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MINUTES

Standing Committee on Finance • Board of Trustees • Batavia Public Library District

Special Meeting

Tuesday • 2 June 2009

1. **Call to Order**

Trustee Sullivan called the meeting to order at 7:00 p.m. in the Elizabeth L. Hall Conference Room of the Batavia Public Library.

2. **Call the Roll**

Committee Members Present: Douglas S. Sullivan, James F. Trefil, and J. Thomas Von Lunen

Committee Members Absent: None

Other Trustees Present: None

Staff Members Present: Director George H. Scheetz, Business Manager Joy K. Ganster, and Deputy Director Joanne C. Zillman (arrived at 7:05 p.m.)

Visitors Present: None

3. **Approve the Agenda**

Trustee Sullivan asked whether there were any changes to the agenda.

Motion by Trustee Trefil to approve the agenda, as presented. Seconded by Trustee Von Lunen. All: Aye. The motion carried.

4. **Approve the Minutes:** Special Meeting, Tuesday, 5 May 2009

Trustee Sullivan asked whether there were any changes to the minutes, copies of which were included in the Committee packet.

Motion by Trustee Von Lunen to approve the minutes of the special meeting, as presented. Seconded by Trustee Sullivan. All: Aye. The motion carried.

5. **Working Budget for 2009–2010** (Final Review)

a. **A closed session** for the following purposes:

- “The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body,” as authorized by 5 ILCS 120/2(c)(1)

- “Deliberations concerning salary schedules for one or more classes of employees,” as authorized by 5 ILCS 120/2(c)(2)

The consensus of the Committee was to forgo the closed session, because the compensation of specific employees was not a topic of discussion.

b. **Working Budget for 2009–2010**

Personnel Complement and Salary Adjustments

Zillman arrived at 7:05 p.m.

Director Scheetz noted that the proposed Working Budget for 2009–2010 included a 3.0% salary pool (\$39,760.15).

Director Scheetz distributed a report and provided an overview of the question at hand, which was to recommend a plan that addressed the following three issues in relation to the budget for salaries: (1) employees “under minimum” in relation to the “Salary Schedule for 2009–2010”; (2) the personnel complement for Circulation Services; and (3) annual salary adjustments for Library employees (excluding the Library Director and Library Pages), to be effective with the new fiscal year.

Director Scheetz reported that the Standing Committee on Services did not meet in June, so it was incumbent upon the Standing Committee on Finance to make a recommendation to the Standing Committee on Services and/or the Board of Library Trustees regarding this issue.

Discussion followed on eleven options presented in the report, which included a summary chart that illustrated “Other Salary Adjustments” as a function of “Under Minimum” and “Circulation Clerks.”

The recommendation from the Library Director, Deputy Director, and Business Manager was to adopt a solution that addressed all three issues. Of the eleven options, three addressed all three issues.

In response to a question from Trustee Sullivan, discussion followed on whether the Library had an obligation to move all employees that were “Under Minimum” to the salary schedule.

In response to a question from Trustee Trefil, discussion followed on merit pay. Director Scheetz distinguished between merit pay (“Other Salary Adjustments” in the context of the options presented to the Committee) and equity pay.

The consensus of the Committee supported Option D, as follows:

Option D		
\$	9,968.50	50.0% of Under Minimum (per MAI report)
	8,850.00	New Circulation Clerk (1 position, 15.0 hours per week)
	19,084.87	Other Salary Adjustments (1.44% pool)
\$	37,633.37	Total Investment

Option D was favored by the Finance Committee as a reasonable compromise because it addressed the three key issues identified by you and other members of the Library Board. The pool for “Other Salary Adjustments,” will allow the Library Director (in collaboration with the department heads) to provide at least modest salary adjustments to the two-thirds of the personnel complement not below the minimum.

In addition, it was recognized that the Library might not be in a position to provide any salary adjustments in 2010, so it was deemed important to do so in 2009.

Discussion followed on implementation.

Working Budget for 2009–2010

Director Scheetz distributed Version 4.1 of the proposed Working Budget to the Committee. He and Business Manager Ganster presented an overview of the budget, which focused in particular on property tax revenue and interest income.

Discussion followed on fund balances, salaries, and other personnel issues, such as group medical insurance.

The consensus of the Committee supported the Working Budget for 2009–2010 as presented.

Director Scheetz acknowledged and complimented the work of Joy K. Ganster, business manager, in the preparation of the Working Budget.

Motion on Working Budget for 2009–2010

Motion by Von Lunen to recommend that the Board of Library Trustees approve the Working Budget for 2009–2010, as presented. Seconded by Trustee Trefil. All: Aye. The motion carried.

Motion on Plan for Salary Adjustments (Option D)

Motion by Von Lunen to recommend that the Board of Library Trustees approve the “Plan for Salary Adjustments for Library Employees for 2009–2010,” known as “Option D,” as presented. Seconded by Trustee Sullivan. All: Aye. The motion carried.

6. **Investment Options**

This agenda item was carried over from the May meeting.

Business Manager Ganster presented a report on three possible investment options:

- Illinois Metropolitan Investment Fund (IMET), which was discussed at length at the April meeting, and
- PFM Asset Management LLC, which provides investment advice and portfolio management for governmental and not-for-profit organizations, corporations, pension funds, and other institutions.
- Ehlers & Associates, Inc., which has a division that operates in a manner similar to PFM Asset Management LLC.

Ganster reported that she has interviewed fund managers and checked references for all three options. For the latter two options (PFM Asset Management and Ehlers & Associates), she learned that they are easy-to use and have no potential principal loss (risk). However, they have different fee structures.

She eventually would recommend investing a limited amount of funds with one of the fund managers on a trial basis. Director Scheetz and Ganster will present a proposal to the Committee in August.

Trustee Von Lunen reported that the higher FDIC limit (\$250,000) was extended to 2013.

In response to a question from Trustee Von Lunen, Ganster provided an overview of the Illinois Funds. Discussion followed.

In response to a question from Trustee Sullivan, discussion followed on the value of working with a fund manager.

The consensus of the Committee was to defer further discussion of investment options to the August meeting.

7. **Other Projects**

Director Scheetz reported that several standard items, which are presented to the Board of Library Trustees each June, are now being prepared. A brief discussion followed on each item, all of which were delineated on the agenda.

a. **An Ordinance Ascertaining Prevailing Wages**

Director Scheetz reported that the Board of Library Trustees is required by the Illinois Compiled Statutes to adopt this Ordinance every year.

b. **~~An Ordinance Transferring Interest Earned in the Working Cash Fund (Fund 23) to the Library Fund (Fund 10)~~**

Director Scheetz reported that interest now accrues in the Working Cash Fund due to a change in the Illinois Compiled Statutes, which made this Ordinance obsolete.

c. **An Ordinance Transferring Interest Earned in the Bond & Interest Fund (Fund 24) to the Library Fund (Fund 10)**

Director Scheetz reported that this is a new Ordinance in 2009, based on a recommendation from the Library's financial consultant, Steve H. Larson, executive vice president / director, Ehlers & Associates, Inc. and supported by the Standing Committee on Finance in May.

The amount of interest to be transferred to the Library Fund in 2009 is \$43,741.60, which represents nearly seven years' accumulation.

In response to a question from Trustee Sullivan, Ganster reported that the transferred funds would not appear in the Working Budget, but rather in the audit as part of the reserve balance of the Library Fund.

d. **An Ordinance Transferring the Unexpended Balance of the Library Fund (Fund 10) to the Special Reserve Fund (Fund 22)**

Due to revenue projections for the next few years, both the Library Director and Business Manager recommend that the unexpended balance be retained in the Library Fund (Fund 10).

However, an Ordinance is needed to carry out the transfer of the two percent (2%) of Library Fund revenue that was budgeted for the Special Reserve Fund.

e. **A Resolution Approving and Authorizing the Library Director to Execute the "ILLINET/OCLC Services Program Renewal Agreement, Fiscal Year 2010"** (Illinois State Library)

Director Scheetz reported that the "Renewal Agreement" had not yet arrived from the Illinois State Library. In past year, this agreement has usually arrived on the eve of the Board meeting.

f. **Tentative Form of “An Ordinance Approving and Adopting the Annual Budget and Appropriation for Library Purposes for Fiscal Year 2009–2010”**

Discussion followed on the purpose and timeline for the annual budget and appropriation.

Director Scheetz noted that Agenda Items # 7 a and 7 c–e would appear on the Consent Agenda as action items, while Agenda Item # 7 f would appear on the regular agenda as a report.

8. **Future Agenda Items**

Director Scheetz reported (with regret) that the list of future agenda items, which usually was included in the Committee packet for purposes of information and planning, inadvertently was left out of the current packet.

The consensus of the Committee was to forgo the report, because it will receive an up-to-date report in the next Committee packet.

9. **Comments from the Committee**

There were not additional comments from the Committee.

10. **Next Meetings or Events**

a. *Board of Library Trustees (Regular Meeting), Tuesday, 16 June 2009, 7:00 p.m., Elizabeth L. Hall Conference Room, Batavia Public Library [Final Regular Meeting of Current Fiscal Year]*

b. *Board of Trustees, Special Meeting, Tuesday, 23 June 2009, 5:00–9:00 p.m., Kluber Skahan + Associates, Inc., 901 North Batavia Avenue, Suite 301, Batavia [Retreat for Trustee Orientation, Education, and Planning]*

c. *Observance of Independence Day, Friday, 3 July 2009, Library Closed*

d. *Independence Day, Saturday, 4 July 2008, Library Closed*

e. *ALA Annual Conference (Anaheim), Thursday–Wednesday, 9–15 July 2009*

f. ***Standing Committee on Finance—No Meeting in July***

g. *Public Hearing, followed by Regular Meeting, Tuesday, 21 July 2009, 7:00 p.m., Elizabeth L. Hall Conference Room, Batavia Public Library*

11. **Adjournment**

Motion by Trustee Von Lunen to adjourn the special meeting. Seconded by Trustee Trefil. All: Aye. The motion carried.

Trustee Sullivan declared the meeting adjourned at 8:26 p.m.

Respectfully submitted,

George H. Scheetz
Director