

LAKELAND LIBRARY COOPERATIVE
Finance Committee Meeting Minutes
February 21, 2017
OFFICIAL

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

Member Absent: Molly Walker

Staff Present: Sandra Wilson, Terry Cross

Call to Order and Roll Call

The meeting was called to order at 9:30 p.m. by Kooiker. The roll-call sign-up sheet was circulated.

Approval of the Agenda

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

Approval of the August 8, 2016 Minutes

Motion by Krupar to approve the minutes of the August 8, 2016 meeting. Seconded by Martin. Motion carried.

FY2017-2018 Budget

a). Calendar - *Informational*

The FY2017-2018 Budget Preparation Calendar was distributed and reviewed by the committee members.

b). Budget Process Overview - *Informational*

Committee members were presented with and reviewed the FY2017-2018 Budget Process.

c). Budget Questions

i. \$84,000 Continuing Education - \$2,000 CE Check per Library

The committee decided to leave \$84,000 for continuing education in the FY2017-2018 Draft #1 Budget. A final decision will be recommended after the state budget is adopted, state aid is known and the uncertainties of LSTA funding and the effect that this may have on statewide databases and MelCat are more apparent.

Motion by Krupar to recommend to the Lakeland Board the approval to subtract the continuing education amount of \$84,000 from total state aid of \$423,117 and to divide the remaining amount of \$339,117 in half for administration and delivery. Seconded by Martin. Motion carried.

ii. Fund Balance vs. Operating Budget for Line Items

Motion by Martin to recommend to the Lakeland Board to include \$5,131 (\$2,631 for the costs of asphalt seal coat and \$2,500 for virtual server replacement) in the FY2017-2018 Draft #1 Operating Budget. Seconded by Krupar. Motion carried.

The consensus of the group was to not include the following expenses in the operating budget and to consider using Fund Balance in the event the expenses actually occur:

<u>Item</u>	<u>Cost</u>
Truck Rodent Damage	\$2,000
Roof Snow Removal	2,000
IT Temp Backup	<u>4,400</u>
Total	8,400

iii. MERS New Assumptions One Time Payment, or 5-Year Phase In

The cost of MERS has increased as a result of changes in actuarial assumptions and the increase can be spread over 5 years (Phase-In Rate) or paid in 1 year (Full Impact Rate).

To facilitate FY2017-2018 and ongoing MERS funding questions, Committee members would like more information from MERS, specifically, what the costs of closing the plan would be and to compare those costs with the costs of other employee benefit retirement options. The Cooperative Director will ask MERS for this information and will present the findings at the next meeting.

iv. MERS Liability

This will be a topic at the Board Study Session on the Fund Balance in April.

Similar to item iii above, the Committee is requesting more information to assist in the decision making process.

v. SMS Alerts

In the FY2017-2018 Draft #1 Budget, the cost of SMS Alerts was calculated using 2015 statistics as the 2016 circulation statistics have not been completed. The budget will be updated when the 2016 circulation statistics are completed.

d). Proposed Draft #1 Budget

Significant changes as compared to the FY2016-2017 Budget were reviewed.

The FY2017-2018 Draft #1 Budget will be sent to members on March 1, 2017 along with the Member Menu Service Agreements.

e). Suggestions for Budget from the Finance Committee

The Committee would like to consider developing a 3 Year Strategic Budget that corresponds to the 3 Year Strategic Plan.

f). 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.

Administration Policy

a). Annual Review of Whole Document

There were no changes recommended to the Administration Policy.

b). Fund Balance Definitions

Fund Balance definitions were reviewed. No changes were recommended to Lakeland's Fund Balance definitions.

Next Meetings

Finance Committee meetings were scheduled for the following dates and times:

- April 19, 2017 at 9:30 a.m. at Lakeland
- July 11, 2017 at 9:30 a.m. at Lakeland
- August 23, 2017 at 9:30 a.m. at Lakeland

Adjournment

The meeting was adjourned at 10:24 a.m.

Submitted by:

Terry Cross, Lakeland Business Manager