

## **TADL Board of Library Trustees**

Finance Committee

### **Minutes**

December 6, 2016, 5:30 PM ~~ Thirlby Room

#### **In Attendance:**

T. Kachadurian, Chair and M. Payne, trustees, K. Zeits, SHRR, and G. Parsons, Director.

**Agenda Approval** – The agenda was approved as presented.

**Minutes Approval** – The minutes of the November 1, 2016 meeting were approved as distributed.

**Public Comment** – There was none.

#### **Interlochen Center for the Arts Agreement**

As mentioned in previous communications, the TADL Technology Department has been in discussion with Interlochen Center for the Arts to extend Evergreen, our Integrated Library System, to their library, similar to the project we did with the Kankaska County Library. We are now at a point where we have developed a draft agreement to share with our committee, board and ICA. It is currently under review by our attorney. Going forward, once we have the agreement finalized with our legal counsel, we will submit it to the attorney for ICA for review and then bring it back to the TADL Board, hopefully in January.

#### **2017 Budget Review**

Parsons presented several budget documents to the members for review. Highlighted in the revenue budget were increased property tax collections, an expected \$67k PPT reimbursement from the state in February, and inflows from technology projects to other libraries. Most of the other budget figures are based on trends experienced over the past couple years.

Parsons reviewed the expense budget in detail. Personnel expense differences for 2017 include higher salaries due to contractual, merit and statutory changes as well as some much needed additional part-time hours. Medical insurance costs are up because of the requirement that we be classified as small group rather than large group participants. Retirement costs based on payroll are down because of our rate dropping from 15.85% to 8% with the move from defined benefit to defined contribution plan. To fund the closed DB plan, we are now required to pay an annual actuarially adjusted amount as well. We have budgeted an additional \$29k to pay over to this, and there will be payments from our Internal Service Fund, which are not reflected in our General Fund Budget.

In the Supply budget, we have increased our Library Materials budget to 10.4% of the total budget. This is an increase of 8.1% over 2016. Under Contractual Services, the Professional Services budget is up 6%, in part because of the Technology extension projects. In the "Other" category, there are small increases and decreases to the Property Tax Reimbursement and Use Tax lines. In the Contingency line, we have built in funding to ensure the stability and future needs of our technology efforts to support our contractual partnerships.

Kachadurian made some suggestions regarding the presentation of contractual project income and expense, and Parsons will attempt to find a way to segregate these items.

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**Roster:** Tom Kachadurian, Chair; Emma Moyer; Mark Payne; Parsons; Porter (staff)

**2016 Budget Amendment**

Parsons referred to the draft 2017 Annual & 2016 Budget Amendment handout that she had prepared. She said that although there would be some adjustment within the four established categories of the budget, adjustments between those categories would not be required this year since all are projected to remain within previously budgeted amounts.

**Tax Capture Policy**

It was moved by Kachadurian and supported by Payne to move into closed session at 6:34 p.m. for the purposes of considering material exempt from disclosure by state statute related to written attorney/client privileged communication. A roll call vote was taken:

Kachadurian – Aye

Payne – Aye

Motion carried.

The committee came out of closed session at 6:58 p.m., and Kachadurian proposed two resolutions be forwarded to the full board for action on December 15. These resolutions would confirm board support for MLA's effort to exempt libraries from tax capture through legislation currently being considered at the state level, and to provide support by contacting legislators regarding TIF laws.

**Public Comment** – There was none.

**Next Meeting:** January 3, 2017 – 5:30 p.m.

**Adjournment** – The meeting adjourned at 7:00 p.m.