



ADDISON
PUBLIC LIBRARY

Tuesday, March 24, 2026
Finance Committee Meeting
6:00 PM
Board Room/Third Floor
4 Friendship Plaza
Addison, IL 60101

1. **Call to Order**
2. **Approval of Agenda**
3. **Public Comment**
4. **FY26 Draft Budget Review**
5. **Additional Discussion**
6. **Adjournment**



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Addison Public Library FY26 Projected Revenue

General Fund		Projected Revenue FY2027	YTD Revenue FY2026 (as of 2/28/26)	Actual Revenue FY 2025 (12 months)
Taxes				
10-41-3201	Property Current - General	\$ 5,337,528.00	\$ 5,266,971.79	\$ 5,274,147.98
10-41-3202	Property Current - Social Security	\$ 300,000.00	\$ 299,975.42	\$ 285,212.76
10-41-3203	Property Current - IMRF	\$ 250,000.00	\$ 299,975.42	\$ 300,464.79
10-41-3205	Property Current - Liability Insurance	\$ 55,000.00	\$ 61,320.92	\$ 61,008.08
10-41-3206	Property Current - Audit	\$ 10,000.00	\$ 6,629.30	\$ 7,626.00
10-41-3207	Property Current - Unemployment	\$ 5,000.00	\$ 4,971.96	\$ 4,575.61
10-41-3208	Property Current - Workers Compensation	\$ 8,000.00	\$ 4,971.96	\$ 4,575.61
10-41-3301	PPRT (personal property replacement tax)	\$ 70,000.00	\$ 69,145.65	\$ 73,373.47
10-41-3400	Aggregate Refunds (per P.A. 102-0519)	\$ 23,160.92	\$ 26,517.18	\$ 21,352.83
Fees and Fines				
10-42-3010	Fines	\$ 3,500.00	\$ 3,774.28	\$ 6,582.66
10-42-3011	Reciprocal Borrowing Reimbursements	\$ 2,500.00	\$ 4,597.89	\$ 1,936.31
10-42-3012	Nonresident Fees	\$ 2,000.00	\$ 1,796.84	\$ 2,578.40
10-42-3016	Scanner Fees	\$ 7,500.00	\$ 7,625.58	\$ 10,415.35
10-42-3099	Printing and Other Fees	\$ 8,000.00	\$ 7,821.43	\$ 8,145.03
Intergovernmental				
10-43-3004	Per Capita Grant	\$ 52,660.00	\$ 52,660.45	\$ 53,017.47
10-43-3009	Other Grants		\$ 3,700.00	\$2,300.00
Interest				
10-46-3026	Interest on Taxes			
10-46-3028	Other Interest Income	\$ 65,000.00	\$ 155,584.71	\$ 67,972.88
10-46-3029	Interest on TD Ameritrade (Ehlers)	\$ 200,000.00	\$ 468,033.05	\$ 780,470.10
Miscellaneous				
10-47-3014	Donations		\$ 100,294.45	\$ (398.86)
10-47-3024	Other Miscellaneous Income		\$ 558.59	\$ 9,049.87
10-47-3030	Friends of the Addison Public Library	\$ 5,000.00	\$ 5,225.12	\$ 5,459.31
Total General Fund Revenue		\$ 6,404,848.92	\$ 6,852,151.99	\$ 6,979,865.65
Capital Improvement Fund				
80-46-3029	IMET Interest	\$ 20,000.00	\$ 23,085.15	\$ 33,973.54
80-47-3019	Capital Donations		\$ 0.85	\$ -
80-49-3010	Transfer from General	\$ 10,000.00		
Total Capital Improvement Fund Revenue		\$ 10,000.00	\$ 23,086.00	\$ 33,973.54
TOTAL REVENUE		\$ 6,414,848.92	\$ 6,875,237.99	\$ 7,013,839.19

Addison Public Library - FY2027

Working Budget - Planned Expenditures

General Fund	FY2027 PROPOSED EXPENDITURES	FY26 YTD (as of 2/28/26) EXPENDITURES	FY26 Budgeted EXPENDITURES
A. Staff:			
Staff salaries and wages	\$ 3,556,510.00	\$ 2,600,993.52	\$ 3,452,600.00
Employer FICA Expense	\$ 274,130.00	\$ 194,808.98	\$ 264,124.00
Employer IMRF Expense	\$ 200,950.00	\$ 141,949.13	\$ 190,000.00
Health Insurance	\$ 515,000.00	\$ 365,821.11	\$ 512,000.00
Employee Assistance Program	\$ 4,000.00	\$ 3,755.00	\$ 3,755.00
Wellness Initiatives	\$ -	\$ 1,057.12	\$ 3,700.00
Recruiting	\$ 3,500.00	\$ 174.00	\$ 3,500.00
Total	\$ 4,554,090.00	\$ 3,308,558.86	\$ 4,429,679.00
B. Materials:			
Books			
Children Books	\$ 71,000.00	\$ 57,084.16	\$ 71,000.00
Adult Books	\$ 167,000.00	\$ 124,449.03	\$ 167,000.00
A/V Materials			
Children Other Expenditures	\$ 28,000.00	\$ 18,219.29	\$ 28,000.00
Adult Other Expenditures	\$ 80,500.00	\$ 62,150.84	\$ 80,500.00
Other Materials			
Magazines/Newspapers	\$ 13,500.00	\$ 10,743.41	\$ 10,500.00
Online Databases	\$ 205,000.00	\$ 161,836.96	\$ 223,000.00
Other Digital Media	\$ 46,000.00	\$ 4,200.00	\$ 46,000.00
Ebooks	\$ 75,000.00	\$ 48,415.67	\$ 75,000.00
Total	\$ 686,000.00	\$ 487,099.36	\$ 701,000.00
C. Contractual Services:			
Legal Fees	\$ 10,000.00	\$ 8,863.49	\$ 8,500.00
Collection Agency	\$ 3,500.00	\$ 2,205.40	\$ 3,500.00
Equipment Rental	\$ 5,000.00	\$ 869.55	\$ 4,000.00
Accounting	\$ 28,100.00	\$ 20,735.00	\$ 24,500.00
Payroll Services	\$ 60,000.00	\$ 46,714.64	\$ 58,575.00
Audit Service Fees	\$ 8,000.00	\$ 7,002.00	\$ 7,050.00
Other	\$ 50,000.00	\$ 35,884.35	\$ 50,000.00
Total	\$ 164,600.00	\$ 122,274.43	\$ 156,125.00
D. Physical Services:			
Utilities			
Natural Gas Service	\$ 20,000.00	\$ 9,489.90	\$ 25,000.00
Water Service	\$ 4,200.00	\$ 3,000.28	\$ 4,200.00
Services			
Refuse Disposal Service	\$ 5,580.00	\$ 3,878.73	\$ 4,265.00
Cleaning Service	\$ 80,000.00	\$ 52,943.00	\$ 78,040.00
Telecommunications			

Telephone	\$ 10,000.00	\$ 5,888.61	\$ 11,000.00
Leased Internet Access Line	\$ 11,500.00	\$ 5,736.66	\$ 10,700.00
Maintenance/Repair--Building			
Building Supplies	\$ 40,000.00	\$ 29,601.27	\$ 45,000.00
HVAC	\$ 15,000.00	\$ -	\$ 20,000.00
Equipment Maintenance/Repair	\$ 75,000.00	\$ 47,916.50	\$ 65,000.00
Maintenance/Repair--Other			
Other Building Maintenance/Repair	\$ 6,500.00	\$ 26,045.42	\$ 11,000.00
Total	\$ 267,780.00	\$ 184,500.37	\$ 274,205.00
E. Automation:			
System Development	\$ 34,000.00	\$ 17,834.00	\$ 39,000.00
ILS Services	\$ 63,292.00	\$ 45,727.50	\$ 62,000.00
Software/Licenses	\$ 102,000.00	\$ 66,991.79	\$ 105,000.00
Total	\$ 199,292.00	\$ 130,553.29	\$ 206,000.00
F. Professional Development:			
Organization memberships			
Staff and Board	\$ 12,000.00	\$ 8,674.50	\$ 12,000.00
Programs/Meetings			
Staff In-Service	\$ 6,750.00	\$ 3,906.75	\$ 10,400.00
Administration	\$ 3,500.00	\$ 1,713.62	\$ 3,000.00
Guest Services	\$ 950.00	\$ 545.10	\$ 1,000.00
Adult Services	\$ 4,300.00	\$ 3,544.83	\$ 4,300.00
Children's Services	\$ 1,500.00	\$ 514.00	\$ 1,000.00
Teen Services	\$ 1,000.00	\$ 560.00	\$ 1,200.00
Materials Management	\$ 2,150.00	\$ 824.20	\$ 2,000.00
Information Technology	\$ 3,145.00	\$ 42.22	\$ 800.00
Community Engagement	\$ 1,655.00	\$ 1,547.37	\$ 2,254.00
Board	\$ 3,500.00	\$ 1,670.00	\$ 3,500.00
In-state Travel			
Mileage & other travel costs for work	\$ 16,500.00	\$ 1,754.37	\$ 15,200.00
Out-of-state Travel			
Mileage & other travel costs for work	\$ 2,000.00	\$ 240.12	\$ 14,000.00
Tuition Reimbursement	\$ 12,500.00	\$ 7,500.00	\$ 7,500.00
Total	\$ 71,450.00	\$ 33,037.08	\$ 78,154.00
G. Programs:			
Programming			
Adult Services Programs	\$ 32,000.00	\$ 15,565.52	\$ 32,000.00
IT Programs	\$ 9,000.00	\$ 6,256.14	\$ 7,000.00
Teen Programs	\$ 22,650.00	\$ 11,896.28	\$ 19,000.00
Children's Services Programs	\$ 19,500.00	\$ 8,511.43	\$ 18,500.00
Community Engagement Programs	\$ 5,550.00	\$ 4,439.33	\$ 8,250.00
	\$ 88,700.00	\$ 46,668.70	\$ 84,750.00
H. PR/Marketing:			
Newsletter	\$ 50,550.00	\$ 29,980.56	\$ 55,380.00
Flyers/Branding	\$ 18,250.00	\$ 3,313.94	\$ 16,475.00
Other Promotions	\$ 9,750.00	\$ 6,908.05	\$ 16,000.00
Total	\$ 78,550.00	\$ 40,202.55	\$ 87,855.00

I. Other Operating Expenses:

Supplies			
Library wide supplies	\$ 12,500.00	\$ 6,591.62	\$ 11,000.00
Office Supplies (Administration)	\$ 7,000.00	\$ 4,200.08	\$ 6,500.00
Guest Services Supplies	\$ 3,600.00	\$ 1,897.92	\$ 6,085.00
Adult Services Supplies	\$ 1,500.00	\$ 1,134.68	\$ 1,500.00
Children's Services Supplies	\$ 3,000.00	\$ 1,553.15	\$ 2,500.00
Teen Services Supplies	\$ 800.00	\$ 1,003.67	\$ 1,000.00
Community Engagement Supplies	\$ 3,900.00	\$ 3,254.97	\$ 5,550.00
Materials Management Supplies	\$ 30,550.00	\$ 22,005.31	\$ 30,500.00
Information Technology Supplies	\$ 33,000.00	\$ 26,591.04	\$ 44,000.00
Sam's Lab Supplies	\$ 25,900.00		
Postage	\$ 10,000.00	\$ 8,720.00	\$ 8,500.00
Total	\$ 131,750.00	\$ 76,952.44	\$ 117,135.00
Insurance			
Unemployment Compensation	\$ 5,000.00	\$ 1,193.40	\$ 5,000.00
Worker's Compensation	\$ 12,000.00	\$ 11,181.00	\$ 11,500.00
Liability	\$ 64,000.00	\$ 46,253.31	\$ 64,000.00
Total	\$ 81,000.00	\$ 58,627.71	\$ 80,500.00
Grant Expenses			
Per Capita Grant	\$ 52,660.00	\$ 42,531.01	\$ 52,660.00
Other Grants	\$ -	\$ -	\$ -
Total	\$ 52,660.00	\$ 42,531.01	\$ 52,660.00
Other Expenses			
Hardware	\$ 55,000.00	\$ 53,307.52	\$ 55,000.00
Furniture/Equipment	\$ 4,500.00	\$ 3,751.31	\$ 10,000.00
Reciprocal borrowing	\$ 500.00	\$ 100.00	\$ 750.00
Recording for Cable Broadcast	\$ 5,400.00	\$ 4,600.00	\$ 5,400.00
Friends of the Library	\$ 6,500.00	\$ 4,225.02	\$ 4,000.00
Donations			
Sam's Lab		\$ 53,107.80	\$ 100,000.00
Funshine	\$ 5,000.00	\$ 3,381.22	\$ 4,800.00
Staff Recognition	\$ 10,000.00	\$ 2,303.79	\$ 10,000.00
Total	\$ 86,900.00	\$ 124,776.66	\$ 189,950.00
Total Special Funds	\$ 3,919,640.00	\$ 2,861,432.21	\$ 3,804,274.00
Total General Fund & Special Levy Funds	\$ 6,462,772.00	\$ 4,655,782.46	\$ 6,458,013.00
Capital Improvement Projects			
Asset Replacement	\$ 35,000.00	\$ 61,001.31	\$ 135,000.00
FY22 Renovation Project	\$ 3,000,000.00	\$ 6,052,641.22	\$ 10,000,000.00
Total Capital Improvement Funds	\$ 3,035,000.00	\$ 6,113,642.53	\$ 10,135,000.00
GRAND TOTAL	\$ 9,497,772.00	\$ 10,769,424.99	\$ 16,593,013.00

ADDISON PUBLIC LIBRARY

Finance Committee Meeting
March 2026
FY27 BUDGET NOTES

The draft budget presented (not including capital improvements) has estimated revenue of \$6,414,848.92 and planned expenditures for general operations of \$6,462,772. These numbers may be adjusted further before a final draft is presented for Board approval in April, but as it stands now, the library would need to rely on \$47,923.08 in reserve funding to balance this budget.

The proposed expenditures are an overall increase of just \$4,759 over last year's approved working budget for expenditures.

The revenue is based on our 2025 tax levy (to be collected in 2026) and conservative estimates for revenue lines such as reciprocal borrowing, nonresident fees, printing, etc. We will get our actual tax extension statement from the County in early April and will be able to calculate our anticipated tax revenue more precisely after that.

Revenue

- **Tax revenue** is based on the actual levy approved by the Board and submitted to the County. The tax revenue projections are based on the extension, not the actual levy. The County uses a formula to determine each tax parcel's fair share of our levy request, which never comes out to the exact penny. Their practice is to round up to ensure we get what we have asked for.
 - **Replacement taxes** - Personal property replacement taxes (PPRT) are revenues collected by the state of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away back in the 1970's.

These taxes resulted when the new Illinois Constitution directed the legislature to abolish business personal property taxes and replace the revenue lost by local government units and school districts. In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments.

PPRT funds for the library are distributed by the State of Illinois to the Village of Addison and then the Village distributes our proportional share to us as the money comes in. (PPRT distributions are made each year in January, March, April, May, July, August, October, and December.)

This is the only source of tax revenue we receive besides what we levy in property taxes. The tax rate never changes.

Corporations pay a 2.5 percent replacement tax on their net Illinois income.

Partnerships, trusts, and S corporations pay a 1.5 percent replacement tax on their net Illinois income.

Public utilities pay a 0.8 percent tax on invested capital.

51.65% of the total revenue collected each year goes to taxing districts in Cook County and 48.35% is divided among all other counties in the state. Each taxing body's share of that overall percentage is based on the percentage that taxing body was receiving in 1977. That proportional rate also does not change.

- **Fines and fees** as shown are low estimates because we never want to base our expenditures on money we are hoping to receive but can't be certain of. It's a tricky year for budgeting since we are wrapping up construction. We anticipate an overall increase in library usage this year, which could result in an increase in copying and printing, but generally our goal with those budget lines is just to break even with the cost of equipment and supplies like toner and paper anyway. These are not budget lines we rely on as a revenue source to fund other areas of our operation.
- **Intergovernmental** – I have budgeted for what I expect us to receive from our per capita grant. It is unknown at this time if any other grant funding will be available, but those lines can be added to the budget if needed during the year.
- **Interest income** – The figures included here are very conservative estimates I arrived at with our investment advisor, based on our anticipated balances post-construction, but the volatility in the market right now makes these budget lines even less predictable than normal.
- **Miscellaneous** – I also cannot predict what we might receive from donations or other miscellaneous revenue sources in the coming year, so I have not budgeted anything specifically for those lines at this time. The primary use of the other miscellaneous line in recent years has been to record money given by the Friends to the library. (When the Friends receive money from membership dues or book sales or other sources this is recorded as revenue in the Friends line, but when they give money to the library it has to be tracked on a separate line, and so "other miscellaneous" is where we put it.)
- **Capital Improvement** – Revenue here will primarily consist of interest earned on current capital investments. I have also shown a \$10,000 end-of-year transfer from the General Fund. The actual amount of this transfer will be determined at that time, based on the remaining balance in the general fund and the reserve balance needed to carry over into FY28.

Expenditures

Staff

Salaries and Wages:

As discussed in January and in accordance with our compensation policy, most employees this year will receive a 3.2% increase in their rate of pay.

Two employees, due to the longevity of their tenure as an APL employee, are ineligible for a rate increase due to their current rate of pay being above the maximum of the established salary range for their position. Based on the policy approved by the Board last month, they are eligible for a lump sum bonus in lieu of a rate increase.

A lump sum bonus equivalent of 3.2% of their pay amounts to:

- Employee A: \$3560
- Employee B: \$2125

The salaries budget line was calculated to include bonuses in these sums, but the awarding of these bonuses will be a Board decision and is on the agenda for approval at the board meeting this month.

Also included in the salaries budget line is funding for a temporary summer Book Bike Associate and two Teen interns/summer staff positions to help with summer reading and lunch services. The teen positions will be 17 hours per week for 10 weeks, paying minimum wage (\$15 per hour). The Book Bike position is for 12 hours per week at \$17 per hour, June – August.

Health Insurance: Our current insurance rates are locked in through December 2026. The Village has a calendar year renewal period, so we budget with an extra cushion, which will allow us to absorb the cost of any further increase for January – April 2027, as well as the possibility of staff choosing to add family benefits due to qualifying events during the year or during the open enrollment period next November. Because these factors are unknown to us at this time, we just make an educated guess and it's important to keep in mind that if there is a higher-than-expected rate increase in January or many employees choose to add benefits, we may need to do a mid-year budget adjustment to account for these increases. The health insurance market remains “turbulent” in the words of our insurance broker, and we don't yet know what to expect for next year.

Recruiting: In some years no money is needed for recruiting, since avenues to advertise for most library jobs are now available at no cost (via social media, system job boards, area colleges, in-house “help wanted” signs, etc.) Recruiting for certain jobs, especially those that are not specifically library positions, in areas such as our HR, social services, maintenance and higher-level IT jobs may require placement of a paid advertisement, so we budget minimally in this area for this possibility. We also use this budget line to cover the cost of pre-employment testing that is needed for some positions.

Materials: Funding in most budget lines for collection development is flat. There is a slight increase in the magazines & newspapers line to reflect rising newspaper subscription costs, and a decrease in online database based on our plans to cancel subscriptions to databases that are not being used by our patrons.

Contractual Services: The “other” contractual services line in this budget proposal is used for routine expenses such as the fees we pay to Ehlers for investment services, our credit card merchant fees, and any special projects we might want to pursue.

One project I recommend this year and have allocated funds for is an Employee Engagement Survey. We have been on a cycle of doing this survey once every three years. We postponed the last survey due to the renovation, and I recommend we plan to do it this year. Our staff is the

Library's biggest investment and most valuable asset. Research has shown that engaged employees are committed to the success of their workplace and bring their discretionary energy and passion to work, which for us in turn leads to higher patron satisfaction, increased productivity, and lower staff turnover. These surveys have proven to be a valuable tool for gathering information on our organizational strengths, measuring the level of our employee commitment, and helping us identify opportunities for improvement.

Physical Services

Natural Gas: We increased this budget line last year due to an increase in rates and anticipation of colder temperatures following a relatively mild winter last year, but based on our current rate of expenditures, I think we can safely reduce this line by \$5,000.

Cleaning Service: Our overnight cleaning service reduced their fee this year since they were not cleaning the entire building due to the various phases of construction throughout the year. They have indicated that they will be increasing their rates in the year ahead and by May we should have them back cleaning the entire facility, so we need to plan for greater spending in this line next year.

Telecommunications: The telephone budget line includes both phone and fax services. The Leased Internet Access Line covers our primary internet access through [Illinois Century Network](#) (ICN), as well as a backup Internet connection through Comcast and the Verizon mobile hotspot used by staff for community outreach activities.

HVAC: Due to the renovation, all work involving the HVAC system this year went through the renovation project budget. Although we only expect to incur routine maintenance expenses next year, this equipment operates via a control system known as a Building Automation System or BAS, which is a highly sophisticated centralized, networked system that manages heating, cooling, ventilation, and air quality to maintain occupant comfort and optimize energy efficiency. The trip charge and labor fees to have a technician come out if/when needed to address any issues that arise can be quite pricey and is something we need to plan for.

Equipment Maintenance/Repair: This budget line covers the cost of annual maintenance agreements on elevators, our security camera system, the automated material handler (AMH), our self-checks, RFID, and circulation workstations as well as other equipment maintenance plans. I recommend increasing this budget line this year to reflect increased maintenance fees for all of our existing equipment and the addition of new equipment in Sam's Lab.

Other Maintenance/Repair: This covers the costs of annual inspections, maintenance, and repair for things such as the fire alarm and sprinkler system, the ADT security system, plumbing and so on. It is also the budget line we use for systematic updates our maintenance staff take care of such as faucet replacements and unexpected maintenance and repair needs that may arise.

Automation –

System Development: This line covers the cost of outside consultants used for website development consulting services and network consulting services. The decrease in this line is based on our IT Dept's estimate of funds needed to cover the specific IT projects they have scheduled for this year.

ILS Services: This budget line covers our SWAN membership fees.

Software/Licenses – This line covers the cost of all the various software and tech licensed products we use in our work, including Office 365, Adobe products, Jostle, Zoom, and many more specialized products used by our IT Department, our Marketing Coordinator, our service desk staff, and others. Our IT staff conducted a review of all software and licenses this year resulting in the discontinuation of some subscriptions such as extra Zoom licenses no longer needed and a transition from TrendMicro to CrowdStrike for cybersecurity, which is free to us through the State of Illinois. We are planning for an estimated 4% increase in subscription fees and will add some specialty software subscriptions for Sam's Lab this year, but those increases are offset by the savings realized as a result of the comprehensive review conducted by staff this year, resulting in an overall lower cost in this area of the budget.

Professional Development – The proposed funding for professional development activities will cover the cost of

- 7 staff and 2 board members attending the annual ILA Conference in Peoria
- 20 staff and board members attending one or more days of the annual ALA Conference in Chicago
- 9 staff attending the ILA Reaching Forward Conference in Rosemont
- 7 staff participating in the SWAN Expo in Naperville
- 1 staff member going to the HRSource Employee Law Conference in Naperville
- 1 staff member attending the TechCon365 Conference in Chicago.
- 1 staff member going to the Computers in Libraries conference in Arlington, VA.

Funds have also been allocated for two staff development days, webinars and other virtual training including the legally required training on harassment and bloodborne pathogens, attendance for events such as the ILA Legislative Meetup, LACONI Trustee Banquet, etc.

Programs – Adult Services is requesting no increase in funding for programs in the coming year and Community Engagement is proposing a decrease in funding. The increase requested by Teen Services will allow them to expand Summer Reading to reach more students and introduce a new Reading Trading Card program they learned about at the last ILA Conference that has been a successful model at several other area libraries. Youth Services has also requested a slight increase based on plans to bring back more outside presenters and large-scale events for children and families, which were put on hold during the past year due to the renovation. The increase in IT Programs will allow us to expand programming opportunities for Sam's Lab. We will use a portion of the money to offer programming by outside presenters (approximately 4

throughout the year), and the rest will fund supplies for classes and programs offered by Sam's Lab staff.

PR/Marketing

Newsletter – This budget line covers the cost of producing our own print newsletter as well as our share of the cost of participating in the Village's quarterly newsletter. The amount allocated to this line has decreased due to the savings realized by printing our newsletter on a lower cost bond of paper.

Flyers/Branding – This line covers printing of promotional materials such as bookmarks, summer and winter reading logs or promotional pieces, business cards, brochures, flyers, branded giveaways, postcards, summer reading and parade t-shirts, etc. The increase over last year is intended to offset rising costs for these items.

Other Promotions – This budget line covers the cost of "Sharing our Story" through social media advertising and the purchase of ads in the AHS Theater Playbill, expenses related to the annual parade such as the book giveaways, the float rental, decorations, etc. And it covers the cost of promotional items for special campaigns like Library Card Sign-up Month.

Supplies – Some of our supply budget lines were increased last year to cover the cost of temporary supplies needed during the renovation as staff were working in temporary locations. These lines have been dropped back down to reflect normal patterns of spending that are expected for the coming year. Library-wide supplies has been increased to reflect the rising cost of paper and other routine supplies and the increase in the Youth Services supply budget will cover the cost of new toys for the play area such as kitchen toys, replacement LEGOs and Magna-tiles, etc. I have also added a new budget line to this section of the budget for Sam's Lab supplies. The Sam's Lab budget, as presented in this draft, does NOT include the cost of supplies for the water jet cutter. If we move forward with the purchase of that piece of equipment, we will need to add \$20,300 to the budget for Sam's Lab supplies, and that will raise the amount of reserve funding we'll need to draw on to \$69,223.08.

Hardware – This budget line covers the cost of new computer hardware including routine replacement of older equipment. Planned expenditures for this year include new hardware for the drive-up window, YS patron computer replacement, new laptops for the IT desk and Sam's Lab, switch replacement, and replacement of 8 staff desktop computers.

Furniture and Equipment – We have plans to use money from this budget line to replace step stools in the Youth Services department, to add needed storage to a staff office, and possibly to expand or upgrade security cameras.

Cable Broadcast – The rate we pay Angelo Sorce for recording board meetings is \$450 per meeting/\$5400 per year.

Special Levies – Our insurance agent has advised that we should plan for a 7-8% increase in our liability package, including the umbrella policy. We should also expect an increase in our cybercrime insurance. Our single claim was closed without payment since it came in under the deductible, but the insurance industry is still recovering from the pandemic, natural disasters and weather-related claims, and the continued increase of computer fraud and data breaches in general have impacted the insurance industry and are resulting in higher premiums for everyone. We've also had both worker's comp and unemployment claims this year that may result in increased premiums for these insurance policies.

Capital Improvement – Money earmarked for Asset Replacement is intended to cover the cost of both routine and unexpected replacement of higher priced capital assets. Routine replacement planned for this year includes the replacement of one multi-function network copier/printer used by Guest Services and Youth Services staff and possible replacement of our phone and voicemail system which is now reaching end-of-life status.

The Renovation Project line is an estimate based on what we believe will be the outstanding costs after May 1 for completing the project.

ADDISON PUBLIC LIBRARY

Finance Committee Meeting
March 2026
Fund Balance Policy

APL's Fund Balance policy is:

FUND BALANCES

Maintaining stable and adequate fund balances is necessary to ensure financial stability, cash flow for operations and the assurance that the Library will be able to respond to emergencies with fiscal strength. Unreserved fund balance at year-end, defined as unreserved cash available at the completion of each fiscal year, can permit expenditures to temporarily exceed revenue until a permanent revenue enhancement or expenditure control is put into place.

The Library will strive to maintain a balance for every fund, with the exception of the Capital Improvement Fund, that is between 50-100% of average annual expenditures for the prior three years. Unexpected situations may cause fund balances to fall below the minimum level.

The Library Director is responsible for monitoring revenue and expenditures. If during the year, projections suggest that revenue will not meet expectations, the Director will take the following actions:

- Review expenses with Department Heads
- Reduce operational expenditures, where appropriate, while maintaining the adopted budget goals, and
- Present to the Board of Trustees other expenditure control options, including those that might modify the goals established in the adopted budget.

Any time the unreserved fund balance for the General Corporate Fund drops below the minimum targeted level of 50%, the Library Director will inform the Library Board of Trustees.

The Board will review all fund balances on an annual basis in conjunction with the annual budget review. Balances in excess of the required amount will be transferred to the Capital Improvement Fund each year following this annual review.

The unreserved fund balance serves two purposes:

1. It provides a working cash buffer to fund library operations prior to receipt of tax collections and when property tax collections are delayed.
2. Balances beyond those required for managing the annual cash flow requirements of the library provide a funding source for major capital projects, major equipment and system

upgrades, and other one-time capital expenditures, or for unanticipated issues and opportunities that may arise from time to time.

We started the current year with an unrestricted general fund balance of \$3,595,599, according to our audit, which represents approximately 65% of the average annual expenditures for the prior 3 years. This was comfortably within our range of 50-100%.

Based on my estimate of our final total of spending at the end of the current year, I have calculated an estimate of the average annual expenditures for FY24, FY25, & FY26 and I believe that we will be able to dip into reserve funds to balance the FY27 budget in its current draft form and still meet the target of at least 50% of that average throughout the year. It may decrease the amount that can be transferred to our capital improvement fund, however, and we are likely to be closer to the lower end of this target range of 50-100%.

It is important that the Board understands that continuing to draw on reserve funds to cover general operating expenses is not fiscally sustainable. In future years, we will have the following options:

- Increase the levy
- Cut spending
- Change the fund balance target

I did an informal survey of other RAILS Libraries to determine what their fund balance targets are. Results of that survey are as shown below. Boxes that are shaded represent libraries with a lower fund balance target than ours:

Library	Policy
Ela Area (Lake Zurich)	No less than 3 months & no more than 12 months of annual operating expenses
Evergreen Park	6-12 months of annual operating expenses
Frankfort	30-75% of annual operating budget
Skokie	No less than 5 months of annual operating expenditures
Mt. Prospect	6-9 months or 50-75% of annual operating budget.
Palatine	No less than 3 and no more than 12 months of annual operating expenses
Gail Borden (Elgin)	No less than 3 months and no more than 6 months of annual operating expenditures
Glen Ellyn	Target is 6 months/50% of annual budget
Hinsdale	No less than 5 months and no more than 9 months of annual operating expenses
Dekalb	4 months to 12 months of annual operating expenditures
Villa Park	3 months to 9 months of annual operating expenses
Oak Park	This library just increased their limit in February of this year. Policy had been 40-48% of

	annual budget with a specific target of 42%. Revised policy is now 50-75% of annual expenditures.
Brookfield	No less than 2 months and no more than 12 months of annual operating expenses.
Northbrook	4 months to 12 months of annual operating budget

There is risk with reducing the fund balance threshold, as we saw with Cook County this year when some libraries were forced to take about bridge loans or default on bond payments, reduce hours, cut services, etc. While we've been fortunate in DuPage County that tax collections and distributions have always been timely, the problem in Cook County was caused by issues with a new computer system, which could have easily happened anywhere. Rising cybersecurity threats globally have been cited by experts as another reason for units of government to take measures to ensure they have sufficient reserves to sustain operations if faced with a high impact cyber-attack.

I believe our minimum fund balance of 50% or 6 months of operating reserve funds is a healthy target, and don't recommend lowering that at this time.

I am not recommending any changes at this time but wanted to share this information with the Board to be sure you understand the fund balance policy and what it means for us if we do move forward with a budget where planned expenditures will exceed the anticipated revenue.