutes
August 28, 2014
2 pm
3rd Floor Meeting Room at Coldwater Branch**

Recommendations Synopsis:

1. To allow Century Bank and Trust CD to rollover and to leave all accounts in place at their current location
2. Plan of Service needs updated:
 - a. To reflect proper taxing method (references State Equalized Value not Taxable Value);
 - b. To correct \$ amounts in book budgets to % of book budget to allow for flexibility in good and bad financial times;
3. New millage funds be combined with current funds when doing the budget proposal and financial reports with many notes explaining the two for future reference
4. Approve revised L4029 that reflects addition of newly voted millage and to check for future reference whether public hearing is required by the library board
5. To implement an additional 4 hours per week at Coldwater Branch and additional 2 hours at Bronson, Quincy, and Union per week starting September 29 thru December 31.

Concern/Conflict – Needs board action:

With regard to new millage, board voted to follow the plan of service and the breakdown of funds that it provides for – of which a portion is set aside for major projects at the Coldwater Branch which in the past has gone to building repairs. However, the Millage Committee and Millage materials were distributed stating that none of the new millage funds would be used on the building.

Minutes:

Erica Ewers called Finance Committee Meeting to order at 2 pm with remaining committee members Dan Gordon, and Bonnie Frick present as well as Director Evette Atkin and Book keeper Jeanne Berg.

The following documents were distributed to all present:

1. Agenda
2. July Finance Report
3. Cost of Operations
4. List of Bank Accounts
5. Breakdown of Funds
6. Draft Endowment/Fiduciary Fund Breakdown
7. Utility Comparison Report
8. Revised L4029 – 2014 Tax Rate Request showing previous millage & new millage

Jeanne began by going thru the list of accounts and the breakdown of funds and how each ties back to the July Finance Report to show where each is being reported.

The capital funds were explained in detail and how these funds can only be distributed and spent according to the plan of service. The capital funds are further broken down in the Capital Report we receive monthly that gives a current balance by branch and major projects. It was discussed that the plan of service references 1/10 mill but ties it to the state equalized value, which is no longer used to determine tax values, thus this needs to be updated. The millage documents

referenced 1/7 of a mill going to capital service while the 2014 budget references 1/14 – this is because the millage document included both the branches and major projects where the budget was just referencing the branch breakdown.

The endowment/fiduciary funds were explained. There are a couple that were established as permanent endowments and thus the principal may not be used but the interest can be – within that some state what the interest can be used for and others are unrestricted. Among the other endowments the principal may be used; some indicate that they are for books only or for special projects and others are unrestricted. Jeannie is still working on pulling together all of this information.

The committee discussed the number of current accounts and their current status and it was recommended to leave them in place as they are currently. By transferring the Certificate of Deposit at Honor Credit Union to the Money Market Account in May 2014, it allows additional funds to be accessible at the end of the year when waiting for tax funds to come in. It was recommended it would be better to be diversified in the CD accounts and show support throughout the community then to have everything in one or two accounts. There is no significant difference in interest from one bank to the other, nor is there any incentive to have more funds within a particular CD. It was also recommended to allow the Century Bank & Trust CD that matures September 12, 2014 to roll over.

Evette explained that the State Library recommends a one year fund balance but not less than 6 months and we are currently operating at the 6 month minimum.

We are waiting for official word from the County Treasurer on whether the current and new millage for the library will appear as one line item on the tax bill or two. After much discussion on what was the best way to report the new millage on the budget and for accounting purposes it was recommended to lump the two together, with many notes stating the amount from new millage. This way the new funds can be monitored and when the 8 years is up, whoever is on the board at that time, can determine the actual funds available to operate with should a renewal not occur.

The only concern is the board voted to follow the plan of service and the breakdown of funds that it provides for – of which a portion is set aside for major projects at the Coldwater Branch which in the past has gone to building repairs. However, the millage committee and millage materials were distributed stating that none of the new millage funds would be used on the building. While this was brought up no recommendation was discussed.

A discussion was had on the board approving bills after they are written. It was pointed out by staff that if they are not paid that way then late fees would be incurred as currently all the phone bills for the various branches come on various days with variable due dates as are the other bills. It was stated that the budget is approved by the board ahead of time and as such the direction of the funds is determined. Policy states director can't spend more than \$1,000 without pre-approval of the board. It was also stated that the budget is approved by the bottom line and not line item; therefore if a line item goes over budget then the budget doesn't have to be modified.

Evette distributed a list of costs for staffing only at each branch to give us an idea of hourly costs. Lists of 2014 furlough and holiday days were also distributed. This information was then used to determine if there was a way to reopen on furlough days or to give back holiday pay that was taken away. It was determined that the furlough days would not add back in quality useable time that the library was open (as they were all holiday weekends) nor would they affect everyone. The same was said about the holiday pay.

Thus after some discussion of options to reopen the library and show the taxpayers that we were going to reinstate services as stated in the millage campaign; it was recommended to add an additional 4 hours a week to the Coldwater Branch in the evening to allow for additional programs and after school studies; as well as add 2 hours back to the schedule at Bronson, Quincy, and Union City to be added where it would do the most good for each branch.

Further review of additional hours and wages for 2015 will be looked at within the 2015 budget.

Evette is currently working on 3 to 6 budget proposals to allow for a variety of items; many include additional hours and increased book budgets.

The finance committee will meet again on September 12, 2014 at 2 pm in the 3rd floor meeting room to begin to review the budget plans.

Meeting adjourned at 3:15 pm.

Minutes prepared by:
Erica Ewers