

**St. Charles City-County Library District
Board of Trustees Budget Work Session Minutes
May 26, 2021**

The St. Charles City-County Library District Board of Trustees held its annual budget work session on Wednesday, May 26, 2021, at 6:00 p.m. in Community Commons Room 240/243 at the Spencer Road Branch. The meeting was also accessible via the application Zoom for those not able to attend in person. The meeting agenda, including directions to access the meeting virtually or by phone, was posted at all branches and on the Library's website on Friday, May 21, 2021.

Board Members present:

- Staci Alvarez
- Justin Collier
- Georganne MacNab
- TJ Rains
- Renee Tillman

Board members absent:

- Joann Leykam
- Nevada Smith
- Gail Zumwalt

Library Staff present:

- Tiffany Barke, Chief Talent Officer (CTO)
- Lori Beth Crawford, Chief Communications & Engagement Officer (CCEO)
- Jason Kuhl, Director & Chief Executive Officer (CEO)
- Robin Lunatto, Executive Administrative Assistant & Recording Secretary
- Sara Nielsen, Director of Adult Services
- Laurie St. Laurent, Deputy Director & Chief Customer Experience Officer (CCxO)
- Dexter Thompson, IT Support Specialist
- Julie Wolfe, Chief Financial Officer (CFO)

Others present:

- Thirteen additional staff members and citizens signed on to listen to the meeting.

Board Treasurer Staci Alvarez called the meeting to order at 7:00 pm. Ms. Alvarez turned the meeting over to Library Director Jason Kuhl. He indicated that several staff members would review portions of the proposed Fiscal Year 2022 budget with the Trustees. Jason commented on the process used to prepare the proposed budget, noting that staff were mindful of filling critical needs and reducing expenditures within the context of the Library's current levels of service and projected revenues. He indicated that the proposed FY22 budget includes a 2% increase for all eligible staff.

Budget Summary

Julie Wolfe, Chief Financial Officer, reviewed the draft FY22 budget summary, which is an estimate of revenues, expenditures, and changes in fund balance. She noted that the FY22 budget period will begin on July 1, 2021, and will conclude June 30, 2022. The Library's FY22 revenues from all sources are projected to be \$20,802,422, with the majority of tax revenues received in January 2022. Total expenditures for FY22 are estimated to be \$21,231,597. The Library's estimated expenditures consist of the following: Salaries and Benefits (64.04%), Materials (17.22%), Operations (12.75%), and Technology and Telecommunications (5.99%). An estimated surplus of \$608,600 will be transferred to the general fund to provide some

flexibility for internal changes and the economic environment, specifically inflation and unknown materials cost increases. Capital projects are estimated to be \$1,037,775. Reserve funds of approximately \$429,000 will be needed for the FY22 Budget.

Julie discussed the Library's revenue sources for FY22. She reminded Trustees that fines were eliminated in FY21. Tax revenues are based on the projected rate of \$0.1925 which was set, for budgeting purposes, at the March 2021 Board meeting. The FY22 tax rate will be set at the September 2021 board meeting. Tax revenues, which are 97.8% of the Library's total revenues, are currently estimated to be \$20,356,000. Ms. Wolfe mentioned two recent bills that were introduced in this year's legislative session. Senate Bill 24, which was defeated, called for a statewide elimination of personal property tax in Missouri. An amendment was added to another bill, a Wayfair bill, that called for the "test case" removal of personal property tax in St. Charles County. The amendment was removed prior to the passage of the Wayfair bill. Had it passed, however, the Library's tax revenue would have been reduced by over three million dollars. Other less significant sources of revenues are state aid, grants, rent, and charges for services (non-resident fees, copy charges and passport services). The Library plans to begin offering passport services again during FY22. Investment earnings are expected to be minimal.

Personnel Budget

Tiffany Barke, Chief Talent Officer, reviewed staffing for FY22. Tiffany noted that staff did a great job during FY21, continually evolving to meet needs or respond to changes. Managers looked closely at staffing levels to see where flexibility could be added for the future. The new bookmobile will require staff beginning in FY22. The pandemic afforded the opportunity to look differently at staffing needs moving forward. The Library's proposed FTEs for FY22 are 208.22. The Library's salaries and benefits budget for FY22 is \$12,932,212.

Classes and Events

Sara Nielsen, Director of Adult Services, reviewed the Classes and Events budget for FY22, which will be reduced by 1% from FY21. Adult & Youth Services staff began the budgeting process by cutting 15% from the overall Classes and Events budget and added things back to the budget as needed. The new Cliff View Branch is expected to have more classes and events than the former Discovery Village Branch, and there will be increased support for Pop-up Libraries in FY22. Staff are hoping for a return to in-person classes and events in the Fall of 2021, which will increase spending for supplies. Staff reduced the overall Classes and Events budget by 7%, however an internal reallocation of software systems (Communico and Beanstack) from the Information Technology department to the Adult and Youth Services departments resulted in an overall 1% decrease from the FY21 budget.

Materials Budget

Jason recapped the FY22 Materials Budget which Carol Schrey presented to the Trustees at the work session on April 13, 2021. No significant changes have been made since that time. The overall Materials budget will increase 3.6% (from \$3,355,850 to \$3,477,525) in FY22, largely to account for extraordinary growth in Overdrive use, price increases from publishers for eBooks and eAudio, and increases in cost of physical books. The Library will also join the MOBIUS consortia, a library resource sharing tool that will allow our customers access to 29 million items from 78 other libraries.

Operations and Technology

Total expenses in Operations and Technology increased 2.7% overall (from \$3,398,461 to \$3,784,085). Julie

Wolfe reported that increases are expected in health and property insurance premiums. The Library’s vehicles are aging and two delivery vans will be replaced in FY22. Snow removal, entirely dependent on the weather, is also an unknown. Software licensing fees have been reallocated from Professional Services to Technology and Telecommunications. Professional Services now consists of audit services, collection fees, and consulting fees.

Laurie St. Laurent reviewed the Technology & Telecommunications Budget for FY22, which has been increased 26.1% (from \$959,429 to \$1,209,504). The Library changed to an annual subscription plan for Microsoft products, including Server, Windows and Office. Polaris, our integrated library system (ILS), is also a subscription service that is central to providing Library services. The budget includes funding for other software and system licenses/subscriptions that are used to support internal and external processes. Telecom Data includes funding for the hotspot lending program. Equipment spending for FY22 includes both staff computing needs and Public Service technology expansion. Additional expenditures in equipment will update servers and switches, to be determined by the new Director of Information Technology. Managed Network Services are included in the contracted services portion of the budget.

Capital Projects

Laurie St. Laurent reviewed the capital / special projects and buildings, furnishings and equipment expenditures for FY22, totaling \$1,037,775. The Mobile Library Vehicle line includes funds for housing the vehicle. Cargo vans, previously budgeted for in FY21, were not available for order and funding has been moved to FY22. Purchasing workflow software will be implemented to streamline the Library’s purchasing processes. Several locations have scheduled parking lot repairs and HVAC updates. Fire panels will be replaced at the Middendorf-Kredell Branch and the Administration Building. Consultants will be engaged to assist with space planning at several locations and to plan an integrated surveillance camera system. The interior of the Corporate Parkway Branch will be refreshed in order to maximize space, reconfigure the service desk, and install new flooring in public areas. Jason reported that the Foundation recently voted to move money out of investments in order to fully fund the Bookmobile in FY21.

Julie Wolfe added that the Library’s Facilities Maintenance Forecast will require four million dollars to maintain the Library’s buildings over the next five years. This amount ties directly to the new fund balance policy (g030) passed at the May 11, 2021, Board meeting.

Capital Projects / Special Fund:

GA Mobile Library Vehicle	176,000
GA Cargo Van Replacement (2) - Aging Vehicles	90,000
GA Purchasing Workflow Software Implementation	<u>23,000</u>
Total Special Projects	289,000

BUILDINGS, FURNISHINGS & EQUIPMENT:

GA Surveillance Camera Consultant	20,000	
GA Space Planning Consultant (supports Facilities Master Plan)	80,000	
GA Fire Panel Replacement	10,000	
GA Directional and Desk Interior Signage	60,000	
GA Technical Services Renovation	20,000	
GA HVAC (Multiple Units at Administration)	<u>26,000</u>	<u>216,000</u>
SP Heating & Cooling - System Analysis and Solution	60,000	
SP Parking Lot Repair, Seal, Stripe	20,000	
SP Construct Privacy Wall for Main Entry Desk	<u>30,000</u>	<u>110,000</u>
WH Administrative Office Buildout	30,000	

WH Administrative Office Furnishings	5,000	
WH Parking Lot Repair, Seal, Stripe	<u>11,000</u>	<u>46,000</u>
KL Electrical Panel Replacement	47,000	
KL Parking Lot Repair, Seal, Stripe	<u>12,000</u>	<u>59,000</u>
CP Parking Lot Repair, Seal, Stripe	10,000	
CP Replace Public Area Flooring	100,000	
CP Reconfigure Service Desk	<u>100,000</u>	<u>210,000</u>
MY Automatic Door Replacement	10,000	
MY Parking Lot Repair, Seal, Stripe	<u>10,000</u>	<u>20,000</u>
KR Parking Lot Repair, Seal, Stripe	6,500	
MK Fire Panel Replacement	10,000	
MK Parking Lot Repair, Seal, Stripe	<u>6,000</u>	<u>16,000</u>
DR Parking Lot Repair, Seal, Stripe	61,000	
CV Parking Lot Repair, Seal, Stripe	4,275	
Total Buildings, Furnishings & Equipment	<u>\$ 748,775</u>	
Grand Total Buildings, Furn, Equip and Special Projects	<u>\$ 1,037,775</u>	

The finalized budget will be presented for the Trustees' approval at the June 8, 2021, Board meeting.

MOTION: Staci Alvarez adjourned the work session at 6:46 pm.

Respectfully submitted,

Robin Lunatto
Recording Secretary

Approved:

Justin Collier June 8, 2021

Secretary Board of Trustees

Date