



St. Charles Public Library
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**MINUTES
 FINANCE COMMITTEE
 BOARD OF TRUSTEES
 ST. CHARLES PUBLIC LIBRARY DISTRICT
 SEPTEMBER 28, 2023**

The Finance Committee Meeting of the Board of Trustees of the St. Charles Public Library District was held at the Library on Wednesday, September 28, 2023 at 9:00 am. Present: President Robert T. Gephart, Treasurer Michael J. Hill (chair), Trustee Shane Hampton, Director Katherine G. Buckson and Administrative Assistant Virginia Tsipas. Staff present: Finance Manager Mary Merritt.

I. CALL TO ORDER

Trustee Hill called the meeting to order at 9:03 am, and read the Mission Statement.

II. DISCUSSION OF LEVY AND RELATED DOCUMENTS

a. Levy 2023/2024

b. Resolution to Determine Estimate of Funds Necessary for 2023/2024

Ms. Merritt provided the levy overview to the committee, stating tax revenue for the Library is collected from property owners and that the Library District is a tax capped community. The levy funds requested will be for FY 2024/2025. Calculations are based on EAV estimates, tax rate and other known expenditures. The levy is determined on patterns, known capital expenditures, economic forecasts, etc.

The levy is the amount we request and the extension is what we receive. In FY 2022/2023, we requested \$8.52 million and received about 100.4%, due to revenue recapture.

The 2023 estimated EAV for Kane County will increase by approximately 8%. DuPage County does not provide this estimate, however, they generally are the same as Kane County. The CPI is estimated to be 6.5%. New property growth is also rising. Residential growth rate is estimated to increase only 4.5% over the next few years.

Trustee Gephart asked how close we are to the tax rate maximum. Ms. Buckson stated the maximum amount the state determines for the operating fund is .60% and the Library is nowhere near that.

For fiscal year 2022/2023, the Library received funds from two closing TIFs and two more TIFs are expected to close in FY 2023/2024. Ms. Buckson stated we need to be proactive when the TIFs end so we can capture additional funds.

Ms. Merritt stated the Library proposes increasing our levy 4.9% to \$9,009,787. A Truth-in-Taxing hearing is not required, however, the Board holds the hearing each year regardless. This request is needed to keep standard operating levels and incorporate room for facility improvements. With the pending roof replacement we do not want to cut programs or services to fund that expense.

Trustee Gephart asked what percent we would request if there was not a tax cap. Ms. Buckson stated this is a challenge for all government entities as we are capped at 4.9% even in years where inflation is higher. Ms. Buckson stated if the Board is in favor of requesting a higher percentage, she would review that option and we can pivot to doing a black box notice to request above 5%.

For the proposed budget, Ms. Merritt stated there were big increases to facilities improvement with the need to replace the roof. She does not believe the roof will last five years, as previously projected. Trustee Hampton asked if the Library has any underserved areas in the community. Ms. Merritt stated the 4.9% levy request will provide what the Library needs to serve the patrons and provide facility improvements.

Ms. Buckson stated the Library has made cuts in the budget with funds not spent previously in certain areas. However, the emergency reserve is not at the level it should be to be in compliance with our own policy.

Ms. Merritt stated there is a surplus in the IMRF and Social Security Fund. The proposal is to use \$100,000 from that fund for the next few years to use up the surplus. In 2023, the IMRF employer rate was 10.69% and it will be 11.45%.

Trustee Hill referenced the years the Special Reserve Fund was built up for the renovation of the building and he felt it was supported by the community. In 2005, an Ordinance was approved stating the purpose of the Special Reserve Fund.

Motion by Trustee Gephart, second by Trustee Hill, to recommend the Board approve **Resolution 2023/2024-2**, Resolution to Determine Estimate of Funds Needed for Fiscal Year 2023/2024, and further stated that the Truth-in-Taxation Public Hearing is not required, but it will be held. Carried unanimously.

III. REVIEW OF FUNDS BALANCE POLICY

The policy previously stated the General Fund would transfer the end of year surplus to the Special Reserve Fund, with a Resolution to be approved in June. The proposed change is to transfer the balance of that fund at the end of the fiscal year, not specific to a certain month.

The Capital Fund previously described the Building and Equipment Fund and the Special Reserve Fund lumped together. The proposed change is to state the Budget and Equipment Fund is directed for specific projects planned.

The Special Reserve Fund currently states we should have six months of fund balance saved for an emergency. The proposed revision to the policy is to have three to six months saved, for added flexibility. Ms. Buckson stated she would like to look into grants for the replacement of the roof so the Special Reserve Fund is not depleted.

Motion by Trustee Gephart, second by Trustee Hampton, to recommend the Board approve the Funds Balance Policy, as presented. Carried unanimously.

IV. COMMUNICATIONS AND CITIZEN'S COMMENTS

None.

V. ADJOURNMENT

Motion by Trustee Gephart, second by Trustee Hill, to adjourn the meeting at 9:40 am. Carried unanimously.



Michael J. Hill
Chair, Finance Committee