

## **Wilmette Public Library District**

### Tentative Budget & Appropriation Ordinance overview

Tuesday, July 18, 2023

This ordinance is the second step of the Library's annual budget process, following the approval of our FY23-24 Budget on June 20, 2023, and precedes our annual levy this fall. Additional information about our financial procedures and records of past Board action and documents are posted on our website: <https://www.wilmettelibrary.info/about-us/about-the-library/library-finances-budget-overview>

These are our annual financial ordinance procedures:

The Library Director and appropriate Staff generally prepare a tentative operating budget in April for the following fiscal year. This budget is reviewed and/or revised by the Board's Finance Committee before being adopted at the regular meeting of the Board in May or June.

The Library Director and appropriate Staff will generally prepare a tentative Budget and Appropriation Ordinance in a timely fashion so that it may be posted and notice provided prior to public hearing held by the Library Board in accordance with legal requirements. Generally, this hearing will be held in July or August.

The Board of Trustees will normally review and adopt the Budget and Appropriations Ordinance in August. The ordinance is be posted, published, adopted, and filed in accordance with legal requirements. Subsequent changes in the appropriations can be made according to procedures outlined in Illinois Statutes.

The Library Director and appropriate Staff will prepare a tentative Levy Ordinance in a timely fashion in adherence with legal requirements. The levy is reviewed and/or revised by the Board's Finance Committee before Board enacts the Levy Ordinance, typically in November. The Levy Ordinance will be adopted and filed with the County Clerk of Cook County in accordance with legal requirements.

(Additional information can be found in relevant Illinois Statutes such as [75 ILCS 16/30-85](#) and [75 ILCS 16/30-90.](#))

### **Purpose of the Appropriation**

By law, all expenses must have an appropriation before the Library may approve expenditures. An appropriation ordinance is approved and filed with the County Clerk during the first quarter of our fiscal year. The appropriation ordinance represents the legal authority to spend money for the purposes designated in the ordinance.

Either a budget ordinance or an appropriation ordinance only authorizes the maximum amounts that the governmental body may spend on particular matters during a fiscal year. In almost all cases, specific approval for the actual amounts to be spent must come through the passage of other motions, resolutions or ordinances.

The Library Board, during the first quarter of each fiscal year, establishes by appropriate ordinances as provided by statute, the amounts of monies to be budgeted, appropriated, and levied for the operation of the Library District.

## Reviewing the document

Regarding the **Fund Balances** portion of the ordinance, these figures are derived from our unaudited financials, of which an official update will be provided with the fiscal year 2022-2023 Audit later this fall.

Because the Library's fiscal year schedule differs from the calendar tax year, we use the 2022 levy (of which we received the final agency report in late June 2023) for calculating **revenues** for the 2023-24 fiscal year.

Regarding the listed **expenditures**, until 2019 WPLD's Working Budget and B&A had been identical; the budget and appropriation documents and numbers were the same, and the appropriation overage was accounted for as a "contingency." At the June 16, 2019, Trustee Orientation meeting with our attorney Roger Ritzman, he explained that appropriations can (and should) range above the Library's working budget to allow the Library the legal authority to responsibly allocate and spend the income it receives in fulfillment of its mission. He explained that there's no defined formula for the appropriation; in some budget lines a Library may appropriate more than others. The "Calculations" portion of this overview (page 3) explains our current method and rationale.

The following legal explanation of the B&A formula is provided from the *Illinois Municipal Handbook*:

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Question: Should the amounts appropriated be higher than working budget amounts?  
Answer: Yes.  
Explanation: The appropriation ordinance serves as a limit on what a public entity may spend during the current fiscal year. It is, in effect, a statement of the maximum amount that the municipality could conceivably spend if sufficient funds were available. Municipalities may not expend funds or enter into contracts . . . unless the expenditure is contained within the appropriation ordinance. Consequently, in drafting this ordinance, officials must anticipate all possible expenditures during the coming year. Because of this reality, the appropriation should always exceed the amounts which actually will be received and spent. This necessary inflation of line items may often be difficult to explain to residents of the municipality who are not familiar with the process. It may be very helpful to explain the differences between an appropriation, an internal budget and a tax levy at the beginning of the hearing on the appropriation ordinance. (emphasis added)

*Illinois Municipal Handbook*, Ancel Glink, et al., pp. 298-299 (2014)

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Additional background on the 3 step budgeting process can be found in the appended article, *Library Law: Budgeting, Appropriating, and Levying* by Gerard E. Dempsey and Janet N. Petsche.

## Calculations

For the past 4 years we have used a flat 10% buffer to each line of the budget to arrive at our tentative B&A numbers. We selected 10% as this is typically the amount +/- that our operating budget lines may vary by year end. We've applied this method to this year's tentative B&A as well. One budget line that deviated from this formula in the last 3 years remains an aberration this year:

1. Budget line *I. L. Grant Expense* is intentionally set significantly higher in the event we apply for/receive a grant.

## Transfer to Special Reserve Fund

While the Library will not receive the final audited financials for FY22-23 until this fall, our June 2023 financial reports show that annual expenses came in at approximately the expected the overall operating budget. Therefore, we do not have appear to have a surplus this year as we have had in years past. Any general fund balance is eligible for transfer to the restricted Special Reserve Fund. Such a transfer would require Board authorization at a future meeting.

Following adoption of the District's updated Fund Balance policy in March 2021, and concurrent with the preparation of this year's Working Budget and B&A, the Director and Finance Manager (at the Board's direction) have been working with a financial analyst to develop the District's long range financial projection model for balances and activities in the levy, general fund, and special reserve fund relative to current and future trending in EAV, CPI/inflation, and interest income. The projection model also incorporates the 2020 Capital Reserve Study estimates for twenty years of Special Reserve Fund-eligible maintenance projects. The projection model, initially presented at the July 20, 2021 Board meeting (and last updated October 10, 2022 for presentation at the November 15, 2022 Finance Committee meeting) reflects this proposed transfer, and builds long range balance assumptions from this recommendation.

Including this detail here provides the Library the opportunity to transfer, but does not obligate us to do so. Again, further discussion of reserves and fund balances may be explored in subsequent meetings.

## Special Reserve Fund Expenditures

The items and estimated costs listed here are all derived from our current draft Resolution Amending a Plan (last approved by the Board on July 20, 2021). Using the [2020 Capital Reserve Study](#), we are able to better estimate our long range commitments and maintenance plans, resulting in this updated Resolution Amending a Plan (aka the Special Reserve Fund Plan).

Historically the B&A ordinance has appropriated the entire Special Reserve Fund plan, however this year we've only appropriated funds for any planned near-term projects or are potentially necessary or opportune to be presented for approval within FY23-24.

While the Board would need to separately approve any of the Library's potential plans or expenditures associated with the Special Reserve projects listed in these categories, the anticipated funding needs to be appropriated in the B&A ordinance in order for the funds to be expended.

## Comparative Budget & Appropriation Procedure Calendar

ACTION	FISCAL YEAR 2022-23 (July 1, 2022 – June 30, 2023)	FISCAL YEAR 2023-24 (July 1, 2023 – June 30, 2024)
Schedule Finance Committee meeting to review budget & tentative B&AO	March 15, 2022 Board meeting discussion item; meeting date established via email	April 18, 2023 Board meeting action item; meeting date established via email
Post meeting notice on legal bb, web page, Metra station, Village Hall at least 2 days prior to meeting	April 4, 2022	April 19, 2023
Conduct Finance Committee meeting to review budget & tentative B&AO	April 12, 2022 before Board meeting	May 10, 2023 before May 16, 2023 Board meeting
Approve budget & tentative B&AO as separate action items; B&AO includes public hearing date	Budget to be approved at June 21, 2022 Board meeting	Budget approved at June 20, 2023 Board meeting
Send approved tentative B&AO to attorney for review	After July 2022 meeting	After July 2023 meeting
Post tentative B&AO on legal bb & web page	After attorney review	After attorney review
Publish public hearing notice in legal section of newspaper at least 30 days before public hearing	Chicago Tribune, July 14, 2022	Chicago Tribune, July 13, 2023
Post public hearing notices on legal bb, web page, at least 30 days before hearing	July 14, 2022	July 13, 2023
Conduct public hearing 15 minutes before meeting	August 16, 2022 Board meeting	August 15, 2023 Board meeting
Approve final B&AO as action item	August 16, 2022 Board meeting	August 15, 2023 Board meeting
Send final B&AO to attorney	After August 2022 meeting	After August 2023 meeting
Publish final B&AO in legal section of newspaper	Chicago Tribune, August 25, 2022	Chicago Tribune, August <i>_tbd_</i> 2023
Post final B&AO on legal bb & web page	After August 2022 meeting	After August 2023 meeting
File final B&AO with County Clerk within 30 days of approval	After August 2022 meeting	After August 2023 meeting

THE BOARD OF LIBRARY TRUSTEES OF THE  
WILMETTE PUBLIC LIBRARY DISTRICT  
COOK COUNTY, ILLINOIS

ORDINANCE NO. 2023/24-209

**TENTATIVE**  
COMBINED ANNUAL BUDGET AND APPROPRIATION ORDINANCE  
FOR LIBRARY PURPOSES FOR THE FISCAL YEAR 2023-2024

WHEREAS, the Illinois Municipal Budget Law, ILCS, Chap. 50, Sec. 330/1, et seq., as amended, requires all Illinois Municipal corporations to adopt a combined annual budget and appropriation ordinance specifying the objects and purposes of expenditures; and the Illinois Public Library District Act, ILCS, Chap. 75, Secs. 16/35-5 and 16/30-85, provides procedures for the passage of a budget and appropriation ordinance and a tax levy ordinance; and

WHEREAS, pursuant to the above and other statutes, an ordinance has been prepared in tentative form and made available for public inspection at least thirty (30) days prior to the adoption thereof, and a public hearing on said budget and appropriation ordinance has been held prior to final action hereon, and notice of said hearing was published at least thirty (30) days prior to said hearing in a newspaper published within the District;

NOW, THEREFORE, BE IT ORDAINED by the Board of Library Trustees of the Wilmette Public Library District, Cook County, Illinois, as follows:

Section 1. The following budget containing an estimate of all receipts of said Library District, and of the expenditures therefrom, be and the same hereby is adopted as the budget for said District for the fiscal year beginning July 1, 2023 and ending June 30, 2024, and the same sums are hereby appropriated as necessary to defray said expenses and liabilities of the Library District, for the objects and purposes indicated for the said fiscal year:



<b>Budget &amp; Appropriation Ordinance for Fiscal Year 2023-24 (page 3)</b>			
<b>III. OPERATION - GENERAL FUND</b>			
	A. Fees (p/r, bank, credit card)	15,400	
	B. Professional Fees	27,500	
	C. Library Supplies	33,000	
	D. Office Supplies	27,500	
	E. Copiers	30,800	
	F. Printing	1,100	
	G. Postage/Shipping	8,800	
	H. Telephone	13,200	
	I. Equipment/Furnishings/Computers	181,500	
	J. Equipment/Computer/Security System Maintenance	104,500	
	K. Property/Casualty Insurance	0	
	L. Building/Grounds Improvement	38,500	
	M. Building Supplies	44,000	
	N. Building Maintenance	82,500	
	O. Building Maintenance Contracts	121,000	
	P. Grounds Maintenance	38,500	
	Q. Parking Lot Rent	14,300	
	R. Utilities	27,500	
	S. Sales and Use Tax	110	
	T. Library Vehicle Maintenance	4,400	
	<b>TOTAL ESTIMATE OF GENERAL FUND EXPENDITURES</b>		<b>7,027,928</b>
<b>IV.</b>	<b>CONTINGENCY - GENERAL FUND</b>	<b>200,000</b>	<b>200,000</b>
<b>V.</b>	<b>TRANSFER TO SPECIAL RESERVE FUND FROM GENERAL FUND</b>		
	Specific fund for library site, building, equipment accumulated according to ordinance pursuant to 75 ILCS 16/40-50	500,000	500,000
<b>VI.</b>	<b>SPECIAL RESERVE FUND - CAPITAL IMPROVEMENTS</b>		
	A. Renovate Interior Space & Update Furnishings (D, I*)	1,000,000	
	B. Upgrade Computer Network, Materials Handling & Signage (A, B, F*)	700,000	
	C. Improve and/or Maintain Building & Parking (C, E, H*)	2,000,000	
	* See Resolution 2021/22-207, Amending a Plan & Estimating Costs		3,700,000
<b>VII.</b>	<b>SPECIAL FUNDS LEVIABLE IN ADDITION TO GENERAL FUND</b>		
	A. Municipal Retirement-Social Security pursuant to 40 ILCS 5/7 - 171		
	1. Municipal Retirement	240,000	
	2. Social Security	250,000	
	B. Audit Expense pursuant to 50 ILCS 310/9	11,000	
	C. Liability Insurance, including Worker's Compensation and Unemployment Insurance pursuant to 745 ILCS 10/9 - 107	70,000	
	<b>TOTAL SPECIAL FUNDS LEVIABLE IN ADDITION TO GENERAL FUND</b>		<b>571,000</b>
	<b>AGGREGATE TOTAL APPROPRIATED</b>		<b>11,998,928</b>
<b>Section 2.</b> There is hereby appropriated from the taxes to be levied for the fiscal year and other sources of income in the sum of			
<b>ELEVEN MILLION NINE HUNDRED NINETY-EIGHT THOUSAND AND NINE HUNDRED TWENTY-EIGHT DOLLARS</b>			
among the several corporate objects and purposes herein above specified for said District purposes for the Fiscal Year 2023-24.			

Section 3. All unexpended balances of proceeds received annually from public library taxes not in excess of statutory limits may be transferred to the Special Reserve Fund, heretofore established according to ILCS, Chap. 75, Sec. 16/40-50, pursuant to plans developed and adopted by this Board, and said unexpended balances shall be accumulated in this Fund for the purpose of erecting or purchasing a new library building, purchasing a site for the same, or building an addition thereto, or furnishing necessary equipment therefor.

Section 4. Except as otherwise provided by law, no further appropriations shall be made at any other time within such fiscal year provided that this Board may from time to time make transfers between the various items in any Fund, or appropriations in excess of those authorized by the budget in order to meet an immediate and unforeseen emergency, by two-thirds (2/3) vote of all the trustees, as provided by ILCS, Chap. 75, Sec. 16/30-90, et seq., and this Board may amend this budget and appropriation ordinance, from time to time by the same procedure as prescribed by statute for the original adoption of a budget and appropriation ordinance; provided that nothing in this Section shall be construed to permit transfer between Funds required by law to be kept separate. Any remaining balances after the close of the fiscal year shall be available until August 30<sup>th</sup> for the authorization of the payment of obligations incurred prior to the close of the fiscal year, and until September 30<sup>th</sup> for the payment of such obligations or for the transfer of un-expendable balances thereof to be accumulated, as provided by ILCS, Chap. 75, Sec. 16/30-90.

Section 5. A copy of this ordinance in tentative form has been available for public inspection at the Library for thirty (30) days, and notice of said hearing has been given by posting for thirty (30) days, and by publication in a newspaper published within this District in substantially the following form:

THE BOARD OF LIBRARY TRUSTEES OF THE  
WILMETTE PUBLIC LIBRARY DISTRICT, COOK COUNTY, ILLINOIS

Public notice is hereby given that a public hearing will be held on the proposed annual budget and appropriation ordinance for the fiscal year July 1, 2023 to June 30, 2024 at the following place and time: Wilmette Public Library, 1242 Wilmette Avenue, Wilmette, Illinois, at 6:30 p.m., on the 15<sup>th</sup> day of August, 2023. The said ordinance shall be available for public inspection for at least thirty (30) days prior thereto at said Library during regular library hours.

Dated this 13<sup>th</sup> day of July, 2023

/s/ Maria DiLorenzo  
Secretary

Section 6. This ordinance is passed pursuant to statutory authority and the Illinois Public Library District Act, ILCS, Chap. 75, Sec. 16/35-5, et seq., and Sec. 16/40-50; and the Illinois Revenue Code, ILCS, Chap. 35, Sec. 205/157, et seq., and other statutes appertaining thereto.

Section 7. This ordinance shall be in full force and effect from and after its passage and approval according to law, and any resolutions or ordinances in conflict therewith are hereby repealed; and should any part of this ordinance be adjudged invalid or unconstitutional, such adjudication shall affect only that part of this act specifically covered thereby, and shall not affect any other provision or parts of this act, which shall be severable therefrom.