

BOARD OF LIBRARY TRUSTEES

FINANCE COMMITTEE

1.09.1 A meeting of the Finance Committee of the Board of Library Trustees of the Arlington Heights Memorial Library **CONVENED** at 6:00 p.m. on Monday, January 12, 2009.

PRESENT: Kerry Pearson, Chairperson; Jan L. Tucker, Committee member; G. Victor Johnson, Ex officio joined the meeting at 6:02 p.m.

ABSENT: none.

ALSO PRESENT: Paula Moore, Executive Librarian; Brian Shepard, Assistant Director; Patrick McDonald, Director of Library Experiences; Pat Berman, Finance Manager; Frank G. Biga III, Resident.

1.09.2 Trustee Tucker moved **APPROVAL OF THE MINUTES OF NOVEMBER 25, 2008 (Action-Item 1)**. Trustee Pearson seconded. The minutes were approved as submitted.

1.09.3 There were no **COMMUNICATIONS AND/OR CITIZENS TO BE HEARD**.

1.09.4 **REVIEW OF THE FIRST DRAFT OF THE FY 2009-10 BUDGET (Item 2)** – Ms. Moore responded to a question from Chairperson Pearson regarding the pattern of the distribution of tax receipts for this time period compared to last year. The percent received is comparable.

Ms. Moore discussed a number of staff reassignments and reallocations and indicated that the FTE count will remain the same.

In reviewing the budget draft, Ms. Moore noted that the “Real Estates Taxes” accounts are calculated at 98% collected.

In reviewing various aspects of revenue projections, Ms. Moore reported that two revenue accounts: “Contribution Ord. Library” and “Copier/Reader Printing Fees,” were decreased. The “Lost Book Fines” account was adjusted upward based on the pattern of receipts in recent years.

The “Interest on Investments” line was determined after consulting with the Village finance staff, who suggested using a figure 2% less than the actual interest figure for this FY. The committee expressed concern that that figure was too high and asked staff to look at the interest revenue again.

Regarding the “Library Production Studios Restricted” funds, again after consulting with Village finance staff, the Library is planning on creating a LPS escrow account for FY 2009-10. All expenditures and revenue will come through this escrow account in the future. This results in a drop in revenue and matching decrease in expenditures.

In the overall salary total, Ms. Moore highlighted three primary reasons for the projected under expenditure of \$227,000 in salaries for the current fiscal year. The first was the fact that the merit increases for the fiscal year were scaled back due to the economic climate. The second reason was the Finance Manager vacancy; the temporary accountant expenses were in the account “Professional Services,” not salaries. The third reason was the open Public Services Coordinator position, which was not filled until the fifth month of the fiscal year.

Between reserving those salary funds and the capital outlay decrease, which is basically the postponement of the RFID project, the Library was able to bring in a budget total that is essentially the same as the current fiscal year.

Chairperson Pearson questioned the figure in the Executive Offices Summary, “Program Supplies,” which was higher at the six-month mark than the projected year-end figure. Ms. Moore explained that it was for an expenditure in Department 6004, Paid by Gifts & Grants and that it will be corrected in the second draft of the budget.

In the Executive Office budget, under the “Medical Insurance” account, the figure includes \$200,000 for the GASB 45 Statement liability. Under “Legal Services,” the year-end budget projection is higher than the budgeted amount due to charges connected with the background check legal research and the cost for the legal issues workshop for the trustees. Under “Library Production Studio Membership,” the Library will be using the same dues figure and an additional \$1,000 assessment. Ms. Moore commented on the “Dues” account, noting that the Library will be discontinuing its membership in the Urban Libraries Council. Under “General Insurance,” there is an expected increase due to the Library’s Workers’ Comp. claims history.

The Communications Department, formerly the Public Information Office, salary accounts reflect the reclassification of one Graphics Designer to Library Assistant I (Graphic Supervisor). Trustee Johnson asked about the “Medical Insurance” line, and Ms. Moore explained that the insurance costs in the department budgets were calculated based on the incumbents, rather than the total cost spread across equally to every benefited position.

In the Human Resources budget, the “Other Services” account reflects increases to cover the cost of flu shots for staff and background checks for new hires.

The Library Production Studio is zeroed out in the budget draft due to the creation of the LPS escrow account in the new fiscal year.

In the Finance budget, under the “Travel & Training” account, the increase covers additional Government Finance Officers Association training for the Finance Manager. In the “Professional Services” account, Ms. Moore noted the impact of using the Robert Half Co. temporary accounting services for the first four months of the FY.

The Web Services Department was folded into the Information Technology Department. In the Web Services account “Other Services,” funds that had been budgeted for video production (\$6,000) were used for Drupal training (\$3,500) as part of the redesign of the Library’s website.

Mr. McDonald reported on the Director of Library Experiences budget and noted that the “Other Capital Outlay” account included the cost of the new Bookmobile.

In the Security budget, under the “Security Supervisor” account, the Library hired a full-time Security Manager. In order to meet the Library’s expected qualifications, the Manager was hired at a higher rate than budgeted. Under “Travel & Training,” Security staff obtained PERC cards and certification as security guards.

In the Reimbursed by Patrons budget, the “Office Supplies & Equipment” account shows an increase to reflect the cost of the Library purchasing USB flash drives for patron purchase at cost.

Mr. Shepard noted that in the Kids’ World, “Librarian III” account, that the Teen Librarian position will be moved to the Welcome Desk Department. Under “Clerk I” and “Clerk II,” there was some reclassification of positions. Under the “Audio Visual” account, additional funds were included for award books on CD as well as the replacement of VHS non-fiction titles with DVDs. Trustee Johnson asked about the “Binding” account, and Mr. Shepard explained that the expense was the result of the weeding and rebinding of the picture book collection in anticipation of new book bins. In the “Books” account, there is a slight decrease as Kids’ World reference sources move from books to electronic databases.

In the Community Services Department budget, under the “Clerk IV” account, there was a reclassification of the Literacy clerk position. Mr. Shepard highlighted two items in the Community Services budget that were not included in the budget draft: an increase in hours for the Literacy Office Clerk and a 20-hour Senior Services Clerk position. Chairperson Pearson had a question about the “Travel & Training” account. Ms. Moore explained that numerous Travel & Training accounts show significant increases due to the Public Library Association biennial conference taking place in March 2010 in Portland, Oregon. As the registration period approaches, staff will once again be evaluating the number of prospective attendees.

In the Information Services Department budget, under the “Outside Reference Service” account, Mr. Shepard reported on the discontinuation of the Library’s participation in the Night Owl Reference Service. Chairperson Pearson had a question about Mango. Mr. Shepard responded that when Rosetta Stone changed its licensing, the Library

needed to find another product for world language instruction. Mango is an electronic resource for learning a world language. In “Electronic Resources” and “Books,” the Library is now at the tipping point where the book budget is decreasing due to fewer reference book standing orders and the Electronic Resources account is increasing due to the number of databases and their cost.

In the Magazine & Newspapers budget, under the “Clerk III” account, there is a reduction in the number of clerk hours needed at the service desk.

Mr. McDonald reported that a library assistant position was reclassified to a clerk position in the Welcome Desk budget. In the “Program Events” account, there is an increase in the budget for teen programming.

Mr. McDonald reported that in the Circulation budget under the “Library Assistant I” account, there was a retirement of a long-time employee. The “Clerk III” and “Library Page II” accounts are expected to be over expended in this FY. But relative to the 8% increase in circulation in this FY, the staffing has been necessary. In response to a question from Chairperson Pearson, Ms. Moore noted a spreadsheet formula error for the projected year-end budget figure in the “IMRF” account. That number should be \$64,491 and will be corrected in the next draft.

Mr. Shepard discussed accounts in the Assistant Director budget, noting the transfer of the “Department Manager I” account due to reorganization. In the “Professional Services” account, there is an over expenditure due to the hiring of a temporary security guard to fill staff vacancies. This figure will be revised due to the temporary increase in contracted security hours for the remaining four months of the current FY. Under “Consulting Services Library,” the year-end figure included the cost for the Kids’ World project work with Architect Mike Molinaro. In the “OCLC Services” account, the Library is seeing projected year-end savings as well as a lower contract rate in the next fiscal year. Under “Postage,” Mr. Shepard noted the under expenditure for the current fiscal year and indicated that the Library is monitoring postage usage. Under “Other Equipment,” some of the Welcome Desk area furnishings arrived in FY 2008-09 instead of FY 2007-08, resulting in an over expenditure in the current fiscal year. Under “Other Capital Outlay,” he commented on the delay of the start of the RFID project and the reduction in the amount spent on Kids’ World refurbishing.

Mr. Shepard reported that in the Information Technology Department budget, there was a reorganization with the Web Services staff incorporated into IT. There were job reclassifications in the “Library Assistant I,” “Clerk II” and “Clerk III” lines. In the “Software Library” account, there is an increase due to moving ADP, the Library’s time and attendance system, to this account from Finance. Under “Software,” he indicated that there was a planned purchase of an Innovative module that will allow the Library to interface electronically with its collection agency. This will reduce staff labor and improve the timeliness of the information. Under “Other Equipment,” the current FY under expenditure is due to the purchase of a limited number of staff computers, while more aggressively recycling parts from existing equipment.

Mr. McDonald reported on a number of personnel changes due to retirements and staff reallocation in Technical Services. Under "Other Services," the Library has reduced the number of items requiring specialized OCLC cataloging services by purchasing OCLC language sets, decreasing costs. Under "Processing Supplies," the projected year-end budget is \$35,000 over the current year budget because of the plan to purchase cases to convert the CD collection to self-check compatible security cases.

Mr. McDonald reported on the Collection Management Department budget, indicating that there were a number of transfers and a reclassification of existing staff hours. The "Electronic Resources" account includes the cost of continuing existing subscriptions; no additional products were added. Under "Books," there was no increase for FY 2009-10 due to a decrease in the demand to purchase duplicate copies of non-fiction items.

In the Maintenance budget under "Building Maintenance," the current projected year-end total is lower due to the fact that no major Miller Picking repairs were needed. A portion of that under expenditure will be used to hire a HVAC engineer to evaluate our system with the goal of saving energy costs. For FY 2009-10, the proposed budget includes the cost for asbestos abatement, masonry tuck pointing, a repair to an air handler and the resurfacing of the parking lot. The "Other Capital Outlay" account includes \$100,000 for carpet replacement in Kids' World.

The Next Finance Committee meeting will be held on Thursday, January 22nd at 7:30 p.m.

There being no further business to be discussed, Trustee Tucker moved **ADJOURNMENT.** Trustee Johnson seconded. All were in favor and the meeting was adjourned at 8:26 p.m.

Janet Moravec, Recorder