

**LAKELAND LIBRARY COOPERATIVE
FINANCE COMMITTEE MINUTES – Unofficial
Monday, April 4, 2022, at 2:00 p.m.
Via ZOOM**

Present: Karen McKinnon (AL) Chair, Diane Kooiker (HO), Maggie McKeithan (OS), Dale Parus, Ex Officio (IC)

Staff Present: Carol Dawe, Janet Cornell

- 1) **CALL TO ORDER:** The meeting was called to order at 2:00 p.m. by Karen McKinnon.
- 2) **APPROVAL OF AGENDA:** Maggie McKeithan moved, supported by Diane Kooiker, to approve the agenda as presented - *motion carried*.
- 3) **APPROVAL OF MINUTES:** Diane Kooiker moved, supported by Maggie McKeithan, to approve the Finance Committee minutes from June 30, 2021, as presented – *motion carried*.
- 4) **NEW BUSINESS:**
 - a) **Fund Balance Review**– In the past, the fund balance accounts were kept in a spreadsheet to report the changes during the fiscal year with the auditor and Finance Committee. After the capital funds were separated from the operating fund, the spreadsheet needed revision to reconcile the changes between the funds. Janet Cornell shared details of the reports for FY20-21 and FY21-22 and answered questions to clarify some of the changes. The FY20-21 report is reconciled with the amounts listed in the audit and the current report includes the budget transfers approved by the board for this fiscal year. Diane Kooiker suggested adding a notes field explaining some of the adjustments and transfers between funds. No motion to approve the reports was entertained as the reconciling documents that are supported were not provided.
 - b) **Budget Amendment Draft** - The amendment addresses an increase in state aid this fiscal year and the allocation of the additional revenue to the funds as follows:
 - i) **Operating Budget** – Includes \$124,000 increase in state aid revenue with \$70,000 of the increase being transferred to the capital budget. Additional expenditures include \$30,464 in salaries and \$4,318 in benefits for adjustments in personnel including a new full-time position. Also included in the expenditures are \$10,000 for strategic planning, \$1,000 for emarc fees on the ARPA grant content acquired and \$8,218 for additional IT expenses.
 - ii) **Capital Budget** – The budget amendment includes \$20,000 for changes in Bibliocore for a linked catalog with Grand Rapids and KDL, an additional \$50,000 towards procurement for new trucks, and the \$70,000 of funds transferred to capital from state aid revenue in the operating fund.
 - (1) Carol Dawe explained the difficulties associated with replacing the trucks. Due to supply shortages and manufacturing problems, it has been impossible to get quotes and place an order on new trucks. Used trucks is another avenue explored but even that has difficulties as most are purchased quickly due to the high demand. She suggested increasing the availability of funds to purchase the trucks and asking the board permission for her to act when trucks become available with oversight by the board treasurer.

Dale Parus commented that some of the expenditures address the sustainability of the cooperative while the remaining reflect indirect and incidental costs. Diane Kooiker moved, supported by Maggie McKeithan to approve the changes to the budget as indicated with

conditional approval of the increases in salaries and benefits for the new full time position dependent upon the approval by the Personnel Committee and Board. – *motion carried.*

- c) 2022-2023 Budget Preparation – Carol Dawe shared the difficulty in budget preparation due to the complex formulas involved in calculating the cost per library. In the past few years, she has worked to reduce the complexity of budgeting and to present the budget to the board so everyone can understand what is included in it. She suggested looking at alternative ways we can calculate the cost per library to make it more equitable and easier to calculate. Diane Kooiker reflected that it is based on billing per capita, but even that doesn't work well with some of the costs being passed on to the libraries. Carol followed up that she would work through some scenarios along with the current formulas and present the most equitable solutions to the finance committee with the budget for the coming year.

- 5) **NEXT MEETING:** There will not be another meeting scheduled until the next budget planning process unless it becomes necessary.

- 6) **ADJOURNMENT:** Diane Kooiker moved to adjourn the meeting – *motion carried.* The meeting was adjourned at 3:09 p.m.

Respectfully submitted by,
Janet Cornell