

April 11, 2018

Minutes of the regular meeting of the Board of Trustees of the Skokie Public Library held in the Skokie Public Library Board Room, Wednesday, April 11, 2018.

CALL TO ORDER

Diana Hunter, President, called the meeting to order at 6:34 p.m.

Members present: Diana Hunter, Vice President/President Emerita; Karen Parrilli, Secretary; Mira Barbir; Eugene F. Griffin; Jonathan H. Maks, MD; and Richard Kong, Director.

Members absent: Mark Prosperi, President; Susan Greer

Staff present: Laura McGrath, Deputy Director

Mrs. Hunter opened the meeting by recognizing Gene and Karen Griffin for being named Skokie's 2018 Humanitarians of the Year.

APPROVAL OF THE MINUTES OF THE REGULAR AND CLOSED MEETINGS OF MARCH 14, 2018

Mr. Griffin made a motion, seconded by Ms. Barbir, to approve the minutes of the regular meeting of March 14, 2018, subject to additions and/or corrections. There being no additions or corrections, the minutes were approved unanimously and placed on file. The vote was 5 ayes and 0 nays.

COMMENTS FROM OBSERVERS

No observers were present.

BILLS

Ms. Barbir raised a question about the insurance payment listed on the bills. Mr. Kong provided clarification. Ms. Parrilli raised a question regarding our WTTW membership payment. Mr. Kong explained that staff benefit from the monthly member magazine and a discount at the online WTTW store. Ms. Parrilli also asked about a payment to WILIUG which Mr. Kong explained was for membership for a professional ILS users' group. Ms. Barbir asked a question about a payment to WME holdings. Mr. Kong explained this was part of a payment to our Coming Together author, which was shared with other entities that are also part of Coming Together in Skokie and Niles Township.

A motion was made by Dr. Maks, seconded by Ms. Parrilli:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE BILLS, SUBJECT TO AUDIT.

The roll call vote for approval was 5 ayes and 0 nays; the motion passed unanimously.

CONSENT AGENDA (Financial Statements; Circulation Report/Dashboard; Reports from Department Heads; Gifts; Personnel)

Ms. Barbir asked why the attendance and library card usage numbers for teens are lower than overall numbers. Mr. Kong explained that usage for teens is a challenge. They seem to disengage from collection use because of fines or other restrictions placed on their access. Hopefully the new borrowing policy can help address this issue. The library's new Data Analysis Coordinator is looking into this issue specifically as we know that it is a barrier.

Ms. Barbir also asked about the low gate count. Mr. Kong expressed that the low number did come as a surprise. At this point the reason has not been determined for why it is down. The hope is that next month the numbers will go back up.

There was brief discussion regarding the changing nature of libraries in general and how that has affected circulation and statistics.

Mrs. Parrilli made a motion, seconded by Dr. Maks:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE FINANCIAL STATEMENTS, SUBJECT TO AUDIT, AND THAT THE FOLLOWING CONSENT AGENDA ITEMS BE PLACED ON FILE:

1. CIRCULATION REPORT/DASHBOARD
2. REPORTS FROM DEPARTMENT HEADS
3. GIFTS: \$500. FROM HAROLD J. KRINSKY, DDS; \$100 FROM SKOKIE LIONS CLUB; \$2,500 FROM WINTRUST FINANCIAL CORP; AND \$2,500. FROM NORTSHORE UNIVERSITY HEALTHSYSTEM FOR SUMMER READING
4. PERSONNEL: TERMINATION: RACHEL MEIRI, PART-TIME PROGRAM ASSISTANT, LEARNING EXPERIENCES, EFFECTIVE MAY 2, 2018; HIRES: MIGUEL RUIZ, FULL-TIME INFORMATION SERVICES SUPERVISOR, ADULT SERVICES, EFFECTIVE APRIL 23, 2018; OVI TUDOSA, PART-TIME

BUILDING ENGINEER, MAINTENANCE AND SECURITY
DEPARTMENT, EFFECTIVE MARCH 23, 2018.

The motion passed unanimously. There were 5 ayes and 0 nays.

DIRECTOR'S REPORT

Master Plan Update

Andrew Berman is still working on the schematic designs for the master plan. Much of it feels solid, and the library is working with Andrew and his team to resolve some remaining questions related to service points on the first floor and how our collections fit into the plan. Several staff visited Princeton Public Library while in Philadelphia for the PLA 2018 National Conference. They came away with a stronger sense of what Andrew is designing for our spaces, especially as it relates to our second floor. Andrew provided an update via videoconference during the April Board meeting.

Communications and Multimedia Engagement

After numerous discussions with Jane Hanna, Virtual Community Engagement Manager, and Christie Robinson, Communications and Marketing Manager, the library determined it would be best to unite their teams and create a new department called Communications and Multimedia Engagement. This new department will bring a fresh perspective and approach to overseeing creative content, visual design, media production, publications, web development, social media, and all other aspects of communications. Jane Hanna will serve as the department manager, with Christie Robinson reporting directly to Jane as the Senior Communication Strategist.

Fiscal Year 2018-2019 Objectives

Work continues on the FY 2018-2019 objectives. Given what we know from our work in the community and our current fiscal year objectives, staff are exploring what objectives make sense for us in the third year of our current strategic plan. Mr. Kong will have a recommendation of objectives for Board approval in May.

National Library Week

National Library Week is April 8-14, 2018. The library will kick the week off with our second annual How-to-Fest on Sunday, April 8 from 2-4:30pm. We will also have a full calendar of programs for the public, including opportunities to celebrate National Bookmobile Day by creating custom bookmobile picture frames. Mr. Kong shared that Bookmobile bookmarks were also printed.

Election of Officers – Annual Board Meeting in May

In May immediately following the regular meeting, the Board is scheduled to hold its annual meeting. During this meeting, Board officers (i.e., President, Vice President, and Secretary) should be nominated and elected. Officer positions are held for two years, and the last election was held in May 2016. Mr. Kong asked that the Board consult the bylaws (viewable on the Board iPads) for more information about the duties of the officers and election process.

State of the Village Breakfast

Mr. Kong will be attending the annual “State of the Village” breakfast organized by the Chamber of Commerce on April 27, 2018 at Evanston Golf Club. Mayor George Van Dusen will discuss key economic development projects and budget issues, followed by a Q&A session. If any members of the Board would like to attend, they are to let Monica or Mr. Kong know. Laura McGrath, Nancy Kim Phillips, and Terry Ratoff will also attend.

FY 2018 Federal Omnibus Spending Bill

Congress passed an FY 2018 omnibus spending bill that includes federal funding increases for libraries. The bill includes \$9 million more for IMLS (Institute of Museum and Library Services) compared to FY 2017, \$27 million restored for the Innovative Approaches to Literacy program, and \$350 million for the Public Service Loan Forgiveness program. ALA advocacy efforts have already begun to make sure federal funding for libraries continues in FY 2019.

Public Library Association 2018 National Conference

Despite less than ideal weather conditions in Philadelphia that caused flight cancelations and delays, most of the library staff who were scheduled to attend PLA 2018 made it there safely and enjoyed the conference. Video recaps from each day of the conference can be viewed at bit.ly/pla2018videos. The library had the most staff present out of any other library at the conference.

Mr. Kong spoke about the homeless woman who is currently occupying an area on the village green. He explained that the library staff is working with the Village, police, and various agencies to help her find housing and appropriate social services. The Board asked about what the village ordinance is regarding her sleeping there overnight. Mr. Kong stated that he'd have to get more information about that. There was brief discussion among the Board.

QUARTERLY INVESTMENT UPDATE

The investment policy states that the director shall prepare a quarterly report on investments and their returns.

The library's Reserve Fund for Sites and Buildings includes the following accounts, with their respective balances at the end of the 1st Quarter 2018.

- MB Financial Reserve Fund (\$1,015,408)
- IL Funds Reserve Account (\$3,791,255)
- IMET Reserve Fund (\$547)
- North Shore Community Bank Max Safe 4 CDs (\$1,024,987)
- First Bank & Trust CDs (\$2,290,493)

The total balance of the Reserve Fund as of March 31, 2018 is \$8,122,689. This is a 3.5% increase from the balance one year ago on March 31, 2017, but also includes the \$200,000 that was transferred into the Reserve Fund from the Operating Fund at the end of FY 2017.

Recently, the library received higher interest rates from MB Financial, North Shore Community Bank, and First Bank & Trust. At this time, Finance Manager Blythe Trilling and Mr. Kong do not feel it is necessary to hire an investment advisor.

An attached spreadsheet provided more detail about the accounts that make up the Reserve Fund and their returns.

The Board noted the Quarterly Investment Update.

PROJECTED YEAR END BALANCE

As we approach the close of FY 2018, it looks like the library will underspend the General Operating Fund budget (including the capital budget line) by approximately \$540,000. Most of this total will come from the salary line and other personnel expenses for IMRF and FICA, as well as the capital line.

However, on the revenue side of the ledger, the library is projected to be short approximately \$768,000 for the year. Most of this comes from a projected shortfall of 11%, or approximately \$781,000 in our 2018 spring tax collection. We are projecting to receive significantly more revenue in interest than what was projected because we are including the revenue from our investment accounts.

End-of-year projected excess of revenues over expenditures is anticipated to be approximately \$540,000, but some of this will depend on whether or not the library receives additional revenues from corporate replacement taxes, the per capita grant, and additional spring taxes.

Mr. Kong recommended that the Board not transfer any sum to the Reserve Fund for Sites and Buildings at this time. After he looks at the balance sheet in early May, he will likely recommend that the Board make a transfer to the Reserve Fund if we do end up with a substantial excess of revenues over expenditures.

Ms. Parrilli raised a question about the tax shortage. Mr. Kong explained that the shortfall was due to an over-projection of the spring tax. Brief discussion followed. No action was taken.

APPROVAL OF FY 2018-2019 OPERATING BUDGET

The Board was presented with the proposed budget for General Operating Expenditures for Fiscal Year 2018-2019. The order of the budget lines was changed to group related accounts together, and some of the accounts were renamed to provide more clarity.

Some changes were made to the projected budget since the March Board meeting, including the following:

- A more conservative projection of the Spring 2019 tax revenue at 52% of the 2017 levy based on a collection history of about 97%.
- An increase in the projected revenue from interest based on higher interest rates from our financial institutions this year.
- An increase in the projected revenue from grants based on the assumption that we will receive our Per Capita Grant next year.
- Stronger projections for the salary, employer's IMRF, employer's FICA, and professional services budget lines based on projected expenditures in the current fiscal year.
- A slight decrease in the capital line to \$844,178, which is still a significant increase from last year's budget. This will help with potential renovation costs if the Board chooses to approve work after the master plan is completed.

As outlined in previous memos dating back to January, this proposed budget also factors in the following:

- Revenue from corporate personal property replacement taxes is projected to be \$300,000 because the Illinois Department of Revenue estimates a decline of 23.84% in FY 2018 compared to the FY 2017 replacement tax allocations. The revenues from fines and fees is also projected to be lower due to the changes in our borrowing policy this year.
- The projected budget accounts for an increase of 3.1% in Salaries due to the Board's approval at the March meeting of a 2.1% cost of labor adjustment and 1.0% merit increase for eligible staff.

- The IMRF employer's rate for 2018 is 11.19%, and Mr. Kong factored in a FICA rate of 7.65% of the wages.
- An increase in the programming line due to the growing importance of learning and community engagement experiences in the library. This increase also takes into account the closing of the media lab/maker space budget line, which will be distributed into the programming and technology lines, respectively.
- An increase in our budget for digital leased content (e.g., eBooks, streaming video/music, etc.) since circulation of those materials is continuing to grow at a rapid rate.
- An increase in the materials processing line in anticipation of extra costs associated with changes to our collections and displays during possible renovations.
- A decrease in our insurance line due to the reduction in premium coming from the switch to LIRA.
- An increase in business processing fees to account for bank and credit card processing fees that were not budgeted for in previous years.
- The addition of a separate line for the parking lease with St. Paul Church.

Mr. Kong projects approximately \$11.71 million in operating expenses and \$844,178 in capital allotment for a total of \$12.55 million in expenditures of the General Operating Fund. The 2001 bond debt repayment for next year will be \$1,269,425. Mr. Kong is also appropriating \$2,000,000 from the Reserve Fund for Sites and Buildings, which would allow for the possibility of some renovations in FY 2018-2019 based on the pending approval of the master plan. If the Board decides not to approve renovations during the next fiscal year, this amount would simply remain in the Reserve Fund for Sites and Buildings.

Board approval of the budget was requested.

Brief discussion followed.

A motion was made by Mr. Griffin, seconded by Dr. Maks:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES ADOPT THE FISCAL YEAR 2018-2019 BUDGET IN THE AMOUNT OF \$12,550,836. AS PROPOSED BY THE DIRECTOR (COPY ATTACHED).

The roll call vote for approval was unanimous. The vote was 5 ayes and 0 nays.

MASTER PLAN UPDATE 7:30pm

Mr. Berman presented an update of the Master Plan via a videoconference slide show.

The Board engaged Mr. Berman in dialogue about the plans. Mr. Berman left the videoconference at 8:20 pm.

After the Board discussion, Mr. Kong proposed that the Board invite Mr. Berman to return in June with a finalized master plan, cost estimates, and phasing recommendations. The Board could consider approval of the plan at that point.

Mr. Kong stated that the library will be holding meetings with community members to get their input and Board members are welcome to attend those meetings.

APPROVAL OF RENEWAL OF MAINTENANCE AGREEMENT FOR ILS

The library's Sierra ILS (Integrated Library System) is provided by Innovative Interfaces, Inc. The library has received the invoice for a one-year renewal of the Innovative maintenance agreement for FY 2019. The amount of \$61,416.40 reflects an approximate 3.5% increase from last year. The fee covers maintenance for the software that runs our circulation system, public catalog, and acquisitions system and is inclusive of minor upgrades as well as support and troubleshooting.

Staff in both the Access Services and IT departments reviewed the invoice and recommend it for payment. Board approval of annual maintenance to Innovative Interfaces, Inc. in the amount of \$61,416.40 for FY 2019 is requested.

There was brief discussion about the agreement.

A motion was made by Ms. Parrilli, seconded by Mr. Griffin:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE INNOVATIVE INTERFACES, INC. ANNUAL MAINTENANCE AGREEMENT FOR FISCAL YEAR 2019, IN THE AMOUNT OF \$61,416.40 AS PRESENTED.

The roll call vote for approval was unanimous. The vote was 5 ayes and 0 nays.

APPROVAL OF RENEWAL OF SERVICE AGREEMENT WITH BIBLIOTHECA

The library's automated materials handling system, RFID security detection system, RFID staff workstations, and self-check stations are all provided by Bibliotheca. Renewal of the annual service and maintenance agreement for the hardware and software involved in these systems for FY 2019 is \$62,176.

The agreement will cover a 12-month period from June 2018 through May 2019.

The service agreements cover labor, parts, and equipment modifications necessary to keep the equipment operating at peak performance.

Mr. Kong recommended renewal of the Bibliotheca service agreement for \$62,176 as proposed.

Dr. Maks made a motion, seconded by Ms. Parrilli:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE BIBLIOTHECA SERVICE AGREEMENT FROM JUNE 2018 TO MAY 2019, IN THE AMOUNT OF \$62,176 AS PRESENTED.

The roll call vote for approval was unanimous. The vote was 5 ayes and 0 nays.

APPROVAL OF RENEWAL OF THIRD CHAPTER PARTNER SERVICES

Two years ago, the library began working with Third Chapter Partners as an early adopter of Patron Point, a new managed marketing consulting service and software platform that allows us to shift our marketing efforts from a one-size-fits-all model to a personalized and data-driven approach. Our one-year agreement approved by the Board last April is ending, so Third Chapter Partners proposed a one-year extension of the Patron Point marketing program at the same annual cost of \$20,000.

Communications and Marketing Manager, Christie Robinson, and Virtual Community Engagement Manager, Jane Hanna have worked closely with Third Chapter Partners to gather data and set up the system for us. Mr. Kong asked them to prepare a report (see attached) on the library's use of Patron Point thus far and our plans for next fiscal year. Devan Parkison, our new Data Analysis Coordinator, will also join the team to help us understand the ways patrons use our library and identify opportunities.

Mr. Kong recommended that the Board approve the attached proposal from Third Chapter Partners to continue our Patron Point Subscription for one year at a cost of \$20,000.

Board members discussed the proposal, raising questions related to patron privacy.

Mr. Kong proposed that the Board table the topic until the May meeting, where he could bring a revised proposal based on further discussions with Third Chapter Partners and library staff.

The Board agreed to table the item until next month's meeting.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM (RAILS)

Mrs. Parrilli reported the following highlights from the March 30, 2018, RAILS Board of Directors meeting from supporting documents and recorded videoconference.

Financial Report: Finance Director Jim Kregor reported that the General Fund unassigned cash and investment balance ending February 28, 2018 is \$13.2 million and would fund an estimated 14.2 months of operations. He was happy to report that RAILS, as of February 1, 2018, received the balance of its FY 2017 Area and Per Capita (APC) Grant of \$3,962,120. This increase would fund approximately four added months of operations. RAILS maintains an additional cash balance of \$3.1 million in its Capital Projects Fund. On March 22, 2018, RAILS also received \$1,614,386, or 36%, of the FY2018 APC grant, bringing revenues close to budget.

Executive Director's Report: Deirdre Brennan stated that her written monthly report to the Board has a new format, which she hopes will be more useful and comprehensive. She announced that nominations are due the end of this month for the RAILS Board Election. There are five open seats: two at-large and three public library trustee seats, each with three-year terms. The Nominating Committee will meet to review the nominations in April and the online election will run via the RAILS website from April 30 through May 18. Also, the online certification forms are due March 31, 2018, to be completed by all libraries. As of March 21, 149 libraries have not finished the certification process.

She mentioned that staff is working on updating the RAILS logo and branding, which was adopted five years ago. She will bring examples to the Board for their input.

Director Brennan discussed at length the status of the RAILS Membership Standards, which have been in development for five years. She hopes to bring to the Board a draft for review in May 2018.

Next meeting: April 27, 2018, at the East Peoria Service Center.

COMMENTS FROM TRUSTEES

Mrs. Hunter expressed her appreciation of the staff that selects the books for the library, that we have a very extensive collection and it amazes her that we always have what she is looking for.

ADJOURNMENT

At 8:58 pm a motion was made by Mrs. Barbir, seconded by Mr. Griffin to adjourn the regular meeting. The motion passed unanimously.

Karen Parrilli, Secretary