

Lake Bluff Public Library  
Finance Committee Meeting  
June 1, 2022, 6:00 PM Via Zoom

Call to order: 6:05 PM

Attending: Bill Hayes, Matt Zaute, Kathy Meierhoff, Eric Bailey

**Discussion:**

Bill Hayes offered to continue as Committee Chair, Meierhoff seconded, all ayes.

**Finance Goals 2021-2022 and Results**

1. Ensure at minimum \$10K heads to General Reserve at the end of the Fiscal Year, in addition to the \$20K budgeted to head to reserve.
  - a. REPORT: A total of \$35-40K should be headed to reserve, based off initial year end projections.
2. Work with the HR Committee to review current salaries at LBPL with the goal of establishing a plan for salary increases that can be factored into levy requests starting in FY2021-2022.
  - a. REPORT: A mid-year salary adjustment put us on the path towards more stable salary expectations. A formal plan is still needed.
3. Create 'Capitol Expense Plan' to provide transparency on what the General Reserve will be used for. Share this goal with B&G Committee.
  - a. REPORT: An in-house plan was created and delivered; a more detailed plan is budgeted to be prepared by Engberg Anderson.
4. Collaborate with Technology Committee to research additional funding sources during the anticipated interviews and tours of local libraries.
  - a. REPORT: Additional funding sources was a consideration during Tech visits, and new sources of gifts and grants were identified.

**Finance Goals 2022-2023**

- Ensure at minimum \$10K heads to General Reserve at the end of the Fiscal Year, in addition to the \$20K budgeted to head to reserve.
- Work with the HR Committee to review current salaries at LBPL with the goal of establishing a plan for salary increases that can be factored into levy requests starting in FY2021-2022.
- Raise donations of \$25K to \$50K from corporate gifts and grants.

**Consideration of contribution for PNC Bank Project**

Drafted by Eric Bailey

**SUMMARY:** If the joint acquisition of the PNC Bank building goes forward, contributions from the Library and Museum to help jump start the resultant capital campaign should be considered.

## RESEARCH:

1. General Reserve
  - a. As of May 1, 2021 the balance in reserve was \$381,589. The balance on May 1, 2022 is projected to be \$421,589. This represents an increase to 38.8% of the operating budget for FY2022-2023.
  - b. In 2018-2019 the Library replaced its roof and reserve funds were reduced to \$307,705. A larger than typical levy increase was taken for FY2019-2020 to provide for rebuilding the reserves. The established goal was to add \$20K per year to reserve.
  - c. Rather than increasing by \$60,000 in the three FY's where this increase has applied (FY2019-2020, FY2020-2021, and FY2021-2022) reserves have increased by roughly \$114,000, or \$54K more than had been scheduled.
2. Possible Levy Adjustment
  - a. The levy extension for FY2022-2023 is \$1,032,715. A conservative 2% increase using PTELL would result in a \$20,654 increase. An increase of 5% would result in a \$51,636 increase.
  - b. During the 2019 discussion regarding the atypical levy increase, the Library representatives did tell the Village Finance Committee that the above-PTELL increase wasn't expected to be repeated.
3. Museum Reserves
  - a. The Museum is not a governmental organization and as such does not publicly share its financial information. Discussion with Museum board members, however, suggests that the Museum has around \$250,000 in reserve.

**RECOMMENDATION:** The intent of the Museum appears to be to arrange for matching commitments from the Library and Museum. It is my assessment that the Library has the wherewithal to make a significant contribution to the start of a capital campaign. Likely one that is able to match what the Museum would be comfortable contributing. A contribution of \$50-75K is most realistic, though \$100K could be reached with a stretch and a bump to the levy. **I recommend that, having performed this analysis, we initiate a conversation with the Museum as to what sort of starting donation they would be comfortable making.**

The opinion of the Committee was to endorse a contribution of \$50,000 - \$100,000 or between 5% to 10% of budget. This proposal should be reviewed by Jon Heintzelman and Melissa Williams. No motion or final decision was made at this time.

Adjournment: motion made to adjourn at 7:02 by Hayes, seconded by Zaute. All ayes.

Respectfully submitted,

Kathy Meierhoff