

Loutit District Library  
Finance and Personnel Committees Joint Meeting Minutes  
May 20, 2021

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

Committee members present: De Young, Derdowski, Moore, Osmun, Robertson, Rusco, Zink, and Martin

Meeting called to order by De Young at 4:34 p.m.

1. Public Comment – None
2. Review of Previous meeting minutes – Minutes from the March 30, 2021, joint meeting of the Finance and Personnel committees were reviewed.
3. Copier Replacement – Martin, Derdowski and Moore discussed replacement of a heavily used, five-year-old Sharp copier. This copier is used by staff in preparing board packets and other high copy packets, marketing materials, flyers, and graphics. Proposal is to replace it with a new Sharp MX-4071 copier from Office Machines Company at a cost of \$8,540. Funds are available in the current year's budget.

**Motion by Robertson, second by Rusco, to recommend to the board authorizing staff to purchase a new Sharp MX-4071 copier from Office Machines Company. Motion carried 8-0.**

4. Five-Year Financial Plan – Derdowski reviewed the updated Five-Year Financial Plan and highlighted the changes that were made since the Plan was first presented at the March 30, 2021, joint committee meeting.

**Motion by Robertson, second by Rusco, to recommend to the board approval of the revised Five-Year Financial Plan. This motion was tabled until after discussion of additional personnel and financial proposals later in meeting.**

5. Defined Benefits Retirement Plan and Benefits Study – Derdowski updated the committees on progress in the MERS DB study and Benefits study, both of which are still ongoing.
6. Staffing Proposal – Discussion of the proposed personnel plan. Included are 1.4% COLI raise for staff whose salaries are in the established pay range of the 2020 salary study. A proposed \$15,000 has been budgeted for additional merit raises for those employees who score above average on two reviews in 2021. This would be awarded in January 2022.

Zink questioned how the \$15,000 would be allocated? For employees whose salary is outside the existing range who have earned merit, they will receive a lump sum payment. For employees within the pay ranges, merit will be added to their regular pay rate. Zink proposed a 5% merit increase cap.

**After discussion, Robertson moved, seconded by Rusco, to remove the previous motion from the table. Motion by Robertson, second by Rusco, to recommend to the board approval of the revised Five-Year Financial Plan. Motion carried 8-0.**

7. Covid Bonus – Discussion of a staff proposal to award all current employees a \$250 Covid “bonus” as a reward for their excellent service over the last 14 months. Proposal is to award staff \$250 each for a total expenditure of \$6,000. Funding is available in the current year’s budget.

**Motion by De Young, second by Robertson, to recommend to the board approval of a Covid bonus for all staff in the amount of \$250 for their service since the start of the pandemic. Motion carried 8-0.**

8. Cell Phone Subsidy – In 2020, the board approved a \$40 payment to certain essential staff members for use of their personal phones for library business. Osmun pointed out that non-exempt employees, there are three who receive the payment, must be compensated for overtime if they are working beyond their scheduled work hours. It was also recommended that the Cell Phone Policy be referred to the Policy Committee for review and possible revisions.

**Motion by Osmun, second by Robertson, to recommend to the board continuation and approval of the proposed payment in FY 21/22 with the exception of Circulation Supervisor, Kim Rice. Motion carried 8-0.**

9. Long Term Disability – Derdowski reviewed a potential additional employee benefit of doubling the library’s LTD payments to a maximum of \$6,000 per month. This recommendation was brought forward by the library’s insurance carrier along with a recommendation to change carriers from Mutual of Omaha to AXA Equitable for cost savings.

**Motion by Robertson, second by Rusco, to recommend to the board changes to the library’s LTD plan as described above. Motion carried 8-0.**

10. Health Insurance Plan – Derdowski reviewed the library’s health insurance plan for employees. No changes anticipated in the coming FY. Health coverage increased approximately 5%.
11. Review of Proposed FY 21/22 budgets – The proposed budget for FY 21/22 was reviewed. Discussion of the need to conduct a salary review. Decision was to keep funding in budget but revise budget later if the study is deemed unnecessary.

Due to low cost of living increases and increased property valuations, the library’s general fund operating millage rate will need to be reduced from .9654 mills to .9613 mills.

General Fund fund balance will remain well above the board’s goal of 25% of expenditures.

Discussion of lowering the millage rate for Debt Service Fund A from .1150 mills. Recommendation is to maintain the current millage rate with a goal of not levying the full millage in the last year or two of the debt which is scheduled for final payment in May 2027.

**Motion by Zink, second by Robertson, to recommend to the board adoption of a resolution to approve the proposed FY 21/22 budgets by fund as follows:**

**General Fund Revenues: \$2,567,340**  
**General Fund Expenditures: \$2,635,000**

**Maintenance Fund Revenues: \$10,000**  
**Maintenance Fund Expenditures: \$90,000**

**Debt Service Fund A Revenues: \$273,279**  
**Debt Service Fund A Expenditures: \$251,900**

**Debt Service Fund B Revenues: \$323,500**  
**Debt Service Fund B Expenditures: \$323,500**

**and to recommend the board adopt a resolution to approve 2021 property tax levies:  
Operating .9613 mills and Debt Service .1150 mills. Motion carried 8-0.**

12. Other – Zink asked about staff members being voting members of board committees. This was instituted within the last year or two. Martin to research if other libraries do something similar. Changes, if any, will be implemented at the July annual meeting of the board.

Meeting adjourned at 7:02 p.m.

Respectfully submitted,  
John Martin, Library Director