

COUNCIL MEMORANDUM  
No. 75-60

September 8, 1975

To: Honorable Mayor and Councilmen  
From: Leslie T. Allen, City Manager  
Re: Library Board's Payment to Illinois Municipal Retirement Fund.

You are aware of the Library Board's letters dated July 18, regarding its position on paying for the Library Board's IMRF contribution from the Library Fund. Board members have been advised by the Board's attorney not to make these payments.

Mr. Hilmer Landholt is of the opinion that the contributions can be legally financed from the Library Fund.

In 1974, the Council did levy a tax adequate to finance the City's contribution, as well as the Library Board's contribution to IMRF. Adequate funds were appropriated by the City Council to finance the City's obligation in FY 1975-76 for the IMRF.

Rather than provoke another court battle between the City and its instrumentality over this issue, I would recommend that the IMRF contributions for both City employees and Library Board members be funded from Activity 950 - Illinois Municipal Retirement Fund, this fiscal year. The 1974 tax levy and the FY 1975-76 appropriation for Activity 950 are sufficient to finance the entire cost.

I would recommend further that the Library Board be instructed not to spend the funds in its FY 1975-76 budget earmarked for retirement contribution (Activity 940 - Object No. 103) for any other purpose.

With the adoption of the home rule ordinance relating to the Library Board, there should be no question about the Council's requirement that the retirement contribution be included in the Library Board's budget for FY 1976-77.

The 1975 IMRF levy approved last Monday evening does not include funds for the Library Board's retirement costs.

If the Council approves my recommendations, the Library Board would be wise and prudent to conserve funds available in Activity 940-130 to finance it's retirement costs for FY 1976-77.

3 Attachments

Copy to Corporation Counsel