

Presentation To:



Elmhurst Public Library

Meristem Advisors



February 16, 2021

Last Levy for Debt Service Is a Good Time For Reflection

The Library's bonds will be fully paid in March 2022

- The result will be an opportunity for a reduction in the levy
- But also an opportunity to:
 - Provide for renewal costs which will arise
 - Assess current reserve levels
 - Assess the adequacy of current service levels

...A Forecast provides some clarity in this planning

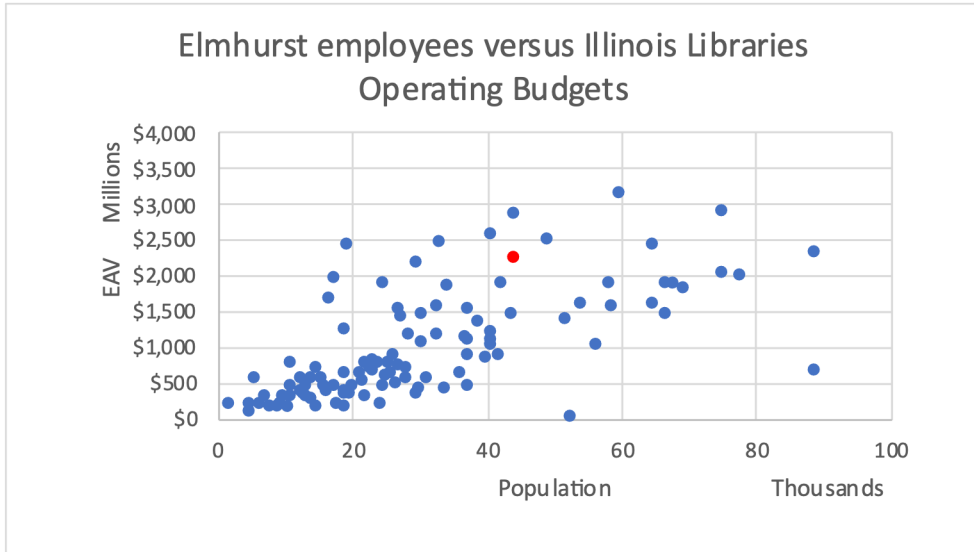
- 5 or even 10 years out
- Are we prepared for changes coming our way?
- How much can we afford for our strategic priorities?
- Are we adequately providing for future capital needs?
- Can we afford to lower our levy?

History of Operations Provides a Starting Point for Looking Forward

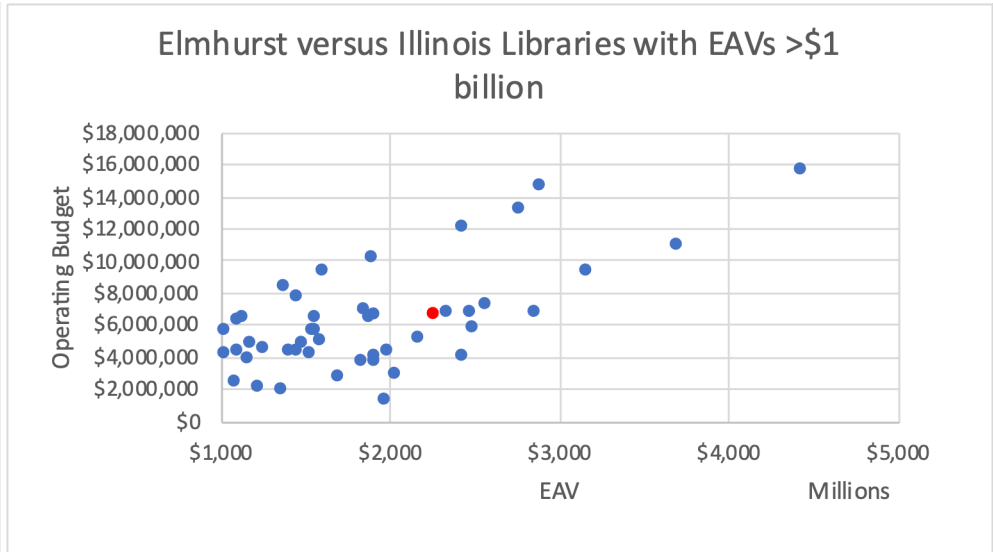
FISCAL YEAR	2018	2019	2020	2021
INCOME				
Total 310 - Taxes	7,634,773	7,871,817	8,028,354	8,028,681
Total 321-03 Replacement Tax	231,213	291,672	248,976	230,000
Total 322-02 Grant State	55,151	55,151	55,100	55,000
Total 340 - Charges for Services	117,842	112,049	39,454	51,000
Total 360 - Interest	75,380	117,365	23,615	20,100
Total 370 - Other Income	112,997	141,913	168,475	132,200
Total 391 - Transfers in	3,000	3,000	3,000	3,000
TOTAL INCOME	8,230,356	8,592,968	8,566,974	8,519,981
EXPENSES				
Total - 452-10 Salaries & Wages	3,333,893	3,416,317	3,257,678	3,370,000
Total - 452-20 Employee Benefits	988,117	990,645	1,097,478	1,137,000
Total - 452-30 Contractual Services	453,352	452,429	397,634	430,000
Total - 452-40 Commodities	1,073,883	1,005,903	973,337	1,007,000
Total - 452-50 Repairs and Maintenance	239,564	276,995	227,583	267,000
Total - 452-60 Other Expenses	84,634	84,810	84,376	95,000
Total - 452-70 Insurance	58,725	63,237	27,273	34,000
Total - 452-90 Capital Outlay	998,644	445,017	64,623	70,000
Transfer for Debt Service	1,623,513	1,884,869	1,949,138	2,111,200
TOTAL EXPENSES	8,854,324	8,620,221	8,079,120	8,521,200
Net Ordinary Income	(623,968)	(27,253)	487,855	(1,219)
TOTAL LOW CASH BALANCES				
Current Low Cash Balance	937,110	909,857	1,397,711	968,171
Fund Balance as a % of Expenditures	<u>11%</u>	<u>11%</u>	<u>17%</u>	<u>11%</u>
CAPTIAL PROJECTS FUND				
Ending Fund Balance	1,288,254	1,323,308	1,323,308	1,326,616

How Does Elmhurst Library Compare to Illinois Libraries?

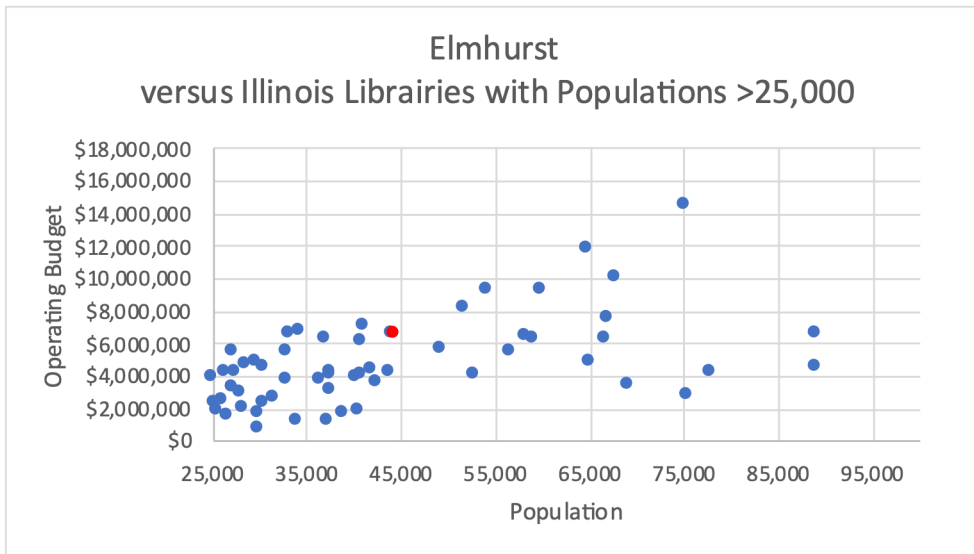
The Library has strong wealth per capita...



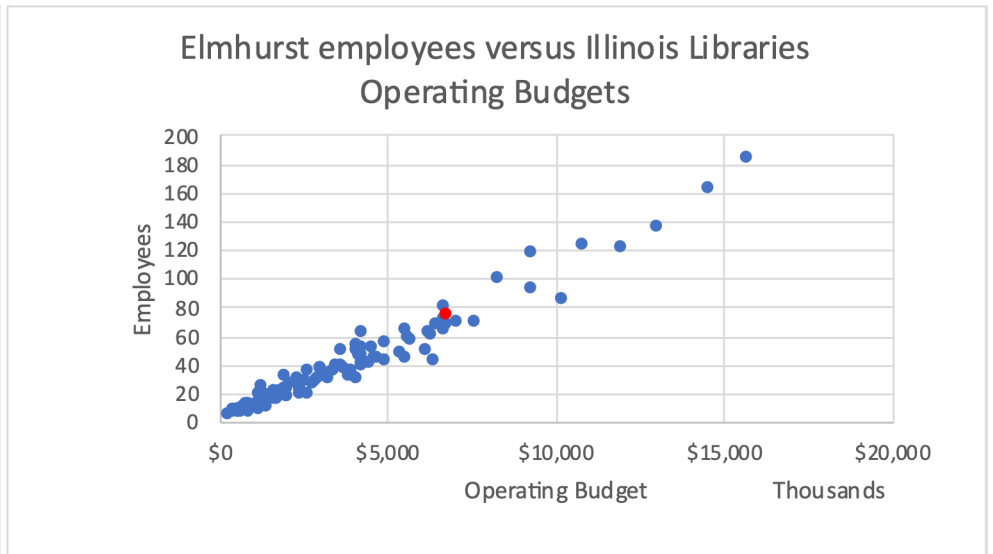
and spends in line with tax resources.



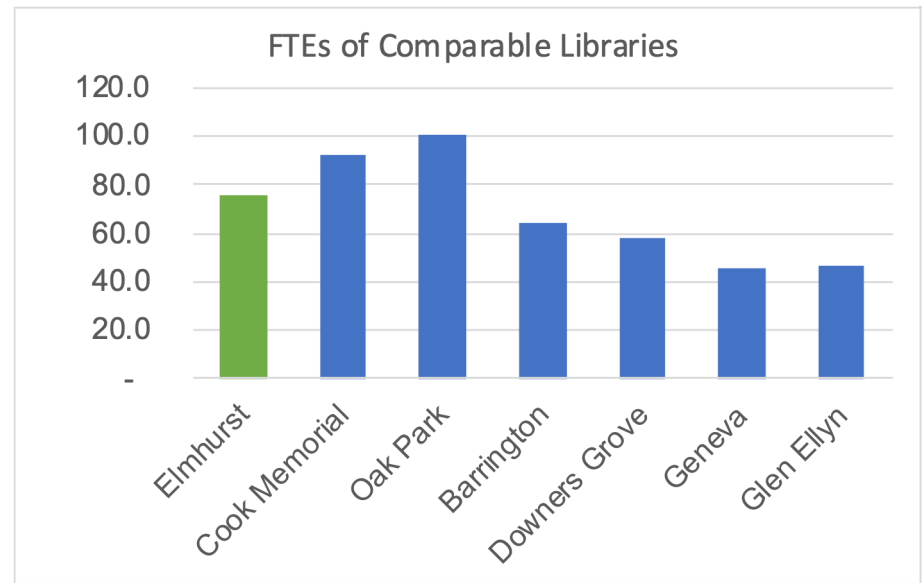
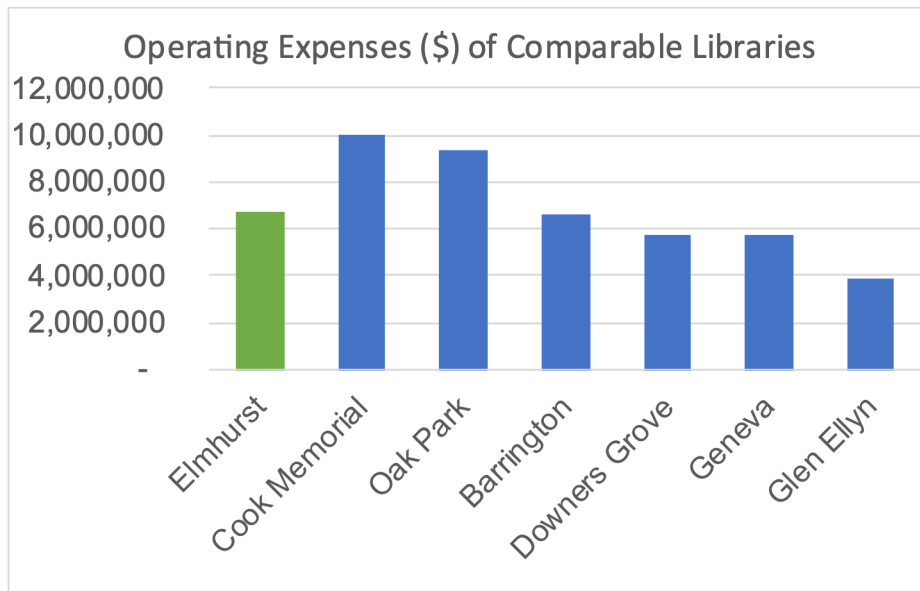
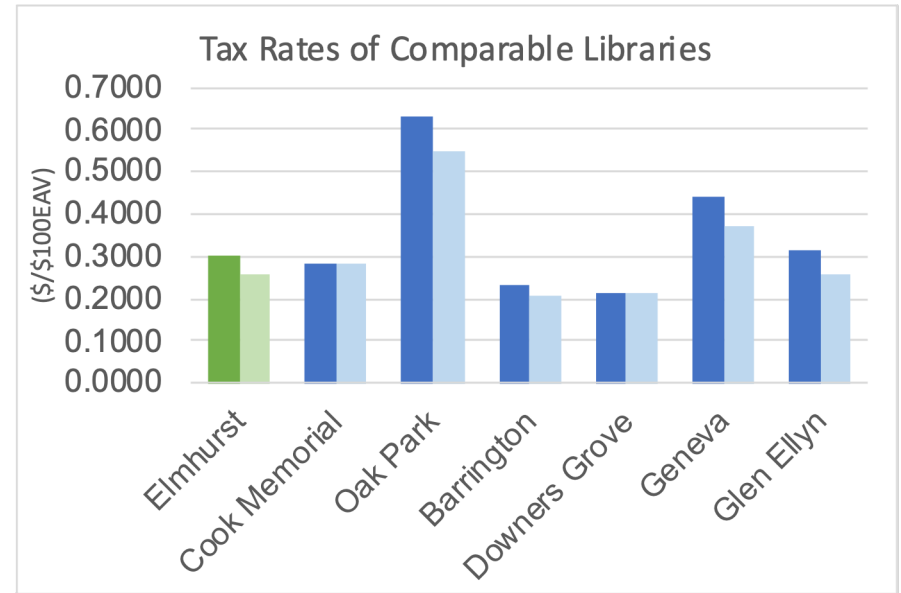
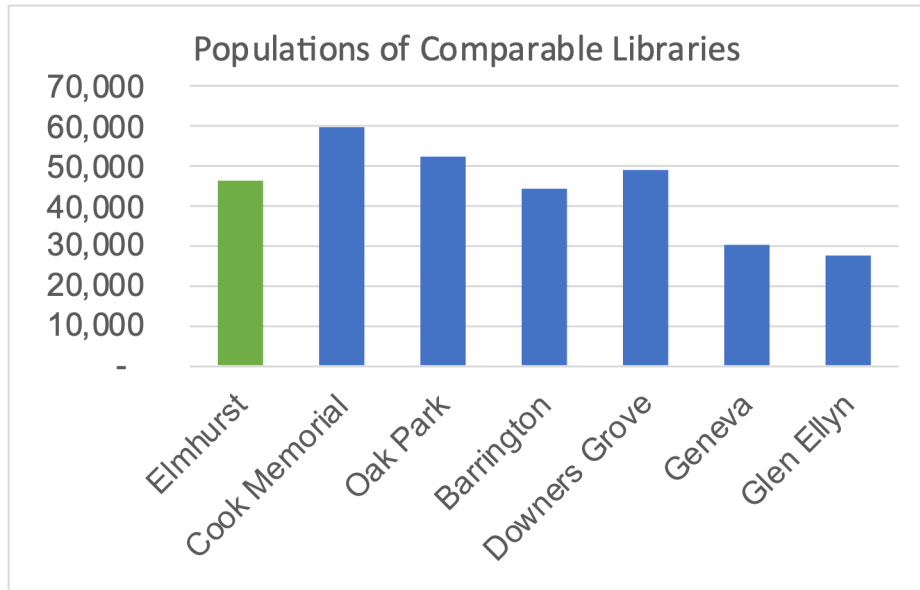
This enables it to provide a high level of serve to residents...



through personal service to patrons



How Does Elmhurst Library Compare to Its Peers?



What Does the Future Look Like? Capital Needs Loom:

\$250,000 per year seems sufficient to meet these needs.

Capital Reserve Funding Plan					
Calendar Year	Beginning Balance	Deposit	Interest	Expense	Ending Balance
2021	1,323,308	250,000	13,233.08	-\$779,202	807,339
2022	807,339	250,000	8,073.39	-\$32,807	1,032,605
2023	1,032,605	250,000	10,326.05	-\$836,980	455,951
2024	455,951	250,000	4,559.51	-\$56,439	654,072
2025	654,072	250,000	6,540.72	-\$72,455	838,158
2026	838,158	250,000	8,381.58	-\$108,377	988,163
2027	988,163	250,000	9,881.63	-\$159,434	1,088,610
2028	1,088,610	250,000	10,886.10	-\$998,998	350,499
2029	350,499	250,000	3,504.99	-\$14,894	589,110
2030	589,110	250,000	5,891.10	\$0	845,001
2031	845,001	250,000	8,450.01	-\$392,401	711,050
2032	711,050	250,000	7,110.50	-\$40,882	927,278
2033	927,278	250,000	9,272.78	-\$1,148,314	38,237
2034	38,237	250,000	382.37	-\$220,337	68,283
2035	68,283	250,000	682.83	\$0	318,966
2036	318,966	250,000	3,189.66	\$0	572,156
2037	572,156	250,000	5,721.56	-\$138,226	689,651
2038	689,651	250,000	6,896.51	\$0	946,547
2039	946,547	250,000	9,465.47	-\$97,065	1,108,947
2040	1,108,947	250,000	11,089.47	\$0	1,370,037
2041	1,370,037	250,000	13,700.37	-\$1,209,176	424,561
2042	424,561	250,000	4,245.61	-\$54,942	623,865
2043	623,865	250,000	6,238.65	-\$2,162,387	(1,282,284)

What Does the Future Look Like? Current Budget is Balanced, But:

- Minimum Wage will put pressure on expenses
 - Projected adjustments add about 0.8% to wage costs for the next 4 years
- The Library's operating balances, which currently fall to almost 10% of expenses at their low point, drop negative or at best provide a limited buffer against tax delays or interruptions
- Current capital reserve could be insufficient to deal with an unexpected cost, with limited backup from operating reserve

FISCAL YEAR	2021	2022	2023	2024	2025	2026
TOTAL INCOME	8,519,981	6,882,000	7,000,103	7,133,130	7,266,736	7,402,376
TOTAL EXPENSES	<u>8,521,200</u>	<u>7,277,000</u>	<u>7,477,721</u>	<u>7,661,692</u>	<u>7,848,337</u>	<u>8,037,854</u>
Net Ordinary Income	(1,219)	(395,000)	(477,618)	(528,562)	(581,601)	(635,478)
TOTAL LOW CASH BALANCES						
Current Low Cash Balance	968,171	573,171	95,553	(433,009)	(1,014,610)	(1,650,088)
Fund Balance as a % of Expenditures	<u>11%</u>	<u>8%</u>	<u>1%</u>	<u>-6%</u>	<u>-13%</u>	<u>-21%</u>
CAPITAL PROJECTS FUND						
Beginning Fund Balance	1,323,308	1,326,616	524,557	(305,867)	(366,893)	(444,851)
Revenues	3,308	9,950	6,557	(4,588)	(5,503)	(6,673)
(Expenditures)	(300,000)	(812,009)	(836,980)	(56,439)	(72,455)	(108,377)
Transfer In/(Out)	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	1,326,616	524,557	(305,867)	(366,893)	(444,851)	(559,901)

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