

**LAKELAND LIBRARY COOPERATIVE**  
**Finance Committee Meeting Minutes**  
**July 11, 2016**  
*OFFICIAL*

Members Present: Diane Kooiker (Chair), Teresa Krupar, John Martin, Lance Werner (ex-officio)

Staff Present: Sandra Wilson, Terry Cross

**Call to Order and Roll Call**

The meeting was called to order at 3:33 p.m. by Kooiker. The roll-call sign-up sheet was circulated.

**Approval of the Agenda**

Motion by Werner to approve the agenda. Seconded by Martin. Motion carried.

**Approval of the April 11, 2016 Minutes**

Motion by Werner to approve the minutes of the April 11, 2016 meeting. Seconded by Martin. Motion carried.

**FY2016-2017 Budget**

**a). Calendar**

The FY2016-2017 Budget Preparation Calendar was distributed and reviewed by the committee members. The calendar displays the status of meetings that have already taken place and the schedule and topic of future meetings.

**b). Outstanding Budget Items**

The Committee reviewed outstanding items of which the amounts are currently unknown. Some of the items will require Finance Committee Meeting discussion and approval, and other items, such as normal increases by vendors, are implemented by the Cooperative Director.

**c). Proposed Draft #3 Budget**

**i. Line Item Changes**

A narrative by department of Draft #3 changes from Draft #2 was presented to the Committee. The 2% wage increases, dental/vision insurance and health insurance adjustments accounted for a majority of the changes.

**ii. Budget**

The Draft #3 FY2016-2017 Budget, Approved Income and Expenditure Summary and Costs to Library were presented to and reviewed by the committee. The total FY2016-2017 Draft #3 Budget of \$1,074,928 is \$2,852 or .27% above the FY2015-2016 Budget of \$1,072,076.

**d). Draft #4 Discussion**

**i. Affiliate Member Fee**

Motion by Werner to recommend to the Lakeland Board the approval of a \$125 annual Affiliate Membership Fee. Seconded by Martin. Motion carried. Wilson noted that there is currently one affiliate member.

**ii. State Aid Application FY16-17**

Motion by Krupar to recommend to the Lakeland Board the approval to provide each member library with a \$2,000 CE Stipend, for a total payment of \$82,000 and to use \$15,810 for the 2-day to 3-day Proposal year one costs that are projected to be above the current 2-day cost. Seconded by Werner. Motion carried.

Motion by Werner to recommend to the Lakeland Board the approval to pay the \$2,000 CE Stipend to each member library in the form of a one-time payment and that the payment will be made after the first state-aid check is received, which is typically in December or January. Seconded by Werner. Motion carried.

The FY16-17 revenue above the FY13-14 base is \$97,810 and consistent with the Strategic Plan Education Action Plan Proposal, the Finance Committee is recommending to provide each member library with a \$2,000 CE Stipend for a total payment of \$82,000 and to use the remaining \$15,810 for the increased costs of providing 3-day delivery as recommended by the Advisory Council.

#### **MERS DB Liability**

Motion by Krupar to recommend to the Lakeland Board the approval to leave \$6,017 of MERS contribution amount in the FY16-17 budget to lower the current liability. Seconded by Werner. Motion carried.

The FY16-17 MERS budgeted contribution amount is \$6,013 less than the current FY15-16 contribution amount, however, due to a MERS investment rate of return assumption decrease from 8.0% to 7.75% a new liability cost of \$5,000 exists and also other changes to MERS Assumptions both on October 2017; the Committee is recommending to keep the FY16-17 budgeted contribution amount the same as FY15-16 amounts and to use the difference to lower the current liability amount.

#### **Next Meetings**

The next Finance Committee is scheduled for August 8, 2016 at 3:30 p.m. at Lakeland.

#### **Adjournment**

The meeting was adjourned at 4:15 p.m.

Submitted by:

*Terry Cross,*

Lakeland Business Manager