

**NILES PUBLIC LIBRARY DISTRICT
Finance Committee Meeting Minutes
June 12, 2006**

Call to Order

The meeting was called to order in the Computer Room at 6960 Oakton in Niles, Illinois, by Committee Chair Dan Vonder Heide at 7:02 p.m. Present were: Mr. Vonder Heide, Mr. Morgan Dubiel, Mr. Fred Kudert, Ms. Barbara Nakanishi, Mr. Dennis O'Donovan, and Ms. Maureen Polcyn. Mr. Patrick Cross arrived at 8:20 p.m.

Also present were: Mr. Cary Czarnecki, Library Administrator; Ms. Susan Lempke, Youth Services Supervisor; Mr. Mike O'Keefe, Business Manager; Ms. Kathy Toy, Accounting Clerk; Ms. Linda Weiss, Library Services Manager; and Ms. Jennifer Johnson, reporter for the Niles *Herald-Spectator*.

FY 2006-07 Budget

Mr. Vonder Heide distributed a budget discussion packet that he and Mr. Kudert had prepared.

He said that he hoped the Committee would be able to agree to budget and levy for the expenditure amount of \$5,681,914 that was presented in Mr. O'Keefe's first draft of the budget. He also said that he hoped that, during the course of the fiscal year, this amount could be reduced by \$104,000.

Mr. O'Keefe then gave an explanation of how the tax levy worked. He said that, in simplest terms, the tax cap limits us to an increase of 5% or the rate of inflation from the previous year, whichever is less. This number is applied to the previous year's tax extension, excluding debt service.

He stated that the tax extension is our tax levy, plus about 3% added by the Cook County Clerk's office for "loss and cost," based on the assumption that some tax revenue is not received. He added that we are also entitled to receive new tax revenue from "new property" in the district.

Mr. O'Keefe then distributed a document which showed the change in available fund balances, excluding debt service, over a period of years. One chart showed what would happen, assuming a 2.5% revenue growth and a 5.0% expenditure growth, with a tax levy increase of \$800,000, based on the 2003 referendum. We would still have a balanced budget through FY 2010, and for several years thereafter. A second chart showed what would happen if that \$800,000 were not factored in. We would no longer have a balanced budget by FY 2008 and would need to go for another referendum very soon.

Mr. O'Keefe then answered several questions about the library's different funds. He stated that we try to maintain an adequate balance in each fund in order to pay for such things as our audit, workers' compensation claims, social security benefits, and so on.

There followed some questions about grants. Mr. Czarnecki noted that sometimes the library benefits from "member initiative" grants from state legislators, as was the case with roof and HVAC repairs. He said that one grant that we can generally count on each year is the state per capita grant that supplements our materials budget. He added that we are always looking for grants that can benefit the library. For example, department head Susan Lempke has recently applied for a grant from Target Stores that will fund an after-school program for an "activity club" program. He noted that such grants generally do not keep us from spending money that would normally be part of our regular budget. Instead, such grants enable us to provide new services or programs to patrons.

Mr. Kudert and Mr. Vonder Heide then suggested that the staff look for ways of saving approximately \$100,000 in the budget. They gave three areas in which they hoped savings could be realized. First was library materials for a savings of \$10,000. Next was operating—process and services for \$24,000. Finally, they listed administrative/general office for \$19,000.

Ms. Weiss commented that the Long Range Plan included an item that targeted \$10,000 for large print items for homebound patrons. She said that looking for such a savings could jeopardize this benefit for homebound patrons. Mr. Kudert said that he welcomed the trustees being educated about such matters.

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Regarding the budget draft that had been presented by Mr. O’Keefe, the Committee agreed that it should be presented for a vote to the Board at the June 21st meeting.

Replacement Lighting

Mr. O’Keefe reported that the old light fixtures in the Reader’s Advisory Department would be replaced this week. The money to pay for this work is coming by way of a grant from the Illinois Clean Energy Community Foundation. He stated that the amount billed by the company doing the work, Amtech, will be presented for approval at the June 21st Board Meeting.

Blue Cross/Blue Shield Insurance Renewal

Mr. O’Keefe presented to the Committee information he received regarding the library’s health insurance renewal. He noted that the increase for next year would be 12.66%. He also pointed out that the deductible for single coverage was being increased by \$250 and the one for family coverage was going up \$500. To offset these increases, however, he noted that well adult and child care done in network would now be covered at 100%, whereas it was not covered at all under the current plan.

After looking at four other quotes that our broker had provided for health insurance, the Committee decided to keep Blue Cross/Blue Shield as our health insurance provider.

Other Business

Mr. Czarnecki reported that a request had been received from the Assistant U.S. Attorney’s office for records concerning insurance coverage for the library. Mr. Czarnecki stated that he had already contacted Library Attorney Dennis Walsh about this matter and that Mr. Walsh would provided the Assistant U.S. Attorney with whatever information we could locate.

Adjournment

The meeting was adjourned at 8:33 p.m.