

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF LIBRARY TRUSTEES
OF THE VILLAGE OF CAROL STREAM**

**Carol Stream Public Library
616 Hiawatha Drive
Carol Stream, IL 60188**

DATE: Monday, January 9, 2012 TIME: 6:30 p.m. PLACE: Horizon Room

Director Kennedy called the meeting to order at 6:30 p.m.

Present: Trustees Douglas, Hudspeath, Bailey (6:40), Arends, Wade, Jeffrey and DeRango
Also Present: Ann Kennedy, Pam Leffler, Lynn Johnson, Ellen Marchessault, Mary Clemens
and Laura Hays


The purpose of the meeting was to conduct a budget workshop. Director Kennedy gave a general overview of the budget process, Library funds, accounts, the budget spreadsheet, and the monthly financial statements. Specific budget amounts were not discussed and no action was taken by the Board.

A copy of the PowerPoint slides is attached to these minutes.

The meeting was adjourned at 8:07 p.m.




Mary C. Hudspeath, Secretary
Board of Library Trustees




Carol Stream Public Library Budget Workshop

Monday, January 9, 2012



What we will cover today

- A look at the different funds
- An explanation of the budget spread sheet
- The budget process, including the levy
- The monthly financial statements
- We will NOT be discussing actual budget numbers and levies



The Library has 7 budget lines.

- General Fund (Corporate)
- Working Cash
- FICA
- IMRF
- Liability Insurance
- Audit
- Capital Maintenance & Repair

Taxes are levied for 5 of the funds.

- o **General Fund (Corporate) \$\$**
- o Working Cash
- o **FICA \$\$**
- o **IMRF \$\$**
- o **Liability Insurance \$\$**
- o **Audit \$\$**
- o Capital Maintenance & Repair

The Reserves cannot be commingled.

- o Money from the General Fund can be transferred to any other fund.
- o Money levied for FICA, IMRF, Liability Insurance and Audit can not be transferred to other funds.
- o These funds are because State has mandated the functions.
- o Interest follows the fund

A look at that complicated spread sheet.

What do all those columns mean?

- o A history of where you've been and a look at where you are going.
- o Past 2 years -- yearend audited or estimate (columns A to C)
- o Current year (columns D)
- o Anticipation of next 2 years (columns E & F)

Audit Fund

- o Simplest Fund
- o Audit proposal is for 3 years so it's easy to anticipate expenses.

FICA Fund (Social Security)

- o Based on Payroll
- o 7.65% of eligible payroll
- o Relatively easy to anticipate

IMRF Fund

- Only staff members who are scheduled work an average of 19.75 hours per week or more participate.
- We apply the rate to 80% of the total payroll.
- Rate changes every calendar year and we don't know until November but have to plan previous March.
- $=(((C544*0.8)*0.66)*0.1278)+(((C544*0.8)*0.34)*0.1406)$ formula used last March.

Liability Insurance Fund

- "Cursed for doing well"
- Insurance, risk management, unemployment compensation
- We have a large reserve for this fund that we are trying to decrease
- Decrease too fast will be in a bind and won't be able to increase levy enough to cover expenses

Working Cash Fund

- Basically dormant
- Meet the demands of ordinary and necessary library expenses
- Borrow from and repay
- Established in 1968
- District vs. local library
- Could abolish and reestablish but process would need to be explored

General fund, or, Corporate

- Largest and most important fund
- Pays for the day-to-day operation of the library
- Reserves can be transferred to any fund

The importance of reserves

- Cover unexpected expenses
- Pay bills until taxes are received
- Minimize budget cuts if CPI and levy increase are minimal
- Minimum recommended is 6 months
- Healthy is 8-9 months
- Only General fund reserve can be transferred
- Can't have too big a reserve

Budgeting process

- Look at where we are and where we have been
- Contact vendors for anticipated increases
- Review goals of the library
- Anticipate new expenses
- Put it together, look at the bottom line, make the cuts
- Go to the Board

Working on a three year cycle

- Where we are this year
- What we will spend next year
- What we need two years out
- In March the Board approves the next year's spending and the levy for the year after that.
- An 18 month anticipation of the budget and economy

Tax levies

- We request a levy amount for 5 different funds
- Total tax increase should be CPI or 5%, which ever is less
- Unless you have home rule authority
- General fund limit is .60, now at .2471
- Can't ask for more than budget

Tax levy, what people pay us

- Tax amount is based on EAV
- EAV equals 1/3 market value
- Less deductions (senior, farm, etc.)
- Times .002682
- \$250,000 home, \$223.50 per year
- Businesses also pay taxes reducing burden on home owners

Going to the Village

- We are a Village Library so they file for the levy on our behalf
- Required to pass something
- Want it in March to include in their budget
- Don't discuss levy until the fall
- We can look at levy again in September or October

After the Village meeting

- Village certifies levy and files with County, last Tuesday in Dec.
- March, County verifies numbers
- April, final numbers from the County
- Extension
- Funds start to arrive in June

Monthly Financial Statements

- Exhibit A, assets, liabilities, fund balances
- Exhibit B, combined statement
- Exhibit C, Budget Report
- Exhibit D, Revenues & expenses by fund
- Exhibit E, Where the money is

Paying the bills

- Once a week with QuickBooks
- Invoices over \$1,000 go to Board unless necessary to pay before meeting
- The addendum

Questions???
