

MINUTES
PARK RIDGE PUBLIC LIBRARY
20 S. Prospect Avenue, Park Ridge, IL 60068
Budget and Finance Committee of the Whole Meeting of the Board of Trustees
held via videoconference – October 13, 2020 at 7:00 p.m.

President Rapisand explained that the Library Board was meeting via videoconference and stated that she authorized the Board to meet remotely as per Illinois Public Act 101-0640 which, among other matters, amends Section 7 of the Open Meetings Act to allow meetings of members of a public body subject to the Act to occur without a quorum being physically present at the meeting due to COVID-19.

ROLL CALL

Trustees Present: Lauren Rapisand, President; Karen Burkum, Vice-President; David Somheil, Secretary;
(via videoconference) Stevan Dobrilovic, Treasurer; Alexandrea Hanba; Josh Kiem; Michael Reardon; Joseph Steinfels; Deepika Thiagarajan
Others Present: Heidi Smith, Library Director; Alyson Doubek, Library Finance Manager.

PUBLIC COMMENT

None.

Treasurer Dobrilovic called the Budget and Finance Committee meeting to order at 8:13 p.m.

Trustee Hanba made a

MOTION: to approve the minutes of September 8, 2020

Vice-President Burkum seconded the motion.

Roll Call Vote: Yes: Burkum, Dobrilovic, Hanba, Kiem, Rapisand, Somheil, Steinfels, Thiagarajan

Abstain: Reardon

Motion passed.

Resolution for calendar year fiscal year

Director Smith explained that changing to a calendar fiscal year had already been adopted by the City, and as a component unit the Library had to follow suit. The resolution is just a way for the Library to document the change.

Secretary Somheil made a

MOTION: to approve the Resolution establishing the Library's Fiscal Year

Treasurer Dobrilovic seconded the motion.

Roll Call Vote: Yes: Burkum, Dobrilovic, Hanba, Kiem, Rapisand, Reardon, Somheil, Steinfels, Thiagarajan

Motion passed.

Statement of budget assumptions for city services

Treasurer Dobrilovic explained that for several years, the Library had been trying to get agreement from the City of Park ridge on a Memorandum of Understanding to articulate what services the City provides, what the responsibilities of the City to library are and what responsibilities the library bears for the building and other matters. The Library and the City have not been able to conclude such Agreement to formalize the understanding on the payment for these services. As a result, last year, the Library board agreed that as part of budgeting process, the library would include in the budgetary assumptions a list of services that City of Park Ridge will continue to provide for the Library. This was done so the City is on notice that the Library is budgeting based on the City providing these services. If City changes its mind on providing these services, the Library's levy request would have to increase if Library had to assume a certain cost.

Director Smith noted that the budget assumptions were also included in annual report. She had reached out to City administration with the assumptions for SY21 and solicited concerns or requests for changes and received none. This is included for the Board's information and review and will be part of budget assumption statement.

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Draft summary budget and 5-year levy forecast

Director Smith stated that she and Finance Manager Doubek had discussed with Treasurer Dobrilovic a different 2020 levy and subsequent forecast for the levy. She said the budget information has stayed very similar, and she noted in document where there were minor changes. It was discussed to have this option available after following up with City administration about the discussion the City Council will be having in a few weeks. They felt like the appropriate discussion would be to have a 0% levy increase for the Library. The City's levy forecast that was presented in June, the flat forecast was proposed for the general fund. Director Smith is recommending this as best option. It does not reach goal of steady levy forecast, but it keeps library in as good of health as we can have and shares the responsibility of the current situation. The amount in the memo is the net amount of levy – the amount in resolution is the gross. The Library does not typically budget for the full 100% being collected.

The levy forecast assumes that the Library is doing everything we can to maintain the best possible health for the finances of the library. Director Smith acknowledged the fact that the best possible health may not always be possible. The forecast also assumes the Library will spend every dollar every year. The culture of the administration of the library over years past has shifted to more part time staff – 2/3 of headcount is part time and half of FTE. The Library plans for full compliment of staff to move forward all projects and services. In past, practice has been to not hire people immediately when they leave, and have made do with existing staff. This has yielded savings in personnel. Typically, that does not materially affect how library operates.

Treasurer Dobrilovic he suggested the Board may want to try to level out the levy request for FY22 and FY23 - raising FY22 a little higher and FY23 a little lower so the jump is not as much. Appearances are paramount to city council and to taxpayers, patrons.

Director Smith noted that the Library is working on the capital needs assessment for the building. Once that is complete, we have a goal for SY21 to create a long-term facilities plan. One of the things that causes the spike in FY23 is a \$200,000 building project in the current plan, and the estimate that the Library's computers would be 5 years old and are scheduled to be updated. The computer equipment would come from the restricted technology fund. When the Library Board created the capital restricted fund it was intended to be for emergencies and would not draw from that fund for capital projects. Certain things will likely be moved around – when the capital needs assessment is completed, and as we move forward see how things are going in terms of the aggregate levy, how taxes are being collected. We can move things around to even out levy increases. The goal to get to 6 months and maintain from there.

Treasurer Dobrilovic mentioned that he, Director Smith and Finance Manager Doubek had discussed the possibility of building a capital reserve fund to start to plan for future large expenditures. The library would budget or accumulate money if we know a big project is coming up so we don't have a big levy spike in one year. Appearances are very important on how the levy requests looks to the City Council and the public. He provided an example of moving funds from FY22 to FY23 to make it smoother

Trustee Reardon agreed with Treasurer Dobrilovic, reiterating what is being said about appearances being important and smoothing things out as much as possible. She suggested the Library should be careful in how we portray this six months. The accumulation of 6 months of funds is at the end of the year – which does not line up with the collection of tax revenue. By the time we collect tax revenue we have 3 months of reserves. That is the number that

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the City Council has demanded the library maintain in reserves. The Library has to be careful in how this gets presented to the City so they understand the timing.

Director Smith explained that currently the policy says the library must have a minimum of six months at the end of the year. Once we go to calendar year, the tax collection is in February. If the Board wants to re-evaluate based on timing of the new fiscal year, that is something that can be pursued. If the goal is to have 3 months at the lowest point, that is going to change, but not until 2022. Treasurer Dobrilovic suggested that the use of reserves will be easier to manage on calendar year schedule.

Director Smith noted that there were question that the Library needed to be prepared for during the presentation to the City Council in November for their consideration in the aggregate levy. Restrictive funds – gifts, tech, capital emergencies be able to speak to that. The history of staffing savings and what was recommended to still budget at maximum and forecast spending at 100%. With the new calendar fiscal year, as we approach the levy in December we will be able to forecast almost an entire fiscal year once we get into FY22. We will know how much we did not spend on salaries and can incorporate that into the levy proposal for the next year. If we save the money one year we spend it the next year, unless the Board decides to earmark for a capital project or other need. This is the Library not changing operations, maintaining projections for salaries with minimum wage increases. In reality when we have some turnover, and funds are not expended, it is possible that the 6.5% levy increase could be less, because we will adjust based on reserve funds that are available at the time. It all comes down to timing. Once we have the cycle going it will make sense, but we have to get on the cycle.

Treasurer Dobrilovic recommends that the board not consider changing reserve policy until we are 1-2 years into the new calendar year budget. He requested that Director Smith and Finance Manager Doubek continue to look at ways to smooth out the levy over the next several years.

Treasurer Dobrilovic made a

MOTION: to approve the Library's 2020 levy resolution

Trustee Reardon seconded the motion.

Roll Call Vote: Yes: Burkum, Dobrilovic, Hanba, Kiem, Rapisand, Reardon, Somheil, Steinfels, Thiagarajan

Motion passed.

The meeting adjourned at 8:44 p.m.