

**Board of Trustees
River Forest Public Library
Finance and Development Committee Minutes
Wednesday, August 17, 2016
7:30 pm**

Present: Joan O'Connor, Claudette Zobel, Tom Smedinghoff, Katie Bevan, Director Sue Quinn, and staff member Joanna Bertucci.

Call to Order: Trustee Smedinghoff called the meeting to order at 7:32 pm.

Minutes:

Trustee O'Connor moved to approve the minutes from the November 12, 2014 meeting. Trustee Zobel seconded the motion, and the minutes were approved.

New Business:

- a. Overview of expenditures and cash flow.
 - Committee members reviewed a memo including FY 15-16 income and expenses, a 3-year historical snapshot of library expenses, projected FY 17 expenses, and a 6-year historical snapshot of revenues and expenses. Committee members also reviewed the RFPL financial cycle. Committee members requested that the RFPL Financial Cycle be included in the new trustee orientation guide.
 - Trustee Bevan asked if the library plans to apply for GFOA certification annually. Director Quinn will investigate.

- b. Capital Reserves Discussion
 - Director Quinn shared a memo that explained the need to draw down the Library Capital Reserves as advised by our accountant. A listing of potential projects and their costs for FY 16-17 was shared and discussed.
 - Trustee Bevan noted her concern about the amount of money that is allocated annually in the budget to fund future transfers to the capital reserves and about the timing of transfers to the capital reserve fund.
 - There was discussion of when and how often to transfer money to the capital reserve.
 - The Finance committee, working with the Policy committee, needs to draft policies regarding the reserves and their targeted respective fund balances.

- c. Operations Reserves Discussion
 - There was a discussion of designating funds within the current operations reserve account to be used at a later point for capital projects.
 - There was a discussion of possibility setting up a "ladder" of time and demand deposits for our funds to ensure the highest rates and necessary liquidity based on projections for expenditures, rather than keeping all funds in interest-bearing Money Market accounts.

d. Budget Projections methodology discussion

- Trustee Bevan shared a new version of the Engberg Anderson Capital Reserve Study spreadsheet that is sortable by project year and other variables. The Facilities Committee can use the data to identify future projects and their associated cost. Quinn and Bertucci will update the document to reflect any work that has been completed and/or work that has been identified as unnecessary or optional.

e. Action Steps:

- a. Draft financial policies to support long range financial planning.
- b. Going forward, all Capital Projects, as defined by the auditor, will be paid for from the Capital Reserve Money Market account.
- c. Next meeting: Wednesday, October 12th at 7:30 pm.
- d. Trustee Bevan will present a Finance committee report at the September Board meeting.

Old Business:

- a. None

Adjournment

At 9:15 Trustee Bevan moved to approve the meeting, Trustee O'Connor seconded, and the meeting was adjourned.