

## **Finance Committee Minutes**

July 5, 2022

### Call to order

Thompson called the meeting to order at 1:02pm

Walker- present, Thompson-present, Albaugh-present, Diedrich-present

### Public comments

None

### Approval of July 6, 2021, Minutes

Walker moved to approve the minutes from the July 6, 2021, meeting. Thompson second.

Walker-aye, Thompson aye. Motion carried.

### D&A draft FY23 budget

Brief discussion was had regarding staff salaries. Diedrich presented three options for staff wage increases. A 5% wage increase for all staff, minus the director who will receive a 2% wage increase, is included in the draft budget. The director is receiving a lower wage increase due to being on the higher end of the position's pay scale. The Board does not approve individual wage increases but does approve the grand total of salaries within the budget.

Diedrich presented the full draft board to the committee, explaining each portion of the document. Attention was brought to the overall expense percentages and how they align with the Standards for Illinois Public Libraries. Thompson inquired what salary percentages ought to be of the total budget according to the standards. Base pay should be up to 60%, base pay plus fringe benefits (IMRF, FICA) should be up to 70%. Currently, the library is around 50% base pay, and 52% base pay plus benefits. These percentages are somewhat skewed due to the expense percentages of historical digitization and improvements.

The draft Budget & Appropriation spreadsheet was discussed. The budget column are the amounts that are expected to be sent, the appropriation numbers are increased by 20%. The appropriation is what the Board approves. The 20% increase builds in flexibility into the budget. Revenues and Expenditures dating back to FY 2018 were reviewed. Diedrich informed the committee how the past years' revenues and expenditures aide in the creation of the current year's budget.

Discussion on the draft budget began by looking at the expected revenues for the upcoming year. Albaugh inquired what the ending balances for June was. This figure is unknown as of this meeting as Honkamp has not yet completed the financial statement. Albaugh inquired the donation revenue and if it includes donations related to the Pride Picnic – yes it does. Albaugh inquired about historical digitization. The budget currently reflects \$8,000, which was deemed high. This may be decreased to \$5,000. Diedrich informed the committee that the Friends have approved the wish list and the amount included in the budget is the final amount. Revenue for the other levied funds, FICA, IMRF, and Insurance. The FICA fund is currently showing that there are not enough monies in the fund to cover the expenses. The FY22 levy did not request enough money for FICA. Albaugh stated monies from corporate can be moved into FICA if needed.

Discussion moved onto the expenditures. Albaugh inquired what is included in the improvements – fireplace restoration, exterior building repair, interior building repair, and furniture. Diedrich highlighted

changes in the Periodicals budget; the higher expenditure is due to introducing a new database, Flipster, that will provide digital magazines. The titles will be similar to our current physical collection. The audit budget was also increased due to having the Friends now included. The IT budget is relatively high due to projects identified by Diedrich and Jason Leonard, the library's IT. LitFest is a sustainable event that has a carryover bank from the previous fiscal year. The event also creates revenue and then an additional \$2,000 is added each year. Thompson inquired what is included in the marketing budget. All content creation is done by library staff, so the major expenses are newspaper ads, banners, printed materials, etc. Programming includes youth and adult programs and specific funds for the next Pride Picnic. This event also has a carryover bank. Utilities was increased due to the overall increase in utility costs.

Discussion then moved to historical digitization. The budget reflects \$25,000 in expenses. This amount was chosen as it will cover the remainder of the papers to digitize as outlined in Phase Three of the Project Scope. Diedrich informed the committee that Phase Three of the Project Scope was altered to better fall in line with the completion date of end of calendar year 2023. This completion date was chosen based on conversations between Diedrich and the project manager at Crowley. The expense does not include the monies the Galena Foundation put toward the project as those funds are paid separately. Albaugh would like to increase this amount. Diedrich explained why the \$25,000 was chosen: it is comparable to other collection expenditures (books - \$24,000, a/v \$20,000), there are many salaries that are less than the amount budgeted for the digitization, and that it covers the papers identified in Phase Three. Diedrich inquired whether the committee would like to recommend to the board that more discussion is had on this line item.

Discussion moved to the equipment budget. Albaugh inquired what is included in this. Diedrich stated that prints and the contract for the library's main printer/scanner, and for miscellaneous tech equipment. Miscellaneous tech could be for any area of the library as needs arise. Albaugh stated he would like specific items into the equipment budget. Diedrich reminded the committee that specific items are not added to the equipment budget as board members do identify items needed at the library. The board may increase or decrease budget line items as needed. Albaugh requested the board discuss it further.

Thompson inquired what the proper process is for when the board identifies changes they would like to make. Thompson asked if the budget presented is a yes or no budget. Diedrich stated this budget may be changed, but if line items are increased the board will need to identify line items to decrease to keep the budget even. Diedrich stated the budget presented is a zeroed-out budget. Albaugh wanted to know why extra funds not in the corporate account are not included to be used. To increase budget line items, Albaugh suggested we use funds in alternate accounts. Diedrich stated that budgets are created as a part of a long-term plan. With potential building renovations or new build, Diedrich takes into consideration those costs when creating the current budget. Albaugh brought up a law regarding that the library may not have more than 150% of what the taxing body levies every year in reserve, excluding the special reserve fund. Diedrich stated that there is a calculation called the Miller formula. This formula provides an equation that will keep levied funds from going beyond a certain percentage of the total. Diedrich will look further into this for clarification.

Thompson went back to what the process for the board revising the draft budget. Albaugh inquired why the appropriation is only 20% higher, the board could choose to make the appropriation higher. Diedrich stated a 20% appropriation is what has been suggested by budget workshops led by public library district directors in the state of Illinois.

Walker moved to send the recommended budget to the full board for approval. Thompson seconded. Diedrich asked if there was additional discussion. Walker – aye. Thompson – aye. Motion carried.

Items for next agenda

None

Adjournment

Thompson adjourned meeting at 2:29pm

Respectfully submitted,  
Jenna Diedrich  
Library Director