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Board of Trustees Finance Committee Meeting
Tuesday, February 18, 2025, 5:30 p.m.
St. Cloud Public Library Mississippi Room
Agenda

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| 1. Call to Order | 5:30 |
| 2. Adoption/Amendment of Agenda | 5:31 |
| 3. Elect Finance Committee Chairperson (verbal) | 5:32 |
| 4. Appointment of Union Negotiations Committee Member (verbal) | 5:34 |
| 5. Proposed GRRL 2026 Budget Process Guidelines (Requested Action – Approve) | 5:35 |
| 6. Next Meeting – March 18, 2025 | 5:44 |
| 7. Adjournment | 5:45 |

February 18, 2025



2026 Budget Process Guidelines Proposal

Submitted by Karen Pundsack, Executive Director
Amy Anderson, Associate Director – Accounting

BOARD ACTION REQUESTED

Information Discussion Action Requested

RECOMMENDATION

Approve the attached guidelines proposal, which outlines the 2026 budget process and timeline, based on past practice.

BACKGROUND INFORMATION

- Supporting Documents Attached
 - Proposed 2026 GRRL Budget Process Guidelines

FINANCIAL IMPLICATIONS

Estimated Cost: \$ Funding Source: Budgeted: Yes No N/A

ACTION

Passed Failed Tabled

2026 GRRL Budget Process Guidelines

Overview

Great River Regional Library (GRRL) receives the majority of its funding from the six counties it serves. The operating and capital budgets are funded at roughly \$20.44 per capita with \$14.45 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 Associate Director – Accounting will prepare estimates of payroll and benefits costs for 2026.
2. Payroll estimates will reflect all currently budgeted full-time and part-time positions (including vacant positions).
3. Both collective bargaining unit agreements expire at the end of 2025, so no general wage increases and quartile movement within range increases will be included in the base budget.
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. Paylocity 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 2026. The Associate Director – Accounting 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 2026 GRRL Budget Process Guidelines.

March 1 – Department Base Budget estimates and Department Budget Requests due to Executive Director and Associate Director – Accounting.

March 18 – Finance Committee reviews base budget. Department heads present approved Department Budget Requests to Finance Committee. Finance Committee determines recommendations for preliminary budget.

May 20 – Finance Committee adopts preliminary 2026 Budget and shares recommendations with full GRRL Board.

July 15 – Full GRRL Board adopts final 2026 Budget.