

**MEETING MINUTES**  
Olean Public Library **Finance Committee Meeting**  
March 8, 2023  
**5:30 pm – Story Time Room**

*The mission of the Olean Public Library is to provide equal access to materials in various formats, programs, services, and professional staff to assist all people with their educational, informational and leisure needs.*

**Present:** Reed McElfresh, Patty Shumway (chair), Ann Tenglund, Lanna Waterman, Treasurer Elser, Accountant Angell, and Director La Voie.

**Call to Order at 5:30 pm.**

1. Community Bank investments and deposit accounts
  - They have had two meetings with Community Bank Trust. We were assured that we would not lose principal.
  - When a CD matured, we purchased Treasury Bills. It was purchased at a discount. When it matures, it will be at full value plus interest.
  - They gave us different scenarios. With every scenario, we would end up in the same place. A spreadsheet was provided that showed three scenarios.
  - We are paying them a 1% fee but earning less than 1%. They could give us a 40% discount, which would mean that we would be paying 0.6%.
  - But we are caught between the banking side and the trust side.

**MOTION (McElfresh, Shumway):** To enter executive session to discuss legal matters at 5:36 pm. The motion carried unanimously.

**MOTION (McElfresh, Tenglund):** To leave executive session at 5:51 pm. The motion carried unanimously.

2. 2022 audit recommendations
  - The auditor/accountant had recommended that we calculate our accrued employee benefits—what people would get paid for accrued vacation time if they left. We can calculate what it is and put it into an employee benefit liability accrued fund. It would be its own reserve, like a capital reserve.
    - The worst-case scenario would be if every full-time employee left in December without using any vacation that year. The liability would be around \$26,000.
    - It would be best not to go above what was in the audit report for the reserve, which was \$27,000.
    - This reserve could be used if someone were to leave and we were to pay out their vacation.
  - We had talked about doing other reserves as well. You can set aside up to five years, the maximum, based on current estimates. A good example of this would be ERS. You do not need to fund the full five years.
  - The finance committee should look at the reserves annually.
  - This should be a topic at the board meeting.
  - The threshold the auditor recommended to capitalize an asset was \$2,500. This should be in a capitalization policy. There is a good policy for this on the school district website. For federal grants, they say that \$5,000 is the threshold for capitalization; everything under that should be expensed.

- They are working on getting a report from the copy machines regarding the funds put in the machine.
  - Do we want to make a purchase order policy? We have a procurement policy, so it was decided to update that to indicate that purchase orders are required only for things over \$1,000. We do not do purchase orders for everyday, ordinary expenses,
3. 2024 budget planning
- Salaries and benefits will be the biggest issue.
  - They looked for areas where we could save.
  - In the income area, we will go for the tax increase and can use the \$16,000 carryover. We should then receive close to \$40,000 in increased tax revenue. There is a new line for PILOTS. Amounts in the lines were adjusted based on actuals and anticipated amounts.
  - The committee reviewed the budget that La Voie, Elser, and Angell were recommending.
  - The lines for expenses were adjusted based on actuals and anticipated amounts for the year, similar to what was done with income. Fuel and utilities were kept at the estimated amount, even though actual expenses were less, to be on the safe side. Postage expenses should be lower because the library will not mail out the newsletter. If someone really wants it mailed, they will make exceptions but do not anticipate needing to mail too many of them. They will monitor to see if it affects programs. Technology spending will be less because a bequest will be utilized for some of it.
  - Salaries and benefits: they looked at several variables. The minimum wage will increase, most likely to \$15 per hour. They looked at using the carryover. They looked at increases of 2%, 3%, etc. With the minimum wage people already having been bumped up, a 2% could be applied. For salaried, full-time professionals, all would have the same dollar amount per hour. There would be a smaller percentage increase for those making more. The overall effect on the budget for a variable salary increase would be approximately \$51,000. It is a \$9,000 difference between doing the variable versus the flat.
  - Because we were able to trim in other areas, the overall budget is increasing by \$17,000.
  - There was a discussion about salary compression. Some recalled that we would not be as worried about compression, but others felt we should keep this issue in front of us. It would have been difficult to envision the percent increases in nonexempt and exempt minimums that we have seen lately, too. However, the board should make overall decisions by classification, not by individuals.
  - In 2017, the tax increase was .01%. Before that, we went five years without a tax increase; after 2017, we went three additional years without an increase. That had a significant effect on our funding. We are probably at least a couple hundred thousand dollars below where we would be if we had not done that. This year's tax levy increase will barely cover the increases in salaries and benefits.
  - Workers comp might need to go up because salaries are going up, but it was kept lower because we came in lower.
  - Talking points for the budget were discussed.
  - Since 2008, there has been only one year that we have had to use the fund balance. We might need some this year and next year. What we use now will not be there in the future, and the expenses will still be there. We are reaching a point where something has to change. Wages, prices, and utilities will not go down.

**MOTION TO ADJOURN (Tenglund, McElfresh):** To adjourn at 6:58 pm. The motion carried unanimously.

Respectfully submitted,

