

**Board of Trustees
River Forest Public Library
Finance and Development Committee Minutes
Wednesday, October 12, 2016
7:30 pm**

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

Call to Order: Trustee Smedinghoff called the meeting to order at 7:35 pm.

Minutes:

Trustee Bevan moved to approve the minutes from the August 17, 2016 meeting. Trustee O'Connor seconded the motion, and the minutes were approved.

New Business:

- a. Review of draft audit
 - Committee members reviewed sections of the audit and discussed the following items:
 - o Committee members discussed the IMRF reporting and agreed that the data presented is out of our direct control to the extent that IMRF independently sets the contribution rate and determines the actuarial rates. The library should continue to monitor the rate at which IMRF is funded.
 - o Discussed the capitalization threshold for capital items at \$1,000 as stated in the audit.
 - o Discussed how much to transfer of the \$93,414 in excess funds from FY 15-16. No recommendation was made.
 - Committee members spoke to our auditor Laura Babula (Knutte & Associates) via speaker phone.
 - o Committee members inquired about the appropriate amount of operations reserves to maintain. Ms. Babula suggested 2 months as a minimum and one year at most. She will send information to Director Quinn about a risk assessment and evaluation tool.
 - o Committee members inquired about the appropriate amount of the capitalization threshold. Ms. Babula suggested a minimum of \$500 and a maximum of \$1,000 as appropriate for a library of our size. Once the Board decides the amount, said amount should be incorporated into the RFPL financial policies.
 - o Discussion about GFOA certification. Ms. Babula shared that the RFPL is her only Library client that goes through the GFOA certification process and suggested that it does not add much value to our process.
- b. Review of draft financial policies

- Committee members reviewed sections I and II, Board Oversight and Fiscal Accountability.
 - o Trustee Bevan suggested that addition of language that suggests that expenditures cannot exceed revenues in the preparation of the budget, but should a need arise (for example, when a revenue shortfall is anticipated) that the Board could transfer supplemental funds to cover a deficit.
 - o There was discussion about the appropriate level of funding to maintain in the operations reserve. 6 months was suggested in the draft policy, but no recommendation was made.
 - o The committee discussed how much should be budgeted for the capital reserve fund every fiscal year. The committee agreed that 2.5% of targeted revenues would be included in the annual operating budget for transfer to capital reserves. Actual transfers will be a minimum of 2.5% of collected tax receipts.
 - o Director Quinn will report back to the committee with additional information on the specifics of projects/contracts over the amount of \$20,000 going out to bid.

Old Business:

- a. Capital Budget data update
 - The committee discussed and agreed that the Facilities committee should review the summaries of capital projects to be completed in the next three years at the next meeting.
 - Sue and Joanna continue to update the Capital Reserve tracking document

Adjournment

- The next meeting was scheduled for Tuesday, November 29th 2016 at 7:30 pm.
- At 9:35 the meeting was adjourned.