



www.BataviaPublicLibrary.org

MINUTES

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

Special Meeting

Tuesday • 10 May 2011

1. **Call to Order**

Trustee Sullivan called the meeting to order at 6:01 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, Lisa M. Moore, and Joanne C. Zillman

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 in Joint Session with the Standing Committee on Services, Tuesday, 7 September 2010

At the request of Director Scheetz, this agenda item was deferred to the next meeting.

5. **A Resolution Establishing a Policy on Compliance with Governmental Accounting Standards Board (GASB) Statement No. 54**

Director Scheetz reported that the Library needs to affirm its compliance with GASB 54 and, to that end, Attorney Roger A. Ritzman prepared a Resolution for the Committee's consideration.

At the request of Director Scheetz, Business Manager Ganster presented an overview of GASB 54 and noted in particular two sections of the Resolution; to wit:—

As to an expenditure for which restricted funds, committed funds, and unassigned funds may be used, the restricted funds will be used first, followed by committed funds, followed by unassigned funds, unless the Board decides otherwise.

The Library Director has the authority to assign balances within funds consistent with the Board's intention for the use of a fund.

Discussion followed.

Motion by Trustee Von Lunen to recommend that the Board of Library Trustees approve “A Resolution Establishing a Policy on Compliance with Governmental Accounting Standards Board (GASB) Statement No. 54,” as presented. Seconded by Trustee Sullivan. All: Aye. The motion carried.

The consensus of the Committee was that this item should appear on the Consent Agenda.

6. **Group Medical Insurance**

Director Scheetz reported that the purpose of this report was to recommend a group medical insurance plan for the Batavia Public Library for the year beginning 1 June 2011, as follows:

- Maintain the three current plan options with the current provider (BlueCross BlueShield of Illinois).
- Change the Library's contribution rate for the BluePrint PPO plan (only) from 85% / 35% for employees / dependents (for the current plan options) to 90% / 40% for employees / dependents (for the new plan options).

The Library Director, Human Resources Specialist, and Business Manager evaluated proposals from Total Administrative Services Corporation (TASC) / Buttrey-Wulff-Mamminga Agency and Better Business Planning Inc. for both traditional group medical insurance plans and Health Reimbursement Agreement (HRA) options.

Health Reimbursement Arrangement (HRA)

After review of possible options vis-à-vis Health Reimbursement Arrangement (HRA) or a Health Savings Account (HSA) in combination with a high-deductible health plan (HDHP), Director Scheetz recommended no change for 2011–2012.

He reported that, upon investigation, an HRA was considered preferable to an HSA. However, the Library would need a reimbursement rate (with an HRA) that is $\leq 60\%$ to realize any savings. Discussion followed on the projected costs for an HRA.

The consensus of the Committee was that the Library did not have a viable option in this regard.

Changes in Employees' Contributions

Director Scheetz recommended a change in the contribution rates for the BluePrint PPO (only) from 85% / 35% for employees / dependents (for the current plan options) to 90% / 40% for employees / dependents (for the new plan options) — in order to (a) balance the relative rates for each plan and (b) continue to provide an incentive for employees to switch from the traditional PPO to the Select or HMO. Discussion followed.

The proposed contributions rates for all three plan options are illustrated in the following chart:

Contribution Rates	Employee Plan	Dependent Plans
BlueAdvantage HMO	100% Library / 0% Employee	50% Library / 50% Employee
BlueChoice Select	95% Library / 5% Employee	45% Library / 55% Employee
BluePrint PPO	90% Library / 10% Employee	40% Library / 60% Employee

The consensus of the Committee supported the Library Director’s recommendation.

Motion by Trustee Von Lunen to recommend that the Board of Library Trustees approve the group medical insurance plan, to include the three current plan options with the current provider (BlueCross BlueShield of Illinois) and revised employees’ contribution rates, as presented. Seconded by Trustee Trefil. All: Aye. The motion carried.

The consensus of the Committee was that this item should appear on the Regular Agenda.

Moore left the meeting at 6:53 p.m.

7. **Working Budget for 2011–2012** (Initial Review)

Director Scheetz reported that, as the process of preparing next year’s budget begins on the staff level, he and Business Manager Ganster request a review and/or confirmation of the following guidelines:

- Books and Other Materials: Budget at least at the level of the suggested *former* standard in Illinois for books and other materials (12% of the operating budget); present options for 10% of the operating budget

Note: The 1997 standards included the following statement: “The library spends a minimum of 12 percent of its operating budget on materials for patrons.” From the 2009 standards: “As a baseline, the library appropriates monies to major budget categories (personnel, benefits, library materials, other operating expenditures) using the Illinois Public Library Annual Report statewide percentages analysis.”

There is no published information on the “Illinois Public Library Annual Report statewide percentages analysis,” so Director Scheetz submitted a query to the Illinois State Library, and received the following reply on 3 May 2011:

Salary Expenditures	51%	
Benefit Expenditures	12%	
Total Personnel Expenditures		63%
Total Material Expenditures		13%
Total All Other Expenditures		24%
Total Expenditures		100%

In response to a question from Trustee Von Lunen, discussion followed on the rationale for 10% of the operating budget.

In response to a question from Trustee Sullivan, discussion followed on the effect of 12% of the operating budget.

The consensus of the Committee was to target 12% of the operating budget for books and other materials.

- Salary Issues: Budget a “salary pool” of at least 3.0% of the salary budget for merit pay; present options for additional staff positions and/or hours

In response to a comment by Trustee Von Lunen, discussion followed on the “salary pool.”

The consensus of the Committee supported both elements of the recommended guideline.

- Reserve Funds: Budget 2.0% reserve funds from the Library Fund; present options that ranged from zero to 2.0% as needed to balance the budget

In response to a question from Trustee Von Lunen, discussion followed on future capital projects.

In response to a comment by Trustee Sullivan, discussion followed on the proposed Water Street project.

- Overall: Make a good faith effort to control expenditures and improve revenues without diminishing the overall quality of service

Director Scheetz reminded the Committee that the Working Budget for 2011–2012 was subject to revision (and recommendation of approval to the Board of Library Trustees) by the Standing Committee on Finance, as well as final approval by the Board of Library Trustees.

In summary, the consensus of the Committee was as follows:

- **Books and Other Materials:** Budget at least at the level of the suggested 1997 standard in Illinois for books and other materials (12% of the operating budget)
- **Salary Issues:** Budget a “salary pool” of at least 3.0% of the salary budget for merit pay; present options for additional staff positions and/or hours
- **Reserve Funds:** Budget zero reserve funds from the Library Fund
- **Overall:** Make a good faith effort to reduce expenditures and improve revenues without diminishing the overall quality of service

Discussion followed on the budget-preparation and -review schedule.

8. Future Agenda Items

Director Scheetz reported that the list of future agenda items, usually presented at each meeting for purposes of information and planning, was inadvertently left out of the Committee packet.

9. Comments from the Committee

There were no additional comments from the Committee.

10. Next Meetings or Events

- Board of Library Trustees (Regular Meeting), Tuesday, 17 May 2011, 7:00 p.m., Elizabeth L. Hall Conference Room, Batavia Public Library*
- Sunday before Memorial Day, Sunday, 29 May 2011, Library Closed*
- Memorial Day (last Monday in May), Monday, 30 May 2011, Library Closed*
- Summer Library Hours on Sunday Begin (1:00–4:00 p.m.), Sunday, 5 June 2011*

- e. *Standing Committee on Finance, Tuesday, 7 June 2011, 7:00 p.m., Elizabeth L. Hall Conference Room, Batavia Public Library*
- f. *Board of Library Trustees (Regular Meeting), Tuesday, 21 June 2011, 7:00 p.m., Elizabeth L. Hall Conference Room, Batavia Public Library*
- g. *ALA Annual Conference (New Orleans), Thursday–Wednesday, 23–29 June 2011*
- h. *Independence Day, Monday, 4 July 2011, Library Closed*
- i. ***Standing Committee on Finance—No Meeting in July***
- j. *Board of Library Trustees (Regular Meeting), Tuesday, 19 July 2011, 7:00 p.m., Elizabeth L. Hall Conference Room, Batavia Public Library*

11. **Adjournment**

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

Trustee Sullivan declared the meeting adjourned at 7:38 p.m.

Respectfully submitted,

George H. Scheetz
Director