

**Regular Board Meeting  
Thursday July 18, 2013 7:30PM**

**MINUTES**

A. CALL TO ORDER

The regular meeting of the Board of Library Trustees of the Lincolnwood Public Library District was called to order by President Beard at 7:30PM on July 18, 2013 in the Library's Board Room.

B. ROLL CALL

**Trustees Present:** Beard, Berger, Fields, Gimbel, Martel, Poulsom, Stavinoga

**Trustees Absent:** None

**Staff Present:** Library Director Su Bochenski; Office Manager Amy Skrzypinski; Head of Circulation Vandana Sehgal; Head of Adult Services Gail Inman, Assistant Director/Head of Community Relations Julie Anne Nitz-Weiss; Technology Librarian Jenn Hunt.

**Visitors Present:** Joan Angarola; Mark Collins; Craig Klatzco; Marilyn Marwedel; Kathy O'Brien; Kathy Olsen; Patricia Pauletto; Tony Pauletto.

C. CONSENT AGENDA

ON A MOTION BY TRUSTEE GIMBEL AND SECONDED BY TRUSTEE POULSOM, AND WITH ALL TRUSTEES PRESENT VOTING "YES" WHEN THE ROLL WAS CALLED, THE ITEMS ON THE CONSENT AGENDA WERE APPROVED AS FOLLOWS:

- Approve Minutes of June 20, 2013 Board Meeting
- Approve Financial Report for period ending 6/30/13
- Approve Disbursements for period 6/1/13 through 6/30/13 – Republic Bank NOW and Special COSTCO Purchases accounts
- Receive Reports of Standing Committees

D. LIBRARY DIRECTOR'S REPORT

Library Director Bochenski referred to her own report and to the statistical reports for May 2013. She also reviewed the process by which the implementation of the new strategic plan will be tracked. A summary project plan for each actionable item in the plan has been created, and these project plans are how we will ensure that the overall goals of the plan will be met.

Office Manager Amy Skrzypinski and Head of Circulation Vandana Sehgal presented their reports and answered questions.

E. REPORT FROM THE FRIENDS OF THE LIBRARY REPRESENTATIVE

Trustee Gimbel reported that according to library records, the June book sale netted about \$1,900.

F. CORRESPONDENCE AND COMMUNICATIONS

There was no correspondence.

G. PRESIDENT'S REPORT

President Beard presented a brief "state of the library" address, focusing primarily on the new strategic plan and the financial position of the library. She reported that she and the board were very pleased with the strategic planning process because it included a significant amount of input and information from Lincolnwood residents. The Board specifically worked to solicit input from residents who currently do not use the library so that we could target improvements to increase usage of the library.

The Board has always been diligent about ensuring the library is in a financially stable position in order to serve the community, and will continue to do so. During the library's history, the receipt of tax revenue was at times unpredictable, leading the library to adopt very conservative fiscal policies and procedures. For example, the library currently tries to keep at least twelve months of operating reserve in each of our fund balances. However, it is the Board's responsibility to regularly review these policies to make sure they are still relevant. Tax revenue has been arriving at a far more consistent rate, which means that it is time for us to review and possibly change that policy.

This is an exciting time for the library, we are working to respond to community needs, to take note of what people are thinking and how they want to use this library. Our goal is to do what we can to encourage the community to use the library more. In the past year we've already seen increased usage, but there is more we can do. We plan to evaluate the library facility, and want to transform it to make it work for this village. We will keep the community involved and part of the process at all times.

We are happy to see community members at this meeting; it's a good thing when people show up, pay attention, and want to be involved.

H. AUDIENCE TO VISITORS

Seven Lincolnwood residents attended the meeting, and President Beard opened the floor to discussion. The style of the discussion was conversational; therefore, these minutes are a summary of questions asked and the resulting answers and discussion, not a transcription of individual comments.

*What is the levy increase on the agenda for, and why is it necessary to increase taxes given the amount that is in the reserves?*

This special .02% tax levy becomes part of the regular levy we consider each November; it is not in addition to the regular levy. This special levy is governed by Illinois statute, and tax revenue generated is assigned to the library's Building & Maintenance Fund. The Building & Maintenance Fund is restricted, and monies in the fund can only be spent on facility-related expenses, including regular maintenance.

*How much money does the library have in reserve?*

The library currently aims to keep around 12 months of operating expenses in each of the funds. Visitors were given copies of the board packets and directed to review the monthly financial reports. The first page of the financial reports always has a summary of the library fund balances. At the end of this fiscal year the library projects to have around \$175,000 dollars in the Building & Maintenance Fund. If the Board did not pass the .02% levy, then the fund balance would be brought down by about \$125,000. The fund balances as stated in the June 2013 financial reports are:

Library Fund:	\$1,854,334	FICA Fund:	\$77,709
Special Reserve Fund:	\$1,313,026	Liability Insurance Fund:	\$14,627
Building & Maintenance Fund:	\$215,511	Audit Fund:	\$12,151

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*Can fund balances be transferred?*

Money from the Library Fund can be transferred into any of the restricted funds, but money in a restricted fund can only be spent on expenditures allowed by the fund restrictions.

*How much money will be in the library fund after taxes are received and monies spent? What is the total reserve across all funds, and what is the anticipated balance at the end of FY14?*

The Board reviews and discusses a projected fund balance document every year during the budget approval process. Copies of this document were not on hand at the meeting, but were offered to be made available to anyone who was interested. This balance takes into account the estimated revenue for FY14 and the estimated expenditures. According to the June financial reports, there is \$3,487,360 across all funds as of June 30, 2013, and we estimate there will be approximately \$3,292,375 as of July 1, 2014.

*What are the expected expenditures for FY14?*

Visitors were directed to review the FY14 budget for details about all FY14 expenditures. This budget was included in the board packet and is also available on the library website. Anticipated revenues and expenditures are listed by fund. Budgets, audits, and levies for the past 10 years are also posted on the library website. Budgeted expenditures for FY14 are:

Library Fund:	\$2,015,400
Special Reserve Fund:	\$350,000
Building & Maintenance Fund:	\$142,100
FICA Fund:	\$93,000
Liability Insurance Fund:	\$23,700
Audit Fund:	\$9,600

*Why are large amount of funds being transferred to the Special Reserve Fund? Why is the library taxing the community for revenues over and above the normal operating expenses?*

The library utilizes a Special Reserve Fund, which allows us to save money for very specific identified expenditures. The library's Special Reserve Fund savings and expenditures are governed by an ordinance the Board passed in November 2011, which is posted on the library's website. President Beard read aloud the allowable expenditures from the ordinance:

- To purchase one or more pieces of property that border the library's building or grounds, or that are adjacent to any such property, in order to provide for an eventual library expansion;
- To demolish any such property as needed, or to renovate it for intermediate use, while waiting for a library expansion to become possible;
- To engage a consultant to complete a space needs study and, if appropriate, a building program for a library expansion;
- To engage an architect to prepare a preliminary design and cost estimates for a library expansion that can be presented to Lincolnwood electors in a referendum;
- To replace or make significant repairs or improvements to major facility and grounds systems or components including, but not necessarily limited to, the roof, the HVAC system, carpeting, lighting, and landscaping;
- To fund space reutilization, renovation, and/or remodeling projects;
- To fund other projects or expenses relating to the facility and grounds that the Board determines are needed, that were unanticipated in the annual operating budget, and/or that are deemed to be beyond the scope or resources of the annual operating budget.

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Each of these allowed expenditures has a cost quotation associated with it, and the quotes are part of the formal ordinance. An architecture firm evaluated the facility and prepared the quotations specifically for use with the ordinance. President Beard emphasized the fact that the library cannot, and does not, save money for unspecified expenditures. This type of ordinance is generally amended or updated as necessary as the library's needs change. According to the ordinance, the funds that may be required during the next five years to provide for the various projects are projected to run between \$1.3M and \$1.7M.

President Beard explained that through the recent strategic planning process, one of the items that residents identified as needing improvement was the library facility. Library expansion is not necessarily needed at this time, however, the facility needs to be updated and made more functional to make it a viable resource that people in this community want to use.

Trustee Martel commented that in the recent past, the Board had seriously considered the possibility of expanding the library, either through the purchase of additional property or an addition to the existing building. However, due to rapidly changing technology, additional space may not be necessary, but our current space is going to have to change. We are planning to conduct a formal space needs study to aid in the creation of a master plan.

Trustee Martel explained that one item coming out of the Special Reserve Fund is a new roof, which the library has needed for a while. The estimated expenditure for a new roof as listed in the ordinance quote is between \$175,000 and \$255,000.

*Why is the library saving money in advance of anticipated capital purchases instead of going out to referendum when funds are needed? How does the community fit into the decision process? Has the library considered alternate methods of financing capital projects?*

Trustee Berger said that the timing and availability of, for example, available property, is unknown and the library wants to be ready to execute our stated plan. The board acknowledged that there are alternate methods of financing, and that it is something they will consider and keep in mind when discussing capital projects. Trustee Martel stated that he doesn't necessarily believe that the library should go to the community for additional funding every time there is a planned large capital expenditure; that is part of what the monthly open board meetings are for. There is a point at which the board should, and would, formally ask the community, for example if we wanted to expand the size of the library.

*There is a fine line between how much money the library needs to be fiscally sound and fund improvement projects, and how much tax increases the community can support. What is that line for the library?*

It is common for libraries to maintain a 6 to 9 month operating reserve in all of their funds. President Beard acknowledged that our desired fund reserve of 12 months may be higher than what is necessary, and stated that the Board will consider a formal Fiscal Accountability Policy in the very near future. One of the items specifically to consider will be the current fund reserve policy. We have an obligation to the community to consider for the tax dollars as we go forward with our plans for the library.

*Why does the library receive half of what the village receives in tax revenue? That percentage seems out of line when I look at my tax bill.*

It is true that the village receives around 9% of Lincolnwood property taxes, and the library receives around 4%. The difference is that those property taxes are 98% of the library's budget, and only 22% of

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the village's budget. The village receives \$7.6M in property taxes, but their total revenue is \$33M. The library receives \$2.1M in property taxes, and our total revenue is \$2.2M.

*I am concerned about my tax bill, how is the library is meeting the community needs?*

President Beard referred to the new strategic plan, which was created with input from the community and is specifically designed to meet the stated needs of the community.

Several Trustees expressed their thanks to the community members for bringing these issues to the attention of the board. The board takes this input very seriously, and plans to address the concerns at upcoming board meetings this year. All non-library staff visitors left the meeting after the discussion ended, around 8:35PM.

I. UNFINISHED BUSINESS

a. **Proposed Lincoln-Devon TIF District**

There has been no Joint Review Board or any other TIF meetings since the last library Board meeting. The next official Joint Review Board meeting is scheduled for September 9, 2013, and President Beard and Director Bochenski plan to attend.

b. **Proposed Airoom Parking Proposal**

Director Bochenski reported that the library has been notified that Airoom is planning to submit a petition for parkway parking on the portion of Keystone Avenue adjacent to the library. This petition will be considered at an upcoming Village Traffic Commission meeting. Per Chief of Police Robert LaMantia, the Traffic Commission meeting is tentatively scheduled for Monday August 5, 2013 at 7:00pm at Village Hall. When this meeting is confirmed, Director Bochenski will notify all library Trustees.

J. NEW BUSINESS

a. **Ordinance Determining to Levy an Additional Tax of .02% for the 2013-2014 Fiscal Year**

Trustees discussed at length the special .02% levy, and the impact that either approving or not approving the levy would have. The recent comments from the community were considered, as well as the current fund balance of the Building & Maintenance Fund.

ON A MOTION BY TRUSTEE POULSOM AND SECONDED BY TRUSTEE MARTEL, AND WITH ALL TRUSTEES PRESENT VOTING "YES" WHEN THE ROLL WAS CALLED, THE BOARD VOTED TO **NOT** APPROVE ORDINANCE NO. 2013-14/1: DETERMINING TO LEVY AN ADDITIONAL TAX OF .02% FOR THE 2013-2014 FISCAL YEAR.

b. **Tentative Ordinance Providing for the Budget and Appropriations for FY14**

Trustees asked for a clarification of the purpose of the Budget and Appropriation Ordinance. Director Bochenski responded that the Budget and Appropriations ordinance places an absolute limit on total library expenditures for the current fiscal year. The Board can spend no more in a given year than it appropriates for that year. It is common practice to base the Appropriation on the approved working budget, which our library does. The Appropriation is not a tax levy, the primary tax levy will be discussed in September and October, with final approval to take place in November.

ON A MOTION BY TRUSTEE MARTEL AND SECONDED BY TRUSTEE BERGER, AND WITH ALL TRUSTEES PRESENT VOTING "YES" WHEN THE ROLL WAS CALLED, THE BOARD APPROVED AND ADOPTED ORDINANCE NO. 2013-14/2 PROVIDING FOR THE BUDGET AND APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014 AS PRESENTED. [As required, a legal notice was

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subsequently published indicating that 1) the Tentative Budget and Appropriation Ordinance was approved and is available for public inspection at the library; and 2) the Board will hold a public hearing regarding the Budget and Appropriation Ordinance at the library on September 19, 2013 at 7:00PM.]

**c. Audit of Minutes and Other Records for FY13**

President Beard appointed Trustee Fields and Trustee Poulson to audit the Board minutes and other records for FY13 as per statutory requirement. Director Bochenski will contact Trustees Fields and Poulson to schedule a time to conduct the audit.

**d. Other New Business**

The North Capital Group, the firm that is developing the Purple Hotel property, plan to remove some intact bricks from the hotel before demolition and offer them to the public as souvenirs for a suggested donation of \$5. The money raised will be donated to the library. Trustees will be notified when the details of the brick donation have been finalized.

**K. BOARD ACTION CHART**

No additional items were added.

**L. SCHEDULE OF UPCOMING BOARD AND COMMITTEE MEETINGS**

Trustees agreed to delay discussing a possible Library Services & Community Relations Committee meeting until the regular August Board meeting.

Trustees confirmed the schedule of upcoming meetings as follows:

- Regular Board Meeting: August 15, 2013 7:30PM
- Budget & Appropriation Public Hearing: September 19, 2013 7:00PM
- Regular Board Meeting: September 19, 2013 7:30PM

**M. ADJOURNMENT**

Trustee Stavinoga left the meeting at 9:00PM.

ON A MOTION BY TRUSTEE MARTEL, SECONDED BY TRUSTEE FIELDS, AND WITH ALL TRUSTEES PRESENT VOTING "YES", THE MEETING WAS ADJOURNED AT 9:08PM.

/S/

Dany R. Fields, Secretary