



Minutes

COMMITTEE MEMBERS: Trustees Sommer (Chair), Fishman (ex-officio), O'Keefe, Sennett

OTHER WPLD TRUSTEES PRESENT: Trustees Cox, Nealon

OTHER WPLD TRUSTEES NOT PRESENT: Trustee Di Lorenzo

WPLD STAFF PRESENT: Anthony Auston (Director), Finance Manager Sandra Discepolo, Assistant Director Renee Grassi

VISITORS PRESENT: none

Call to Order and Roll Call. Committee Chair Sommer called the meeting to order at 11:08am and Director Auston called roll.

Public Comment. None.

Minutes of the October 2, 2024 Finance Committee Minutes. Trustee Sennett moved approval of the minutes. Trustee Fishman seconded.

Aye – Fishman, O'Keefe, Sennett, Sommer

Nay – None

Not voting – Cox, Nealon

Absent – Di Lorenzo

Motion carried by Committee Members.

Action Items. None

Discussion Items.

A. Review of long range financial planning considerations for the General Fund operating budget and Special Reserve Fund capital projects, including FY2024-25 draft levy for library purposes.

Chair Sommer and Director Auston provided a review of the purpose of both the General Fund and Special Reserve Fund, and reinforced the library's organizational goal to ensure long term financial health. Reflecting on PMA financial consultant Andrew Kim's long range financial forecasting model, trustees acknowledged that while the library's current financial profile appears healthy with a General Fund balance of 103% of annual operating revenue in reserve at the end of FY 2024, the model also projects that the library will be completely spending through this fund balance within the next 10 years. Trustees discussed and agreed with Mr. Kim's recommendation that increasing the District's property tax levy by the maximum amount allowable under PTELL in LY 2024 is a necessary first step to take, and that the library must consider all expenditure-cutting and revenue-raising options available to the District, to secure a financially viable future. The committee affirmed its conclusions from the October 2, 2024 Finance Committee and October 15, 2024 Regular Meeting, where trustees unanimously agreed to proceed with the maximum scenario, requesting a 4.9% increase over the prior year's tax extension, while recognizing that 2023 CPI was 3.4%, and that despite an increase in new property, the library would likely not receive the full request of a 4.9% increase, while also understanding that requesting this figure would ensure that all available new property would be included.

B. Review of Strategic Facility Plan Space Needs Assessment with Engberg Anderson Architects.

Director Auston provided a summary of the Space Needs Assessment and its associated proposal to commence the decade-long capital plan to renovate the first and lower levels of the building as part of the current strategic plan's goals and initiatives for fiscal year 2023-24.

Understanding the collective aspirations for the future of the library were more than could be accomplished within a reasonable budget, in July the project's Core Team (comprised of trustees, leadership staff, and architectural consultants) evaluated scenarios that would target the \$3 million budget referenced in the Special Reserve Fund Plan. Three concepts were brought forth: a first floor renovation; a separate project for the lower level; and a third concept with the best options for both floors. The team decided to pursue exploration of the best of options for both floors. The architectural team spent July and August developing the project concept.

Construction management partners Shales-McNutt joined the conversation in late August to review the details and verify cost estimates for the \$3 million concept in comparison to similar work that had been performed recently. While the architect's recommendation was being drafted and community engagement sessions were being planned, Shales-McNutt delivered their cost estimates at twice the original \$3 million estimate. With the total fund balance of the Special Reserve Fund at about \$5.5 million, and with other capital maintenance projects also being planned through 2040, it was determined that this now-\$6 million project would be far more impactful to the prior long-range financial planning previously estimated.

Given a series of reductive actions to the levy in the past decade, the General Fund operating budget has recently been running a deficit (partly by design to align the balance with the expectations of Fund Balance Policy's goal to retain 6 months to 1 year of general operating funds in reserve). With no surplus funds in the General Fund, there have been no new transfers to the Special Reserve Fund, such that the only growth in that fund is related to investment interest. The library had generally assumed that a renovation project would likely be accomplished through cash on-hand in the Special Reserve Fund, though stakeholders now collectively recognize that even a smaller scale project may require government financing - which may also be challenging to secure given that Mr. Kim's report shows a trendline of rising expenses exceeding projected revenues for the foreseeable future unless that course is corrected.

In an effort to sustain the library's commitment to its strategic plan goals while also keeping costs manageable, the architectural team and director worked together to create a smaller "demonstration project", presenting key priorities of the original project plan in an even smaller strategic proposal that could function as the first phase of a larger project and help to build interest and support for a future initiative. The targeted budget for this late effort was \$1 million and focused on the opportunities afforded by renovating the circulation lobby and service desk model, as well as the conversion of the genre fiction room. Intended to open a flexible range of possibilities for incremental, internal, low- to no-cost moves until funding could be secured for a more comprehensive renovation in the future, Director Auston explained the opportunities afforded by this further reduction in scope of the broader project's goals. Trustees discussed the "Demonstration Project" proposal and the challenges associated with the limited funds and financing options, the reduced scope, and the compressed time to consider the costs/benefits and impacts within the final days of the library's planned engagement cycle with the architect for this project, which would require action at the November 19, 2024 Regular Meeting.

Trustee Cox left at 12:00pm.

New Business. Trustee O’Keefe recommended convening a finance committee meeting in 2025 to explore alternate sources of fund for the library, including donation fundraising and grant opportunities.

Adjournment. Trustee Fishman moved adjournment. Motion carried by voice vote of Committee Members. The meeting was adjourned at 1:28pm and was recorded.

Tracy Sommer, Board Treasurer, Chair of the WPLD Finance Committee

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