

Finance & Property Committee

October 23, 1989

Members present: Mr. Gaumer, Chairperson, Mr. Lockmiller, Mrs. Martin, Mr. Smith, and Mrs. Ohlsen.

Staff present: Mr. Seidl, Mrs. Gibson, and Mr. Kupish

Mr. Seidl opened the meeting by explaining that the City of Decatur has changed its medical and hospitalization insurance plans. Library employees could previously choose either a HMO or 80/20 plan but this will change effective November 1, 1989 to a 90/10 plan.

The current HMO plan will increase, 25% on November 1, 1989. The proposed 90/10 plan will increase insurance cost 10%. (This cost however, is included in the 1989/90 library budget.)

Mr. Gaumer asked committee members to report their findings on the library's property tax levy request. Several of the committee members talked to City Council members. Information obtained suggested that Council members:

1. Do not favor an increase in taxes.
2. Well not support any tax increase that includes new services, programs, or staffing.
3. May support a tax increase if present library services, programs, or staffing would be effected.

Mr. Seidl was instructed to prepare a list of essential budget costs that will increase in the 1990/91 budget. (Enclosure #1) A five year revenue and expenditure sheet was prepared. (Enclosure #2) The Library now spends 99% of its yearly budget. Sources of revenue for 1990/91 include the replacement tax on businesses (up 20% because of the two year tax law) and raising the property tax levy. The library has saved \$17,300 (see enclosure #3) as of November 1, 1989. The major source of funds saved were budgeted for the lease/purchase of the computer system.

Mr. Smith recommended that the Board meet to reconsider its tax levy request passed at the September 21, 1989, Board meeting. Seconded by Mrs. Martin. Motion approved. A special Board meeting will be scheduled for Thursday November 2, at 7:00 p. m. in the Board Room.

The committee then returned to its discussion of health and medical insurance benefits. Enclosure #4 details the current costs of health costs effective November 1, 1989. Enclosure #5 shows the costs employees pay per month for dependent insurance and the cost per year for the library to pay dependent in-

Committee discussion focused on the ability of the library to pay for dependent insurance based upon the City Council's desire not to raise taxes. Many ideas and proposals were discussed regarding how the Library could pay for dependent insurance. Should the library pay dependent insurance and not offer and equal benefit to the other employees.

Mr. Gaumer proposed that dependent insurance coverage by the Library be increased to \$120 per month effective May 1, 1989. However, if library finances are not sufficient to pay for the increase at \$120 per month level, that the library pay only \$100 per month for dependent insurance. Seconded by Mr. Smith. Motion approved.

Personnel Policy, Section 2, part 6 subsection iii (page 14)

**Present policy:**

The Library will contribute to employees' dependent coverage for medical and hospitalization insurance in the amount of \$80.00 per month effective May 1, 1988.

**Proposed policy:**

The Library will contribute to employees' dependent coverage for medical and hospitalization insurance in the amount of \$120.00 per month effective May 1, 1989.

Or substitute \$100.00 for \$120.00.

Meeting adjourned at 6:10 p.m.

*Seidl*