

Albion District Library
Board of Trustees Regular Meeting
Elsie Munro Room
August 31, 2023

The meeting was called to order by President Bollman at 6:02 pm.

Roll Call

Present: Laura Bollman, Kathryn Brautigam, LoriRene Koehn, Philip Kidder
Absent: Carolyn Gilg, excused; Courtney Lehwald, excused; Eric Krause, excused

Public Comment

No public present.

Approval of Agenda

Motion to accept agenda as presented, subject to emergency revision by Koehn, 2nd by Koehn. All in favor, motion carried.

FY 2022 Audit Presentation

Presenter: Ian Rees, CPA of Gabridge & Company (via Zoom)

ADL received a clean audit opinion, the best opinion that can be given in an audit (audit, pg 1). In fiscal year 2022, assets of the Library exceeded its liabilities; revenues were higher than expenditures; and the general fund balance increased (pg 4). The unassigned general fund balance as of Dec 31, 2022, stood at \$514,105, approximately 82.4% of the fiscal year's total. This means that, should our revenue be lost, we could fund approximately 10 months of library service at the same level without additional revenue. Director Stanczak noted the Library's general fund balance states a goal of 35-75% unassigned general fund balance for this purpose.

Property taxes (pg 8) constituted 84% of total revenue, with intergovernmental (state and federal contributions) at 7%, grants and donations at 4%, with the remainder miscellaneous revenue (primarily services, sales, investment/bank interest, rental income, and fines) making up the remaining 5%. Director Stanczak noted here the decrease from 2021 of fines and forfeits (replacement costs) and interest and rental income by more than 50% (pg 7). Fines are significantly less than they've been in previous years, due to fewer patrons using the Library, especially after 2020, but also the decision to remove fines on children's items and the implementation of automatic renewal. This also reflects a wider industry-wide shift in focus from protection of materials to serving patrons. The decrease in rental income will be addressed in the new year as room rental expands. The decrease in investment and bank interest has been addressed with the investment decisions made by the Board in 2023.

In general, the Library was recognized for excellent budgeting.

Director Stanczak noted here that of FY 2022 total asset balance of \$2,030,024, \$259,476 (12.8%) is our capital assets (buildings, furniture, equipment, and collections,

minus annual depreciation; pg 6, 26). The remaining “unrestricted” (not restricted to purpose by the donor/source) balance includes our committed funds to DPIL (\$14,456), the committed Technology Fund (\$250,000), and our entire Library Trust, which includes the balance of the DPIL Endowment at Albion Community Foundation (\$319,574), the Elisabeth Merrill donation to the Trust (\$56,347), our committed Facility Fund (\$300,000), and the other collected donations to the Trust (Pantaleo, Peters, Gilbert, etc; \$329,868)(pg 28). This is why there is a difference between “unrestricted” and “unassigned,” and could easily be misunderstood by someone reading our audit report as taxpayer funds that we’re collecting and not spending for the designated purpose. This is not the case. We are spending all the money we receive on library operations and investing money for the care and maintenance of our facility. All government entities are required to file their annual audits with the state and are available for anyone to read, but it can cause undue concern.

Director Stanczak also reported that, though the taxable value in our district increased 7.9% in 2022 over 2021 (pg 9), this is not common, reflects the large number of sales of properties in the downtown and Sheridan Township related to the solar fields, and should not be expected each year. In fact, because the property values rose more than inflation (2021-2022 highest US inflation since 1981), ADL received notice of our first Headlee Rollback (a permanent reduction in our millage rate), bringing the rate from 2.50 to 2.4995, which will be reflected in the FY 2024 original budget to be presented at September’s public hearing and regular meeting.

Trustee Kidder asked about the tax abatements on page 28. These reflect temporary reductions in property taxes when businesses expand, update, or build new facilities. The length of time varies by the type of abatement (7-30 years), but the higher abatement amount from Albion Township is likely Brembo.

Motion to accept the FY 2022 audit report by Brautigam, 2nd by Koehn. Roll call vote: Bollman - yes, Brautigam - yes, Koehn - yes, Kidder - yes. Motion carried.

Old Business

July 27, 2023 Regular Meeting Minutes

Motion to approve the minutes as presented by Kidder, 2nd by Koehn. All in favor, motion carried.

Financial Statement Review

Note by Treasurer Brautigam and Director Stanczak that the financial statements now include the auditor journal entries moving items between fiscal years, but a bookkeeping error on the Profit & Loss that double-booked our tax revenue. Director Stanczak will correct.

Balance Sheet

Page 1

Total assets up 10.8% year-over-year. Director Stanczak notes that this the first balance sheet that includes the new HSB/Sweep account, which is the Insured Cash Sweep

system, that invests our funds at Homestead beyond \$250,000, with other banks and gives us a 2.0% interest, versus the 0.2% interest we receive from HSB. August over \$2,000 in bank interest, which is more money to use for larger projects, like facility improvements.

Profit and Loss

Page 1

“Local Millage/Taxes 101-000)-Other \$664,669.78 is in error, likely the auditor journal entry hitting the wrong line item. This is our first audit with the new bookkeeping firm.

Page 2

Investment & Rent, 665.001 Bank Interest, currently at 217% of amended budget, due to the increased interest rate on funds in our ICS account (see above).

Page 3

Personnel (101-790), 701.000 Wages -\$6,503.91, reflects an auditor journal entry moving the last payroll week of 2022 back to that fiscal year, though it was paid in Jan 2023. Because we updated our line item numbers between years, it hit a different line. Total Payroll Expenses - Personnel Jan-July 54.4% (under budget).

Page 5

Total Collection/Materials - Under budget at 40.1%, and the unspent funds from FY 2022 are included in the draft mid-year budget amendment. Discussion of expanding some niche and high-demand collections, including physical magazine and newspaper subscriptions, that will draw patrons to the library to use them.

Page 6

Total expenses at 48.3%

Motion to adopt financial statements as presented by Koehn, 2nd by Kidder. Roll call vote: Bollman - yes, Brautigam - yes, Koehn - yes, Kidder - yes. Motion carried.

Committee Reports

Finance

Met in August to draft the FY 2023 mid-year amendment, and again in September to prepare the 2024 Original Budget.

Personnel

Committee met in June to address Director Stanczak’s evaluation, and will meet again in September to prepare the 2024 Original Budget.

Policy

Not met.

Facility

Committee will meet in September to prepare the 2024 Original Budget.

New Business

FY 2023 Mid-year Amendment

Draft amendment included in packet, with proposed changes highlighted in yellow.

Increase in property taxes and various small revenue lines to reflect amounts received. Significant increase to bank interest line to reflect increase to interest revenue related to the ICS account.

Increase to personnel overtime expense, grant-funded equipment for the Friends-funded tables and benches, various increases to collection development and supplies reflecting rollover of unspent FY2022 funds for those accounts, increases to various contracted, software, and utilities expenses, and building maintenance and repair related to the multiple weather events in the spring, garden expenses, and increased promotional material purchases.

Motion to table this item to the September meeting made by Kidder, 2nd by Brautigam. Roll call vote: Bollman - yes, Brautigam - yes, Koehn - yes, Kidder - yes. Motion carried.

Award Contract for Integrated Security System

ADL intends to expand our current fire and burglary-prevention systems, modernize our closed-circuit camera system, and further secure the building in case of emergency by adding a computerized keycard/access control system. In order to streamline all security communications, it makes sense to keep all these security-focused systems with one firm. Four companies, including our current provider, Comtronics, were contacted for quotes. Given the same criteria and needs, two firms, Guardian Alarm and Comtronics, responded with quotes (provided in packet). Comtronics quote was for the door/access control and camera system, beyond the current fire and burglary systems they currently provide. Guardian Alarm's quote included all four systems, and a 5-year contract for monthly monitoring services, so both quotes were compared at their total cost for installation, 5 years of monitoring, and expected maintenance/repair costs. Similar installation windows, both before winter hits. Discussion of proposals.

Motion to award contract to Guardian Alarm by Koehn, 2nd by Kidder. Roll call vote: Bollman - yes, Brautigam - yes, Koehn - yes, Kidder - yes. Motion carried.

Director Update

Enclosed in the packet, no changes.

Public Comment - None

Board Comment - None

Motion to Excuse Absent Trustees

Motion to excuse by Koehn, 2nd by Kidder. All in favor, motion carried.

Adjournment

Meeting adjourned at 7:46 pm.

Next meeting: Public Budget Hearing & Regular Meeting, September 14, 2023, 6:00 pm