

Loutit District Library  
Finance and Personnel Committees Joint Meeting Minutes  
March 30, 2021

Meeting held via Zoom in accordance with Ottawa County Declaration of Emergency due to COVID-19 pandemic.

Committee members present: Brooks, Bulthouse, Craun, Derdowski, Menerick (joined at 4:50), Moore, Osmun, Robertson, Rusco, Zink, and Martin

Meeting called to order by Brooks at 4:33 p.m.

1. Public Comment – None
2. Review of Previous meeting minutes – Martin reviewed minutes from joint meetings of the Finance and Personnel committees from March 10, 2020, April 28, 2020 and May 12, 2020.

**Motion by Bulthouse, second by Rusco, to approve the minutes as presented. Motion carried with no objections and one abstention.**

3. Fiscal Year 2021-2022 Planning – In preparation for planning the FY21-22 budget, the following items were discussed:
  - A. Budget schedule – Derdowski presented the planning schedule for preparation of the FY21-22 budget. References to “Business Manager” will be changed to Assistant Director, Finance & Human Resources.
  - B. MERS Defined Benefit Update – Derdowski presented information regarding correction of discrepancies in how the MERS DB retirement plan has been administered by the library. Derdowski reported that MERS Regional Benefit Plan Coordinator, Karima LaJoie, will attend the next joint meeting of the Finance & Personnel committees (via Zoom).
  - C. Staffing Plan Proposal – Derdowski and Moore presented an overview of the proposed staffing plan and salary adjustment schedule for the upcoming fiscal year. This will be the first budget implementing a new merit based pay system. Current proposal is to offer a 1.4% cost of living salary increase to employees in the Compa Ratio between 90% – 110% on the salary scale. Those employees whose pay is outside the 90-110% would not receive a cost of living increase. For merit raises, which are proposed to be distributed in January 2022, the library has proposed .85% as a potential additional pay increase based on merit.

Discussion of the .85% increase. Zink proposed this increase should be a lump sum rather than applied to existing salary. Derdowski will prepare three different staff scenarios to be presented at the next joint meeting of the Finance and Personnel committees.

The 1.4% salary cost of living increase is based on the October 2020, Michigan Department of Treasury Inflation Rate Multiplier. Craun suggested looking at the federal CPI through December 31, which was the process used in past years. Derdowski will compare the two and report at the next meeting.

- D. Five-Year Financial Plan – Derdowski discussed the updated Five-Year Financial Plan. Ottawa County Equalization Director, Mike Galligan, estimates countywide property valuations to increase 4.5% with the library district’s tax revenues increasing 3.5% due to the Consumers Power tax settlement agreement. Final tax revenue numbers are scheduled to be released mid-April.

Currently, the FY21-22 budget, and the Five-Year Financial Plan, anticipates a deficit of approximately \$20,000 in the General Fund. Lesser deficits are projected over the following few years. However, at no time will the unrestricted General Fund fund balance dip below \$887,000 or 33% of expenses if fund balance is utilized to address the deficit. Bond payments end in FY26-27.

- E. Employee Benefits Study – Mortimore Consulting, the consultant hired to perform the 2020 Salary Study, was contracted to provide an analysis of employee benefits. Derdowski reported that study is close to completion.
- F. Thanksgiving Friday Closure – Martin presented a proposal to close the library on the Friday of Thanksgiving weekend. Currently, that day is a staff paid holiday and employees who work that day are compensated at 1.5 times regular salary. Closing this day will reduce Overtime expenses by approximately \$2,500.

This proposal will be included with the FY21-22 budget proposal.

Next meeting date – Monday, May 10, 2021 @ 4:30 p.m. via Zoom.

Meeting adjourned at 5:56 p.m.

Respectfully submitted,  
John Martin, Library Director