



**PrairieCat Finance Committee
Minutes
Thursday, December 21, 2023
10:30 a.m. – 12:00 a.m.**

The committee met in person at DeKalb Public Library,
309 Oak Street, DeKalb, IL 60115
And online via Zoom

<https://prairiecat-org.zoom.us/meeting/register/tZwudeChqzsrHNRgoytvYGHstgSS-nFJmQDI#/registration>

PUBLIC COMMENT: Members of the public will be able to chat or speak during the meeting or the virtual Zoom meeting during the public comment. Public comments may be submitted via email to Carolyn.Coulter@prairiecat.org at least two hours before the meeting.

We require an in-person quorum for this meeting.

Register online at L2 or at the following URL for Zoom online registration:

1. Call to Order, introductions.
Present at Dekalb PL: Carolyn Coulter (PrairieCat), Chelsey Knippel (PrairieCat), Nick Weber (WO), Beth Ryan (Chair-JO), Bryon Lear (MX), Lauren Offerman (TC), Rene Leyva (FR), Elizabeth Smith (PrairieCat), Angela Campbell (RP)

Present via Zoom:

Absent: Michael Skwara (HC), Maria Meachum (WL), Penny Bryant (PT)

Ryan (JO) called the meeting to order at 10:35 am.

2. Introduction of Guests and Public Comment
There were no guests or public comments.
3. Approve minutes of June 15th, 2023, meeting

Motion #1: Offerman (TC) moved and Weber (WO) seconded to approve the June 15, 2023 meeting minutes as presented. There was no discussion on the motion. Motion carried by vocal affirmation.

4. Review and discussion, draft FY25 budget and membership fees
Coulter (PrairieCat) discussed the FY25 draft budget. This budget includes a 3% staff salary increase for all staff is included, as well as a 1% merit increase. The 3% amount is based on early estimations. RAILS is using a 3% estimate, as well. We are currently benchmarking our positions and waiting for that information to come back before making a final decision, however these percentiles are a "good guess". The per-library fee for both fully participating and basic online circulating members has been increased. The FY24 levels were \$3427 FP/\$2399 BO. A 5% increase was added to the FP cost and the BO also adjusted, to bring the new per library charge to \$3618 FP/\$2533 BO. Although we have kept this increase at 3.5% over the last few years, we were seeing an imbalance between larger and smaller library fee increases. This higher flat-fee increase is intended to "even out" the costs to smaller and larger libraries more equitably and helps absorb the doubt digit increases we are seeing in insurance and other costs, as well.
Capital reserves costs were held at the FY24 level. According to our bylaws, we are required to contribute at least \$25,000. Given that we have been contributing well over that for several years, and are again contributing well over that threshold, it was felt that we could leave this number flat for FY25. This will help with the overall increase across the entire consortium. Hosting fees were adjusted up 5%, as the Finance Committee desires to recoup this cost in the fee formula.
Union List per library and capital reserve fees have been recalibrated to reflect the rate of 25% of the Fully Participating rates, as detailed in the General Policy Manual. A remote PUG Day is reflected, as was instructed by Administrative Council. This decision was based on feedback we have received from members via the recent Strategic Planning survey that reflected a desire to alternate between in-person and remote events. Administrative Council would like to return to an every-other-year in person structure. Increases to insurance that we experienced in FY24 are reflected, as well as an estimate of a 10% increase in the last six months of FY25. This budget also includes short term disability insurance. This budget reflects our new IMRF rate for FY24, which will be 11.9%, a reduction from the 12.92% we have had in the previous year. This budget reflects costs for the addition of the upgraded, cloud-hosted phone notification system from Innovative. I have also included the cost for Encore hosting (aprox. \$8,900) as it was shown that members wish to keep Encore up for an extended period. I have not included the cost for Vega Promote in this budget. We know that we will need to implement the LX Starter notices product in FY25, and it was felt that we may not have time to also implement Promote for FY25 as well. If the membership decides to move forward with Promote, we will bring it to Delegates for a separate vote and fund through capital reserves, if needed. My assumption would be that we may begin implementation in FY25, but most likely will go live on Promote in FY26.

Campbell (RP) asked what specifically are we saving capital reserves for? Coulter responded there are a couple of options. Traditionally it was for hardware upgrades or fixes, but we do not have to worry about that any more with everything being hosted so we will likely use it for software for the membership. Leyva (FR) explained that his library has a separate budget for cap reserves and specifically state what that money is going towards. Campbell suggested looking into creating a separate budget for cap reserves. Ryan (JO) agrees. Coulter will bring this up at the next Administrative Council meeting. It may be the case, that we just change the name of capital reserves to something that would more accurately describe where the funds are going.

Coulter brought up that we could also look at moving the hosting fees of \$53,000 out of cap reserves which would lower the operating budget. We could also look at taking out the \$10,000 phone dialer. Campbell mentioned that those are recurring charges and usually cap reserves are for one time purchases, not regular maintenance.

The Committee has requested that Coulter talks to the accountants to receive justification behind not listing the in-kind services that were taken out of the RAILS grant on the budget.

5. Adjournment

The meeting adjourned at 11:27 am.

Next meeting: March 21, 2024, 10:30am – 12:00am, DeKalb Public Library and online