

Board of Trustees - River Forest Public Library
Finance Committee Minutes
Thursday, June 20, 2019

Present: Katie Bevan, Jim Hopkinson, and Tom Smedinghoff. Also present were RFPL Director, Sue Quinn, and staff member, Joanna Bertucci.

Call to Order: Trustee Bevan called the meeting to order at 7:30 pm

Minutes: Trustee Smedinghoff moved to approve the minutes from the February 12, 2019 meeting. Trustee Bevan seconded and the minutes were approved. Trustee Hopkinson abstained.

Old Business:

- Committee members discussed future RFPL Foundation donations to RFPL. Trustee Bevan would like to ask the Foundation to set a formal process for giving to RFPL. She feels this would be helpful for RFPL's financial planning to have a predictable estimate for RFPL Foundation funds coming to the library each year. A few options were discussed:
 - Foundation could fund enhancements to existing programs and services by donating to RFPL's operating fund. Trustee Bevan suggested a Foundation donation income and an expense line in RFPL's reporting, so it would be clear to donors what the Foundation financially supported.
 - Foundation could fund specific capital projects.
- In the past Foundation donations have taken two forms:
 - An unrestricted lump sum donation
 - Foundation funds a specific event or enhancement to an event (ex. ice cream at summer reading kick off, Soiree in the Stacks event)

New Business:

A. Review of Historical Spending

Director Quinn shared a draft 10 year revenue and expense analysis memo for Finance Committee review. The memo details RFPL revenue sources, operating expenses, capital expenses, and reserves.

B. 19-20 Operating Budget Review

Director Quinn reviewed the current RFPL operations budget.

C. 2021-25 Operations Budget Projections

Director Quinn reviewed the 2021-25 operations budget projections with the committee. Director is estimating a 1.9% increase in property tax revenue through 2025 based on Village of River Forest's projections. Budget lines that are projected to increase at a faster rate include maintenance service and building/liability insurance.

Regarding the new minimum wage legislation passed in Illinois, Director Quinn is planning to increase part-time wages in the Materials Services Department roughly 9.6% in FY 20-21 and then increase by an average of 2.5% through FY 24-25. Compliance with the new minimum wage requirements will cost RFPL roughly \$16,300 over the next 5 years.

The strategic initiatives budget line was cut starting in FY 20-21 to help make up some of the budget shortfall. However, it is projected that RFPL will be deficit spending starting in FY 20-21. Director Quinn is also projecting that after FY 20-21 there will not be excess revenues to transfer into the Capital Reserve. RFPL will only be able to transfer the Board approved 2.5% of anticipated tax revenues into the capital reserve fund.

D. Capital Expense Projections

Director Quinn reviewed capital expense projections with the committee through FY 24-25. For the current fiscal year, capital projects (and cost estimates) are scheduled as follows:

- Group 1 computers, \$15,000
- Lobby/staff space renovation project, \$355,000
- Security camera installation, \$3,500
- HVAC exhaust fan replacement, \$9,880
- Slate roof repairs, \$59,200
- Roof consultant fee, \$9,000
- Staff bathroom remodel, \$10,000
- Children's room project, \$65,000

In light of these upcoming projects, Trustee Bevan redeem a midterm operations CDs when it comes due in August 2019. Trustee Bevan would also like to see a process for tracking how reserves are being spent down.

The committee set two future meeting dates:

- Thursday, September 26th at 7:30 pm
- Thursday, December 5th at 7:30 pm

Trustee Smedinghoff moved to adjourn the meeting at 9:28 pm, Trustee Hopkinson seconded and the meeting was adjourned.