

**Highwood Public Library and Community Center
Finance Committee Meeting
June 6, 2023**

Present:

Trustees: Treasurer Nora Loreda, President Lucy Hospodarsky, Finance Committee Member Jason Muelver, and Trustees Paul Martinez and Catherine Regalado

Personnel Present: Executive Director Carmen Patlan

President called the meeting to order at 7 p.m. and Roll Call was taken

Public Comments

Janet Wigodner attended and addressed the Finance Committee as a Highland Park resident. Her comments related to IMRF and the city's concerns on the number of library employees currently on IMRF and future unfunded liability. She said she is very well versed on how IMRF operates, its reputation as a well-funded pension program, and has spoken to various IMRF representatives to gain this knowledge. She said the unfunded liability of future pension obligations can be managed and she believes should not be a concern to the level that has been otherwise expressed. She also referenced the Library Act and a Memo written by an Ancel Glink library attorney to the RAILS Director. She wished to educate the members present as to the governance established in the Library Act and what was highlighted in the RAILS memo. She also expressed concern as to a deadline for making any operational changes and recommended Board seek outside expertise for guidance.

Janet also pointed out a clause in our DCEO grant contract that an organizational change would require notification to DCEO and possible loss/repayment of funds. Trustee Regalado reviewed the grant application during the meeting and stated that there was not specific language as to a particular program. The concern was duly noted, and President expressed appreciation for noting the language for further review.

President Hospodarsky thanked Janet for her time researching IMRF and the Library Act and expressed appreciation for being a very hard-working staff member who cares deeply about the library. Ms. Hospodarsky corrected a misunderstanding regarding timing and confirmed that the Board agreed in other sessions to utilize experts for guidance. Ms. Hospodarsky responded to the governance topic, and her read of the Library Act. She pointed out that the Mayor is responsible for all Trustee appointments and the Library Act allows for the Mayor to appoint at most one alderman to serve as a Library Trustee. As such, Board accountability rolls up to the Mayor. She also reminded the group that most recently, when working with a bank to seek construction bridge financing, the Library is not recognized by the bank as a legal entity, but as a component unit of the city, and therefore the bank was not able to enter into a loan agreement with the Library. The agreement would need to be between the bank and the city, on behalf of the Library.

Agenda Items

- a. Library Services operations budget

- a. The operations budget based only on tax levy and regular revenue sources (e.g. PPRT, Per Capita annual grant) and non-grant program funding under two different core services models was reviewed. Projections used the current approved FY2024 budget, with Salary & Benefits expenses updated for the two models. Medical benefit elections for not yet hired personnel were assumed to be at the family rate.
 - b. Both models would require sustainability funding, one at \$350k and the other at \$208k
 - c. Executive Director explained that an annual sustainability funding target would be raised each year to meet the operational needs of either staffing model.
 - d. The sustainability balance raised to date (\$1.5M) would only be accessed if there is a shortfall in the annual target amount and/or the actual “deficit” realized.
 - e. Trustee Muelver suggested a policy be created to establish an annual funding target should the actual sustainability funds raised fall below the target requiring a draw on the \$1.5M “rainy day” funds (term created for purposes of these meeting minutes), Finance Committee would need to address this shortfall and reassess next year/future years’ targets so as not to deplete the rainy day fund and replenish as needed.
- b. Financial impact of various leave options – A 4 week parental leave benefit given the “rainy day” fund does not seem to present a concerning financial burden.
 - c. Review future building repair schedule (5 to 50 year projections)
 - a. President requested Trustee Martinez, B&G Committee, to prepare an inventory of building equipment to be used to develop an associated repair cost schedule.
 - b. Mr. Martinez said he would want to reach out to WB Olsen for their expertise in helping to add cost estimates and repair/replacement timeframes.
 - d. Review sustainability funding and allocation to building repair fund
 - a. Executive Director said although the sustainability funds are unrestricted funds, she did not believe we could use for the building repairs.
 - b. Committee discussed that beginning with our FY2025 budget, we need to add a line item in our tax levy budget presented to the city to begin a building repair fund to be used as the source of payment once the repairs/replacements would become an actual cost. We would use the repair cost schedule to begin forecasting amounts needed to add to the budget.

Ms. Hospodarsky moved and Ms. Loreda seconded to adjourn the meeting.

Meeting adjournment time was not recorded by accident. The meeting length of time was approximately 2 hours.