



**TO:** Mayor Shaun Sipma  
Members of the City Council

**FROM:** Janet Anderson, Library Director

**DATE:** November 27, 2018

**SUBJECT:** 2019 Library Salary Discrepancy

**I. RECOMMENDED ACTION**

1. Recommend approval of the Budget Amendment to move funds from the Library’s Cash Reserves into the Library’s Salaries (210-67-00-455-01-10).

**II. DEPARTMENT CONTACT PERSONS**

Janet Anderson, Library Director 420-4540

**III. DESCRIPTION**

A. Background

The Minot Public Library is a City department with a governing Library Board. Per NDCC 40-38-04 the general powers and duties of the Library Board are:

- To make and adopt such bylaws, rules, and regulations relating to the duties of the officers of the board as may be expedient
- To make and adopt such bylaws, rules, and regulations for the management of the library and reading room as are expedient
- To control, exclusively, the expenditures of all moneys collected for or contributed to the library fund
- To have the supervision, care, and custody of the library property, and of the rooms or buildings constructed, leased, or set apart for use of library purposes
- To contract to furnish library service and to receive library service from other counties, school districts, and cities of the state of North Dakota and adjoining states, and the state library
- To employ qualified personnel to administer the public library and dispense library services.

In order to meet these regulations, the Minot Public Library Board is required to approve the Library’s budget, including salaries, **before** it is presented to the City Finance Department and City Council. The 2019 Library salary proposal was approved by the Library Board on 5/17/18 prior to the publication of the City’s Pay Plan. Following discussion with the Library Board, the Library Director proposed a salary increase maximum of 1.8% based on the 50% decrease the City of Minot experienced in 2018. The Library’s 2019 proposed salary was approved by the Library Board on May 17<sup>th</sup>, 2018 with this 1.8% increase.

B. Proposed Project

Following the Library Board’s approval of the proposed salaries on May 17, 2018, the City of Minot released its FY 2019 Compensation Plan (approved June 13, 2018) which stated: “If an employee’s step within the range is under midpoint (steps1-8), the employee will

move two steps (5%) on January 1, 2019 until the employee reaches midpoint of the range (step 9). Once an employee reaches midpoint and above (steps 9 through 16), the employee will progress one step (2.5%) on January 1, 2019 until the employee reaches step 17.” Traditionally, the Library attempts to follow the City’s pay plan guidelines even though the Department is not considered Civil Service. If the Library Director’s proposed salary plan for 2019 had followed these guidelines the 2019 Library employee salaries would have been based on a 1.5% to 5% increase as opposed to the 1.1% to 1.8% increase.

The Minot Public Library Board would like to see this discrepancy corrected for the 2019 Library budget and requests that \$15,771.18 be moved from the Library’s cash reserves to the salaries.

**IV. IMPACT:**

A. Strategic Impact:

The Minot Public Library strives to provide excellent customer service with a competent, well trained and motivated staff. Offering a salary of increase between 1.5% to 5% rather than 1.1% to 1.8% will help recognize the staff’s dedication to exceptional customer service and is in alignment with the City’s pay plan.

B. Service/Delivery Impact:

In a community where finding qualified and dedicated employees can be a challenge, the Minot Public Library would like to offer its employees salary adjustments that are comparable to their counterparts in other City departments.

C. Fiscal Impact:

Per the City Comptroller, the Library is expected to have \$229,000 in cash reserves at the end of the year ABOVE the required 1/12. Even if the Library were to keep 2 months of reserves (1/6) there would still be more than \$100,000 of available cash reserves. It is recommended that \$15,771.18 be allocated from cash reserves to increase library employee salaries and social security/Medicare to the level the City of Minot employees are getting in 2019 with no impact to the Mill Levy.

Project Costs

2019 Approved Budget for Library Salaries & Benefits	\$1,010,203.00
Requested Transfer from Cash Reserves to Salaries & Benefits	<u>\$15,771.18</u>
<i>(\$14,650.42 for salary adjustment at 1.5% - 4.5% increase</i>	
<i>+ \$908.33 for Social Security adjustment + \$212.43 for Medicare adjustment)</i>	

**Total 2019 for Library Salaries & Benefits    \$1,025,991.74**

**V. ALTERNATIVES**

Alt 1. The City Council could deny the transfer of funds from the Library’s cash reserves to the salaries and employees would receive the original increase maximum of 1.8%. The cash reserves would remain in excess of the legally required amount.

**VI. TIME CONSTRAINTS**

Council’s approval of the recommendation will allow the salary increase to begin January 1, 2019.

**VII. LIST OF ATTACHMENTS**

- A. Budget Amendment
- B. Minot Public Library 2019 Adjusted Salary Proposal