

WARREN-NEWPORT PUBLIC LIBRARY DISTRICT

PROPOSED BUDGET 2017-2018

NARRATIVE

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06/20/2017



# PROPOSED BUDGET 2017-2018

## NARRATIVE

### SPECIAL NOTE

This document is to be used as a companion to the spreadsheet of the working budget for fiscal year 2017-2018. Please refer to the spreadsheet for more detailed figures.

### INTRODUCTION

THE PROPOSED BALANCED BUDGET FOR 2017-2018 IS ONCE AGAIN FAR FROM PERFECT, DUE TO FLAT INCOME AND RISING COSTS. It is working under these challenges that the administration of the Warren-Newport Public Library District presents its budget request for fiscal year 2017-2018.

Because the District is by design one year in arrears for receipt of property taxes, this fiscal year will reap very little benefit of the extremely minor economic growth in calendar year 2016. The Consumer Price Index (CPI) at the beginning of that year was 0.7%. That CPI factored in with new growth in the District resulted in a relatively small increase in tax revenue of \$62,090 compared to last year<sup>1</sup>. The District will continue to get a special source of revenue this year and for the next 13 years, namely, the subsidy from the United States Government for our sale of Build America Bonds, one of the two series of General Obligation Bonds (Alternate Revenue Source) that we issued in 2010 to fund the planned building expansion and renovation project. This year, we are again budgeting to receive the Illinois Public Library Per Capita Grant. However, due to the continued State of Illinois budget impasse which appears to be extending into a third fiscal year as of this writing, and the uncertainty surrounding funding for the Illinois Public Library Per Capita Grant, we are projecting to receive half the amount we have historically received. Overall, increases in tax and income revenue, along with increased developer donations, results in an estimated revenue increase of approximately 1.45% from last year.

On the expenditure side, we have decreased total expenditures 1.2% compared to the FY16-17 budget. This proposed budget once again eliminates contingencies that were found in previous budgets, and includes only capital projects that are deemed essential at this time.

This narrative is divided into separate sections on income, expenditures, and special funds. It ends with a summary of expenditures.

**INCOME  
TAX RECEIPTS**

REAL ESTATE TAXES

*Prior Year*

Real estate tax revenue is determined by the property tax levy, which was adopted by the Board of Trustees of the Warren-Newport Public Library District in 2016. Property taxes were levied for the following Library-related funds, by ordinance of the Library Board. The table shows the actual amounts of taxes extended by Lake County next to the levy amounts.

FUND	LEVY	EXTENSION
Corporate (General Operating)	\$4,874,500.00	\$4,870,207.56
Building, Sites & Maintenance	\$342,500.00	\$340,685.03
Pension (IMRF)	\$400,000.00	\$371,844.89
FICA (OASDI and Medicare)	\$250,000.00	\$231,742.50
Public Liability	\$157,000.00	\$120,499.53
Bonds & Interest	\$854,645.00	\$863,196.55
<b>TOTALS</b>	<b>\$6,878,645.00</b>	<b>\$6,744,176.06</b>

The Equalized Assessed Valuation of real property in the Library District in tax year 2016 was \$1,825,750,443.00, an increase of \$87,715,218.00, or just over 5%, from \$1,738,035,225.00 in tax year 2015. New growth of real property, both residential and commercial, amounted to \$6,630,499.00. This is encouraging, as new growth of real property was only \$2,609,242.00 in tax year 2015.

Although the Library Board levied an aggregate total of \$6,878,645.00 to capture the new growth in the district, the low CPI resulted in a lower limiting rate under PTELL\* affecting the Library District's actual tax extension, which came in at \$6,744,176.00, or \$134,469.00 lower

than the levy. Due to an administrative error, the abatement of tax for debt service did not occur. While the library board passed a bond tax abatement ordinance on January 17, 2017, it was not properly filed with the Lake County Clerk's office. To correct the error, the 2017 levy will ask for a lesser amount (a "double abatement") to make whole the taxpayers.

Removing the bond tax from the equation, despite the impact of the low CPI, higher EAV and new property growth in the district resulted in an increase in the extension of real estate taxes by \$62,090.00 compared to the previous extension.

### *Coming Year*

Lake County has informed us that the Consumer Price Index (CPI), the number utilized to determine the maximum allowable extension under the tax cap, will be 2.1% for 2017 taxes. The CPI had been trending downward over the past several years.

We cannot know what the Library District's Equalized Assessed Valuation for tax year 2017 is until the spring of 2018. Based on the information we currently have, we can cautiously predict once again, as we have seen over the past few years, that there will be slow but continued new growth on both commercial and residential fronts as the struggle to pull out of the recession of 2008-2009 continues. However, despite positive indicators of economic growth, there are no guarantees and there is still a fair amount of vacant commercial real estate in the district. The administration estimates that property tax receipts will again come in slightly higher next year compared to the current year. This assumes, of course, that there is no property tax freeze as has been discussed in Springfield since Governor Rauner has been in office. I think as time goes on, the possibility of at least a temporary property tax freeze becomes more and more likely.

### **CORPORATE PERSONAL PROPERTY REPLACEMENT TAX**

Corporate Personal Property Tax replacement revenue is generated from taxes on corporate income and the invested capital of utility companies. It was implemented in 1979 to replace revenue that was lost when personal property became exempt from taxation. This tax flows from the State of Illinois to the Library District. The amount shown in this proposed budget, \$56,001, is conservatively based on amounts given by the Illinois Department of Revenue. The actual distribution may be more due to whatever economic development in the district may occur, pending further revision from the County. This year all funding from this tax will be distributed to the Corporate Fund.

### **GRANTS**

The Library's Per Capita Grant from the Secretary of State of Illinois is again included in this budget. Due to state budget cuts and the backlog of bills in Springfield, the Library District last received a Per Capita Grant in the amount of \$51,407.99 for fiscal year 2015-2016 back in June 2016 at a rate of \$0.77085 per resident. This was below the statutory maximum of \$1.25 per resident. While the Per Capita Grant has been awarded for FY 2016-2017, we have not yet received these funds and may not for several more months, if ever. Due to the current status of state's finances, we maintain a healthy skepticism for the FY 2017-2018 Per Capita Grant. Our doubts about the state's finances notwithstanding, we will apply for the FY 2017-2018 Per

Capita Grant again this year, and if we receive any award, we will use it for the purchase of materials, as we have done traditionally. We are being conservative with our estimates and projecting \$41,682 for the FY 2017-2018 Per Capita Grant.

Other grants will be sought and may be received and are estimated in this proposed budget as bringing in an additional \$2,000. The Library District may wish to appropriate more expenditure in anticipation of possible receipt of additional grant money.

### **FEES AND FINES**

The Library generates income from two primary sources: 1) fines for overdue materials and 2) fees for photocopying and computer printing. The income estimate for these revenue lines is based on the projection of actual revenue in the current fiscal year and is slightly lower compared to last year's budget.

### **GIFTS**

Through the continued strong support of the Friends of the Library, the Library District can expect to receive stable donations of funds. However, we do not anticipate any major gifts from private donors, like what we received in FY 2015-2016 for the staff lounge project. However, through a continued focus on increasing our revenue through fundraising, including growing both our Bingo in the Books and Bikers for Books fundraising events and a fundraising campaign being planned for WNPL's 45th anniversary in 2018, WNPL should be able to grow this source of income gradually both in FY 2017-2018 and in the coming years.

### **ANNUAL FUND**

The Library District conducts an annual fund drive, named the Fund for the Warren-Newport Public Library District, to raise funds which have historically been utilized for capital improvement projects. The budget reflects what we can realistically expect to receive from donors, based on our analysis of the history of donations.

### **DEVELOPER DONATIONS**

Through agreements with our constituent municipalities, townships and Lake County, the Library District receives donations from building developers in the district. These donations help defray the impact of residential development on providing library services to the new residents who will eventually move into the district. We anticipate three of the developer agreements we've entered into will increase developer donation revenue in FY 2017-2018.

### **INVESTMENT INCOME**

This revenue comes primarily from the Library District's CD investments, with a small amount coming from the Illinois Funds Money Market Fund.

The estimate for investment income is based on a combination of the projected actual revenue in the last fiscal year and our forecast for higher rates of return from our managed investments. A forecast of the country's economy for the coming year predicts continued low

rates of return on investments, although it is trending upward. However, we do expect our professionally managed investment portfolio to bring us the highest yields possible in this down market. We are estimating that interest income will be higher compared to last year.

Special note: This budget includes interest accruing in the Working Cash Fund. State statute changed in 2007 to allow interest in the Working Cash Fund to remain in that fund to the statutory maximum for the fund, which is 0.2% of the equalized assessed valuation of the Library District for the year 1998. As our EAV that year was \$1,064,855,246, the maximum balance that we can keep in the Working Cash Fund is \$2,129,711.

### **BAB SUBSIDY**

The Library District issued two series of general obligation bonds (alternate revenue source) in 2010 to fund the building expansion and renovation. The second series were the Build America Bonds (BAB), a program of the federal government as part of its economic stimulus bill in 2009. The BAB program provides a subsidy to help local governments reduce the cost of borrowing money for capital improvement projects, among other activities. The first series of general obligation bonds has been paid, and only the second series remains.

### **OTHER INCOME**

Other income derives from the costs charged to patrons to replace lost materials and library cards. Some library programs charge participants fees to defray costs of materials used in the programs. As part of our agreement with our food vending service, we receive a percentage of the profits from the vending machines in our vending area.

The Library District receives miscellaneous income from, among other sources, unexpected refunds or credits and also found money. The estimate in this line is based on the experience of the past few years and is an attempt to capture this small but real source of revenue.

### **SUMMARY OF INCOME**

**Excluding the bond tax revenue received that will reside in the 2016 Bond Revenue Fund until fiscal year 2018-2019**, the Library District expects to receive a total of \$6,365,309.00 in fiscal year 2017-2018. This marks an increase of approximately 1.45% from last year.

## PROJECTED EXPENDITURES

### PERSONNEL

#### SALARIES

For budgetary purposes, an allowance is built into the budget that would allow for across-the-board salary increases of 2%, effective January 1, 2018. This budget also incorporates a potential change at the bottom of the wage scale of 3% and at the top of the wage scale of 2% if the Board elects to modify “Policy 2040: Wage Scale.” The overall payroll has decreased approximately 4.46%. Whenever vacancies occurred in FY 2016-2017, not unlike the previous fiscal year, Deputy Director Noreen Reese and I worked diligently with the WNPL Management Team to save costs, and very often we were able to address the needs of WNPL by reorganizing our staff, which resulted in reduced personnel costs. I am very proud of the work we done in this area, but it is necessary for us to continue these efforts and continue to implement our systematic long-range personnel plan over the next 10 years in an effort to bring down personnel expenditures.

#### INSURANCE

##### *Medical, dental & vision insurance*

Employees working 30 or more hours per week are eligible to participate in the medical, dental and vision group insurance programs through the Library District’s agreement with Blue Cross Blue Shield. Twenty-two current employees are enrolled in the program. Blue Cross Blue Shield (major medical), Lincoln Financial (dental), and VSP (vision) have provided the figures for the Library District’s contributions to these programs. Health insurance premiums are budgeted to remain flat in FY 2017-2018, mainly because we have four fewer people participating in our medical group insurance plan compared to a year ago.

##### *Continuing Impact of the Affordable Care Act (“ACA”) in 2018*

Effective January 2016, employers (with 50 or more full-time employees or equivalents) may incur penalties if they do not offer affordable health insurance that provides a minimum level of coverage to their full-time employees. Under the ACA, a full-time employee is defined as anyone who works more than 30 hours in a week. The library currently offers employer-sponsored coverage that provides “minimum value” and it is affordable to each full-time employee. No penalty will be owed by the employer as we meet all required level of coverage. We continue to monitor developments at the federal level regarding a possible change or replacement of the ACA.

*Life insurance*

All full-time employees are eligible to participate in the Library District's life insurance plan. The budget provides for the participation of all eligible employees. We do not expect any increase in premiums in the coming year.

IMRF

The Library District will make a state-mandated contribution of 13.94% in 2017 and 13.97% in 2018 of the salaries of employees working more than 1,000 hours per year, that is, all regular employees, toward the Illinois Municipal Retirement Fund. These payments come out of the Library District's special Pension Fund. The budget reflects a deficit in this fund at the end of the year, which was planned on our part to decrease our fund balance to stay in line with library policy.

FICA

The current combined rate of the employer contributions for Social Security and Medicare is 7.65% of gross salaries. The Library District pays for this out of its special FICA Fund. The budget shows a small surplus in this fund at the end of the year.

OTHER BENEFITS

We are budgeting for no increase in fees associated with the Flexible Compensation Plan. The Library District buys the FSA debit cards for all employees participating in the program.

**SERVICES AND SUPPLIES**

PROGRAMS

This category covers instructional, educational, and cultural programs and special events for both adults and children. The Friends of the Library provides funding for all library programs through donations. The staff has much discretion in spending in this category. The budget for this category is up by 12.94%, or \$4,615, from last year's as we continue to do our best to meet the tremendous community demand for programs.

PROFESSIONAL SERVICES

Spending in this line is based on projections from the current year's expenses for the Library District's legal counsel, bookkeeper, auditor, and materials recovery service. We are decreasing professional fees by over 16%. This is due to the fact we budgeted for a formal Capital Needs Assessment in FY 2016-2017 which was a one-time expenditure we do not expect for repeat for several years.

GENERAL SUPPLIES

Office supplies, computer supplies, software maintenance, and hardware maintenance are included in this line. The proposed budget for this line has been increased 5.7% due primarily to putting in funding to potentially replace the software we use to manage events, room

reservations, and summer reading. We hope to find a solution that does not necessitate all of the money we have budgeted for this software maintenance need.

## BUILDING SERVICES

Standard cleaning is provided for in this line. This line is flat compared to last year. This expense is paid out of the General Operating Fund.

## UTILITIES

The utilities are gas, electricity, water and sewer. These expenses are largely non-discretionary, though we make an effort not to waste electricity with unnecessary use of lights. This line is essentially flat compared to last year. Utilities are paid out of the Building, Sites & Maintenance Fund (BS&M).

## TRAINING & DEVELOPMENT

### *Professional Memberships*

Library District policy provides for the payment of an institutional membership in the Illinois Library Association (ILA). The District pays for the Executive Director's memberships in ILA and the American Library Association (ALA). This line item includes the membership dues for other staff members in either ILA or ALA according to policy. This category also provides for the Library District's memberships in other professional associations and community organizations including Management Association. This expense line is the same as last year.

### *Continuing Education*

The Library District supports the continuing education and professional development of both staff members and trustees. One of the major strategic themes of our new strategic plan is "WNPL needs to continuously innovate in order to thrive and to deliver to the community what it wants and needs." To that end, one of the action items in the strategic plan is investing in staff by encouraging and providing opportunities for staff development. This budget item makes provisions for attendance at various professional conferences throughout the year as well as for ongoing training at workshops and classes. We also have one program proposal that was accepted for the 2017 Illinois Library Association Conference in Tinley Park, and we have budgeted for the two individuals giving this presentation to attend the conference.

In the past the staff and board had attended most of their training under the sponsorship of the now-defunct North Suburban Library System at a reduced rate compared to other professional training. The library system which replaced NSLS, the Reaching Across Illinois Library System (RAILS), continues to dedicate more resources to the office of continuing education and plans to offer more opportunities in the coming year. Once again, a bright spot in continuing education is the Library Administrators Conference of Northern Illinois (LACONI), which as of right now continues to be the primary CE resource for libraries in RAILS. We have budgeted attendance for some of LACONI's programs throughout the year.

Unlike recent years, this budget category does include a provision for educational assistance of staff through tuition reimbursement. Although the budget remains tight, the one staff member who requested assistance this year is an individual who has been identified as a candidate for the succession plan we are developing, one of the action items in our strategic plan. While the \$5,024 request might seem high upon initial examination, it is important to note that the educational assistance program has a track record of providing tremendous benefit to WNPL. Deputy Director Reese received educational assistance on her way to her current role, as did Sandy Beda, our Co-Head of Adult Services.

This line includes an increase in funding of \$1,540 in the training and development budget for the library trustees as FY 2017-2018 sees three new additions to the Library Board.

The 15.61% increase in this line is attributed to the educational assistance request and the increase in funding for trustee development.

#### PRINTING AND PUBLICATIONS

The Library District's primary expense here is for the printing of the award-winning newsletter, *The Inside Angle*. This budget item also shows funding for publications giving information about library services, such as the Patron Welcoming Packet and brochures on general services.

#### EQUIPMENT MAINTENANCE AND SUPPLIES

This budget category includes bookmobile maintenance, bookmobile fuel, building and bookmobile inspections, and photocopiers lease and maintenance. It has decreased 4.72%. These expenses are paid out of the BS&M Fund.

#### PUBLIC SERVICES AND WORKS

Building maintenance, landscaping, snow removal, alarm monitoring and maintenance, HVAC maintenance, and waste removal are included in this category. Also included are public relations, graphic supplies, volunteers, and display and marketing expenditures. Overall this budget item has decreased 2.62%. The BS&M Fund is used for these expenditures.

#### ELECTRONIC SERVICES

This line is for administrative payroll services and we project a \$300, or 2.91% increase.

#### CONTINGENCY

The line allows for unexpected expenses. As was the case the previous two years, there is nothing budgeted here.

#### MATERIALS

Acquisition of library materials is one area where the library has discretion in its spending. This year I am proposing an increase of 2.38% on materials expenditures. After cutting the book budget for several years prior to FY 2016-2017, this increase along with last year's increase

continues to put us in line with “Policy 2001 Budget and Finance” as materials expenditures are 10.62% of the budget less major capital expenditures and debt service.

## BOOKS

The budget calls for a decrease in funding for both adult and children’s books of \$6,685. This budget for books still provide adequate funding to keep up the quality of our collection and meet the demands of the community.

## PERIODICALS

As more magazines and newspapers continue the trend of going completely digital, the proposed budget for periodicals is once again less than the previous year. This line takes into account the Library District’s current actual remaining subscriptions, planned withdrawn subscriptions, and planned additional subscriptions. Periodicals will be funded out of the General Operating Fund.

## AUDIOVISUAL MATERIALS

While impacted by the streaming video world we live in today, this class of materials continues to remain relatively popular with library patrons. We are proposing a 3.66% decrease in AV materials versus last year’s budget.

## ELECTRONIC DATABASES

The amount budgeted for electronic databases has been increased by nearly 17.63%, which is \$25,020.00. Resources like OverDrive’s MyMediaMall, which offers electronic audiobooks and ebooks, and Hoopla, which allows patrons to borrow digital videos, music, audiobooks and ebooks, continue to grow in popularity with our patrons in a time where we see the usage statistics of other library materials trending downward. We once again negotiated hard with database vendors in an attempt to receive discounts or hold costs steady compared to prices we paid in previous years. However, several database subscriptions increased slightly despite our efforts. We will continue to annually assess all electronic databases and take a hard look at usage statistics and redundancies with other resources to ensure they are a good investment.

## **EQUIPMENT, FURNISHINGS AND TECHNOLOGY**

This line includes the vast majority of our capital projects for FY 2017-2018. After formally establishing a long range capital plan for the next ten years in FY 2015-2016, we made modifications to this plan after conducting a Capital Needs Assessment in FY 2016-2017. Now that we have an updated plan, we have strategically designed how we will budget over the next decade in order to be able to pay for these capital projects. There are two categories of capital projects: facilities and information technology.

The most significant capital project under the facilities category is phase one of the parking lot repaving project, estimated to cost \$87,000. Currently, the plan is to repave the front parking lot area in the Spring of 2018. In conjunction with this project, I am proposing we redo the

landscaping at the front of the building at a cost of \$39,000. I believe we can realistically fundraise for approximately \$26,000, or two-thirds of the project, effectively leaving us only \$13,000 that would need to come out of the BS&M Fund to cover the cost of the project. Other capital projects in the facilities category include a much needed upgrade to our security system (\$55,000) and staff office chair replacements (\$14,500).

Under the category of information technology, we enter year two of the cost of upgrading to the new Sierra ILS, which costs approximately \$95,000 in FY 2017-2018. This upgrade was essentially required as Innovative Interfaces is in the process of discontinuing support of the Millennium ILS and our ILS server was at the end of life. Another significant IT expenditure is \$46,072 for the new Bibliotheca RFID system. The FY 2017-2018 budget contains the third payment of five covering the replacement, upgrade, and maintenance of our RFID system. During the week of June 6, 2016, we replaced outdated equipment to improve the speed and user experience of our RFID system. Our RFID system will now meet the universal standards that didn't exist when we first implemented RFID technology more than a decade ago. Other IT capital projects include the replacement of staff computers and monitors (\$65,000), Isonas Cloud and Reader update (\$13,700), Veem Network Backup System upgrade (\$10,000), a projector for the WNPL meeting room (\$7,000), and credit card readers (\$2,700). While these expenditures are significant, it is essential for us to make sure that the technology we rely on to operate remains supported and up-to-date.

## **DEBT SERVICE**

This line includes the payments due this year for the principal and interest on the 2010B series of General Obligation Refunding and Project Bonds. The annual debt service for the 2010B bonds will reduce steadily year by year over the remaining life of the bonds. Note that the Build America Bonds (BAB) subsidy (see revenue section above) will correspondingly decrease over the life of the bonds as well, and so the aggregate net debt service will stay basically flat during the life of the bonds.

## **SPECIAL FUNDS**

### **BUILDING, SITES & MAINTENANCE**

This fund provides for the maintenance of the building and grounds as well as the purchase of equipment and supplies for the building and site. Categories that fall under this fund include Building Services, Utilities, Equipment Maintenance and Supplies, and Public Services and Works as previously detailed.

### **CAPITAL IMPROVEMENTS AND FURNISHINGS**

In addition to capital projects previously outlined, we are proposing a budget of \$4,860 to acquire three new vacuum cleaners, a carpet extractor, and floor scrubber. The addition of this equipment is an investment that provides us many benefits, including the opportunity to extend the life of our flooring and carpets.

## **PUBLIC LIABILITY**

The Library District uses this fund to pay insurance premiums and costs associated with risk management. The following are the major categories of expenditure in the Public Liability Fund.

### **ILLINOIS UNEMPLOYMENT INSURANCE**

To cover its possible costs for Illinois Unemployment Insurance the Library District participates in the Library Insurance Management and Risk Control Combination (LIMRiCC), an independent insurance pool of libraries. This budget item reflects the costs of participation based on the Library District's agreement with LIMRiCC and determined by the number and cost of claims filed. It has decreased \$750 compared to last year.

### **DIRECTORS AND OFFICERS ERRORS AND OMISSIONS INSURANCE**

We anticipate the cost for this insurance to increase slightly this year.

### **WORKER'S COMPENSATION, TREASURER'S BOND, LIABILITY, OTHER INSURANCE**

These are non-discretionary areas of expenditure. The Library District's control is in choosing agencies to provide the necessary coverage at the lowest price. The administration is confident that the District's current insurance agency gives us what we need at a competitive price.

### **SALARIES-LIABILITY FUND**

State statute allows the Library District to use this fund to pay the salaries of security staff. The budget has decreased compared to last year.

### **SECURITY-RELATED TRAINING**

The Library District may also use liability funds to pay for staff training needed for safety and security.

## **AUDIT**

In the past this fund paid for the professional expenses of the auditor of the Library District's annual financial statement. As there was a large accumulation in the Audit Fund, we have not levied any taxes to fund the expenditures in this fund for many years, with the purpose of exhausting the fund and eliminating it. We exhausted this fund two years ago and consequently the audit fees are paid out of the Corporate Fund. This fund is currently inactive.

## **WORKING CASH**

This fund was established for the purpose of making internal loans, that is to say, for maintaining a reserve in case cash flow became a problem. In the event of a shortage of cash from the other library funds, a particular fund could borrow money from the Working Cash Fund to pay bills. The borrowing fund then would repay the Working Cash Fund when it received enough income to make full restitution. The Working Cash Fund is thus a type of insurance fund

to see the Library District through any lean times when income is not forthcoming. The money kept in this fund would enable the District to pay its major bills for one month.

The Library District does not anticipate any problems with cash flow the coming year. The administration recommends maintaining the Working Cash Fund as both insurance and as a source of reserve for generating interest income, which is allowed to accumulate in the fund according to state statute amended a few years ago.

### **EXPENDABLE TRUST**

The Library District established this fund to take deposits of donations through its Fund for the Warren-Newport Public Library District. There are several fundraising goals in our strategic plan, and we will continue to focus a lot of effort in FY 2017-2018 towards enhancing our fundraising efforts in order to gain more donations.

Funds in the Expendable Trust can be used and are budgeted this year to offset costs connected with fundraising. In addition, \$26,000 has been budgeted out of this fund for a front-of-the-library landscaping project in addition to \$12,000 for improvements to Coco's Cove.

### **SPECIAL RESERVE**

The Special Reserve Fund was established to take unexpended balances from the Corporate General Operating Fund and save them for capital improvements and related projects. There are no projects budgeted using the Special Reserve Fund in FY 2017-2018.

### **CAPITAL PROJECTS**

The Capital Projects Fund was established to receive the proceeds from the sale of the General Obligation Bonds 2010. It was exhausted several years ago to pay for the costs of the building expansion and renovation project. While not reflected in the budget, this Fund remains on the books in the event the library district needs it again.

**SUMMARY OF EXPENDITURES**

The following chart summarizes the spending from the operating budgets across all funds based on the recommendations in this proposed budget. Overall, total expenditures come in 1.2% lower than last year’s budget.

Note that total personnel-related expenses come to just under 60% of expenditures. While this percentage isn’t atypical among in Illinois libraries, we continue our plan to control personnel costs to ensure they are sustainable long-term. Regarding the materials percentage list below, note that 10% of the budget goes towards materials less capital expenses and debt service, keeping it within the guidelines of Policy 2001.

Personnel	\$3,782,442.00	60%
Services & Supplies	\$819,914.00	13%
Materials	\$546,433.00	8.6%
Capital Expenses	\$332,437.00	5.2%
Debt Service	\$845,215.00	13.2%
<b>TOTAL</b>	<b>\$6,326,440.00</b>	<b>100%</b>

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<sup>i</sup> This figure intentionally excludes the \$863,196 the Library District would not have received if the bond tax abatement ordinance had been filed consistent with the Board’s customary practice. This money will reside in the 2016 Bond Revenue Fund pursuant to Resolution 2016/2017-5 and will be used in FY 2018-2019 when WNPLD intends to levy less than the usual and customary levy to make whole the taxpayers .

\*Property Tax Extension Limitation Law (PTELL)