



**St. Charles Public Library**  
 Temporary Location:  
 March 2020-Summer 2021  
 305 S. 9th St., St. Charles IL 60174  
 630-584-0076 ■ FAX 630-584-9262  
 scpld.org

**MINUTES  
 FINANCE COMMITTEE  
 BOARD OF TRUSTEES  
 ST. CHARLES PUBLIC LIBRARY DISTRICT  
 MAY 24, 2021  
 6:30 PM**

The Finance Committee Meeting of the Board of Trustees of the St. Charles Public Library District met at the St. Charles Veterans Center, 311 N. 2<sup>nd</sup> Street, Suite 109, St. Charles, IL 60174, on Monday, May 24, 2021 at 6:30 pm. Present: President Robert T. Gephart, Treasurer Cynthia N. Steimle, Trustee Shane Hampton, Director Edith G. Craig and Administrative Assistant Virginia Tsipas. Staff present: Mary Merritt.

**I. CALL TO ORDER**

Trustee Steimle called the meeting to order at 6:46 pm, and read the Mission Statement.

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

No comments.

**III. DISCUSSION OF 2021/2022 TENTATIVE BUDGET AND APPROPRIATION ORDINANCE**

**a. Tax Extension Report**

Tax extension dollars received this fiscal year are from property taxes for 2020. The levy request issued in November 2020, which was for \$8,005,000, has remained the same for the last four years. The Library received a slightly higher amount because DuPage County adds one percent for new construction when we are at or below the max cap rate. Overall, our tax rate went down approximately two percent from last year. We have one more year where we are able to complete our goal of holding the levy value constant at \$8,005,000.

When equalized assessed values go up, tax rates go down. Trustee Gephart asked for the difference between the max cap rate and our levy rate. Ms. Craig will calculate those tax dollars and provide that information to the committee.

**b. Anticipated Income from all Sources**

Moving back into the new building will provide a base-line year for income. Interest will be less with the \$14.8 million for the building project being expensed, which is a significant loss of revenue. Non-resident fees were expected to be less when the Library moved to its temporary location. Surprisingly, they were slightly higher. Trustee Gephart stated it may have been COVID related with people wanting access to electronic resources. Ms. Craig stated it shows the value of our services.

Income from copies, lost materials and fines are projected at normal levels. Meeting room revenues are expected to be higher with the addition of one meeting room and easier access for patrons with online reservations.

**c. First draft of Tentative 2021/2022 Working Budget**

**i. Discussing the General Fund Budget**

The Operating Fund balances are refined each year.

- Personnel – salaries have relatively stayed flat since 2017, inching up incrementally to reach the \$15 minimum wage in 2023 as planned. Salaries are estimated at 100% utilization with no one taking time off. With COVID, part-time staff who do not earn benefits had the option to take time off without pay, without affecting their time-off buckets. This was a significant savings with salaries. With the move to Haines, there was a hiring freeze except for key individuals. Moving back to the renovated building, we will lift the hiring freeze.
- Professional Development – every two years Public Library Association (PLA) has a national conference. Fiscal year 2021/2022 is a PLA year.
- Information Technology – we have been consolidating all software licensing within the IT Software line item. This budgeted amount is larger because we continue to move hardware into software, like our phones. Some Per Capita Grant funds will be used for the Makerspace, but not all. With the IT Strategic Plan, replacement of hardware is mapped out over five years. Trustee Steimle asked if we looked at longevity of hardware in determining replacement. Ms. Craig confirmed this.
- Programs and Supplies – COVID affected 2019/2020 and some of 2020/2021. In the fall, we are planning for in-person programming.
- Professional Services – this is for legal, accounting and contractual services.
- Other Operating – this is for all other operating costs. This number jumped in 2019 because of the debt certificates. There is \$505,000 for debt certificates this year and the remainder is for the rest of operating costs. All utilities and building related funds were moved out of the Operating Fund into the Building and Maintenance Fund. We are moving expenses where they belong and where our accountants feel they best align. This will free up more money for debt certificates. When the debt certificates are paid off we will reassess. There is an option to pay off the debt certificates at seven years rather than 15 years. The interest rate for the seven-year payoff is 3.174%. It does fluctuate year to year, sometimes as low as 2.1% and sometimes 4%. Trustee Hampton asked who owns the debt. Trustee Gephart said it is on the public market.

**ii. Special Reserve Fund & Other Fund Budgets**

Ms. Craig put together a history of the operating surplus back to 2012/2013. It shows a broad range of what the Library has done. Early on, the plan was to save for the building project and that is why we had \$14 million in Special Reserve. The goal now is to get a handle on the surplus and continue to spend responsibly. We kept the levy rate value flat which helped us refine budget spending every year. Trustee Gephart asked what the Special Reserve balance will be after the building project is completed. Because of the building project's contingency and savings, Ms. Craig did not want to estimate. Trustee Gephart and Ms. Craig confirmed that the goal of the Special Reserve fund balance after the project is at \$1.5 million. Ms. Craig spoke with a Shales McNutt representative today and we thought we would be able to close out the project by the end of this fiscal year. However, there may be a payment into next fiscal year. Trustee Gephart asked

if we would have less than \$1.5 million in Special Reserve. Ms. Craig said yes. The target of \$1.5 million was based on sixth months of operating expenses.

In summary, we are requesting the same funds as last year. There are no major projects, other than the website redesign. We allocated \$76,000 for the website redesign and the cost is coming out of consulting. A third debt certificate payment is included in this budget.

The Per Capita Grant for \$68,865 is broken down in all budget categories for a lot of miscellaneous items.

Ms. Craig submitted a balanced budget.

In November, we will have more data regarding the levy to have a thorough review on keeping the levy flat.

**Motion** by Trustee Gephart, second by Trustee Hampton, to recommend the Board approve the budget for fiscal year 2021/2022. Carried unanimously.

#### **IV. BUILDING AND MAINTENANCE TAX OF .02% FOR FY 2021/2022**

Other than utilities, there are no major projects coming out of this fund. All audit fees were added in this fund. There is a fee schedule for the auditors. This is a balanced budget.

The Audit Fund – the increase from \$13,000 to \$15,000 is for fees for the auditor, with whom we have signed a five-year contract. This is a balanced budget.

The IMRF and FICA Fund – our IMRF employer rate dropped from 16% to 15.13%. Some staffing requests have been submitted. Ms. Craig can consider these positions now and that is why IMRF went up slightly. FICA is based on wages and there were no increases. This is a balanced budget.

The Liability Fund – the casualty insurance rate is anticipated to have normal increases. We are informed of this information in July. This number may change based on estimates of what our insurance provider provides. This is a balanced budget.

The Gift and Special Trustee Fund – the usual expenses are if the Board would like to have an appreciation dinner for all staff in May 2022, which usually costs about \$7,000. Five hundred dollars is for a Board retreat, and \$500 is for other expenses, registration memberships, and flowers.

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 Building and Maintenance Tax of .02% for FY 2021/2022. Carried unanimously.

#### **V. COMMUNICATIONS AND CITIZEN'S COMMENTS – ON NON-AGENDA ITEMS**

No comments.

**VI. ADJOURNMENT**

**Motion** by Trustee Gephart, second by Trustee Hampton, to adjourn the meeting at 7:38 pm.  
Carried unanimously.



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Cynthia N. Steimle  
Chair, Finance Committee