

Fayetteville Public Library
Board of Trustees Budget Development Session
November 17, 2014 3:30 pm
Minutes
Prepared by S. Daniel, Office Manager

Library Trustees present: K. Agee, S. Clark, S. Graham, M. Rice, H. Garner, B. Boudreaux, and J. Parry

Library Trustees absent:

Staff present: D. Johnson, S. Foley, S. Daniel, S. Davis, B. Holt, C. Walsh, L. Yandell, G. Jelinek, S. Houk, W. Fitzgibbon, J. S. Walker, M. Burdette, J. Atha and S. Palmer

Press: Rose Ann Pearce

- I. Call to Order: President K. Agee called the meeting to order at 3:34 pm.
- II. Draft 2015 Budget: Last year's budget was balanced, but with the use of reserves. Again this year, the library millage (1 mil), city transfer will be inadequate to fund library expenses, and \$427,000 from a combination of designated funds and long term reserves will be required. The biggest concern is 2016 forward when reserves and dedicated funds will have been depleted. An additional revenue stream is necessary.

The library's revenue sources total \$4,065,510. While the millage and city transfer provide most of the library's revenue, there are additional sources. State aid, distributed by the State Library, is formula driven based on population and library usage; FPL receives the maximum possible. Money transferred from the Foundation is for youth, volunteer, elderly, and humanities programming.

Planned expenditures do not include raises. The number of FTEs has remained steady as duties and programming have expanded resulting in large banks of unused PTO that the library has had to purchase back at a cost of \$26,000. Excess PTO buy back expires December 31, 2014 when the policy will become "use it or lose it."

Over \$500,000 was cut to achieve a balanced budget: almost \$100,000 from maintenance and \$77,500 from library materials, including eBooks, which are crucial to meeting the Master Plan. The more library materials remain under-funded, the more behind the collection will become. The increase in the minimum wage will affect FPL in 2016 and 2017 as page staff wages are increased. It may also affect the cost of contract services. Cuts were made to the eBooks consortium budget and Volunteer and Outreach programming. Discussion ensued that cutting Citiscapes advertising may be preferable to cutting Volunteer and Outreach Programming. Custodial contract labor was cut \$22,065. While all current positions are funded for next year, requests for additional hours in Youth Services, Adult Services, and Development cannot be met.

The need for capital investment will increase as the building ages. Going forward, replacement of the front doors would cost \$35,000, a failed elevator \$135,000, and a replacement conveyor \$300,000. It is becoming increasingly difficult to sustain the library's growth with a flat revenue stream.

If the city hospital purchase remains stalled indefinitely, the Foundation could be asked to reinstitute the transfer that was suspended for 7 years to restore Foundation coffers. Judge Cristi Beaumont will hear the City Hospital case March 5, 2015 with mediation beforehand. Phase II of the Master Plan will not start until the land purchase is complete. A delay may increase the price for Phase II. Architect J. Scherer is committed to finishing FPL's expansion.

Long Term Reserves are providing \$158,000 which is the amount we were getting from the Foundation. About \$2.3 million remains in reserve – enough to cover 7 months of expenses.

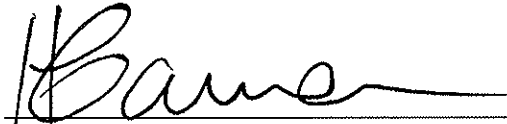
It is anticipated that about \$224,000 from the 2014 budget can be rolled forward to 2015. See memo for suggested uses.

December's board meeting will be rescheduled to ensure all/most trustees can be present. D. Johnson will schedule an alternative date. The board may hold a retreat in early 2015 devoted to the expansion and the need for an additional revenue stream for existing operations.

H. Garner moved to discuss how the Chamber of Commerce's recent actions with respect to City Ordinance 119 might affect public perception of the library. S. Graham seconded. H. Garner, S. Graham, J. Parry and K. Agee voted AYE. B. Boudreaux, M. Rice, and S. Clark voted NAY. Motion carried. Discussion

ensued about whether FPL's membership in the Chamber of Commerce creates a public perception that FPL agrees with the Chamber's vote urging repeal of Ordinance 119 in the December 9 election.

M. Rice moved to adjourn. S. Clark seconded. B. Boudreaux, M. Rice and S. Clark and K. Agee voted AYE. J. Parry and H. Garner, and S. Graham voted NAY. Motion carried. Meeting adjourned at 5:15 p.m.

 15 Dec 14
Hershey Garner, Secretary Date