

*The Mission of LARL is to link people and communities to resources and experiences for learning and enrichment.*

**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 18, 2013 at the Moorhead Library.**

**Executive Committee Members Present:** Bunes, Bursik, Chevalier, Fox, Ingersoll, Perry  
*(Chair)*

**Executive Committee Members Absent:** Vinz

**Finance Committee Members Present:** Bunes, Chevalier, Fox, Ingersoll, Nelson, Perry *(ex officio)*

**Finance Committee Members Absent:** Winterfeldt, Vinz *(Chair)*

**Others Present:** Fredette, Sprynczynatyk, Lauris Krogstad

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

There was no public input.

**APPROVAL OF AGENDA**

***(Bursik/Chevalier) Move to approve the agenda of the April 18, 2013 Executive/Finance Committee Meeting as presented. MCU.***

**APPROVAL OF MINUTES**

***(Fox/Bunes) Move to approve the February 21, 2013 Executive Committee Meeting Minutes as presented. MCU.***

***(Ingersoll/Nelson) Move to approve the January 17, 2013 Finance Committee Meeting Minutes as presented. MCU.***

**GONVICK LINK SITE**

Lauris Krogstad a Gonvick citizen, City Commissioner and LINK Volunteer discussed the reopening of the Gonvick LINK Site, the city will celebrate the reopening, he also encourage the LARL Board to consider looking at new funding options to avoid future funding issues that might result in LINK Site closings.

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## **Minutes of the April 18, 2013 Executive/Finance Committee Meeting – page 2**

### **FINANCIAL REPORT**

Sprynczynatyk discussed that as of March 31<sup>st</sup> we are 25% of the way through 2013 and 24.81% 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 2013 Summer Reading Program; Accounting/Bank Fees due to the majority of the audit having been paid; and, Recruitment is at 79.61% of budget due to advertising for several positions the first 3 months of the year.

Sprynczynatyk discussed that Clearwater County has decided to accept a donation from the City of Gonvick in order to meet LARL's 2013 budget request. Since the Final budget was approved reflected a lower amount, a budget revision is necessary to properly show funding from all Signatories. The revised budget will increase funding from Clearwater County by \$5,723 and decrease the Fund Balance/Shortfall line.

***(Bursik/Ingersoll) Move to approve the Revised 2013 Final Budget. MCU.***

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 the coverage LARL currently has. A \$2,000,000 coverage option was discussed. After discussing the options the Committee decided LARL should keep the coverage at the current \$1,000,000.

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

Sprynczynatyk discussed the 2014 Preliminary Budget which is largely based on the 2013 Final Budget. Expense items that changed from the 2013 Budget to the Preliminary 2014 are: Health Insurance estimated to have a 10% increase and well as adding coverage for the two positions in the LARL region that are 30 hour positions, this is done to be in compliance with Healthcare Reform which requires coverage for employees working more than 30 hours per week, rather than LARL's current policy of 32 hours per week; and, Automation System increased by \$2,400 due mainly to increases in annual maintenance costs. Attorney fees were decreased by \$2,500 because union negotiations will take in 2013 but should be completed by 2014.

Revenue items that changed from the 2013 Budget to the Preliminary 2014 are: Basic Support – MN (RLBSS), this \$23,371 decrease is an estimate, we won't know the funding we will receive from the State until August. Miscellaneous Revenue has been decreased by \$2,000 due to LARL's savings balance decreasing which will result in lower interest earning. A \$100,025 increase was put in the preliminary budget to LARL Signatories, this represents a 4.5% increase over 2013.

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## **Minutes of the April 18, 2013 Executive/Finance Committee Meeting – page 3**

### **FINANCIAL REPORT (continued)**

Sprynczynatyk discussed that LARL's December 31, 2012 Fund Balance was \$1,366,664. The 2013 Budget calls for deficit spending of approximately \$339,000 of the general fund as well as spending some committed designated funds throughout the year. At the end of 2013 the Fund Balance will likely be approximately \$1,000,000. The LARL Board has in the past maintained a 31% Operating Reserve. 31% of the 2014 Preliminary Budget is \$1,036,750. LARL will no longer be able to maintain a 31% operating reserve after 2013 at current funding levels.

Nelson discussed issues with LARL not being able to cash flow if operating reserves get too low, and suggested that when Draft 2 of the 2014 budget is presented to the Full Board in May that an additional \$50,000 be added to the \$100,025 increase currently budgeted for Signatories. If revenues are increased significant cuts will need to be made in the next year. It is time for LARL to get our library supporters out and let our Signatories know that LARL needs a 7% increase in 2014 and most likely another 7% in 2015. The Committees agreed that Draft 2 of the 2014 budget should show 6.5% to 7% increase.

### **DIRECTOR'S REPORT**

Lynch discussed the Gonvick LINK Site and changes that will occur when the site reopens in May. The changes are that the LINK Coordinator will staff the open hours at the LINK, this should help with customer service and internal procedures as a trained employee or sub will be working at the LINK rather than a volunteer. The LINK will now have a floating collection, like all the other LARL Branches do. Currently LINKs have their own collection of items that are not requestable around the region and several of the items tend to never be checked out. Gonvick is also 1 of 3 LINK Sites in the region that received a laptop as part of a grant several years ago, to provide public computers in LINKs. The laptops are getting old and when they no longer function they won't be replaced. All LINKs do and will continue to provide Wi-Fi service to the public. We will start using the LARL courier rather than internal delivery driver to do the Gonvick delivery, due to the distance that Gonvick is from the other LINKs this will result in a cost savings.

Lynch discussed that the LARL vans are getting older and needing more maintenance and trading in LARL's two vans for one new van is being considered. The Committee supported the idea.

Lynch has had discussions with an individual who is highly recommended around the state of Minnesota for helping LARL develop a strategic plan. The individual's fee was significantly more than LARL can afford to pay. Currently LARL has \$15,000 of funds Designated for consulting and asked if the Committee would consider spending up to \$20,000 to have the individual help start the strategic plan. As a second option Lynch also suggested that several members of the Coordinating Team have been through the strategic planning process several times and LARL could do a strategic plan internally. The Committee was in favor of doing the plan internally but asked that Lynch keep the board informed of the progress of plan development.

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## **Minutes of the April 18, 2013 Executive/Finance Committee Meeting – page 4**

### **DIRECTOR'S REPORT - continued**

Lynch discussed that at this point she does not see a need to fill the Assistant Regional Library Director position but would like to keep the position in the budget for the next several months before making a decision on whether to fill the position or not.

Lynch discussed security incident reports that have been filed in Fertile, regarding a city official and the librarian. LARL's attorney is involved and is working with the City of Fertile. All LARL is asking is that the city official stays out of the library and leave the librarian alone.

***(Nelson/Buness) Move to cancel the July 18<sup>th</sup> Executive Board Meeting as recommended by the Regional Library Director. MCU.***

### **PRESIDENT'S REPORT**

No report

### **OTHER**

Bursik asked if Lynch is aware of reasons why circulation is down significantly around the LARL Region. Lynch discussed a few reasons circulation might be down. LARL's materials budget hasn't increased in several years. The implementation of self-checkout and the pressure on locations to have at least 90% usage of the self-checkout has caused LARL to be less personal. There is also the fact that every year what is counted changes. It is also a national trend that circulation is down.

The meeting adjourned at 7:03 p.m.

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