

Yorkville Public Library
Board Room
Library Finance Committee Meeting
Monday, February 27, 2023- 6:00pm
902 Game Farm Road

The meeting was called to order at 6:04pm by Chairwoman Jackie Milschewski.

Roll Call: Jackie Milschewski-yes, Rosie Millen-yes, Bret Reifsteck-yes

Absent: Darren Crawford

Others Present:

Library Director Shelley Augustine, City Finance Director Rob Fredrickson, Library Board Trustee Ryan Forristall

Recognition of Visitors: The Chairwoman recognized staff and guests.

Public Comment: None

New Business:

Budget Planning for FY24

Overview:

The purpose of the meeting was to continue the budget process for FY24. The Committee was presented with the revised budget and 5-year projections as prepared by Finance Director Fredrickson. Briefly summarizing the report Mr. Fredrickson said it shows the combined Funds 82 (Operations) and 84 (Capital Fund). He projected a \$75,000 surplus for this year and Fund Balance of almost \$1 million and next year he predicted a decline of \$100,000 with a Fund Balance of \$900,000. He said the library should have adequate cash flow. Looking ahead to 2028, there should be over \$500,000 in the two Funds even with a chiller replacement etc. He feels the library is financially sound.

Library Operations Fund 82

Mr. Fredrickson then went into more detail of the proposed budget. He said Fund 82 looks healthy through 2028. He predicts a \$12,000 surplus for 2023, a \$24,000 deficit in 2024 and that this fund looks healthy through 2028. Chairman Milschewski asked what would cause the deficit for next year. Outside Repair and Maintenance was increased to \$125,000 based on possible equipment replacement.

Revenues:

On page 2 of the budget, property taxes are the largest revenue source at about \$900,000. Property taxes for debt service are based on debt service amounts and will begin to fall away in 2026 when the bonds are finished. Other revenue sources include personal property tax which have doubled to about \$17,000 and also the state grant in the amount of \$31,500. Mr. Fredrickson said miscellaneous income tax is higher than normal due to insurance proceeds received last week and the proceeds are basically a wash with the expenses.

Expenditures:

Expenditures include Ms. DeBord's final payout, part-time salaries, and health insurance. New insurance rates are estimated to increase by 8% for health, 5% for dental and life/vision is staying the same. One new employee is opting out of the insurance. Katelyn Gregory's administrative chargeback

of \$15,000 is included also.

Mr. Fredrickson detailed some of the other expenses such as training and conferences, chargeback for building and grounds person Ted Milschewski, Professional Services increasing by about \$6,000 to allow for engineering costs for new HVAC system and office cleaning (a new line item). Outside Repair and Maintenance is tracking at \$130,000, but a large amount will be offset by insurance reimbursement for the flooding. Ms. Augustine noted \$52,000 was for remediation and Mr. Fredrickson said the Outside Repair will continue to be high. Paying Agent Fees will drop when the bonds are finished and DVD's, audio books, etc. were moved to Library Operations in 2024. Usually \$50,000 was budgeted for books and in 2024, \$20,000 was budgeted as this item is phased into Operations. The bond payments are finished after FY 2025.

Library Capital Fund 84:

Revenues

Mr. Fredrickson said development fees are healthy if building is going strong. In the past, \$50,000 was budgeted and it more than doubled this year.

Expenditures

E-books were budgeted at \$3,500, computer equipment and software at \$25,000 through FY 2028 and books, DVD's etc will decrease as this moves to the Operations Fund 82. For Building Improvements, a lighting upgrade to LED was budgeted at \$56,000, for FY2025 he budgeted \$250,000 for a new HVAC system, FY 2027 VAV replacement (variable air valve replacement) budgeted at \$200,000. Mr. Fredrickson encouraged the library to continue to be aware of large expense items for planning purposes. Overall he thinks there should be about a \$60,000 surplus with a \$240,000 Fund Balance. He also predicted some declines in the Fund Balance in the '25 and '27 budget years, but no fiscal concerns in '24 and '25.

Questions/Comments:

Ms. Augustine mentioned some items not budgeted, but suggested by Mr. Raasch. They include elevator, plumbing and roof repairs and additional funding for Outside Repair. Currently, \$45,000 is budgeted for HVAC repairs. Mr. Raasch suggested a lighting control maintenance contract at \$6,100 and maintenance contract for VAV cleaning at about \$3,400. Mr. Forristall said the VAV contract would be beneficial to buy some time if any problems were detected.

Mr. Reifsteck asked about camera replacement. The library has 12-13 new cameras out of a total of 30. Ms. Augustine said 5 cameras could be replaced at about \$1,000 per camera.

Mr. Forristall said he has looked at the library building and he referred to a building evaluation report done in 2017. Not much has been spent and he said overall the building is in good condition. He said Mr. Raasch's suggestions were very accurate. He said the report also showed carpet replacement which would be very costly. Trustee Forristall said he has concerns with the exterior mortar and other items. He also said window sealants should be looked at since they fail after about 20 years and he said a mill and resurface of the parking lot should be considered. He said a Facilities meeting could be scheduled for March.

Ms. Milschewski asked if there is a monthly maintenance schedule of routine repairs saying it could help with budgeting. Ms. Augustine and Ms. DeBord have a building checklist, said Mr. Forristall. Mr. Fredrickson said the library could expect that the city will continue to help with maintenance issues

Director Augustine would like Mr. Raasch to meet with staff to develop a brief capital needs assessment plan before he leaves in April.

Summary: Mr. Fredrickson said revisions can be made in March and more firm numbers for health information will be received also. The Library Board can pass the budget at the April meeting and all must be completed by the end of April.

Executive Session: None

Adjournment:

There was no further business and the meeting adjourned at 6:38pm

Minutes respectfully submitted by Marlys Young, Minute Taker