

**INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY
MINUTES OF THE SPECIAL MEETING
APRIL 6, 2009**

The Indianapolis-Marion County Public Library Board met at the Library Services Center, 2450 North Meridian Street, Indianapolis, IN on Monday, April 6, 2009 at 4:05 p.m., pursuant to notice given in accordance with the rules of the Board.

1. Call To Order

President Lynch presided as Chairman. Secretary Bacon was present.

2. Roll Call

Members present: Mr. Bacon, Mr. Lingenfelter, Mr. Lynch, Mr. Meyer, Ms. Rothe, Mr. Shevlot and Ms. Turner-Wright.

Members absent: None.

The Chairman announced that a quorum was present and that the meeting was duly constituted.

3. Finance Committee (Thomas S. Shevlot, Chair; Mary Lou Rothe, Marie Turner-Wright)

a. Capital Projects Plan for 2010-2012

Becky Dixon, Chief Financial Officer, mentioned that a Public Hearing will be held on the proposed Capital Projects Fund (“CPF”) Plan for 2010-2012 and final approval on the Plan will be sought at the April Board Meeting. In anticipation of the proposed action needed by the Board, she presented a draft of the Board Action Request and the CPF for review and discussion.

Ms. Dixon reminded the Board that the Library must submit a three-year CPF for approval each year by May 15th according to the State guidelines. After approval by the Board, it is submitted to the Municipal Corporations Committee for a Public Hearing and approval within 30 days. If not approved by the Committee in 30 days, the Plan is dead. If the CPF is approved by the Committee, it goes on to the Department of Local Government Finance for another Public Hearing and approval.

At this time, Ms. Dixon reviewed the CPF document at length with the Board.

The listing on the condition of the IMCPL buildings was then explained and discussed. She advised that the “book value” figures for each building were used in the Plan.

Several questions on the Plan were raised by the Board. Those questions included:

- Why the Wayne Branch was valued differently from the Lawrence Branch?
- What would it cost to bring certain buildings up in “condition”?
- What is the condition/value of the bookmobiles?
- How are the values for the buildings determined?
- Do funds have to be linked to a specific project?

Mr. Shevlot inquired if the Municipal Corporations Committee had ever reduced the proposed amount for the CPF. Ms. Dixon advised that the Committee had requested that the Library reduce its Budget. Based on that request, the Library determined it would reduce the CPF by \$535,000.

Ms. Rothe asked if the figures listed in the Plan for 2010 and 2011, and previously approved last year, were the same in the Plan being presented at this meeting. Ms. Dixon indicated that the figures were the same for those years.

Mr. Shevlot suggested the possibility of utilizing funding from the townships for the operation of certain branches. Board members agreed that this is something that should be investigated.

It was also mentioned that the Library should look to the CICF for possible funds to increase the number of computers available for the public.

b. Miscellaneous Matters

There were no miscellaneous matters presented for the Board's review.

c. Budget Training

Ms. Dixon then distributed information to the Board entitled "Library Finance and Budget 101." The information contained terms/definitions related to the Library's finances and budget process which were as follows:

- Funds – Library is a governmental unit and therefore we use fund accounting. Each fund is a separate set of books. Funds are restricted by law.
- Tax Supported Funds – Operating, Bond and Interest Redemption (Debt Service) and the Capital Projects Fund (CPF). These three funds are the primary funds used in support of the Library.
- Bond and Interest Redemption Fund (Debt Service) is restricted by law for the payment of debt, interest on the debt, and any related bank or agent fees. Nothing else can be expensed from this Fund.
- Capital Projects Fund cannot pay for normal operating expenses. Can be used to pay for repairs and maintenance to facilities, to purchase equipment, to pay for computer-related expenses and to build or renovate buildings.

If you combine all the tax supported funds together for 2009, property taxes make up 82% of our total revenue. Other taxes – license excise taxes, financial institution taxes, commercial vehicle taxes, and local option income taxes make up 12%, fines and fees are 3%, interest income is 1% and miscellaneous is 2%.

- Rainy Day Fund – Established in 2008 to be used for the defeasance of debt (early retirement of outstanding debt). The funds received from settlements related to the Central Library Project were deposited in this fund.

- Construction Fund – Revenue in this fund is from the sale of bonds. The Library is restricted to use the funds in accordance with the bond documents. Construction funds cannot be used for operating costs.
- Budget Process – IMCPL is required to follow Indiana Code regarding the budget process. Our Budget is classified into four categories: Personal Services (salaries and fringe benefits), Supplies, Other Charges and Services (utilities, programming, repairs and maintenance, other contractual services), and Capital (collection materials).
- Maximum Levy – This is the maximum levy allowed by law for the operating fund. Prior to the new rules, only the operating fund had a maximum levy. It is based upon the maximum growth rate (income) in the State of Indiana or 6%, whichever is less.
- Other - Ms. Dixon explained the various changes under HEA 1001, the reduction in property taxes due to the caps and the tax rate issue.

She then reviewed some miscellaneous information on “Assessed Valuation” and “Library Rates Over Time.”

Additionally, she discussed the various budget forms that had been distributed to the Board including the various Resolutions of Appropriations and the Budget Submission Letter and Certificate. She reviewed the purpose and need for each of the forms.

The “Calendar and Approval Process for the 2010 Budget” was then explained. Ms. Dixon advised that the Budget process begins on April 6th this year and concludes with the filing of the approved Budget with the City Controller on September 26th. It was pointed out that the Board is scheduled to adopt the 2010 Budget at its Regular Board Meeting in August.

She then reviewed the proposed 2010 Budget with the Board. Ms. Dixon discussed the various line items in the Budget and the variations between the 2009 and estimated 2010 Budget. She pointed out that the 2010 Budget is currently estimated at \$49,088,291.

Due to the continuing property tax situation, she expressed concern over the ongoing need to borrow money to meet expenditures and the subsequent interest payments on that money.

Lastly, she reviewed the “Department of Local Government Finance 2009 Payable 2010 Debt Service Worksheet – Civil” with regard to the Library’s Operating Fund and the Bond and Interest Redemption Fund. Ms. Dixon explained the schedule for the debt service payments on the bonds. She advised that there are several bond issues outstanding but it is anticipated that another series of the bonds will be defeased soon.

4. **Other Business**

None.

5. **Adjournment**

The Secretary announced that there was no further business to come before the Board.

The Chairman declared the Special Meeting adjourned at 6:45 p.m.

Richard K. Bacon, Secretary of the Board

