

**St. Charles City-County Library District
Board of Trustees Budget Work Session Minutes
May 23, 2019**

The St. Charles City-County Library District Board of Trustees held their annual budget work session on Thursday, May 23, 2019, at the Spencer Road Branch located at 427 Spencer Road in St. Peters, Missouri.

Board Members present:

- Staci Alvarez
- Julie Bartch
- Justin Collier
- Myra Crook
- Joann Leykam
- Georganne MacNab
- Nevada Smith
- Gail Zumwalt

Board members absent:

- Mary Reese

Library Staff present:

- Jan Bardon, Marketing & Communications Manager
- Tiffany Barke, Chief Talent Officer (CTO)
- Gary Brinker, Information Technology Manager
- Aaron Eller, Regional Branch Manager, Middendorf-Kredell
- Alison Griffith, Branch Manager, McClay
- Asia Gross, Regional Branch Manager, Kathryn Linnemann
- Jennifer Jung, Regional Branch Manager, Spencer Road
- Jason Kuhl, Director & Chief Executive Officer (CEO)
- Erica Land, Director of Development
- Maggie Melson, Director of Youth Services
- Cindy Miller, Branch Manager, Deer Run
- Sara Nielsen, Director of Adult Services
- Laurie St. Laurent, Deputy Director & Chief Customer Experience Officer (CCEO)
- Carol Schrey, Director of Collection Services
- Kristen Sherry, Outreach Services Manager
- Julie Wolfe, Chief Financial Officer (CFO)

Others present:

- None

Board President Gail Zumwalt called the meeting to order at 6:00 p.m. with the Pledge of Allegiance. Five members of the Board listed above as present responded to roll call. Ms. Crook arrived at 6:03 p.m. Ms. Leykam arrived at 7:02 p.m.

Jason introduced Tiffany Barke, the Library's new Chief Talent Officer, to the Trustees.

Julie Wolfe reviewed the proposed Fiscal Year 2020 budget with the Trustees. The FY 20 budget period is July 1, 2019 through June 30, 2020. A summary showing projections of total revenues, total expenditures, and projected general fund balance was presented. Julie noted that the FY 20 tax revenues are based on the projected tax rate of 0.2000 set by the Board at the March 2019 meeting.

The FY 20 budget summary showed actual, forecast and variance data for budget line items - revenues, expenses, materials, operations and technology, changes in fund balance and capital projects. Julie noted the following:

- Tax revenues will likely need to be adjusted as real estate and personal property valuations are finalized during the County's reassessment process. Julie Wolfe noted that revenue forecast data in the FY 20 Budget will be updated prior to the June 11, 2019, Board of Trustees meeting. The actual tax rate will be set in September, 2019.
- Grant revenues are expected to increase due to the Library applying for more LSTA funds.
- Investment earnings are expected to increase due to short-term investments and improved interest rates.

- While revenues from passport processing services are increasing, the overall Charges for Services line item is projected to decrease in FY 20 due to lower fine revenues resulting from auto-renewals.
- A large decrease is anticipated in rent revenues due to a tenant moving from the Administration Building at the end of FY 19.
- Little change is expected in the budget line items for Donations, Intergovernment Exchange and Other.

EXPENSE HIGHLIGHTS

Salaries and Benefits

Jason Kuhl reviewed the proposed FY 20 Salaries and Benefits budget. Salaries and benefits represents 63% of the overall FY 20 operating expenditure budget. The proposed FY 20 personnel budget includes 218 full time equivalents (FTEs) up from 214 in FY 19. The addition of several positions, identified during the strategic planning process, will allow the Library to advance its strategic goals:

Goal 2: Experience and Outreach

- School Services Coordinator (1 FTE)
- Classes and Events Coordinator (1 FTE)
- Outreach Librarian (.5 FTE additional hours for existing staff)
- Outreach Paraprofessional (1 FTE existing staff – formerly grant funded position)

Goal 3: Service Model

- Paraprofessional (Youth Focus)—Spencer Road (1 FTE)
- Paraprofessional—Deer Run (1 FTE)
- Assistant Branch Manager—Kathryn Linnemann (1 FTE)

- **Goal 4: Digital Leadership**

- IT Specialist (1 FTE)

Goal 5: Public Relations and Marketing

- Chief Communications and Engagement Officer (1 FTE)

Jason reported that a compensation plan and salary matrix “check up” was completed by Springsted, Inc., during FY 19 to ensure our plan was still in-line with the market. The consultant’s recommendations were reviewed with the Trustees.

Materials

Carol Schrey said that the FY 20 Materials budget is expected to increase 5.5%. The increase will allow the Library to lower customer wait times for popular materials in downloadable book, downloadable audio, print books, and movies formats. The Cataloging and Processing budget is anticipated to increase as we move to more vendor solutions for those services. An increase in the streaming category (Hoopla) will accommodate anticipated higher customer usage during the next year. Collection Services continues to right size electronic resources and this resulted in a decrease for Reference and eResources budget category.

Operations & Technology Budget

Julie reported that the Supplies budget line item is expected to increase slightly due to increased purchasing of passport supplies. Insurance and Utilities will remain static. Increased funds in the Programs budget reflects the addition of grant dollars to the line.

- A proposed increase of 10% in the Programming budget will fund the purchase of materials for PopUp and outreach programming, maker equipment and early literacy spaces.
- Jan Bardon reported that the funds for a software as a service content management system to create a new website and OrangeBoy software service fees to track customer behavior, send eblasts to

customers, and to measure and evaluate results as we carry out the goals of the new Strategic Plan have been moved from the Marketing budget to the Technology and Telecommunications budget category. The Publications and Advertising budget includes funding to improve and expand the Kaleidoscope magazine, educate the public about eResources and the physical collection, assist the Foundation and Friends as they work toward increasing private and public support for the Library, and support the efforts of the Adult and Youth Services departments.

- Fleet Operations, Maintenance and Repair is expected to remain unchanged.
- Rent/Lease will increase due to increased costs for the Turner warehouse. The Friends' reimbursement to the Library for rental of the warehouse is reflected in the Rent revenue line.
- Buildings and Grounds will increase slightly due to higher snow removal costs at all locations.
- Equipment Maintenance and Repair has been reduced slightly. This line item includes funds for furnishings, shelving and early literacy items.
- Travel, Training and Dues has been increased to allow additional staff to participate in professional organizations and attend training events. Travel reimbursement expenses will increase as the Library begins using GSA rates for mileage and meals on July 1, 2019.
- The Professional Services and Data line increased significantly and includes funds for facilities planning consulting, financial capacity analysis and higher legal services fees.
- The Technology and Telecommunications budget category showed a significant increase because the budget category now includes subscription costs for Polaris, website software as a service subscription fees, and OrangeBoy Savannah software fees. Gary Brinker noted the following IT items that will be addressed in FY 20:
 - Microsoft licensing will be updated on all computers.
 - Staff computers will be updated to Microsoft Office 365, which is a subscription service.
 - The FY 20 budget includes funds to replace all public computers.
 - The Library's technology infrastructure and security systems will be evaluated and updated.
 - A hotspot lending program is being evaluated.
 - Increased funding for fax charges, which are now provided to customers at no cost.

Capital Projects

Julie Wolfe reviewed the proposed FY 20 Capital Projects.

Julie noted that any changes made to individual budget line items will be reviewed during the final budget presentation at the June 11, 2019, Board meeting.

MOTION: At 7:43 p.m. Julie Bartch moved to go into Closed Session pursuant to RSMo 610.021(2) "*Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore*", second by Joann Leykam. The roll call vote was Staci Alvarez – yes; Julie Bartch – yes; Justin Collier – yes; Myra Crook – yes; Joan Leykam – yes; Georganne MacNab – yes; Nevada Smith – yes; Gail Zumwalt – yes. Motion passed eight affirmative, zero negative, zero abstentions and one absent.

Jason Kuhl provided an update on the status of negotiations regarding a potential future library site.

MOTION: A motion to adjourn the closed session was made by Justin Collier at 8:03 p.m., second by Georganne MacNab. The roll call vote was Staci Alvarez – yes; Julie Bartch – yes; Justin Collier – yes; Myra Crook – yes; Joan Leykam – yes; Georganne MacNab – yes; Nevada Smith – yes; Gail Zumwalt – yes. Motion passed eight affirmative, zero negative, zero abstentions and one absent.

MOTION: At 8:04 p.m., Myra Crook moved to adjourn the meeting. Joann Leykam second. Motion approved eight affirmative, zero negative, zero abstentions, and one absent.

The meeting ended at 8:04 p.m.

Respectfully submitted,

Robin Lunatto
Recording Secretary

Approved:

<u>Georganne MacNab</u>	<u>June 11, 2019</u>
Secretary Board of Trustees	Date