



St. Charles Public Library
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**MINUTES
 FINANCE COMMITTEE
 BOARD OF TRUSTEES
 ST. CHARLES PUBLIC LIBRARY DISTRICT
 MAY 24, 2022**

The Finance Committee Meeting of the Board of Trustees of the St. Charles Public Library District was held on Monday, May 24, 2022 at 7:00 pm at the Library. Present: President Robert T. Gephart, Treasurer Cynthia N. Steimle (chair), Trustee Shane Hampton, and Administrative Assistant Virginia Tsipas. Staff present: Business Office Manager Mary Merritt.

I. CALL TO ORDER

Trustee Steimle called the meeting to order at 7:02 pm, and read the Mission Statement.

II. COMMUNICATIONS AND CITIZEN'S COMMENTS – ON AGENDA ITEMS

None

III. DISCUSSION OF FY 2022/2023 TENTATIVE BUDGET AND APPROPRIATION ORDINANCE

a. Tax Extension Report

The tax extensions for FY 2022/2023 are tax dollars levied in November 2021. The levy request in November 2021 was \$8,281,958 and the estimated tax extension received is \$8,210,282. We levied more, however we were limited by our tax cap rate. New this year is a Revenue Recapture Levy, which is for properties that received lower assessments from PTAB, errors or court decisions have their taxes reduced and the tax burden is shifted to the rest of the district. We received \$16,511 for the Revenue Recapture Levy and that is included in the \$8,210,282. Overall the tax extension received was 2.5% over last year. The tax extension increase is spread out among our various funds: Operating Fund increased by \$96,000, Building & Equipment Fund increased by \$90,000 and the Liability Fund increased by \$14,000.

The levy value was held constant for four years from 2017 through 2020. This was a strategic decision in good faith to our taxpayers. There is an inverse relationship between the EAV and our tax levy. When the EAV goes up our tax levy goes down.

b. Anticipated Income from all Sources

Our interest income continues to decrease as dollars were used for the building project. The Library will be fine free in FY 2022/2023 and will result in a reduction of income by \$30,000. All income sources are conservative estimates.

c. First draft of Tentative FY 2022/2023 Working Budget

i. Discussing the General Fund Budget

The Operating Fund balances are refined each year.

- Materials – this line item will be spent. It is level with what was requested last year.

- Personnel – salaries increased by \$100,000. Salaries will be budgeted at \$4.1 million. With union contract negotiations, we believe there will be a request for higher pay. The increases will be retroactive to January 1, 2022. Trustee Gephart stated that any excess monies in our salaries budget this year will remain in the operating budget for next year.
- Health Insurance - we will budget \$420,000 for the next fiscal year, compared to \$390,000 budgeted this fiscal year. Next year's health insurance costs is estimated to increase by 15%. The cost was split between the Library and the staff.
- Professional Development – a swing in cost happens every two years, as staff attend the PLA conference. In FY 2018/2019, Per Capita Grant dollars were used to cover some of the cost of professional development. Next fiscal year all professional development expenses will be paid out of the operating budget. COVID still impacts our operating budget. This fiscal year many webinars were viewed online and this was a savings for us. Next fiscal year the budget is increased to accommodate attendance at more in-person conferences, and plans to host in-person round table meetings.
- Information Technology – this line item will decrease slightly by \$15,000 as we refined our expenses.
- Programs and Supplies – the same amount of funds will be proposed next fiscal year as were proposed this fiscal year. COVID impacted these costs as well for this fiscal year. The Library was closed for two weeks in January and programs were limited and some were canceled.
- Professional Services – legal, accounting, consulting and contractual fees are covered under professional services. Deiters & Todd, the search firm for the new director, and any legal fees for the Library, including collective bargaining, are paid through this line item.
- Other Operating – this includes such things as debt certificates, van expenses, archiving, and legal classified ads. This line item was lower from FY 2020/2021 to FY 2021/2022 as we moved the building utilities to the Building & Maintenance Fund.
- In FY 2020/2021, we had the smallest surplus. This current fiscal year, it is estimated that the surplus we move to special reserve will be around \$100,000.

Trustee Hampton asked if a comparison could be given over the years comparing the number of employees. Ms. Merritt stated in 2017 when she was hired, there were 112 employees. Currently there are 98 employees and with open positions, we are expected to increase to 110 employees. Both the Circulation and IT departments are understaffed at this time. Many positions are under 20 hours. Trustee Steimle asked why we hire multiple part-time staff rather than full-time staff who would be more likely to stay. Trustee Gephart stated with full-time staff there are benefit costs.

- The Operating Fund in summary has the same funds as requested last year. This includes our fourth debt certificate payment. A large portion of the Per Capita Grant funds received will be directed to the strategic plan process. The last strategic plan was created in 2018 and the upcoming plan is scheduled for the first quarter in 2023. This is a balanced budget.

i. Special Reserve Fund & Other Fund Budgets

The Building and Maintenance Fund– no major projects expected. All utilities are included in this fund. Expecting a small surplus of \$25,279, this is to account for any overages in utilities that may occur.

The Audit Fund– includes cost for GASB 75, the audit prepared by Selden Fox and accounting fees from Lauterbach & Amen. We currently have a surplus of \$1,484 and the intent is to draw it down by \$988.

The IMRF and FICA Fund – the IMRF rate is going down from 15.3% to 10.7%. The rate is based on the number of staff retiring and decreased as fewer staff retired this past year. FICA is based on wages. There is a surplus of \$550,000 that will be drawn down by \$124,000.

The Liability Fund – liability/casualty insurance rates are estimated to increase by 25%. Worker’s Comp has also increased. The final numbers will be received from Arthur Gallagher by the end of July. This is a balanced budget.

The Gift and Special Trustee Fund – includes 2 staff recognition events. The 2022 Staff Appreciation Event was approved by the Board and will be held in July 2022. It is anticipated the Board will approve a Staff Appreciation Event in May 2023. Each Staff Appreciation Event has a budget of \$7,000. Funds are allocated for a Board retreat of \$500 and registrations, memberships and flowers have an allocation of \$1,500. With a similar continued trend of spending, this fund should last for 30 years.

The Trustees did not see the need to schedule an additional Finance Committee Meeting at this time.

Motion by Trustee Gephart, second by Trustee Hampton, to recommend the Board approve the Tentative Budget and Appropriation Ordinance at the June Board meeting. Carried unanimously.

IV. BUILDING AND MAINTENANCE TAX OF .02% FOR FY 2022/2023

This ordinance allows us to levy for this tax in November if we choose to do so. The Board will vote to approve this in July.

Motion by Trustee Gephart, second by Trustee Hampton, to recommend the Board approve the Building and Maintenance Tax of .02% for FY 2022/2023 at the July Board meeting. Carried unanimously.

V. COMMUNICATIONS AND CITIZEN’S COMMENTS – ON NON-AGENDA ITEMS

None.

VI. ADJOURNMENT

Motion by Trustee Hampton, second by Trustee Gephart, to adjourn the meeting at 7:42 pm. Carried unanimously.

Cynthia N. Steimle
Chair, Finance Committee