

**GREAT NECK LIBRARY  
SPECIAL MEETING OF THE BOARD OF TRUSTEES  
Tuesday, April 4, 1995**

The Special Meeting of the Board of Trustees of the Great Neck Library was held on **Tuesday, April 4, 1995**, at the office of the Library on Bayview Avenue, Great Neck, N.Y. 11024.

The following Trustees were present constituting a quorum:

Ralene Adler  
Elayne Bernstein  
Jo Ann Farley  
Muriel Kane  
Arthur Lerner  
Dolly Relkin  
Renée Zarin

Also present:

Ken Weil, Library Director  
Attendance Sheet attached

**CALL TO ORDER**

President, Renée Zarin, called the special meeting to order at 7:15 p.m. Upon motion made by Elayne Bernstein, and seconded by Arthur Lerner, the Board voted to go into executive session for the purpose of interviewing candidates for the vacant position on the Board of Trustees.

At 9:30 p.m. Renée Zarin reconvened the public meeting. Arthur Lerner stated that we should approve the minutes first. The President stated that we are following the Agenda and will continue the Budget Discussion.

Renée Zarin stated that at the last meeting of the Board of the Great Neck Library there was discussion about the appropriateness of carrying a balance in the general fund. I have, therefore, tried to find out whether an unreserved general fund balance is appropriate and, if so, what the amount of that fund balance should be. Not surprisingly, this issue has been the subject of study and analysis not only by libraries but by many governmental and other entities that are funded by taxes and by those accounting and other professionals who set the standards in these fields.

According to the Government Finance Officers Association "Elected Officials Guide to Fund Balances", the two most widely used standards for the appropriate size of unreserved general fund balances are 5% of the annual budget and 8.3% of the annual budget; 8.3% being one average month's expenditures. Sound financial practice dictates an unreserved fund balance of between 5% and 8.3% and more under special circumstances. A fund balance of less than 5% has an adverse impact on financial standing and credit ratings. Furthermore, significantly higher interest rates on borrowings are the result of not following consistently this sound financial practice.

The unreserved general fund balance provides prudently for a margin for error, for emergencies and for changes in plan and the payment for some things needed during the year that are not foreseen at the beginning of the year. Unless the fund balance is used, because of emergencies or changes in plan or problems that arise during a year, it remains and can be used in the following year with providing the same amount again. Prudently managed, it is a worthwhile one-time provision rising only a small amount if the budget increases from one year to another.

Because it has held down expenses and prudently managed its income, the Great Neck Library is ending this fiscal year with an unreserved fund balance in excess of 10%. I would recommend, therefore, that we apply a portion of that fund balance to enable us to present a budget that calls for no increase in taxes for the coming fiscal year while leaving intact an unreserved general fund balance of between 5% and 8.3%

Muriel Kane stated that at the last meeting someone had mentioned that fund balances are illegal. Also our credit rating is based on fund balances which is important if a building expansion takes place. Counsel stated that it is not illegal; also we are not a public body and are not bound as Municipalities are. This is also stated in the booklet "Elected Officials Guide to Fund Balances".

Dolly Relkin stated it was not a problem using the guidelines in "Elected Officials Guide to Fund Balances" she was comfortable using a 5.8% - but our original 10-11% 1994 balance was too high. She stated there's a goal she wants to accomplish to make sure that a surplus balance like this one does not happen again. Ralene Adler asked what do we do to make sure this will not happen again?

Dolly Relkin stated that there is an unallocated 1993 Fund Balance of \$426,552. She again questioned what could be put in place so this does not happen again. Board member should be alerted. Ken Weil stated that the December Financial Statement gives all balances. Dolly Relkin felt that anything out of the ordinary should be called to the Board's attention, and the Board should establish a procedure so this does not happen again. The 1993 Fund Balance should have been allocated before this time.

Ken Weil stated that in 1993 there were discussions about improving the parking situation which was identified as a problem to be worked on. He was told to set aside \$130,000 for parking. Ms. Relkin asked him who told him to do that. There was no response to the question.

Muriel Kane asked if the Board would like Fund Balances to be reported more frequently. Maybe highlight that amount every three months? Dolly Relkin agreed as did Jo Ann Farley. Ralene Adler questioned if money has been accrued, where did it come from? Why not identify it.

Dolly Relkin read from the last page of the Director's March 25, 1995 memo to the Board which lists the allocation of funds from the 1995 Budget Surplus for land to be purchased from the Water Pollution Control District, as follows:

Purchase of land from Water Pollution Control District.....	\$200,000
Development of land for Parking: Land already owned.....	\$173,000
Land to be purchased from WPCD.....	<u>\$203,600</u>
	\$576,600

Ms. Relkin stated no information was provided to vote on this. She asked who authorized this?

Renée Zarin stated that a number of items were discussed as possible acquisition of land, and estimated costs were given to Board members and discussed at a meeting dealing with Real Estate. Dolly Relkin questioned if anyone was authorized to negotiate the acquisition of real estate. Discussions do not authorize anyone to proceed. Ms. Relkin stated she will not vote to allocate money that the Board has not made a decision on.

Dolly Relkin also repeated her request from the Director for a list of items that needed to be repaired or maintained regarding safety and security at the main building. Ms. Relkin wants this information before any allocations can be made.

Arthur Lerner did not want to vote on the Fund Balance at this time; he preferred to discuss the Budget.

After much discussion Ralene Adler wanted to proceed with reviewing the Budget and suggested that in the future budget discussions begin in January.

Renée Zarin questioned if a 5.8% Fund Balance makes sense to anyone. Arthur Lerner stated he has not read the publication - "Elected Officials Guide to Fund Balances" - but 5.8% seems good. Relkin, Lerner, Farley and Adler requested copies of the publication before a decision was made.

Dolly Relkin recommended that \$144,433 of the 1994 surplus be put into a restricted Retirement Fund. Arthur Lerner agreed.

Ralene Adler stated she would now like to do the Budget line by line from the beginning. She is particularly interested in Children's Services and Programming.

Due to the lateness of the hour, Tuesday, April 11th at 8:00 p.m. was the date set to review the Budget.

## MINUTES

After discussion, Renée Zarin made corrections to some amendments to the February 28, 1995 minutes. Upon motion made by Arthur Lerner, seconded by Dolly Relkin it was,

**RESOLVED**, that the Board accept  
the February 28, 1995 minutes as amended.

4 in favor  
3 abstaining

Muriel Kane replied that the March 14, 1995 minutes should be tabled to the next board meeting. Renée Zarin had some corrections, and additions. A vote was taken to table the minutes. 4 against and 3 in favor.

Upon motion made by Dolly Relkin, seconded by Ralene Adler for the Board to adopt the minutes of March 14, 1995, it was,

**RESOLVED**, that the Board accept the March 14, 1995 minutes as amended.

4 in favor  
3 against

**OPEN TIME**

Richard Boyle - called for a prudent budget and commented on the allocation of surplus funds. He also reminded the Board there's extra money in reserve accounts of \$1,200,000.

Marianna Wohlgemuth - Took objection to Steve Limmer's statement earlier in the evening that the Library is not considered a public body. She stated the Library is morally obligated to the public to be responsible. She also questioned the unpaid Spector invoices which she mentioned in her letter of March 29, 1995 to each board member.

Marietta Di Camillo - Mentioned she was at the Main Library on Friday and happened to pass a room where she saw an architect's model of the proposed expansion.

Dolly Relkin and Jo Ann Farley were surprised that plans and models were in the building as was Ralene Adler. They asked why they had not been told.

Upon motion duly made and seconded the public meeting adjourned at 11:55 p.m.

Respectfully submitted

Dolly Relkin