

FINANCE COMMITTEE MEETING MINUTES

March 28, 2022

6:00 p.m. Meeting Room

In Person at Ela Area Public Library

1. REGULAR MEETING – CALL TO ORDER

At 6:00pm Treasurer and Finance Committee Chair Blank called the Meeting to order.

2. ROLL CALL

Committee members present: Blank, Corzine, Steker.

Additional Trustees present: Caudill, Silcroft

Staff present: Executive Director L. Rosenthal, M. Povilonis

Guest present: None

3. PUBLIC COMMENT

None

4. ADJUSTMENTS TO THE AGENDA

None

5. RECOMMENDATION FOR FY2023 WORKING BUDGET

The Finance Committee recommends the FY2023 Working Budget aggregate to be a deficit of \$3,750,000. This amount is based on having the Working Budget for Operating expenditures be balanced across all funds, and spending \$3,500,000 for Construction expenditures for the anticipated remodel project that will be sent for bids in summer 2022, plus \$250,000 for a new sorter to be installed concurrent to the remodel project.

6. RECOMMENDATION FOR FY2023 SALARY BUDGET

The inflation rate for 2021 was 7%. The turnover rate for Public Libraries for the past 12 months is 36%, yet the Ela Library's turnover rate for the past 12 months is only 13% which includes a retirement and family obligations resignation – we're not seeing employees leave for better pay, which is a testament to their job satisfaction and their supervisors ensuring staff feel valued and appreciated. To avoid turnover in the future we want a salary budget that's attractive enough to continue to retain our talented staff.

Director Rosenthal took several factors into consideration when crafting her recommendation:

- Our 12 cohort libraries – Illinois public libraries with operating budgets of \$5M to \$7.5M – were surveyed, and they reported an average salary budget increase of 4.5% for FY2023. The smallest increase was Bloomington with 3.45%, and the largest was Oak Lawn with 6%. However, one who's anticipating 4% this year reported already giving 7% at the end of last year to keep pace with inflation.
- The salary budget did not increase last year – in FY2021 it was \$3,385,042 and in FY2022 it remained \$3,385,042
- When employees leave, we always think about how staff is structured and if we can make changes to improve operations. In the past year two managers of very small departments left, and those positions were both filled with professionals and not managers. The two small departments merged

- with the Popular Materials department.
 - With the minimum wage increase, some staff must receive an 8% increase.
 - There are some deficiencies that require correction: some staff have been in their positions for several years, but are still only making the minimum salary for their pay grade. As a result, if we hire someone new that person would be earning the exact same salary as a veteran employee. We need to make some corrections to a small number of employees to bump them from the minimum point in their pay grade.
 - It's important to remember that the amount budgeted would be the entire amount of salary expenditures if we were at full employment on 7/1/2022, and had zero turnover for the entire year. It's highly unlikely that either of these situations would happen. Actual salary expenditures will be less than budgeted. For the current year, it is anticipated the actual salary expenditures will be \$100,000-\$120,000 less than budgeted.
 - Based on these considerations, Executive Director Rosenthal recommended a 5.49% increase in the salary budget, from \$3,385,042 to \$3,571,000.
- The Finance Committee understood the rationale, and recommends increasing the salary budget 5.49% to \$3,571,000 for FY2023.

7. **RECOMMENDATION FOR SITE AND BUILDING FUND LEVY ORDINANCE**

If the Library decides to levy property taxes into the Site & Building Fund in fall 2022, then a Site & Building Fund Levy Ordinance, entitled "ORDINANCE DETERMINING TO LEVY AN ADDITIONAL TAX OF .02 PERCENT OF THE VALUE OF ALL TAXABLE PROPERTY..." needs to be adopted in May or June 2022, and must be published in the newspaper (costing \$800 or so). This ordinance is very confusing to taxpayers because the plain language calls it an additional levy which it is not. If the Library levies into the Site & Building Fund then the Library must levy less into the other funds.

Director Rosenthal recommends the Library not levy into the Site & Building fund for FY2023. All necessary expenditures that have been spent from that fund in the past will be spent from the General fund instead. No additional ordinance, nor any additional costly notification in the newspaper, is required.

The Finance Committee agreed, and recommends skipping the Site & Building Fund Levy Ordinance for FY2023.

8. **DISCUSSION OF MONTHLY FINANCIAL REPORTS**

Treasurer Blank explained the current Treasurer's Report to fellow Trustees, noting the differences in current Modified Accrual accounting versus the old reports using Modified Cash. Of note:

- The Balance Sheet provides much information that is not particularly useful to the Trustees. The most useful information is Fund Balance, which lists both balance at the beginning of the fiscal year and balance as of the end of the current month.
- Ehlers report shows coming investment maturities
- Check Listing is approving the checks that trustees have signed for the month
- MonFin Summary tracks revenues and expenditures against both the Working Budget and the Appropriation
- MonFin by Account tracks revenues and expenditures for every account

Trustees appreciated the detailed explanation.

9. ADJOURNMENT

At 7:22 pm Trustee Corzine moved:

“TO ADJOURN.”

Trustee Steker seconded the motion and it carried on a unanimous voice vote of Trustees present.

Cindy Blank, Treasurer
Approved at the next Regular Meeting of April 19, 2022

