

October 19, 2016

Minutes of the regular meeting of the Board of Trustees of the Skokie Public Library held in the Skokie Public Library Board Room, Wednesday, October 19, 2016.

### CALL TO ORDER

Mark Prosperi, President, called the meeting to order at 7:27 p.m.

Members present: Mark Prosperi, President; Karen Parrilli, Secretary; Susan Greer; Eugene F. Griffin; Jonathan H. Maks, MD; Zelda Rich; and Richard Kong, Director.

Member absent: Diana Hunter, Vice President/President Emerita.

Staff present: Amita Lonial, Manager of Learning Experiences.

### APPROVAL OF THE MINUTES OF THE REGULAR AND CLOSED MEETINGS OF SEPTEMBER 14, 2016

Mr. Griffin made a motion, seconded by Mrs. Parrilli, to approve the minutes of the regular and closed meetings of September 14, 2016, subject to additions and/or corrections. There being no additions or corrections, the minutes were approved unanimously and placed on file. The vote was 6 ayes and 0 nays.

### PRESENTATION ON EDI (EQUITY, DIVERSITY & INCLUSION COMMITTEE)

Amita Lonial, Learning Experiences Manager, was introduced to the Board.

Ms. Lonial stated that the library started an Equity, Diversity & Inclusion Committee in February, a year after Coming Together in Skokie—Voices of Race, due to awkward interactions with micro-aggressions. Meetings were held about the best way to approach this subject. Staff asked for more education and training, want to use a shared vocabulary, improve culture, and create a safe environment for all. Through discussions; a ‘word of the month’; and a baseline diversity survey, we have started this process. Brief discussion followed.

The Board thanked Ms. Lonial for her presentation and wished her well. Ms. Lonial left the meeting at 7:43 p.m.

### BILLS

Mr. Griffin requested more information regarding the Citi Business listing – specifically which vendors are being paid with the Visa card.

A motion was made by Mrs. Parrilli, seconded by Mrs. Greer:

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

The roll call vote for approval was 6 ayes and 0 nays; the motion passed unanimously.

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

Mr. Kong noted our temporary employees (business manager and web developer) are being charged to the Professional Services line therefore the line is overexpended. The overexpenditure should be made up on other budget lines.

Brief discussion followed regarding the Kansas City Library incident report and the annual report on summer reading.

Mr. Griffin 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. PERSONNEL: PROMOTION: MUNEEBA ZEHRA, FROM PART-TIME MATERIALS PAGE, ACCESS SERVICES, TO PART-TIME MATERIALS HANDLER, ACCESS SERVICES, EFFECTIVE SEPTEMBER 19, 2016; TERMINATIONS: ADRIANNA SAKOLARI, PART-TIME YOUNG ADULT ADVISORY SPECIALIST, LEARNING EXPERIENCES, EFFECTIVE SEPTEMBER 30, 2016; ANDREI MUNTEAN, PART-TIME CUSTOMER SERVICES ASSISTANT, CUSTOMER SERVICES, EFFECTIVE OCTOBER 6, 2016; ANDREW DWORAK, PART-TIME PRODUCTION SPECIALIST/VIDEOGRAPHER, VIRTUAL COMMUNITY ENGAGEMENT, EFFECTIVE OCTOBER 7, 2016; JULIE RAND, PART-TIME REFERENCE LIBRARIAN, ADULT SERVICES, EFFECTIVE OCTOBER 16, 2016; AMITA LONIAL, FULL-TIME LEARNING EXPERIENCES MANAGER, LEARNING EXPERIENCES, EFFECTIVE NOVEMBER 7, 2016; STATUS CHANGE: SAM STAHL, FROM PART-TIME DIGITAL

LITERACY SPECIALIST, LEARNING EXPERIENCES, TO FULL-TIME IT SPECIALIST, INFORMATION TECHNOLOGY, EFFECTIVE SEPTEMBER 26, 2016; HIRES: PERRY NELSON AND KAITLIN PELL, PART-TIME CUSTOMER SERVICES ASSISTANTS, CUSTOMER SERVICES, EFFECTIVE SEPTEMBER 30, 2016; SAMANTHA RYAN, PART-TIME CUSTOMER SERVICES ASSISTANT, CUSTOMER SERVICES, EFFECTIVE OCTOBER 3, 2016.

The motion passed unanimously. There were 6 ayes and 0 nays.

### DIRECTOR'S REPORT

#### Usage

Overall circulation was up 1.03% in September compared to last year. Digital content continues to show positive signs with increases across the board in eBooks (102%), ePeriodicals (25%), eAudiobooks (43%), eMusic (37%), and eVideo (47%). The bookmobile made an appearance at local schools for the start of the school year (see dashboard), and the bookmobile collection continues to do well with circulation up 13% from last September. The percent of eligible checkouts handled by patrons through self-check is up to 80% YTD, which is a 5% increase from last year. Gate count was up 5.8% in September compared to last year.

#### Parking Lot Lights

At the August meeting, the Board approved the updating of the west parking lot lights to brighter, more efficient LED lights. This work was completed recently and we are very pleased with the results. The parking lot is noticeably brighter, which increases the safety of everyone in the area and creates a more welcoming environment for people entering the library on the west side. Approximately \$5,000 (pre-approved by the Board on top of the original quote) was used to purchase even brighter light fixtures for the line closest to the entrance.

Mrs. Parrilli asked if the library received a rebate from ComEd for the lighting upgrade. Mr. Kong will check on this.

#### Crosswalk at Laramie Avenue

According to Rich Simon, Maintenance and Security Manager, the Village asked for a National Highway Traffic Safety study of the intersection of Oakton Street and Laramie Avenue. They concluded that a push-button activated, blinking crosswalk light should be

installed at that intersection, and the Village Manager's Office has confirmed that this will occur sometime this month. This addition should make it easier and safer for pedestrians to walk to and from the library across Oakton Street.

### Security Update

Rich Simon, Maintenance and Security Manager, and Mr. Kong recently met with an access control contractor to get another opinion about what steps we can and should take to increase the security of the building, particularly in staff areas on the 1<sup>st</sup> and 3<sup>rd</sup> floors. Rich Simon is in the process of verifying some information with the Fire Department, but we are hoping to have a proposal with various options by November or December.

### CloudLibrary eBook Platform

Currently, we subscribe to OverDrive, CloudLibrary, and Hoopla to provide eBooks for patrons. As Annabelle Mortensen, Collection Development Supervisor, reported in her Digital Content Quarterly Report last month, CloudLibrary is underperforming in comparison to the other two platforms. Since May 2014, the average cost per circulation for CloudLibrary is \$5.70, which is much higher than OverDrive (\$1.96) and Hoopla (\$1.90). Our agreement for CloudLibrary ends in December, and at this point we are not planning to renew. In the event that we cease our use of CloudLibrary, we would migrate as much of the collection as possible to OverDrive. We would also contact active CloudLibrary users to inform them of the other options they have for checking out eBooks.

### Patron Point Email Campaign

Led by Christie Robinson, Communications and Marketing Manager, staff is continuing our work with Third Chapter Partners to help us design a customized marketing approach. In recent weeks, we began sending emails to our adult cardholders asking them to share a bit of information about themselves, including reading preferences. This information will be used to provide a more personalized service through occasional emails about new releases that fit their interests. In the future, we may also be able to send emails about additional collections or events based on individual patron interests. These emails will be completely optional and patrons can choose to change their preferences or stop them at any time, and still receive their regular emails about renewals and reserves.

### Patron-Driven Acquisition

After thorough research, Access Services has implemented a new patron-driven acquisition feature that gives patrons more access to titles that may interest them without requiring the library to purchase these titles ahead of time. Collection development staff will place temporary records of certain new and upcoming titles in our online catalog, starting with Adult Fiction. If a patron sees one of the records, and decides to place a hold, it will automatically be ordered and the patron will receive the book once it arrives. If no one places a hold on a record within six months, the record will be removed from the catalog. This feature will supplement the normal selection process overseen by our collection development staff, and we will continue to offer patrons the option of submitting purchase suggestions through an online form.

#### ICMA Conference and ULC Forum

As a member of the PLA Board, Mr. Kong attended the ICMA (International City/County Management Association) Conference later this month in Kansas City. Major themes at the conference included how to be more data-driven and how to increase awareness of issues surrounding diversity, equity, and inclusion. It was interesting to see how similar the concerns of city and county management leaders are to those of public library leaders. He also attended the ULC (Urban Libraries Council) Forum, where he presented a short talk about digital inclusion and outcome measures. He mentioned some of the initiatives we are taking here (e.g., distribution of mobile hotspots, digital literacy classes and consultation) and some of the challenges we face (e.g., varying data literacy levels among staff, the rapid pace of technological changes). The presentation was well-received and several attendees asked to learn more about our strategic plan and objectives. The entire conference focused on exploring and developing a framework to describe the outcomes and impacts libraries bring to individuals and communities. Health, education, and literacy were among the major themes covered in presentations given by others. ULC also announced the 2016 Innovation Award recipients, which can be seen in detail at <http://www.urbanlibraries.org/2016-innovations-pages-522.php>. Participants at the Forum also heard about ongoing controversy surrounding the Kansas City Public Library stemming from a public program where an attendee and a library employee were both arrested by off-duty police officers. The library is protesting that this is a violation of the First Amendment and the story has gained national attention.

#### Data Needs Assessment

One of the goals outlined in the current strategic plan is “to make data-driven decisions that lead to the best use of resources, guide effective advocacy, and maximize the impact

on our community.” With this goal in mind, Mr. Kong invited Anne Deeter, Director of Continuous Improvement at Dominican University, to meet with a small group of staff to have a conversation about how the library uses data and conduct a data needs assessment. She recommended several strategies that would help the library take a more value-added approach. She pointed out how critical it is to first understand what value our various data collection and assessment methods add to our mission and strategic plan. Mr. Kong plans to continue working with staff to implement these strategies and determine how we can best approach gathering, analyzing, using, and sharing data internally and externally.

#### Capital Needs Assessment and Master Plan

Mr. Kong has been gathering information about the process of creating a master facility design plan and a comprehensive capital needs assessment. This information, to be presented at a future Board meeting, will demonstrate what steps we can take to plan for long-term enhancements to the building and its systems, as well as for any remodeling and space allocation needs anticipated in the future. Having both a master plan and a capital needs assessment will be instrumental in budget planning for the next five years and beyond.

#### Laurel Johnson – ALA Emerging Leaders Program

Young Adult Librarian, Laurel Johnson, has been selected to participate in the 2017 ALA Emerging Leaders program. Laurel will attend both ALA Midwinter and Annual conferences next year and work with others on a project for YALSA. The program is designed to enable newer librarians to get an inside look at ALA and gain experience serving the profession in a leadership capacity.

#### ILA Conference

Next week, many staff members will be attending the 2016 ILA Conference in Rosemont, IL. Nina Simon, a well-known innovator and visionary from the museum world, will be presenting the opening keynote. The conference’s theme is “Discovery Advocacy Leadership” and the focus will be on how libraries and library staff can serve as community leaders to support learning and community engagement. Mr. Kong will be co-presenting a program on the use of trend-thinking in the strategic planning process, but many other library staff will be presenting a program, including Mimosa Shah, Amy Holcomb, Annabelle Mortensen, Beth Dostert, Amita Lonial, Eva Thaler-Sroussi, Sue Teller, and Leah White.

Mrs. Hunter, not in attendance, asked that Mr. Prospero mention:

Mrs. Hunter suggested the deputy director not be hired until after Mr. Kong's first evaluation. No action was taken.

Mrs. Hunter mentioned a bill is going through Congress to give \$200 million to libraries. She asked that a letter be sent to the Librarian of Congress asking her to write a letter to appropriate congressmen supporting the bill. Mr. Kong will investigate this.

Mrs. Hunter stated Skokie Public Library should not be a member of United for Libraries. Mr. Kong will discuss this matter with Mrs. Hunter.

#### APPROVAL OF PAYROLL PROCESSING SYSTEM

As Mr. Kong noted in his report last month, George Van Geem and Julian Prendi from the Village's Finance Department informed him that the Village is switching over to a new payroll/HR system in March 2017. Currently, we share the same payroll software with the Village and the Village Finance Department assists with the last stage of processing our bi-weekly payroll. Our own administrative staff members handle our time/attendance system and enter changes to employee information in the payroll system before handing it off to the Village for completion. Due to this upcoming change at the Village, we have an opportunity to implement our own customized payroll solution. It should be noted that any change with our payroll processing would not affect the Village's role of levying our taxes and administering our IMRF group.

Library staff looked at a number of different payroll/HR companies, inviting several in for demos. Some of our top selection criteria include cost, ease of use for staff, ability to customize around our specific needs, vendor viability, and excellent customer service from a dedicated team familiar with our account. During our examination of these systems, we determined it would be best to also adopt a new time/attendance system so that payroll and time/attendance are on the same system. Currently, we use a company called ProData for our time/attendance software.

We narrowed the selection process down to our top two solutions, Paylocity and Paychex, and calculated the total estimated cost for each solution. Paylocity would cost \$18,544.20 for the first year and \$17,129.30 in ongoing annual charges (based on 170 employees). Paychex would cost \$25,317.18 for the first year and \$23,443.91 in subsequent years.

Mr. Kong recommends approval of Paylocity for payroll and time/attendance systems at a total initial cost of \$18,544.20.

After brief discussion, a motion was made by Mr. Griffin, seconded by Mrs. Parrilli:

**MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE QUOTE FROM PAYLOCITY FOR PAYROLL AND TIME AND ATTENDANCE SYSTEMS FOR A TOTAL INITIAL COST OF \$18,544.20.**

The roll was called: Dr. Maks—yes; Mrs. Rich—yes; Mr. Prospero—yes; Mr. Griffin—yes; Mrs. Parrilli—yes; Mrs. Greer—abstain. There were 5 ayes and 1 abstention. The motion passed.

#### APPROVAL OF YOUTH SERVICES DISPLAYS

Staff has determined that there is a need to purchase some new magazine display units and shelving towers for youth series fiction books.

Currently, youth-related magazines are all located in one area outside of the youth craft room. Magazines are displayed on top of and on shelving that is designed for books, which is less than ideal. Purchasing the magazine display units will allow us to place specific magazines in age-appropriate areas within the Youth Services Room. Magazines will also be more accessible and easier to browse for children and parents, which will lead to greater use and circulation. Freeing up the bookshelves currently used for the magazines will also allow us to create more open space outside of the often-congested area outside of the craft room, story time room, and the restrooms.

The current “spinner” towers used for youth series fiction are old and in poor condition. Some parts are cracked, and the towers are difficult to spin. Purchasing new quad towers for this collection will allow us to present them in a more attractive fashion while making the collection more accessible. Because the new towers can be placed against each other, it will also allow us to consolidate them in one aisle, making the books easier to find and freeing up more walking space in the area adjacent to the BOOMbox, homework computers, and study rooms.

Mr. Kong recommends Board approval for these magazine displays and shelving towers for a total cost of \$19,987.

Brief discussion followed. A motion was made by Dr. Maks, seconded by Mrs. Parrilli:

**MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE QUOTE FROM LFI FOR MAGAZINE DISPLAYS AND SHELVING TOWERS IN THE AMOUNT OF \$19,987.00.**



The roll was called and the motion passed unanimously. The vote was 6 ayes and 0 nays.

#### APPROVAL OF HEARTLAND PAYMENT SYSTEM

ICVerify, the payment software solution we used at our self-checkout machines is no longer being supported. Bibliotheca has proposed a new solution for EMV (Europay, MasterCard and Visa) chip security technology compliance. Heartland Payment Systems is a small free-standing unit designed to sit next to the self-checkout machines. When customers wish to pay fees by credit or debit card, they would insert their card into the unit or swipe their card if it is not yet chip enabled.



The quote is for eight units. Since we have already paid for the yearly maintenance on the six units that currently accept credit card payments, we will be issued a credit for the unused portion which is approximately \$1,000. This credit will be applied to the Heartland purchase.

Mr. Kong recommends approval of the purchase of the Heartland Payment Terminals at a total cost of \$11,252.00 minus the credit amount to be determined at the time of purchase.

After brief discussion, a motion was made by Mrs. Parrilli, seconded by Dr. Maks:

**MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE PURCHASE OF (8) EIGHT HEARTLAND PAYMENT TERMINALS AT A TOTAL COST OF \$11,252.00 MINUS THE CREDIT TO BE DETERMINED AT THE TIME OF PURCHASE.**

The roll was called: Dr. Maks—yes; Mrs. Rich—yes; Mr. Prosperi—yes; Mr. Griffin—yes; Mrs. Parrilli—yes; Mrs. Greer—abstain. The vote was 5 ayes and 1 abstention. The motion passed.

#### APPROVAL OF STAFF PARKING AT ST. PAUL LUTHERAN CHURCH

Last month, Mr. Kong provided an update about a potential agreement with St. Paul Lutheran Church to allow a certain number of library staff to park in the church lot. This agreement would free up twenty-five additional parking spaces for patrons in the west

parking lot. The proximity to the library (a short walk across Galitz St. to get to the library's south staff entrance) and the general availability of the parking lot during weekdays and Saturdays makes this an attractive option.

Mr. Kong has since come to terms with the church leadership on an annual fee of \$5,000 for the rights to use up to twenty-five parking spaces in the church lot. Library legal counsel reviewed the licensing agreement.

Mr. Kong recommends Board approval of the licensing agreement between the St. Paul Lutheran Church and Skokie Public Library.

Discussion followed. The Board suggested Mr. Kong inform the patron who brought this matter to the Board's attention. Mrs. Greer stated the library will be paying for nonresidents to park in the library parking lot. The question was raised if library staff will need a decal or sticker in their vehicle to park in the church's lot. Mr. Kong will check on this.

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

**MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE LICENSING AGREEMENT BETWEEN ST. PAUL CHURCH AND SKOKIE PUBLIC LIBRARY AS PRESENTED.**

The roll was called: Dr. Maks—yes; Mrs. Rich—yes; Mr. Prospero—yes; Mr. Griffin—yes; Mrs. Parrilli—yes; Mrs. Greer—no. The vote was 5 ayes and 1 nay. The motion passed.

#### APPROVAL OF REVISED INVESTMENT POLICY

Last month, the Board continued its discussion of the investment policy, last updated in December 2013, and reviewed an initial draft of a revised policy. The Board also heard from consultant Kelly Zabinski on the suggested changes and asked various follow-up questions. After some discussion, the Board made some additional suggestions for the draft, which are reflected in the latest revision.

Mr. Kong recommends approval of the revised investment policy, which will allow us to move forward with evaluating our current investments and consider new opportunities.

It was noted that Mrs. Hunter does not want the library to use a broker.

Under Objective III, the sentence that begins “The Board shall review investments *periodically*...” shall be changed to “The Board shall review investments *quarterly*...”.

A motion was made by Mrs. Parrilli, seconded by Mrs. Greer:

**MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE INVESTMENT POLICY, WITH THE CHANGES THE BOARD SUGGESTED. (COPY ATTACHED)**

The motion passed unanimously. The vote was 6 ayes and 0 nays.

For the December meeting, the Board asked for two or three ways to proceed before deciding on an action plan. Mr. Kong will bring this to a future meeting.

#### APPROVAL OF DATES OF UPCOMING BOARD MEETINGS

A calendar of Board meeting dates for 2017 and 2018 was distributed and reviewed by the Board.

Mr. Prosperi asked that the March 8, 2017 meeting be changed to March 15, 2017.

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

**MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE DATES OF UPCOMING BOARD MEETINGS FOR 2017 AND 2018, CHANGING THE DATE OF THE MARCH 8, 2017 MEETING TO MARCH 15, 2017, AS PRESENTED.**

The vote for approval was unanimous. There were 6 ayes and 0 nays.

#### BOARD MEETING START TIME

Mr. Kong stated a Board member has requested that the Board meetings regularly begin at 6:30 p.m. instead of 7:30 p.m.

The Board Room can be made available earlier, and Mr. Kong does not have any objections to an earlier start time for Board meetings.

This change would require amending Article II Sec. 1 of the Board Bylaws, which currently states, "The regular monthly meeting of the Board shall be held on the second Wednesday of each month, at 7:30 p.m. in the Library."

According to Article VI Sec. 1, any changes to the Board Bylaws must be approved by a majority vote of the Board, with the actual changes presented for consideration at the regular meeting prior to the one at which action shall be taken.

The Board will be asked to vote on this request at the November meeting. Brief discussion followed.

## REACHING ACROSS ILLINOIS LIBRARY SYSTEM (RAILS)

Mrs. Parrilli reported on the following highlights from the September 23, 2016, RAILS Board of Directors meeting's videoconference and supporting documents.

*Public Comments:* The Quincy Public Library director, Nancy Dolan, welcomed the RAILS Board members and staff. In appreciation, Veronica Pitchford, RAILS Director of Membership Development and Resource Sharing, thanked the Quincy Library director for her help in setting up a conference call with the General Counsel of the Illinois State Board of Education. Ms. Pitchford, in vetting the Career Online High School for a group purchase, had difficulty getting through to anyone at ISBE. She needed confirmation from the ISBE that this product from Smart Horizons was worthwhile pursuing and that the product was accredited for issuing a high school degree.

*Financial Report:* Finance Director Jim Kregor reported that the General Fund unassigned cash and investment balance ending August 31, 2016, totaled \$11,800,000 covering 13.3 months of operation. Total funds in cash and investments stood at \$23,000,000, with August expenditures at \$182,622 under budget.

*Executive Director's Report:* Executive Director Dee Brennan included in the Board packet a letter from SHARE, the IHLS consortium, which was sent to 120 RAILS members seeking their joining SHARE. Ms. Brennan and Dave Barry, President of the RAILS Board, were both concerned, as they were not informed of this letter until one of the library members brought it to their attention. Their main concerns were that it appeared that the two library systems are in competition and it would cause extensive delivery problems and expenses. Ms. Brennan has asked for a meeting with the principals of IHLS and SHARE to start a dialogue to clarify the role of each consortium.

As part of RAILS Strategic Plan, Ms. Brennan introduced Rebecca Teasdale, a past member of RAILS. She currently is involved in the evaluation process on the value of library services and impact of their programs to library members. Her two-part presentation explained the evaluation process and then concluded with examples and outcomes on the direct impact to libraries.

*Membership Changes:* In light of the abrupt closing of ITT, Veronica Pitchford, RAILS Director of Membership Development and Resource Sharing, asked the Board to approve the membership suspension of their three locations, Oak Brook, Orland Park, and Arlington Heights.

The Board received and approved the Annual Report, the Annual Audit from Sikich, and a draft on the revised Membership Standards (this can be found on the RAILS website). Also, after discussion and amendments, the Board approved the Employee Educational Benefits Policy.

From the September 28, 2016, e-Newsletter regarding the RAILS funding from the state of Illinois, *“RAILS’ Area and Per Capita Grant application for FY2017 (July 1, 2016 – June 30, 2017) was approved and we have been awarded \$5,842,358.40. This is the same amount awarded last fiscal year, and it reflects a 40% reduction from previous funding amounts. Any additional awards are dependent upon legislative actions to appropriate additional funds.”*

Next meeting: October 28, 2016, at the Coal Valley Service Center

VIEWING OF SHORT-TAKES FOR TRUSTEES VIDEO: *LIBRARY POLICIES*

The Board did not view the video.

COMMENTS FROM TRUSTEES

There were no Comments from Trustees.

ADJOURNMENT

At 8:53 p.m. a motion was made by Mrs. Parrilli, seconded by Mr. Griffin to adjourn the regular meeting. The motion passed unanimously.

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Karen Parrilli, Secretary



# INVESTMENT POLICY

## I. POLICY

It is the policy of the Skokie Public Library to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

## II. SCOPE

This Investment Policy (Policy) applies to all Funds of the Skokie Public Library (Library) governed by the Board. The Funds included are all those in existence at the time this Policy is enacted and all those added to or deleted from the Books and Records of the Library as required from time to time.

The Board shall only invest “Financial Assets” of the Library. For the purpose of this Policy, Financial Assets are those assets available for investment over and above the current short term cash needs for the Library. By definition, available funds are those currently in the possession of the Library and do not include amounts due from governmental agencies or any other source.

## III. OBJECTIVES

In selecting financial institutions and investment instruments, the following general objectives should be considered in the priority listed:

- Legality – Conformance with federal, state and other legal requirements
- Safety – Preservation of capital and protection of investment principal
- Liquidity – Maintenance of sufficient liquidity to meet operating requirements
- Yield – Attainment of highest return consistent with risk constraints and cash flow needs

The Board shall review investments quarterly to determine effectiveness in meeting the Library’s needs for safety, liquidity, rate of return, diversification, and general performance.

## IV. RESPONSIBILITY

The Board will retain ultimate fiduciary responsibility for the Portfolio. The Board will receive regular reports, delegate management of investments, and approve changes to the investment policy.

Authority to manage the investment policy is granted to the Director. The Director, with the assistance of the Library's Business Manager and investment advisors, shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Policy.

## V. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

## VI. AUTHORIZED INVESTMENTS

Investments shall be made in accordance with Illinois Compiled Statutes (ICS), Chapter 30, Section 235, "Public Funds Investment Act," but shall be limited to the following types of investment instruments:

- U.S. Treasury and Agency obligations held to maturity
- State-administered governmental investment pool
- Certificates of Deposit at commercial banks and insured by the FDIC (Federal Deposit Insurance Corporation)
- Interest-bearing savings accounts at commercial banks insured by the FDIC
- Money Market Accounts with SIPC Insurance
- Illinois Metropolitan Investment Fund (IMET) not to exceed \$1,000

## VII. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

Financial institutions may include banking institutions, savings and loan associations, investment advisors, brokers/dealers, and local government investment pools as authorized in this Policy. Financial institutions and dealers who desire to become qualified for transactions must provide certification of having read and understood this Policy, agree to comply with this Policy, and ensure all investments proposed for purchase will conform to this Policy and applicable State statutes. Selection of the financial institutions and dealers authorized to engage in transactions with the Library shall be at the sole discretion of the Board. Financial institutions and dealers will be selected based on financial condition and security, size, proper registration, level of service and associated fees, location, and experience with Illinois municipal bodies including libraries.

All depositories shall be insured by the FDIC. All financial institutions who desire to become designated depositories must supply the following (as appropriate):

- Audited financial statements
- Proof of state registration
- Evidence of adequate insurance coverage



All investment advisors shall be registered under the Investment Advisors Act of 1940. All financial institutions who desire to become designated investment advisors must supply the following (as appropriate):

- Audited financial statements
- Securities and Exchange Commission (SEC) Form ADV – Parts 1 and 2
- Proof of state or SEC registration as appropriate
- Evidence of adequate insurance coverage

All brokers/dealers shall be insured by the Securities Investor Protection Corporation (SIPC). All financial institutions who desire to become designated brokers/dealers must supply the following (as appropriate):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of state registration
- Evidence of adequate insurance coverage

All institutions holding Library investments and other funds shall provide the Library with a copy of their annual report for each year in which business is transacted with the Library.

## VIII. COLLATERALIZATION

Any institution with which the Library carries checking, savings or other such accounts with an indefinite maturity date or duration, must maintain sufficient collateral which will provide protection for the Library for amounts in excess of FDIC or FSLIC coverage. This collateralization must be sufficient to cover the average balance in each account for all accounts with that institution.

Any of the following are acceptable forms of collateral:

- U.S. Government Securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Letter of credit from the Federal Home Loan Bank or Federal Reserve

Any institution with which the Library has placed financial assets for the purpose of investing, regardless of the term of those investments, must fully collateralize each investment for the duration of the term.

The collateral need not be segregated on a “by investment” basis. The institution may provide a collateral pool designated specifically for the Library’s accounts, including both investments and other bank accounts. Such collateral will have a current market value of at least 110% of the total deposits and investments. A monthly collateral review is to be made by the institution to adjust for market fluctuations so as to maintain the 110% rule as well as to adjust for fluctuations due to maturities and new investment purchases during the month by the Library. All collateral must be held by a third party as custodian for the Library and must be pledged to the Library, indicating such on the face of the original safekeeping receipt.

Each institution shall provide a statement of collateral listing, in detail, all securities set aside as collateral for the Library on a monthly basis.





## IX. POSSESSION OF INVESTMENTS

Certificates of Deposit (CD) are not necessarily physically kept on hand by the Library. A safekeeping receipt, signed by an authorized official of the institution issuing the CD is acceptable as proof of ownership. See other specifications for safekeeping receipts under VIII. Collateralization.

## X. DIVERSIFICATION

The Library shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity.

## XI. MAXIMUM MATURITIES

To the extent possible, the Library shall attempt to match its investments with anticipated cash flow requirements. The Library will not directly invest operating funds, defined as cash received within any given fiscal year not intended for reserves, in instruments maturing more than six months from the date of purchase. Reserve funds may be invested in instruments maturing up to two years from the date of investment if such investments are made to coincide as nearly as practicable with the expected cashflow needs of long-term capital improvement projects.

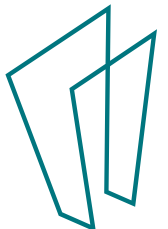
## XII. INTERNAL CONTROL

The Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Library are protected from loss, theft, or misuse. The following internal controls shall be observed:

- All signature forms for investments shall require the signature of the Library Director or, in the absence of the Library Director, the Business Manager. This signature form for investments is to be used only for the transfer of monies between institutions, and not for the withdrawal of funds. Such withdrawal requires the signature of the President of the Board of Trustees of the Skokie Public Library and the Library Director.
- Written confirmation of telephone transactions and wire transfers shall be obtained.
- Ratification by Board of all purchases of investments.

## XIII. REPORTING

The Director shall prepare a quarterly report on investments and their returns for the Board of Library Trustees. An annual report in a format suitable for review by the general public will also be provided to the Board. The annual report shall include name of banking institution, maturity, rate of return, par value, and date of purchase.



## XIV. STANDARD OF CARE

This Policy seeks to establish standard guidelines for professional responsibility and shall be applied to the management of the Library's overall investment portfolio. The standard to be used by any person investing the Library's funds shall be the "prudent person" standard, which states that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

## XV. INVESTMENT POLICY ADOPTION AND REVIEW

The Investment Policy shall be adopted by the Board of Trustees and reviewed on an annual basis. Any modifications to the policy must be approved by the Board of Trustees.

*Adopted by the Skokie Public Library Board of Trustees, December 14, 1988;  
Revised November 10, 1999; December 11, 2013; October 19, 2016*

