

ST. CLAIR COUNTY LIBRARY BOARD OF TRUSTEES SPECIAL MEETING MINUTES

TIME & PLACE: 6:30 p.m. Monday, June 27, 2005
210 McMorran Boulevard, Port Huron, St. Clair County Main Library, Internet Training Lab

PRESENT: BOARD MEMBERS: Arnold Larson, Lynn Moran, Kathy Nicholl, Helen Praet and Peter Vernier. DIRECTOR: James Warwick.

ABSENT: None

ALSO PRESENT: Administrative Services Secretary, Kimberley Radatz; Assistant Branch Librarian, Anita Jackson; Branch Coordinator, Peggy Guoin; Children Services Coordinator, Janet Rose; Library Assistant I, Faith Wormsbacher; County Commissioner, Denny Kearns and Times Herald Reporter, David Jesse.

Pledge of the Allegiance

I. CALLED TO ORDER AND ATTENDANCE BY Chairperson Vernier at 6:32 p.m. All members present.

Chairperson Vernier explained the purpose of tonight's meeting is to discuss the proposed 2006 Budget(s).

Director Warwick explained the proposed 2006 budget as current in detail.

Revenue changes:

Millage Revenue: Increased Current Personal Property Tax based upon this years performance, Delinquent Real Property Tax Extra Voted increased, Interest Revenue increased by \$2,000. Not sure with Detroit Edison how much money we are going to have in our fund reserve, so he is being very conservative instead of increasing it to what we had this year.

Regular Revenue: No change in State Aid (this could change). Fees, sales and fines were reduced. Did not reduce fines to the total amount that he expected this year because he is hoping the contract between Unique Management Services will help the Library next year. The only other item being concerned about is with our lost hours, we have losted circulation meaning we have less items checked out which means we might get less fines (fines are an area where we could reduce more). Penal fines increased by \$35,000 (could be over conservative). Rent reduced, donations were increased a little bit, refunds and miscellaneous also reduced and we kept the County Appropriation the same as this year.

Director Warwick noted a report is available reflecting what was spent last year and also five months of this year if anyone wanted to compare the expenses or revenue.

When reviewing the expenses when we made our estimates this year we were high in our projections, but we went through and corrected what we felt the County is going to be using for 2005, which also reflects 2006.

Millage Expenses: Salaries have been reduced (these changes reflect current County formula's) as well as Disability, Retirement and Medicare (anytime salaries go down these areas will go down also) Health Insurance has increased.

Regular Expenses has similar decreases and along with Health Insurance also went up.

Director Warwick explained there were a few changes such as an increase to the mileage line item and a few changes with line items due to code changes which did not change the end figure, administrative services is reduced due to no contracted computer training. Long Range Plan for \$5,000 has been left in the budget but also stated if we use RESA this cost could be less. We also kept the cost allocation the same

as this year under Miscellaneous \$312,556.00. After discussion on the Tax Tribunal it was decided to increase from \$86,000 to \$110,000. Director Warwick noted there were various expenses in capital outlay such as public computers, printers, online public access OPAC's, training lab computers and monitors. Chairperson Vernier asked if we were to adopt this budget as presented with the deficit of \$215,000 what would that leave us in the fund balance? Director Warwick explained right now out of the fund balance \$341,469 is reserved for the tax tribunal (2002, 2003 and 2004) and the fund balance reserve at the end of 2003 was \$1,250,000 and \$163,000 is also being booked for DTE, the final balance guess estimate is \$909,301. Director Warwick also noted we also need to do a program budget where we decide what programs we have and what those costs are. Right now we have identified what those programs are: Circulation, reference to information, special programs such as summer reading programs, collection development and STAR so we now have to figure out how to take our cost and divide it into those four area's to see what it cost to do circulation and what does it do to answer questions and stuff like that (example: What percentage of a staff time is used for programming verses collection development verses circulation and verses answering questions). Member Larson noted it's important to recognize there is no increase in staff and it's a continuation budget and continuation of programs. Director Warwick noted this is just adding on the cost of business as we are doing today including equipment replacement. Chairperson Vernier noted they should present all three budgets to the County. Director Warwick noted he doesn't think the Library will be ready to present the Restored/District budget to the County. Chairperson Vernier noted then we won't present the Restored/District budget but we do need to present options. Director Warwick noted his recommendation would be to include Burtchville in the budget.

Director Warwick noted the County has our revised 2005 budget; they have just not corrected the line items yet. Bob Kempf is aware there is a change in our bottom line.

Director Warwick explained the proposed Extended 2006 budget is exactly the same as the proposed Current budget except it includes expenses for Burtchville. Director Warwick referring to the start up report. If we decide to include these expenses we would need to include another line item reflecting us using the fund balance. Director Warwick noted these cost were estimated and some of the cost were taken when we looked into the cost of Ft. Gratiot the other items are configured based upon the operating of G. Lynn Campbell. Details of Burtchville: Open thirty-two hours for seven months. Member Praet asked if there were any expenses that Burtchville Friends could purchase? Director Warwick explained, as he understands right now all of their money is committed in getting the building into shape. Chairperson Vernier also stated if we make a commitment of the \$122,500 toward the initial cost coming out of our fund balance we may not spend all of that but we still need to have it available for them and we would still need to have another \$65,000 for operating cost. Also noted at this point of time we have to cut from somewhere else or take from the fund balance or receive from the County. Director Warwick noted he has called Township Supervisor Don Sheldon (no returned calls out of office) because at some point we want to have some type of commitment from the Township and not just from the Friends Group. Board agreed Burtchville start up cost would come from the fund balance. Director Warwick explained he could get the start up cost down to about \$61,600, and includes fiber equipment, connection, installation, four computers, one receipt printer, reducing software licenses, no start up collection, no printer stand, no extra telephone, no cash register, no value station and no extra book cart also reducing funds for the following expenses; computer stand and shipping charges. Also kept the expense for a fax line and not an extra telephone line. Director Warwick explained operating cost for Burtchville includes reducing the following: Office supplies, operating supplies, program performers, basic craft supplies, postage, material budget (now has 2 McNaughton plans), reduced software licenses and smart card stations and eliminating the card revalue station yearly maintenance agreement also removed training and travel expenses, Internet Access/Fiber charges and brochure expenses. Total cost of operating expenses is \$8,400 minus staff. Reviewed staff and figured Assistant Branch Librarian Anita Jackson at sixteen hours instead of twenty hours and the other Assistant Branch Librarian at fourteen hours and two pages at five hours a week (total \$14,791) totaling expenses and salaries approximate \$23,000 for operating expenses. Member Larson noted he would be supportive if we include Burtchville's budget as part of our proposed budget for next year with the adjustments Director Warwick just indicated. It may show us a deficit but that's ok, because this is to do what we think is necessary for the operation of the library and to do for the people who live in the Burtchville area with the understanding we are going to eat about \$62,000 out of the fund reserve for equipment. Member Larson explained the County needs to understand not only why we are doing it. We

are doing it because we believe in supporting the library's and having minimal services for everybody. Also the fact we support library services for Burtchville area, we recognize part of the equipment cost that would come out of the fund reserve and we accept that! Also stated the increase cost of operations should be part of our total budget and if there's a short fall it should be discussed at a later time. Vice-Chairperson Moran also agreed with Member Larson and also noted if we have a healthier budget after the Millage there's no reason why we couldn't add more computers and add some of the things we had to delete from the original proposed budget. Director Warwick noted the deficit budget would be \$293,000 and affects our fund reserved. After lengthy discussion it was decided that Director Warwick would send a letter to County Administrator Shaun Gorden indicating he would like to meet with the committee of the whole to discuss the financial future of the Library (informational meeting). Director Warwick asked for direction regarding the restored budget. Vice-Chairperson Moran noted she is just a little bit nervous at the thought of going to the commissioners in view of the economic climate out there right now. Feels we have a little more security staying with the County and also noted what if we attempt to go District and the support isn't there, just doesn't know how good the timing is right now. Chairperson Vernier explained the Library couldn't go District without the direction of the County Board of Commissioners. Member Praet also noted we also have to figure out where the Millage is and what we will have to asked for and also noted there's not support for District. Chairperson Vernier noted there would be a motion for the budget at the next regular meeting but in the mean time we have a consensus that the Director could submit the budget with the changes to Burtchville and Detroit Edison to the County. Director Warwick asked if there was going to be another workshop to look at the restored budget? Member Larson explained he thinks it's given a mixed message and doesn't see any purpose in it right now. Chairperson Vernier noted lets talk to the County first.

- II. ADJOURNMENT: Moved by Member Larson to adjourn meeting. Motion unanimously carried.
Adjourned at 7:55 p.m.

Respectfully Submitted:

Peter J. Vernier, Chairperson

James F. Warwick, Director/Secretary