

Budget Committee Meeting Minutes from 5/28/2024

Ed Thompson began the meeting at 12:02pm. Committee Members Jessica Hill and Adam Criblez were in attendance. Also in attendance were board members Stacy Lane, Red Redinger, and Library Director, Katie Earnhart.

Katie presented two different drafts of the 2024-2025 budget. Both drafts project we will receive \$2,242,140 in revenue with expenditures matching. The drafts show a 4% overall projected increase in revenue. Traditionally we project a 2% increase in tax receipts, however, this year we bumped that to 3% to help cover increases in expenditures.

Expenditures are also expected to increase by about 4.24%. In both drafts, our biggest increase is from the operations line. The biggest difference between the two drafts is in personnel. Two drafts were created because of the impact of a potential minimum wage increase that will likely appear on the November 2024 ballot. If approved by voters, the minimum wage for the State of Missouri would increase from \$12.30/hour to \$13.75/hour on January 1st, 2025, and another jump to \$15/hour on January 1st, 2026. Draft #1 of the budget included a small cost of living increase of 2% for all staff starting July 1st, 2024. Draft #2 included the same 2% increase but also included an increase for staff that would be affected by minimum wage and a \$0.75/hour increase for all others, excluding the Library Director. This equated to a \$15,723 difference in the personnel line between drafts #1 and #2. Draft #2 saw cuts to other operating and materials expenditures to compensate for the \$15,723 increase in the personnel line.

Both drafts included some new expenditures. These new costs included the cost of holding an election. This \$15,000 cost was estimated by the County Clerk's office and will cover the cost for the library to put a question on the ballot in April 2025. The drafts also included a new cost for the courier. As a result of the switch to Evergreen, the volume of items coming and going through our courier system has increased. This was a known possibility of making the switch and as such we need to increase the number of days for courier stops. Starting in July 2024, our courier deliveries will increase from 3 stops per week to 5 stops per week. As always, the State Library pays for three days/week for delivery, but the library will need to pick up the other two days. This will cost an extra \$6,615 per year. The library budget will fund half of that cost, and the Friends Foundation grant will fund the other half.

The committee discussed both drafts. There were questions about how money from the Capital Improvement Fund can be budgeted and spent. Katie will work to get answers to those questions. There was also extensive discussion about whether separating our finances from the City would be beneficial. Katie acknowledged that it would cost the library more to pull away from the City in terms of administrative costs (accounting and payroll) and that there would likely be an increase in the cost of our health insurance premiums, but ultimately, it's in the best interest of the library to separate. However, Katie does not recommend we do this at this time, but instead build it into the strategic initiatives associated with a tax rate extension.

After discussion, **Stacy Lane moved to approve draft #2 which included the minimum wage increase, and send that draft to the full board for approval at the June Library Board meeting. Adam Criblez seconded the motion. Motion passed unanimously.**

The meeting adjourned at 1:00pm