

City of Sheboygan
2015-05-28

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Minutes Mead Public Library Finance Committee Meeting Thursday, May 28, 2015
2: 15 p.m.

The meeting of the Mead Public Library (MPL) Finance Committee was held on Thursday, May 28, 2015 in the Library Board Room.

Present Committee Members: Dirk Zylman presiding:

Henry Nelson, Dolcye Johnson, Maeve Quinn, and Darryl Carlson. Staff members present:

Garrett Erickson and Debbie DeAmico.

Others:

Jim Amodeo, City of Sheboygan Chief Administrative Officer.

OPENING OF MEETING Call to Order.

Zylman called the meeting to order at 2: 15 p.m.

Zylman determined there was a quorum present.

1.2 Approval of the April 23, 2015 Committee minutes.

Nelson moved to approve the Finance

Committee minutes for the April 23, 2015 meeting.

Carlson seconded the motion.

The motion passed.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

2.1 Review and possible action on payment of current expenditures, including payroll.

Carlson moved to accept payment of current expenditures, including payroll and reoccurring expenditures. Quinn seconded the motion. The motion carried.

Special Revenues including Grants, Gifts and Donations.

Zylman informed the committee that there were donations received and acknowledged each donor.

A motion was made by Johnson to accept the restricted and non-restricted gifts and donations that were received in May 2015. Nelson seconded the motion. The motion carried.

2.2 Review of Metrics.

DeAmico pointed out that MPL was at (9.64 %) under budget on the current personnel metric.

2.3 Discussion 850 Funds Discussion Asset Allocation: Zylman reviewed the 850 investment funds with the Finance Committee, and he noted that the current fund allocation is at 75 % U.S./global and 25 % international. Zylman told the committee the international funds are being treated as global funds, and felt that the funds are not performing as expected by holding more U.S. funds vs. international.

Zylman will contact Kathie Norman from the Foundation in regards to getting the funds back to the original request of 50 % domestic and 50 % international. He also offered to work with the Foundation in regards to the 850 Funds investments.

2.4 Update Chiller II project and future Capital Improvement Projects (CIP) projects:

Zylman reported that the Chiller II project is now completed and operational.

Future CIP were discussed with DeAmico stating the next projects should be the HVAC Phase III project with an estimated cost of \$284,000, and a replacement of the emergency generator with an estimated cost of \$25,000.

Erickson informed the committee that the two future CIP were submitted to the City Finance Department as 2016 - 2020 CIP requests.

Amodeo asked the Finance Committee to look into a possible donation of an emergency generator from the Kohler Company.

Quinn asked about the timing for CIP requests to be evaluated by the Common Counsel and Amodeo responded at earliest July 2015, but no later than October 2015.

2.5 Receive 2015 Budget Status report to date.

Zylman reviewed the 2015 budget with the committee and noted the budget looks on track at this point.

2.6 Discussion and Possible MPL Salary vs City of Sheboygan Salary Grade:

Erickson presented a spreadsheet showing the differences between MPL 2009 current salary scale and the 2015 City of Sheboygan newly approved salary scale.

Erickson said that MPL is behind in keeping up with the City salary scale, mainly due to the frozen city revenue.

Erickson made a point that with a 2016 frozen budget, MPL could not begin to raise wages to meet the cities pay scale, but could possibly begin to make increases with the employees that were below the minimum rate of pay (not including the Page position classification).

Amodeo offered an alternative to not aligning with the City pay scale by surveying libraries of similar size of MPL for a more accurate pay scale.

Erickson informed the committee he has been taking part in such a survey, and he will follow-up in regards to wages scales for the various positions at MPL.

Amodeo also offered the services of Sandy Rohrick, City Human Resources Director, to perform a survey of wages through her sources.

It was agreed by the committee and Amodeo that benefits are not an issue since they are the same for the City employees and MPL employees.

Quinn stated many years ago MPL was already below the pay scales of other libraries of a similar size as MPL. Johnson asked Amodeo if it was correct that MPL is at 70 % of their budget for human resources cost compared to the cities other departments being at 80 % or higher.

Amodeo agreed that Johnson s statement was correct.

Amodeo also suggested setting up a 5 % reserve fund through the budget to help fund wage increases.

It was recommended by Nelson to table the discussion until a new survey could be completed by surveying other libraries similar to the size of MPL.

Erickson agreed, and after the results are received and tallied the findings will be presented to the MPL Human Resources (HR) Committee.

2.7 Discussion & Possible Action 2016 Budget.

Zylman asked Erickson to lead the 2016 budget discussion.

Erickson pointed out that with no change in revenue from the City, and less funding from county revenue, the budget is similar to the 2015 budget.

Erickson pointed out that Sheboygan County has not decided on the percent of funding reimbursement for the 2016 fiscal year.

The percent of funding will likely increase, giving MPL some additional revenue.

Erickson informed the committee that a 2 % increase was incorporated into the budget for wage increases based on employee reviews.

Erickson reviewed the budget percentages which were close to the 2015 budget with 70 % human resources, 14 % materials, and 16 % operations.

Erickson asked DeAmico to explain other budget assumptions used to formulate the 2016 budget.

DeAmico informed the committee that she had to remove two additional family health insurance plans in case of a life changing event to balance the 2016 budget.

DeAmico used assumptions of 1.3 % - 1.5 % on expenses due to inflation, and stated she was hopeful that the new chiller would prove to save on energy costs.

The retiree health insurance liability decreased \$6,600 compared to the 2015 budget with two retirees coming off of the City's health insurance plan.

Amodeo agreed the 2016 budget is tight in all of the City departments for the 2016 fiscal year.

Quinn asked what would be the cost of additional staff wages if MPL increased the number of hours the library would be open for the public.

Quinn restated that the library is already low in number of hours open for the population served according to DPI standards.

Erickson proposed that this question will be looked into, and then presented to the MPL HR Committee.

Further discussion on the 2016 budget were tabled for the June 2015 Finance Committee meeting.

2.8 Discussion and Possible Action on Severance Pay Obligations Good Attendance Policy Zylman asked Erickson to present the severance pay obligations current policy and proposed updated policies to the committee.

Erickson referred to a spreadsheet in regards to the Good Attendance Policy which currently has only two eligible employees.

Erickson explained that the City of Sheboygan eliminated this benefit, and suggested with a cost of just over \$10,000 MPL should pay out the two employees at the 100 % rate if funds are available at the end of 2015.

Erickson said this benefit will not increase in the amount owed to the employees whether it is paid out now, or when the employee retires.

Quinn agreed that it makes sense to disband the benefit, and payout the last two employees.

Nelson agreed that the payout should be contingent based on funds being available to make the payouts.

Nelson made a motion to recommend to the Board of Trustees to pay out the employees eligible for the Good Attendance program at the end of the 2015 fiscal year, and eliminate the Retiree Health Insurance Credits policy.

Payments to be made contingent to funds being available to make the payouts to the eligible employees. Carlson seconded the motion. The motion passed.

Accumulated Sick Leave Payout Zylman asked Erickson to present the Library Sick Leave Accounts which were frozen as of December 31, 2011.

Erickson handed out spreadsheets created by DeAmico.

The first spreadsheet showed the four different types of payouts the employee could be eligible for depending on when they started their employment with MPL.

Erickson