



## HIGHWOOD PUBLIC LIBRARY FINANCE COMMITTEE AGENDA

Tuesday April 21, 2020 4:00 p.m.

Highwood Public Library

1. Call to order: 4:00 p.m.

2. Roll call: President, Lucy Hospodarsky; Treasurer, Nora Loreda; Director, Carmen Patlan

3. Public comment from the floor: None

4. Old Business

- Review of FY20 Spend down: We made a few updates to a few expense categories and updated the PPRT actual amount that we will receive in a week from the city. The FY20 approved budget was a deficit spend budget, in order to spend down the FY19 surplus (surplus resulted from the Director retirement and the 6 months of operating without a Director during the hiring period). If the surplus falls short, additional funds would come from the operating grant we received from an anonymous donor (see New Business). The Reserve Fund will not be needed as a source of funds.

Review of FY21 Budget: We reviewed revenue and expense categories in order to finalize our FY21 budget to present to the Board at our May meeting. Guided by our accountant (who is also the city's Finance Director), we reduced several revenue categories due to the Covid-19 shut down. We reduced the property tax revenues by 5% (\$15,000), and a few other revenue items due to anticipated continued shut down. However, we did add a \$5,000 donation from the Friends of the Library organization. We made several spending cuts due to forecasted reduced revenue. Due to this estimated reduced revenue, our revised operating budget to present to the Board is at a deficit, the amount of which will vary depending on the actual reduction in property tax revenue. The break-even point (where we have a zero deficit) is a 2% reduction in property taxes. At a 5% property tax reduction, the deficit is around \$8,500. Fortunately, due to the anonymous donation, any deficit amount will be easily covered 100% by this grant (see New Business).

5. New Business

- We discussed the \$50,000 anonymous grant and what portion would be used to cover the possible FY21 operations deficit resulting from the Covid-19 projected revenue reductions and, if needed, the FY20 deficit (this amount is likely to be under \$5,000). The donor has specified the funds can be used for operations and construction, with a stipulation that a portion must be spent on Spanish language materials. There are no specific dollar amounts associated with each category.
- Review of the deferral of FICA portion of payroll taxes

We had a conference call with both Carmen Sendejas and David Gonzalez from GW & Associates regarding the Cares Act Package. Employers may defer the 6.2% FICA portion of the payroll taxes beginning in May which is currently about \$840 per month or roughly \$6700 for the remainder

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Carmen Patlan, Executive Director      [director@highwoodlibrary.org](mailto:director@highwoodlibrary.org)

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of the year. According to Carmen S, 50% of those deferred funds will be due December 2021 and the remaining 50% due December 2022. Carmen S also provided FAQs from the IRS site that refer to the deferral program under the Coronavirus, Aid, Relief and Economic Security Act (CARES Act). David explained that his other clients are enrolling in the program. Since there is uncertainty with the Covid-19's impact on property tax collections for June and September, this temporary deferral seems a wise choice, given that there is no cost to participate. The only cost would be a reinstatement fee if we wanted to begin paying the FICA earlier than December. We instructed Carmen S to proceed with the enrollment.

5. Adjournment: 7:30 p.m.

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