

North Valley Public Library Board of Trustees Meeting

Wednesday, June 25, 2014

3:00 p.m. Library's Community Meeting Room

Special Budget Meeting

1. Call to Order/Roll Call
2. Public Comment
3. FY 2014-2015 Preliminary Budget
4. Adjournment

**NVPL Board of Directors
Special Meeting
June 24, 2014**

FINAL Minutes

The special meeting of the North Valley Public Library Board of Directors was called to order by Chair Joanne Charbonneau at 3 pm.

Boardmembers present: Joanne Charbonneau, Ed Harrison, Victoria Howell, Toba Winston

Also present: Denise Ard, Library Director, and Leon Theroux, Facilities

Boardmembers reviewed the revised proposal for façade painting from JFV Construction Inc. The new amount is \$6718.75 which includes prepping and painting the entire front of the building (excluding paint cost).

After some discussion, the board directed Victoria to get two additional bids, after which the board will decide collectively by email whether to have a special meeting or wait for the next regular meeting to make a decision about the project.

Review and discussion of NVPL Draft Master Budget 2014-2015 ensued.

Denise reported that actual cash balances were \$310, 219.58 as of 6/25/14.

Brief Recap of Draft Master Budget (handed out by Denise):

Total Anticipated Cash Remainder from 2013-14	= \$311,577.34
Total Anticipated Income	= \$327,985.00
Total Funds Available to Budget	= \$639,562.34
Total Anticipated Expenses	= \$446,015.00
Total Reserves	= \$193,517.34
Total Funds Budgeted	= \$639,532.34

Ed stated that the draft budget looked pretty good – income is about \$300,000 per year, cost to run library is about \$300,000. He said payroll, budgeted at about \$202,000, is about 67% of budget, which is much more in line with the rest of Montana than it was last year.

Discussion of the unusually high amount of carryover balances and cash reserves (about \$270k) and how to allocate that money.

Discussed paying off all remaining debt. All agreed debt of \$26,226 for architect services should be paid off. Uncertain about the mortgage - \$63,776. Interest rate only a little over 1%. Tentatively decided to pay it off entirely, making NVPL debt-free. Denise was directed to research the particulars of paying off the mortgage (any penalties, etc?)

According to state law, library districts can keep no more than one third of the operating budget in reserve (a little under \$100k for NVPL). Right now \$55k is specifically allocated to reserve, so about \$45k could be added to that, but Ed reminded everyone that the board has a responsibility to manage the taxpayers' money in their best interest.

The board, as well as the director, was unclear on whether or not the "maximum of one third of budget in reserve" pertained to just the operating budget or to the entire budget. For instance, can additional money be put into a capital reserve fund without being subject to the "one third" rule? Can money in the capital improvement fund or library depreciation fund carry over to the following year if unspent and continue to build? etc.

Joanne stated that we need to have this clarified once and for all before we can approve a final budget.

The board agreed to move forward on the assumption that one third (\$96,600) of the operating budget of \$290,000 can be placed in the operating reserve (Line #192000).

The board decided to allocate \$73,000 of the \$193,000 of the unallocated money remaining to the Capital Improvement Fund (Line #197000, for expenditures of at least \$5,000 on purchases that have a life of at least five years) and \$120,000 to the Library Depreciation Reserve Fund (Line #198000).

Various infrastructure improvements were discussed, with heating/cooling system considered to be a top priority.

Denise was directed to get bids within the next two months on cost of installing a state-of-the-art forced air heating/cooling system throughout entire building, as well as possible upgrades to electrical system (consolidating 3 separate systems into one, and rewiring to be more safe and efficient).

The board then reviewed the draft budget line by line. A few minor changes were discussed and made that dealt with moving some line items into other lines but having no significant effect on overall totals.

Denise was directed to find out the cost of a 3-year audit. Victoria suggested JCCS (Junkermier, Clark, Campanella, Stevens) which the Town of Stevensville just used for its audit. Ed proposed that an accountant be hired to help with

library district issues when needed. Victoria suggested Denise contact Stephanie, Town Treasurer, for advice. Joanne noted that Denise has full support of board for getting some outside help if needed.

Victoria moved to approve the Draft Budget with the proposed changes. The motion was seconded by Toba and approved unanimously.

The adjusted budget will be posted to the online site by Denise with final approval at the next board meeting on July 16.

Meeting adjourned at 5:12 pm.

Respectfully submitted by Victoria Howell