

Deerfield Public Library
Board Meeting
September 14, 2009
Finance Committee

The Finance Committee meeting was called to order at 5:15 pm.

Present: Jeff Rivlin (Chairperson), Ken Abosch, Sunday Mueller, Library Director Mary Pergander, Business Manager Carol Dolin.

1) Revised Appropriation Budget

Three draft appropriations budget options for the 2009 tax levy (fiscal year 2011) were presented for consideration:

- a) Zero tax increase (other than capturing the expiring taxing increment funding), and no remodel preparation expenses included in the expenses,
- b) 5% tax increase budget that includes \$600,000 for remodeling preparation work and makes \$320,620 available from Reserves,
- c) 10% tax increase that including \$600,000 for remodeling preparation work and makes \$200,000 available from Reserves.

All three appropriations budget options include \$147,000 for TIF funding recapture due to the expiring TIF district, and represent a tax neutral increase in funding. Also included is a one time \$100,000 TIF surplus distribution.

The remodeling preparation costs may vary somewhat, but are anticipated in fiscal year 2011 and include items such as soil testing, asbestos investigation, legal fees, records surveys, title investigation, construction insurance, traffic studies, and landscape design. These costs do not include any asbestos remediation or other corrective actions, if needed, and are focused on substantiating the feasibility of the remodel.

2) Review of historic and trended tax rates and home values

As part of the above discussion, the committee members reviewed tax trends. Deerfield falls in the low end of the spectrum when compared to surrounding areas for tax rates based on EAV. EAV is based on the previous three years of home sales, and while the increases have slowed due to the economy, they do continue in Deerfield. The library is a very small portion of the overall tax bill. The third budget option would cause minimal impact to tax payers while allowing the library to begin preparing to remodel the building and preserving the reserve fund.

Mr. Abosch made a motion that the Finance Committee recommend to the full Board support for the 10% increase option for the following reasons:

The budget will allow the library to

- continue to do more for library users including increasing circulation and services while investing in the future,
- invest in the future with funding for architect and pre-construction fees,
- anticipate future debt service and allow for a more moderate step from pre-construction costs to construction costs
- have the least impact on the Reserves, which will be needed for the future.

Ms. Mueller seconded. The motion passed.

3) Establishment of money market accounts

All signatures and information were collected to finalize paperwork to establish the MaxSafe money market accounts to maximize interest revenues on the general funds.

4) Financial advisor selection

The Finance Committee reviewed Ehlers' Agreement for Financial Advisory and Consulting Services for Deerfield Public Library. Three primary functions are proposed in the agreement; a) Financial Advisory Services, b) Public Participation and Communication Services, c) Referendum Information Program Services.

The financial advisory services include developing a 10 year operating forecast and plan for the library and, optionally, supervising the sale of library building bonds.

The public participation and communication services include a) developing ongoing question and answer sheets, news releases related to the project, power point presentations, information to the library web site and talking points related to the project at various stages of the project, b) organizing and supervising of open houses/public information forums regarding the project (up to three different meetings), and preparing information boards (excluding the cost of printing and graphics), and c) assisting the board in organizing a task force comprised of residents and working with the task force to understand issues of the library and coordinating interaction with the board.

The referendum information program services includes work with the library to develop an information program plan including timetable, suggested activities, suggested public involvement, review roles of board, staff, and community members and attending meetings and advising the board throughout the program.

Since it is not known at this time if these additional services will be needed, the primary focus will be on the financial advising services.

Mr. Rivlin made the motion that the Finance Committee recommend to the full board that the Deerfield Public Library put forward and sign a contract with Ehlers for financial services immediately, and gather more information about the other services to determine which additional services will best serve the Library's needs. Ms. Mueller seconded. The motion passed.

The meeting adjourned at 6:45 pm.

Respectfully submitted,

Ron Simon, Secretary