

Monroe County Public Library Board of Finance Meeting
January 19, 2022, Immediately Following the Board of Trustees Meeting, approximately 6:00 pm
Downtown Library Meeting Room 1B/C
Join Zoom meeting: <https://us02web.zoom.us/j/83977006491>

AGENDA

1. Call to Order – John Walsh
2. Election of President and Secretary of Board of Finance -- John Walsh
3. Review Investment Report and Policy -- Gary Lettelleir (page 1-6)
4. Adjournment

View the Board Packet on the Library's website: <https://mcpl.info/library-trustees/meetings>

MONROE COUNTY PUBLIC LIBRARY BOARD OF TRUSTEES PUBLIC COMMENT POLICY

The Library Board of Trustees shall have a time providing for public comment during all public meetings. Comments should be relevant to Library matters, excluding personnel issues. Individual speakers are asked to limit their remarks to three–five minutes. The chair shall be allowed to limit the time for individual speakers and to limit the total time for public comment.

Public comment time is provided for the public to express their opinions or concerns about matters over which the Board of Trustees has authority or responsibility. Comments are intended to be statements from speakers; speakers may not engage the Board in a question & answer exchange during public comments. Questions relating to Library or administrative procedures which could be addressed outside of a Library board meeting should be referred to the appropriate Library staff at other times. Expressions of opinion about these matters are appropriate for the public comment time on the agenda.

Approved by the Library Board of Trustees July 17, 2019

MONROE COUNTY PUBLIC LIBRARY
FINANCE AND INVESTMENT REPORT
CALENDAR YEAR ENDING DECEMBER 2021

We were projecting an operating surplus for 2021 of about \$1.7 million. The actual 2021 operating surplus is a little over \$1.8 million which will go towards construction of the new Southwest Branch. In this report we will look at the December 31 cash balances and we will take look forward to a year of construction and planning for the branch opening.

So to start it off – Here is the Library’s cash position at 12-31-2021

MCPL Cash and Fund Balances		As of 12/31/2021					
	Bank Name -->	Old National 06300	German American 06400	First Financial Checking 06600	First Financial Money Market 06610	SW Branch Escrow Account 06530	
	<u>Fund Name</u>						
003	Clearing	-					
100	Operating	3,312,991.27	35,109.57	56,161.42	(1,008,957.84)	4,230,678.12	
201	rainy day	4,987,570.19			148,165.00	4,839,405.19	
234	gift	8,265.21	168.21		8,097.00		
236	gift restricted	17,463.45			17,463.45		
239	gift fdn	198,064.10	3,001.05		195,063.05		
250	special rev	1,116,662.37			236,662.37	880,000.00	
260	Jail	-	0.18		(0.18)		
280	ARPA	(13,817.31)			(13,817.31)		
300	debt	46,441.62			46,441.62		
319	bond 2019	169,343.52			50,993.52	118,350.00	
321	6m branch bond	5,670,563.20			267,095.20	5,381,623.00	21,845.00
322	2m bond 2021	2,092,773.05			92,790.05	1,999,983.00	
400	LIRF	2,092,072.93			142,884.37	1,949,188.56	
800	plac - clearing	485.65	390.00	4,355.00	(4,259.35)		
		19,698,879.25	38,669.01	60,516.42	178,620.95	19,399,227.87	21,845.00

As we move into 2022 with \$8 million in bond proceeds and accumulated cash for the branch project we are probably at a peak in terms of total cash balances for the foreseeable future. Looking ahead to 2022 and beyond we will see cash paid out for the branch construction and we will see operation costs rise as preparations are made to put the new branch into operation. To help track changes in revenue and spending as we go forward and get an accurate picture of how the new branch will impact the operating fund surplus, I have prepared a new report that will track revenue increases compared to increases in the major components of operating fund spending.

The operating surplus analysis report will be especially useful after the branch has been in operation for one full year to see how it impacts the operating budget.

We are in a period of rapid growth in terms of assessed value and statewide personal income. The question is – once the branch is in operation, what will the library’s level of operating surplus be?

The following reports are included after this page:

The Operating Surplus Analysis

The New Branch Project

The MCPL Investment policy – no change this year

MCPL
Operating Surplus Analysis
December 2021

		2023	2022	2021	2020	2019	2018	2017	2016
Assessed Value	Actual		8,360,378,009	7,883,285,120	7,388,883,663	7,115,729,204	6,857,203,560	6,718,593,869	6,605,505,317
Assessed Value	estimate	8,500,000,000							
Tax Rate per \$100 Assesed Value			9.25	9.42	9.70	9.73	9.80	9.70	9.50
Property Tax Levy	Actual	7,323,188	7,014,548	6,834,385	6,457,265	6,233,379	6,030,073	5,799,004	5,581,652
Growth Quotient		4.4%	4.3%	4.2%	3.5%	3.4%	4.0%	3.8%	2.6%
Levy increase from previous year		308,640	180,163	377,120	223,886	203,306	231,069	217,352	
Other Operating Revenue	Actual			3,525,224	3,410,864	3,437,487	3,121,153	2,862,479	2,687,080
Increase (decrease) from previous year				114,360	(26,623)	316,334	258,674	175,399	
Total Operating Revenue	Actual			10,359,609	9,868,129	9,670,866	9,151,226	8,661,483	8,268,732
Increase (decrease) from previous year				491,480	197,263	519,640	489,743	392,751	
Salaries	Actual			4,469,781	4,549,840	4,453,334	4,341,399	4,223,426	4,034,896
Increase (decrease) from previous year				(80,059)	96,506	111,935	117,973	188,530	
Benefits	Actual			1,518,962	1,482,352	1,487,558	1,447,491	1,340,676	1,342,426
Increase (decrease) from previous year				36,610	(5,206)	40,067	106,815	(1,750)	
Total Salary & Benefits	Actual			5,988,743	6,032,192	5,940,892	5,788,890	5,564,102	5,377,322
Increase (decrease) from previous year				(43,449)	91,300	152,002	224,788	186,780	
Other Operating Expense	Actual			2,529,841	2,420,895	2,517,196	2,359,200	2,324,216	2,198,216
Increase (decrease) from previous year				108,946	(96,301)	157,996	34,984	126,000	
Total Operating Expense	Actual			8,518,584	8,453,087	8,458,088	8,148,090	7,888,318	7,575,538
Increase (decrease) from previous year				65,497	(5,001)	309,998	259,772	312,780	
Rainy Day Transfer	Actual			1,129,000	1,091,000	1,003,136			
LIRF Transfer	Actual						500,191	1,356,978	298,000
Total Operating Expense and Transfers				9,647,584	9,544,087	9,461,224	8,648,281	9,245,296	7,873,538
Operating Surplus				1,841,025	1,415,042	1,212,778	1,003,136	773,165	693,195
Formula:									
Previous Year surplus	Operating Surplus			1,415,042	1,212,778	1,003,136	773,165	693,195	
Increase (decrease)in PPT levy				377,120	223,886	203,306	231,069	217,352	
Increase (decrease) in Other Revenue				114,360	(26,623)	316,334	258,674	175,399	
(Increase) decrease in Wages and Benefits				43,449	(91,300)	(152,002)	(224,788)	(186,780)	
(Increase) decrease in Other Oper Exp				(108,946)	96,301	(157,996)	(34,984)	(126,000)	
Operating Surplus				1,841,025	1,415,042	1,212,778	1,003,136	773,166	

SW Branch Financial Report

2021-2040 Construction bond - \$6,000,000 \Board Reports\variance	Actual Spending 2021 12/31/2021	December 2021 updates	March 2021 Estimates
Available Funds			
Bond sale		6,083,341	6,000,000
less issuance cost	85,393	(100,000)	(300,000)
2021 Month End LIRF Balance less 1 mil reserve		1,092,073	1,092,073
2021 Month End Rainy Day Balance less 1 mil reserve		3,987,570	3,987,570
Note - One Million Dollars surplus in LIRF, Rainy Day, and Operating are not include in available funds			
2019 Bond - Estimated Branch Allocation		318,400	318,400
2021 Friends Pledge		650,000	650,000
Grant Funds - Teaching Kitchen		40,760	
2021 Operating Surplus (\$1,176,781 transferred to Rainy Day - Balance left in Operating Fund		1,841,025	1,700,000
Funds Available		13,913,169	13,448,043
Project Cost Estimates/Bid			
Land cost estimate	137,961	137,500	137,500
Site Development			956,888
Building Construction 21,000 sq. ft.	196,605	10,414,000	7,949,936
Construction Contingency 5%			445,341
Alt 1 Ampitheater		174,000	
Alt 2 Labyrinth		41,400	
Alt 3 Garage Paint		11,600	
Furnishings and Equipment			
Tech Eq		410,000	410,000
Furniture		200,000	200,000
Teaching Kitchen		40,760	40,760
Shelving		339,000	339,000
Collection		850,000	850,000
Other costs			
Legal & other fees		25,000	25,000
Architect fees - (\$725,184 dec 2021)	450,980	725,184	712,706
Prof fees - Furn		25,000	25,000
Survey and soil testing	9,650	30,000	30,000
Reimbursable Expenses		15,000	15,000
	880,589	13,438,444	12,137,131
Estimated available funds balance		474,725	1,310,912

Finance and Investment Policy

Board of Finance

The duly appointed members of the Monroe County Public Library Board of Trustees are the fiscal body of the Library and thus constitute "The Board of Finance". The members serve without compensation. (IC 5-13-7-5), (IC 36-1-2-6)

Annual Meeting

The Monroe County Public Library Board of Finance shall meet annually immediately following the January Board of Trustees Meeting to elect a president and secretary, review the written report of the Library's investments during the previous calendar year and review the Library's investment policy. (IC 5-13-7-6), (IC 5-13-7-7)

Fiscal Officer

The duly elected treasurer of the Monroe County Public Library Board is the fiscal officer of the Library. (IC 36-12-2-22) The Treasurer shall serve without compensation.

Deposits

All funds received by the Library shall be deposited in one or more designated depositories not later than the business day following receipt and shall be deposited in the same form in which they were received. (IC 5-13-6-1)

Investments

The Treasurer is authorized to invest Library funds in the following (IC 5-13-9);

1. United States Government Securities or discount notes backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by:
 1. The United States Treasury;
 2. a federal agency;
 3. federal instrumentality
 4. a federal government sponsored enterprise.
2. Repurchase Agreements (including standing repurchase agreements, commonly known as sweep accounts):
 1. With depositories designated by the State Board of Finance as depositories for state investments under IC 5-13-9.5; and
 2. Involving the political subdivision's purchase and guaranteed resale of any interest-bearing obligations issued; or fully insured or guaranteed; by the United States, a United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise.
3. Money Market Mutual Funds in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.) These investments shall be made in depositories designated by state board of finance as depositories under IC 5-13-9.5.

Investments made by the Library's fiscal officer must have a stated final maturity of not more than two (2) years after the date of purchase or entry into a repurchase agreement (IC 5-13-9-5.6) except for investments with a final maturity more than (2) years but not more than (5) years which may not exceed 25% of the total portfolio as permitted by (IC 5-13-9-5.7).

Interest Earnings

All interest earnings derived from an investment by the Library's fiscal officer shall be receipted to the Operating Fund.

Depositories

All public funds of the Monroe County Public Library shall be deposited in the designated depositories located in the territorial limits of the Library District. (IC 5-13-8-9)

Investment Cash Management

The Monroe County Public Library Board of Finance may contract with a state designated depository for the operation of an investment cash management system. (IC 5-13-9-4) Investment decisions and record keeping shall follow IC 5-13-9-4.

Transaction Accounts

The fiscal officer of the Library shall maintain deposits that are invested or reinvested in at least two (2) of the Library's designated depositories. (IC 5-13-9-4)

Electronic Transfer of Library Funds

The following type of transactions may be conducted by electronic transfer between financial institutions in order to expedite the transfer of funds as well as maximize interest earnings:

1. Transfer to cover expenditures for payroll for library employees.
2. Transfer to pay debt service payments.
3. Other transfers with the approval of the Library director.

The fiscal officer will maintain appropriate documentation of the transactions so these may be audited as required by statute. (IC 36-12-3-16.5)

Reviewed by the Library Board of Trustees January 19, 2022