

The Mission of LARL is to enrich lives and strengthen communities.

**LARL BOARD OF TRUSTEES
EXECUTIVE/FINANCE COMMITTEE MEETING
MINUTES**

A joint meeting of the Lake Agassiz Regional Library Executive Board and Finance Committee was held on Thursday, April 24, 2014 at the Moorhead Library.

Executive Committee Members Present: Bunes, Bursik, Perry (*Chair*), Schoenborn, Vinz.

Executive Committee Members Absent: Fox, Ingersoll.

Finance Committee Members Present: Bunes, Geray, Johnson, Perry (*ex officio*), Vinz (*Chair*).

Finance Committee Members Absent: Fox, Ingersoll, Winterfeldt.

Others Present: Lynch, Sprynczynatyk.

President Perry called the meeting to order at 5:30 p.m.

There was no public input.

APPROVAL OF AGENDA

(Geray/Bursik) Move to approve the agenda of the April 24, 2014 Executive/Finance Committee Meeting as presented. MCU.

APPROVAL OF MINUTES

(Vinz/Schoenborn) Move to approve the February 6, 2014 Executive/Finance Committee Meeting Minutes as presented. MCU.

FINANCIAL REPORT

Sprynczynatyk discussed that as of March 31st we are 25% of the way through 2014 and 23.93% of budgeted expenses have been spent. The expense line items that currently appear high are: Summer Reading Program due to items being ordered to prepare for the 2014 Summer Reading Program; Accounting/Bank Fees due to the majority of the audit having been paid; and Periodicals due to a large order of annual subscriptions early in the year.

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Minutes of the April 24, 2014 Executive/Finance Committee Meeting – page 2.

FINANCIAL REPORT – continued:

Sprynczynatyk discussed the Directors and Officers Insurance Policy and Employment Practices Liability Insurance Policy. LARL received a quote for \$1,000,000 of coverage for each policy, which is LARL's current coverage. Rates increased from \$2,352 to \$3,336 for the new year. Per discussion with LARL's insurance agent, the increase is due to Employment Practice lawsuits around the nation.

(Buness/Bursik) Move to approve payment of the Directors and Officers Insurance Policy/Employment Practices Liability Insurance. MCU.

Sprynczynatyk discussed that although the 2014 budget reflects Clearwater County not meeting LARL's request, the 2015 budget is currently based on the County meeting the original request of \$91,245. The Board believes LARL should assume the full \$91,245 will be met. The 2015 budget will reflect this higher level of payment. An amendment to the 2014 budget will not be made.

Sprynczynatyk discussed the 2015 Preliminary Budget which is largely based on the 2014 Final Budget. Expense items that changed from the 2014 Budget to the Preliminary 2015 are: Salaries and Wages due to an agreed 2.5% increase; Health Insurance estimated to have a 15% increase; and Minnesota PERA anticipating a required .25% increase; OCLC/Minitex budget increase by \$4,000; and Automation System decrease by \$6,386 due to the removal of some funds.

Revenue items that changed from the 2014 Budget to the Preliminary 2015 includes Basic Support – MN (RLBSS), this \$19,209 decrease is an estimate. We won't know the funding we will receive from the State until August. A \$40,031 increase was put in the preliminary budget to LARL Signatories; this represents a 1.7% increase over the 2014 request.

The revenue and expense changes result in a shortfall of \$115,385.

Johnson suggested that due to the Board's concerns about years of a flat collection budget, Draft 2 of the Preliminary Budget should increase Signatory requests from 1.7% to 2.0%, dedicating extra funds to the collection.

DIRECTOR'S REPORT

Lynch announced that LARL will not receive a Bremer Foundation Grant for the Bagley project. Priority is given to locations with Bremer Banks in their communities.

Bursik thanked Lynch for attending the Legislative Forum at the Moorhead Library.

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DIRECTOR'S REPORT - continued

LARL offered "Food for Fines" recently. LARL collected over 2,521 pounds of food for local food banks.

The Hot Reads for Cold Nights adult reading program was successful.

Lynch discussed Legacy Funds. At the end of March there was an issue with Representative Dean Urdahl, who signed a Legacy Contract to offer presentations around the LARL region. Mr. Urdahl later informed LARL that he could not be paid with Legacy Funds. LARL paid his fees out of the programming budget rather than Legacy, but over \$1,700 had been spent on the coordination and advertising of the event, which Legacy funds were used. A Watch Dog group discovered the Legacy funded program on the State's Legacy reporting website. LARL agreed to cover the whole cost of the program from the operating budget and removed the program totally from Legacy funding.

Lynch discussed a proposed new RLBSS Funding Formula that will be brought to the Legislature later this year if all 12 Regions agree to the changes. A chart describing the changes was included in the Board packet.

(Bursik/Vinz) Move that the Lake Agassiz Regional Library Board support the proposed change to the RLBSS Funding Formula with the final percentages assigned to the Equalization and Basic System Services factors to be determined by the amount of increased funding appropriated by the 2015 Legislature. If the increase to the annual appropriation is less than \$2 million, the formula in Chart A will be used; if the increase to the annual appropriation is \$2 million or more, the formula in Chart B will be used. MCU.

PRESIDENT'S REPORT

No report.

OTHER

The meeting adjourned at 6:45 p.m.

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