



1300 W. St. Germain Street
St. Cloud, Minnesota 56301
Tel. 320.650.2500 Fax 320.650.2501

**Board of Trustees Finance Committee Meeting
Tuesday, February 18, 2020, 5:00 p.m.
St. Cloud Public Library Mississippi Room
Agenda**

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| 1. Call to Order | 5:00 |
| 2. Adoption/Amendment of Agenda | 5:01 |
| 3. Elect Finance Committee Chairperson (verbal) | 5:02 |
| 4. Approval of Minutes – Meeting of January 21, 2020 (Requested Action – Approve) | 5:04 |
| 5. Proposed 2021 Budget Process Guidelines (Requested Action – Approve) | 5:05 |
| 6. Per Diem and Mileage Reimbursement Discussion | 5:10 |
| 7. Library Cultural Navigator Position Discussion (verbal) | 5:20 |
| 8. Reducing Signatory Contributions with Unassigned Fund Balance (verbal) | 5:30 |
| 9. Consideration of Local Bank Investments Discussion (verbal) | 5:40 |
| 10. Next Meeting – March 17, 2020 | 5:50 |
| 11. Adjournment | 5:51 |

**GREAT RIVER REGIONAL LIBRARY
FINANCE COMMITTEE MINUTES
January 21, 2020**

A regular meeting of the Great River Regional Library (GRRL) Finance Committee was called to order by Chairperson Lisa Fobbe on Tuesday, January 21, 2020, at 5:00 p.m. in the St. Cloud Public Library Mississippi Room.

Members Present:

Jeff Bertram
Lisa Fobbe
Dave Kircher
Leigh Lenzmeier
Ed Popp
Michael Potter
Randy Winscher

Members Excused:GRRL Staff Present:

Aron Murphy
Karen Pundsack
Julie Schmitz
Patricia Waletzko

ADOPTION/AMENDMENT OF AGENDA

Michael Potter made a motion to adopt the agenda as presented. Seconded by Jeff Bertram, the motion carried unanimously.

APPROVAL OF MINUTES

Ed Popp made a motion to approve the November 19, 2019, Finance Committee minutes as presented. Seconded by Randy Winscher, the motion carried unanimously.

FOURTH QUARTER FINANCIAL REPORT

Accounting & Distribution Supervisor Aron Murphy informed the Committee that the 2019 budget was 96.13% spent at year-end. Expenditures were \$360,682.57 under budget and revenue was \$50,715.25 over for an approximate \$411,000 overall 2019 surplus.

In response to a question, Aron Murphy stated GRRL takes advantage of vendor pre-pay discounts when available and possible.

At the November Finance Committee meeting, Aron Murphy was asked to explore the possibility of a credit line with the MAGIC Fund. He did so and found MAGIC does not offer a line of credit. However, Bremer Bank offers this service through GRRL's letter of credit.

There was Committee consensus to have future financial reports include year-to-date year information for the prior year as a comparison to the current year-to-date figures. This could be done quarterly, or at least annually. They also asked to have the figure for percent of budget spent included.

Michael Potter made a motion to approve the fourth quarter financial report as presented. Seconded by Dave Kircher, the motion carried unanimously.

CAPITAL EQUIPMENT REQUEST – POSTAGE MACHINE

Aron Murphy presented the postage machine capital equipment request. The cost to renew GRRL's current postage machine maintenance contract was extremely high. He provided one new postage machine quote and is seeking a second. The postage meter is owned by the by postal service.

Jeff Bertram made a motion to approve the purchase of a new postage machine as presented. Seconded by Ed Popp, the motion carried unanimously.

PROPOSED 2021 BUDGET PROCESS TIMELINE

Executive Director Karen Pundsack reviewed the proposed 2021 budget process timeline. In February, the budget process guidelines will be presented, and in March, the department budget requests and base budget estimates. The Committee is not scheduled to meet in April because the Board's work session will focus on the next GRRL strategic plan.

Michael Potter made a motion to approve the 2021 Budget Process Timeline as presented. Seconded by Leigh Lenzmeier, the motion carried unanimously.

NEXT MEETING

The next Great River Regional Library Finance Committee meeting will be Tuesday, February 18, 2020, in the St. Cloud Public Library Mississippi Room.

Karen Pundsack noted the audit outtake meeting with BerganKDV is scheduled for April 23 at 8:00 a.m.

ADJOURNMENT

Lisa Fobbe adjourned the meeting at 5:19 p.m.

Finance Committee Chair

2021 GRRL Budget Process

Overview

Great River Regional Library (GRRL) receives the majority of its funding from the six counties it serves. Its operating and capital budgets are funded at roughly \$19.66 per capita with \$14.92 per capita coming from county signatory shares. The six counties share the goal of providing the highest quality library service in the most cost effective manner possible. The GRRL Board members represent the six counties and recognize that library services provide a core government function to all residents – the services of literacy, access, and lifelong learning.

The Board asks all library departments to work within available resources and consider ways to limit costs while still delivering high quality services to GRRL residents. GRRL will always face annual cost increases, primarily in the areas of employee compensation and benefits and unfunded mandates. Increases such as these can quickly add up to thousands of dollars in new costs. Departments will have an opportunity to request new funding through the department budget request process. However, the number of budget requests the GRRL Board will be able to approve will be limited.

Base Budget Development

A base budget will be prepared using the guidelines below and presented to the GRRL Finance Committee for review. The base budget exercise provides an overall estimate of the cost to maintain GRRL services at a “status-quo” level. It allows the GRRL Board to assess the library system’s fiscal condition and make adjustments as needed during the budget process. Specifically, the base budget phase will reflect the following steps:

1. The Accounting & Distribution Supervisor will prepare estimates of payroll and benefits costs for 2021.
2. Payroll estimates will reflect all currently budgeted full-time and part-time positions (including vacant positions).
3. Both collective bargaining agreements are in effect through 2022, so general wage increases and quartile movement within range increases will be included in the base budget, based on the contracted amounts.
4. For Operating budget accounts, increases may occur at the base budget level **only** under the following conditions:
 - a. GRRL is required to increase payments to a vendor due to price increases or contractual inflationary measures to continue existing services (i.e. database subscriptions, known medical and dental premiums, insurance rates, software maintenance contracts, etc.).
 - b. GRRL is required to increase payments resulting from being a member of a necessary professional organization (American Library Association, Society for Human Resource Management, etc.).

- c. When costs for administrative services have risen due to number of employees, number of patrons or mandated costs brought on by legislation (i.e. ADP service charge per employee, minimum wage increases, increase in employer PERA contributions, ACA reporting requirements).
 - d. When costs increase for a commodity due to factors outside of GRRL's control and a base budget adjustment is necessary to maintain the same level of service as the prior year (i.e. vehicle gas, equipment costs). Another example would be when the IRS raises the mileage rate.
5. The base budget for Capital Equipment will include the routine replacement of existing equipment (i.e. copiers, vehicles). Replacement should follow a systematic replacement schedule maintained by department. Schedules should ensure the identification of specific equipment needing replacement at a point in the upcoming budget year, along with updated replacement cost estimates. A rational system of replacement equalizes capital equipment expenditures from year to year and prevents the sudden need for large expenditures due to deferred replacement and accumulated obsolescence.
 6. Departments will be asked to estimate revenues in their respective areas for 2021. The Accounting & Distribution Supervisor and Executive Director will compile and review the revenue forecasts and make adjustments according to department revenue forecasts based on historical data and other factors.

Department Budget Requests

The department budget request process offers departments the opportunity to identify budgetary needs not provided for in the base budget. As noted in the overview, the GRRL Board expects departments to work within available resources and consider ways to limit the amount of increases while still delivering high quality services to GRRL residents. Departments should consider this parameter when developing department budget requests. The GRRL Finance Committee does not initially request budget reduction options from departments, but may do so later in the budget process, depending on the outcome of the base budgeting exercise. Departments are welcome to submit proposals to reduce spending. Such proposals could be paired with department budget requests, for example, as a means to fund the request.

1. Requests for new positions or increases in budgeted hours should include staffing calculator indicators or other quantifiable measures to justify the increase. Indicators could include the presence of patron waiting lists (due directly to staffing levels), or time delays in meeting state-imposed mandates.
2. Requests for new positions must identify all costs associated with the position, including benefits, operating and capital costs (computer or software licenses, for example).
3. Preference for funding will be given to mandated, essential library functions and areas of legal compliance. Requests representing new services or expansions of current services must demonstrate how the request fulfills GRRL's mission and strategic plan and produces quantifiable benefits for its patrons or residents.

4. Requests should identify possible revenue that may be generated directly by the department budget request to offset costs.

Timeline

February 18 – Finance Committee reviews and adopts 2021 GRRL Budget Process.

February 27 – Department Base Budget estimates and Department Budget Requests due to Executive Director and Accounting & Distribution Supervisor.

March 17 – Finance Committee reviews Base Budget. Department heads present approved Department Budget Requests to Finance Committee. Finance Committee determines recommendations for preliminary budget.

May 19 – Finance Committee adopts preliminary 2021 budget and shares recommendations with full GRRL Board.

July 21 – Full GRRL Board adopts 2021 final budget.



Per Diem & Mileage Reimbursement

Submitted by Karen Pundsack, Executive Director

BOARD ACTION REQUESTED

Information

Discussion

Approve/Accept

RECOMMENDATION

Discuss changes to GRRL per diem rate and mileage reimbursement for Board and committee members.

BACKGROUND INFORMATION

Supporting Documents Attached

- GRRL 300 Finance Policy Chapter 9C. Per Diem & Mileage Payment
- GRRL Bylaws Article X. Travel and Per Diem
- Feedback from GRRL counties on per diem and travel reimbursements

At the January 2020 GRRL Board of Trustees meeting, Board members requested a review of the current per diem and mileage reimbursement for Board members.

The mileage reimbursement rate was adjusted in 2018 from 75% to 100% of the Federal IRS rate when this increase was put in place for staff members. The current per diem rate has been in place since at least 2010.

FINANCIAL IMPLICATIONS

Estimated Cost: TBD

Funding Source:

Budgeted: Yes No N/A

ACTION

Passed

Failed

Tabled

300 Financial Chapter 9. Accounts Payable

9C. Per Diem & Mileage Payment

Great River Regional Library Board of Trustee members will receive per diem at \$25 and mileage reimbursement at 100% of the Federal I.R.S. rate for attendance at GRRL meetings.

Approved: 07/14/09

Effective: 01/01/10

Revised Date: 01/16/18

Revision Effective Date: 01/01/18

Bylaws of the Great River Regional Library Board of Trustees

Article X. Travel and Per Diem

Section 1. Travel

Board members will be reimbursed for actual mileage to attend library related meetings and conferences at a per mile rate to be determined by board action and reviewed periodically or at current air transportation rates, if such rates are less than travel cost by vehicle including mileage, lodging, meals, etc., as permitted by state or federal law.

Section 2. Mileage

Board members will be reimbursed for actual mileage to attend library related meetings at a per mile rate to be determined by board resolution and reviewed periodically or at current air transportation rates if such rates are less than travel cost by vehicle including mileage, lodging, meals, etc.

Section 3. Per Diem

Board members may receive a per diem payment, as permitted by state or federal law, for attendance at regular board meetings, special board meetings, executive committee meetings, special committee meetings, and conferences at a rate to be determined by board action and reviewed periodically.

Section 4. Other

Other expenses incurred by Board members related to service on the GRRL Board which are not otherwise addressed in these by-laws should be pre-authorized by the Board to be eligible for reimbursement as permitted by state or federal law.

Amendment History

Adopted September 10, 1985

Amended September 10, 1996; May 11, 1999; July 13, 1999; May 9, 2000; May 13, 2003; May 9, 2006; November 10, 2009; March 15, 2011; May 10, 2011; November 15, 2011; September 16, 2014; September 15, 2015; July 18, 2017; September 18, 2018

Per diem and mileage reimbursement feedback from GRRL counties

February 2020

Benton County:

Commissioners set the 2020 Per Diem Rate for Boards & Commissioners at \$60 per meeting.

Morrison County:

Board members do not receive a per diem. They have a set salary for the year.

Citizens appointed to the Board of Adjustments & Planning Commission receive \$75 per meeting

Citizens appointed to all other committees receive \$50 per meeting

Sherburne County:

Sherburne County does not currently pay per diem rates to our county board members; they get a flat salary per year. They used to a few years back, and then it was \$50.00 per day for meetings attended for county business, plus mileage, so if they had more than one meeting in a day they would still only get the \$50.00 per diem.

Stearns County:

At Stearns County, our County Commissioners do not receive per diems from the County for each committee they belong to; however, we do have non-County commissioner members that we pay per diems to for various committees. So, for non-Stearns employees that serve on various committees, we typically pay \$50 as a per diem plus reimburse for mileage. We do have 2 committees that have a much higher time commitment, and for those couple committees our per diem is \$100.

Todd County:

Each of our board committees may have a different per diem payment rate. The County Commissioners no longer receive a per diem as they voted a couple years ago to transition to a set salary instead. Some of our smaller committees pay a per diem rate of \$35. The medium size committees pay a per diem rate of \$50. The larger size committees pay a per diem rate of \$75. The larger committees are also the ones that typically have the most responsibility with the membership role. Examples of the \$75 per diem members are Todd Wadena Corrections & Todd SWCD Supervisors (elected position).

Wright County:

Per diem for commissioners is \$50.