

# Newark Public Library Board Meeting Minutes

2024

Date: April 18, 2024

Present: Tanya Taylor, Keeley Kuperus, Andrea Windus, Peter Blandino, Joey Nicosia, Sue Oberdorf, Jennifer Stell, Ron Kirsop

Absent: Kimberly Russell, Chris Mizro

**Call to Order by Joey Nicosia at 6:00pm**

**Public Comment:** No public attendance.

**Secretary's Report:** Review of minutes.

Motion to approve secretary's report made by Deb and seconded by Sue and passed unanimously.

**Guest Ron Kirsop** (Executive Director of PLS, whom we receive all our support services from).

- Ron provided a Q&A document for the Board, describing the following items:
- Reporting financials have to be for a 12-month fiscal year period. July 1 – June 30.
- A Cash Flow Reserve is an unrestricted, unappropriated fund balance for catastrophic issues and/or while you are pending school district tax funding (i.e. July 1 to mid-October when the school district sends the check).
  - Guideline: should have approx. 4% total funds in the Cash Flow Reserve.
  - Since you will deplete this Reserve while awaiting school district tax funding, it is best practice to replenish the Reserve to the 4% or so.
  - If you have revenue at the end of the fiscal year, you can appropriate that amount to whichever Reserve you want to. Cash Flow Reserve, Capital Reserve, Technology Reserve.
- Our Savings account is essentially our Cash Flow Reserve. The Office of Comptroller defines our Savings Account as a Cash Flow Reserve, unrestricted. If the Board wanted to move that money around, then a motion needs to be made.
  - Keeley asked the board about why are we weekly transferring money from Savings to Payroll and Checking? If our Savings has to be considered a Cash Flow Reserve, is this appropriate? Is there a way to fund the Payroll/Checking more so less transfers required? The answer was that this is to have better oversight and control over movement of funds. The board already approves these fund movements each meeting, as reported in the Treasurer's report.
- The Savings Account needs to be considered Reserves and defined in our Reserves Policy
  - All the Reserve funds can be comingled, but we need a ledger that specifies the value of each Reserve. These can all be invested in CDs as well.

- Do we need to revisit our Reserves Policy so it specifies our Savings Account as a Cash Flow Reserve Fund?
- Also, revisit previous discussions/decisions on how much the board agreed should be allotted to each Reserve, can make this institutional knowledge by having it “reported” on in the Abstract or Budget or something? Keeley knows it is written down but we need to remember to revisit the allotments and reassess as we begin spending down our Reserves. Maybe this is quarterly responsibility of the Finance Committee or something to that effect. For example, out of our total Reserves Funding, we allot 40% to Capital, 20% to Tech and 40% to Cash Flow and plan to spend approximately 5% annually. Each quarter, review how much money that actually amounts to, understand if we need to adjust allotments, discuss how we can spend it!
- Total value we have in Reserves should not exceed total annual operating budget. Our current budget expenses are \$700K and we have \$1MM in Reserves (in CDs at the moment). And we need to responsibly spend down our reserves. This discussion made the Board reflect on not increasing the tax request.
  - Sidebar on A/C as Capital Improvement use.
    - Ron recommended we work with the Village board to make a motion from Village Board at their meeting to memorialize that the Library is covering the cost the project, but the Village will continue maintenance. Maintain this record at the Library.
- Anti-nepotism policy.
- Director knows the day-to-day on the expense and things and creates a budget. Then meets with the Treasurer and Finance Committee to help refine. Then it is brought to the board for approval.
- Finance Committee 5-year budget projections.
  - Keeley recommends we get a Finance Committee meeting scheduled for May with two agenda items: 1) Reserve statuses and 2) Budget projections.

**Treasurer's Report:** Review of abstract and budget report.

- Review of Treasurer’s Report.
  - Treasurer Blandino reviewed the FY23/24 projections for Revenue and Expenditures, which are used to complete the FY24/25 Budget. The forecast estimates for FY 23/24 is a surplus in Revenue of \$15,613. Our estimate for Expenditures is favorable (less than forecasted) of \$60,109. This indicates an overall surplus, that will go directly to our Savings Account.
  - Treasurer Blandino’s review raised a concern about the Newark School District Grant FY 23/24 transferred to NPL, for Youth Programs. Currently the Funds in this Grant, haven’t been totally spent in FY 23/24. Peter explained that once the balance of the unspent Grant

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Funds is established, the unspent Grant Funds should be transferred to our Savings Account, where the Grant Funds originated. It is recommended that on July 1, 2024, the documented unspent funds from this School Grant be transferred from Savings to a Reserve or Fund Account, where we can monitor the spending down with supporting documentation; these should be kept separate from any FY 24/25 School Grant Funds.

- But Tanya met Kelly at OWL and counseled her to mark unspent funds as an expenditure in the budget. The board was confused by this.
- Treasurer Blandino points out that the Payroll and Benefits have been forecasted to increase by \$41,000 from FY23/24 compared to FY 24/25. There doesn't appear to be any other major increases in expenditures so if the NPL Board decides to include a 2% increase in the Library Tax for FY24/25, the Payroll and Benefits increase could be the justification.
- Motion to approve abstract made by Keeley, seconded by Andrea, and passed unanimously.
- Motion to approve the budget report made by Keeley, seconded by Sue, and passed unanimously.
- Motion to acknowledge actions (financial transfers) completed by the Treasurer in previous month, which is detailed in the Treasurer report made by Sue, seconded by Keeley, passed unanimously.

## **Director's Report:** Review of Director's Report.

- Director's Report
- Youth Services Report
- Program Coordinator Report
- Staff Spotlight: Alicia Hacket

## **Committee Reports:**

### **Old Business:**

- Annual Reports to the State for 2023.

### **New Business:**

- Tax Cap Override Resolution – in the event the NPL requires a tax levy increase
  - Motion made to approve Tax Resolution made by Andrea, seconded by Sue, passed unanimously.
- 2024-2025 Budget
  - Motion made to increase health insurance contributions made by Deb, seconded by Andrea, and passed unanimously.

- Motion made to ask for 0% tax increase for the budget, made by Deb, seconded by Andrea and approved unanimously.
- Audit
  - Budgeted for Option 1: Audited financial statements – This is the service previously provided for the Library for the 2018 fiscal year. This is a full audit in accordance with professional standards, and results in the issuance of financial statements. This is the most time consuming and costly of the services we can provide. As with every industry, the accounting profession has seen a strain on resources and shortage of workers in recent years, and we have even seen some competitors get out of certain industries. In addition, there are several new accounting standards that have been implemented since the Library’s last audit that will need to be incorporated. This has resulted in a sharp increase in demand for services, and corresponding increase in fees, whereas the fee for the 2018 audit was approximately \$8,000, for the 2024 year the cost will be somewhere between \$20,000 and \$23,000. This is particularly true for entities like the Library who only want occasional audits, where the auditor essentially has to audit both beginning and ending balances in order to opine on the financial statements.
  - Next board meeting, will need to send out an email
  - May 9<sup>th</sup> is the public hearing for the budget.

Motion to adjourn the meeting made by Keeley, seconded by Deb at 8:04pm.

Next Meeting: Thursday May 9, 2024

Submitted by Keeley Kuperus