

Board packet November 16, 2021: Ordinance 2021/2022-5 and Ordinance 2021/2022-6

Friday, November 12, 2021 2:36 PM

Subject	Board packet November 16, 2021: Ordinance 2021/2022-5 and Ordinance 2021/2022-6
From	Ryan Livergood
To	libraryboard
Cc	Noreen Reese; Gina Ornelas; Amy Blanchard; Sandy Beda; Douglas Wideburg
Sent	Friday, November 12, 2021 2:35 PM
Attachments	Ordinance 2021-2022-6 Annual Tax Levy 2021-2022.docx; Ordinance 2021-2022-5 Correcting Scrivener's Error in Budget & Appropriation Ordinance.docx

Good afternoon,

There are two ordinances for the Board to adopt next Tuesday evening:

- Ordinance 2021/2022-5 Correcting Scrivener's Error in Budget and Appropriation Ordinance.
- A similar error occurred last year and I am mad at myself for allowing it to happen again. However, as Roger Ritzman, our attorney told me, this is what in the legal world they might call a "de minimis" error, or of little significance. I added the Bond Fund information to the B&A ordinance as a transparency measure, but the way it appears in the ordinance implies that we are not appropriating funds out of the Corporate Fund to play our debt service. While we do transfer funds out of the Corporate Fund into the Bond Fund to pay our debt, in the B&A Ordinance, the appropriation should be clearly reflected under the Corporate Fund section, and this ordinance accomplishes this change. This does not impact any appropriation in the context of the tax levy. I am adding a footnote to next year's B&A that will allow us to explain the transfer of funds into the bond fund to accomplish the transparency piece, which will also prevent us from making this error again.
- Ordinance 2021/2022-6 Tax Levy Ordinance for FY 21-22.
 - **What is the purpose?** This is amount of taxes to be levied in the library district. It directs Lake County what taxes to levy, collect, and deposit on behalf of the library district. This tax revenue is approximately 93% of our budget. I view this as the very final step in our yearlong budget process before we start again in early 2022. WNPL spends the first six months of the calendar year establishing the budget for the upcoming fiscal year, which is reflected in the Budget & Appropriation Ordinance (what we plan to spend in each budget line and the limit to what we can spend in each budget line as reflected in the appropriation). The levy is the income for how we are going to pay for these expenses. The Budget and Appropriation Ordinance is important for the tax levy, for while you can spend (the appropriation) more than you intend to levy (the income), you cannot levy more than your appropriation.
 - **How is the amount determined?** The base of taxation is the equalized assessed valuation (EAV), which is the worth of all the property in the library district. However, there is a limit on how much the district can raise in taxes that can work to counteract tax rates if EAV were to dramatically increase. That is the Property Tax Extension Limitation Law (PTELL), popularly known as the tax cap. Counties in Illinois have the option to abide by this law, and Lake County has taken that option, so the PTELL applies to our library district. This law states that the district can only be extended, that is, receive, taxes on no more than 5% or the Consumer Price Index (CPI) over what it received last year, whichever figure is lower. Our intention is to levy \$6,667,360, which will allow us to capture all funds available to us (i.e., CPI at 1.4% plus new growth).

Attached are the latest drafts of the ordinances which I plan to review with both Roger Ritzman and Jamie Rachlin (we reached out to him to assist us with the B&A and tax levy this year when Roger was unavailable). The final ordinances, if there are any changes, will be available prior to Tuesday evening and I will get them sent to the Board as soon as they are finished.

Thanks,
Ryan

Ryan Livergood
Executive Director
Warren-Newport Public Library District
224 N. O'Plaine Road
Gurnee, IL 60031
847-244-5150 ext. 3101
rlivergood@wnpl.info