EVANSTON PUBLIC LIBRARY BOARD OF TRUSTEES

SPECIAL BOARD MEETING PACKET

WEDNESDAY, NOVEMBER 13, 2013

6:30 P.M.

4TH FLOOR BOARD ROOM
EVANSTON PUBLIC LIBRARY BOARD OF TRUSTEES
Special Meeting - Wednesday, November 13, 2013
6:30 P.M.
Evanston Public Library, 1703 Orrington Avenue, Library Board Room

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM

2. CITIZEN COMMENT
   Not to exceed 15 minutes.

3. INFORMATION/COMMUNICATIONS

4. BOARD REPORTS
   A. Finance Committee (Leora Siegel)
      Approval of Adjustments to the FY2014 Budget

5. NEW BUSINESS

6. ADJOURNMENT

Next Meeting: November 20, 2013 at 6:30 pm
The City of Evanston and the Evanston Public Library are committed to ensuring accessibility for all citizens. If an accommodation is needed to participate in this meeting, please contact the Library at 847-448-8650 48 hours in advance of the meeting so that arrangements can be made for the accommodation if possible.
In response to requests that alternatives to lower the proposed 2014 property tax increase be explored, additional research has been conducted internally and in conjunction with the City of Evanston’s Finance Department.

For your consideration, we are proposing potential adjustments to the Library’s FY2014 budget that will lower the Library’s property tax levy without affecting the delivery of services. The Finance Committee met on November 7th and approved these adjustments.

Potential Adjustment Options as of November 1st:

<table>
<thead>
<tr>
<th>Potential Adjustments to Levy</th>
<th>% Increase</th>
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<tbody>
<tr>
<td>FY2014 Library Levy</td>
<td>$5,003,339</td>
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<tr>
<td>FY2013 Library Levy</td>
<td>$4,253,214</td>
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<tr>
<td>Amount of Library Levy Increase</td>
<td>$750,125</td>
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1. Fund FY14 capital plan from reserve balance ($150,000)
2. Add Chargeback to General Fund $250,000
3. Offset with Reduction in General Fund levy ($250,000)
4. Later hiring of new positions ($14,765)
5. Savings from staff turnover (1% of wages) ($38,600)
6. Additional Per Capita Grant revenue ($17,877)

Net Change in Levy $528,883 12.4%

1. The Library’s proposed FY2014 budget included $150,000 from the property tax levy to fund capital improvement projects. The Director proposes that this work would be funded from the Library Fund balance. As of September 30, 2013, the
Library Fund cash balance was $1,484,393 which includes 97% of the budgeted FY2013 tax revenue. This fund balance will decline given that expenditures will exceed revenue over the remainder of the year, however the year end fund balance will be sufficient to cover both the two months operating expenses (a "best practice" per the Government Finance Officers Association) and create the Capital Reserve Fund. Using one-time revenue to support one-time expenditures is appropriate and prudent.

2. & 3. Working together, the Library and City staff propose the addition of a $250,000 Interfund transfer from the Library Fund to the General Fund for administrative overhead support services provided by City staff. This will increase the Library’s tax levy by $250,000 and decrease the City’s General Fund levy by the same amount, resulting in no change for the property tax payer. Together we will monitor expenses and refine the chargeback if necessary. In 2014, Library and City staff will identify what would constitute a reasonable and equitable cost for overhead services which would be paid through an Interfund transfer in FY2015 and would result in a de minimus financial impact on taxpayers.

4. Staff proposes modest delays in hiring the new Young Adult Assistant, Security Monitor and Adult Service Assistant. The net savings would be $14,765 in 2014.

5. In consultation with the City’s Finance staff, we have determined that there is a modest budget savings of approximately 1% of salaries due to staff turnover each year. The savings are realized while positions are vacant and when replacement staff is hired at the entry level of the pay scale. Projected FY2014 savings from turnover is $38,600.

6. Last week, the Illinois State Library confirmed that the Evanston Public Library’s annual Per Capita Grant will increase from $1.01 to $1.25 per resident resulting in a revenue adjustment of $17,877 (74,486 times $0.24). These additional funds will be used to support the planned service initiatives in West Evanston.