

August 15, 2012

Minutes of the regular meeting of the Board of Trustees of the Skokie Public Library held in the Skokie Public Library Board Room, Wednesday, August 15, 2012.

CALL TO ORDER

John Graham, President, called the meeting to order at 7:28 p.m.

Members present: John Graham, President; Diana Hunter, Vice President/President Emerita; Karen Parrilli, Secretary; Richard Basofin; Susan Greer; Mark Prosperi; and Carolyn A. Anthony, Director.

Member absent: Zelda Rich.

Staff Present: Christie Robinson, Manager of Marketing and Programs.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JULY 11, 2012

Mr. Basofin made a motion, seconded by Mrs. Parrilli to approve the minutes of the regular meeting of July 11, 2012, subject to additions and/or corrections. There being no additions/corrections, the minutes were approved and placed on file.

CONSENT AGENDA (Financial Statement; Circulation Report; Library Use Statistics; Report(s) from Department Head(s); Gifts; Personnel)

Mrs. Parrilli made a motion, seconded by Mr. Basofin:

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
2. LIBRARY USE STATISTICS
3. REPORT(S) FROM DEPARTMENT HEAD(S)
4. GIFTS: \$1,000. FROM BARBARA GOODFRIEND IN MEMORY OF DAVID GOODFRIEND FOR PURCHASE AND INSTALLATION OF A FLAT SCREEN OUTSIDE THE BUSINESS & CAREER CENTER; IN MEMORY OF MAURICE RASENICK: \$25. FROM MARY AMATO; \$50. FROM MARY G. F. KEARNEY; FOR SUMMER READING CLUB: \$500. FROM DR. DAVID McWHINNIE; \$5,000. FROM WESTFIELD OLD ORCHARD.

5. PERSONNEL: HIRES: DANIEL SUWINSKI, PART-TIME CIRCULATION CLERK, CIRCULATION DEPARTMENT, EFFECTIVE JULY 11, 2012; MICHAEL ABRAHAM, PART-TIME CIRCULATION CLERK, CIRCULATION DEPARTMENT, EFFECTIVE JULY 12, 2012; NATALIE KADDATZ, PART-TIME CIRCULATION CLERK, CIRCULATION DEPARTMENT, EFFECTIVE JULY 18, 2012.

The motion passed unanimously.

#### YEAR-TO-DATE BUDGETARY STATUS

The Year-to-Date Budgetary Status was noted and placed on file.

#### BILLS

A motion was made by Mrs. Hunter, seconded by Mr. Basofin:

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

The roll call vote for approval was unanimous.

#### DIRECTOR'S REPORT

USAGE----Total circulation was virtually unchanged from last July while the gate count was up nearly 9%. Youth Circulation is up about 2.4%, with increases in most areas except for audio and software. Adult book circulation is down 9%, but with eBook circulation up 174%, the total change is just a drop of 1.5%. A big factor is the decline in RBP use which is off 68% to only 4.5% of total circulation. Perhaps related is the significant increase in LINKin circulation which nearly doubled from last July. Magazine circulation is down by one third with the move to the second floor. Bookmobile circulation was down 15%. The Bookmobile was off the road at times in July due to the load on the air conditioning caused by the excessive heat. The volume of questions answered was down only slightly.

Mrs. Anthony stated that at the September Board meeting the extension of reciprocal borrowing to RAILS will be on the agenda and that we no longer have a 10 percent imbalance. Mrs. Hunter asked for current and past figures to compare Evanston and Morton Grove use. Mrs. Hunter also said that magazine use should be monitored.

ASSESSED VALUATION----The certificate received from Cook County for filing with our Per Capita Grant application indicates that the total Assessed Valuation for Skokie in

2011 was \$2,561,731,480., down from \$2,869,566,995. in 2010. The drop of \$300 million in assessed valuation is responsible for much of the increase in taxes on individual properties.

SECOND FLOOR PROJECT----The additional study rooms on the second floor have been completed with the installation of KI walls and the rooms are in use. The Computer Commons has also been completed although there are some punch list items in regard to the staff service station. The Business and Career Center is nearing completion in the next two to three weeks. There will be an inspection by the Village August 16.

KEYNOTE TALK----Mrs. Anthony will be the keynote speaker at Morton Grove Public Library's staff day on August 17 essentially giving the same presentation as she gave at the Gleicher Center earlier this year on The Future of the Public Library.

PRESENTATION ON COMMUNITYCONNECT BY CHRISTIE ROBINSON,  
MANAGER OF MARKETING AND PROGRAMS

Christie Robinson demonstrated how to access some of the many levels of CommunityConnect, a tool which combines demographic and market segmentation (Tapestry) data with Library circulation data and library card registration data.

This new interactive tool will help Library staff identify underserved portions of Skokie. This tool, for the first time, will allow Library staff to do 'target' marketing. CommunityConnect will also be helpful for the upcoming Strategic Planning as staff will be able to compare before and after results.

The Board thanked Mrs. Robinson for her informative presentation. Mrs. Robinson left the meeting at 8:08 p.m.

APPROVAL OF PER CAPITA GRANT REQUIREMENTS 2013

To qualify for a Per Capita Grant from the State in 2013, in addition to the requirements that have already been addressed, the Trustees are required to review progress in meeting standards in Chapter 9: Programming of Serving Our Public 2.0: Standards for Illinois Public Libraries, 2009. The core standards are reproduced below, along with commentary about the degree to which we meet each.

1. **Library programs are provided free of charge.** Skokie Public Library meets this standard.
2. **Library programs are located in a physically accessible location. Provisions are made, as needed, to enable persons with disabilities to participate in the program. The availability of these provisions is noted with other information**

**about the program.** All program spaces are physically accessible for patrons, and staff provide assistive devices of various types upon request, including sound amplification, sign language interpretation, and other assistance. Numerous programs specifically for persons with disabilities are scheduled regularly and publicized as such, including the Talking Books Discussion Group for adults with vision impairments and a wide variety of programs for children with a number of different disabilities.

3. **The library considers community demographics, special populations, and the availability of programming from other social, cultural, and recreational organizations in the community when planning and evaluating programs.** Staff who plan and produce programs actively consider all of these aspects. CommunityConnect will make it even easier to consider demographic differences within the community, and staff regularly keep up with programming offered throughout the community and frequently participate in joint programs, including Coming Together in Skokie, the Festival of Cultures, and numerous events with partner organizations throughout the community.
4. **The library presents educational, cultural, and recreational programs that reflect community needs and interests.** The library provides a broad range of programs that appeal to residents of all ages and interests, as is evident from the diversity of residents served by the programs.
5. **Programming is designed to address the diversity within the community, to increase the awareness and use of library resources and services, and to attract new users.** Staff actively plan programming that reflects Skokie's diversity, plan programs that feature library resources and services (particularly technology resources), and actively seek to attract new users.
6. **The library provides outreach programs to targeted populations who cannot visit the library.** Examples of such programs include visits to schools and preschools and participation in community events of all types.
7. **The library's programming targets groups such as children, parents, young adults, adults, seniors, and special constituents relevant to the area's demographics.** We regularly produce programs for all of these groups.
8. **The library provides programs that will instruct their community on how to use the library. This will include training sessions on the library's online databases and the library's online catalog. The library will also provide tours and make sure the community is comfortable with using the library.** Programs within the library and presentations to community groups frequently feature use of online

databases. Instruction on using the catalog is provided one-on-one as needed. Tours are provided for school groups and others upon request.

This review enables the Library to fulfill the requirement to file our Per Capita Grant request in October.

The Board reviewed the Standards as presented.

ADOPTION OF TAX LEVY (NOT FOR APPROVAL UNTIL SEPTEMBER MEETING)

Next month, the Board will need to adopt a tax levy for transmission to the Village of Skokie. The 2012 levy will be introduced as part of the Village's Levy Ordinance in early December and acted on by the Village Board before the end of December. This levy will fund the Library's 2013-2014 Fiscal Year.

The 2011 levy was \$12,507,675.00, representing an increase of 1% over the 2010 levy of \$12,383,836.00. The Library's debt payment for construction bonds in FY 2014 as presently scheduled is \$1,266,675. We are still on target for completion of the Library's debt repayment in December 2020, and have benefitted by a reduction in annual payment due to the refinancing of the bonds in September, 2010.

Collections in FY 2012 were short of budget by \$172,136. or 1.39%. This was reviewed by the Board last month.

FY2011	\$250,492.	(2.06% of collection)
FY2010	\$161,734.	(1.37% of collection)
FY2009	\$253,857.	(2.26% of collection)

So tax collections in recent years have been quite good, with a healthy distribution of taxes each year from the prior year, meaning that much of apparent collection shortage in a given year is in fact made up in subsequent years. We have not yet received our Per Capita Grant from the State for 2012 which has been pledged at \$66,436.

We have maintained a healthy cash balance in the General Operating Fund, spending less than revenues for the past five years. Our General Operating Fund balance as of May 1 has been as follows:

FY2012	\$4,859,765.	(after transfer of \$.5 million to the Reserve Fund)
FY2011	\$4,410,200.	(after transfer of \$1 million to the Reserve Fund)
FY2010	\$4,019,627.	(after transfer of \$1 million to the Reserve Fund)

FY2009 \$3,206,906. (after transfer of \$1.5 million to the Reserve Fund)

The Library has built a healthy balance in the Reserve Fund in recent years, with current status of approximately \$5,225,529. in the Reserve Fund. In addition, \$1.7 million has been budgeted in the Capital line for current capital expense.

With a starting balance of \$4,859,765. (unaudited) in the GOF at the start of the Fiscal Year, we have sufficient funds for more than five months of operation with average monthly expenditure last year of \$850,000.

In summary, the Library is in a favorable financial position which should allow us to minimize an increase in the FY 2012 levy. Levy increases in recent years have been curtailed as follows:

2009 levy	\$12,141,016.	3% over 2008 levy
2010 levy	\$12,383,836.	2% over 2009 levy
2011 levy	\$12,507,675	1% over 2010 levy

Mrs. Anthony distributed charts showing an Analysis of the General Operating Fund for the past seven years and a gross, preliminary look at a projected budget for Fiscal Year 2013-2014. A 1% increase in the levy may be expected to yield \$12,632,752. in FY 2014, allowing up to \$12,037,319. for the General Operating Fund. It is anticipated that revenues from interest and corporate replacement tax will continue to be rather flat. Before the September Board, Mrs. Anthony will check with the Village regarding the prognosis for the Corporate Replacement Tax which the State has threatened to divert in whole or part to other purposes. If the Library were to lose the majority of the Corporate Replacement Tax, we would need to increase the levy to make up for the loss.

Board action on this matter is not required until September.

Mr. Graham asked the Board to review this information before the September meeting and call Mrs. Anthony with questions.

#### DIRECTOR'S AUTHORIZATION LIMIT

The Board inquired about the threshold for authorization of expense by the Director without the expressed approval of the Board. The level was set at \$10,000. by the Board at their meeting July 11, 2007. At the Board's request, Mrs. Anthony did ask the Library attorney if there were laws regarding the authorized spending limit. Heidi Katz responded that "Neither the Local Library Act nor, to my knowledge, any other state law requires prior review by the Board of Trustees of expenditures by the Director above specified

amounts, when those expenditures are within limitations of the Board-approved annual budget.”

Ms. Katz did brief research to determine that there is no “best practice” in this regard. She offered that “It would be within the Board of Trustees’ discretion to require prior review by a designated Board member for approval of budgeted expenditures by the Director exceeding specific amounts.”

This information is provided to the Board to inform the discussion of whether to authorize a secondary higher spending limit, within approved budgeted amounts, by the Director and a designated Board member jointly. Occasionally, there is a needed repair to building equipment that cannot wait for the approval process at a regularly scheduled monthly Board meeting.

Mr. Graham thanked Mrs. Anthony and said this item can be brought up at a future meeting so the Board can consider modifying the current policy.

#### FRAUD PREVENTION

Each year, the auditors ask if we are aware of any fraud at the Library and where fraud might be most likely to occur. Avoiding fraud is a multi-layered process which will never be fool-proof, but may make the opportunity for fraud less available. Our approach to discouraging fraud may be seen as three-fold with the first step being in hiring. We take care to hire people who are honest and forthright and we do check references as a routine part of the hiring process. Also, the Human Resources Manager regularly conducts background checks on candidates before they are hired. Nevertheless, basically honest people may commit fraud when procedures are lax and opportunities are apparent.

The second strategy is to distribute both approval of expense and payment processes to ensure that more than one person is involved in each step of the acquisition and payment process. Early in Mrs. Anthony’s tenure at the Skokie Public Library we began using Purchase Orders for all purchases. Purchase Orders provide a clear written record of the agreed upon items or services to be acquired and the price to be paid for such services, as well as the name and address of the service provider. Specifically, a staff member may initiate a purchase request which then is submitted to the Department Head for approval. Approved purchase requests are prepared as Purchase Orders by the Business Office and the Director signs all Purchase Orders before they are sent out. Supporting paper work is filed with the Purchase Order leaving a record of the original request and the approval trail. Payment is then made from written invoices which are matched to the Purchase Order.

Payment of invoices also involves several people, repeating the process of approval at the department level and the executive level after the Business Office has confirmed that the invoice indeed matches the Purchase Order. Any discrepancy in goods provided or payment requested is investigated by the Business Office. Checks are prepared in the Business Office, but are then folded and put into envelopes in the Administrative Office, giving opportunity for another set of eyes to review the payments. The list of bills is given to the Board each month so that the Board may review expenses by budget category and question payment to any unfamiliar vendor.

The largest expense for the Library is for Personnel. Time sheets for each employee are kept electronically and submitted for payroll every two weeks. Supervisors and Department Heads sign off on each time sheet and the time sheets are then submitted to Human Resources for review before being passed along to the Business Office for submittal to the Village which prepares the paychecks. The Business Manager reviews the payroll record including hours, payment and deductions before submitting it to the Village. Letters regarding any increase in pay are prepared in the Business Office and signed by the Director. The Director also reviews the payroll ledger, initialing all pay changes and the final payroll total.

Most of the funding used by the Library comes from Cook County via the property tax. These funds are deposited electronically into accounts in the Illinois Funds as appropriate for operating expenses or bond fund payments. Electronic notice of each deposit is received and printed out for review by the Director. Detailed statements are received each month from the Illinois Funds, noting deposits, transfers to other accounts, and interest received. According to Board policy, the Business Manager and Director may move funds between established accounts as needed, but may not remove funds without specific authorization. With the detailed reports received from the Illinois Funds and the banks with which the Library deals, it is possible to clearly review funds withdrawn from an account and correspondingly deposited in another account. These records of account activity are reviewed and initialed by the Director. The Board receives monthly statements of expenditures and balances in each fund.

Another large area of expense is for library materials. There is an electronic system for Acquisitions that tracks all expenditures by collection area. Requests for purchase are submitted by multiple librarians who are each working within a defined budget limit. These requests are submitted electronically by staff in the Acquisitions Office to various jobbers and vendors. Materials received are claimed against the order record. Monthly budget expense by collection category is prepared for review by the selectors,



Department Heads and the Director. Another listing is compiled by vendor for payment by the Business Office and review by the Board. Any unusual vendor or pattern of expense would be questioned by the Director or the Business Office.

Credit cards are used in conference and travel expense, for some library materials purchases from vendors such as Amazon.com, and for some entertainment expense as in local catering. The Director, Library Accounts Payable and Purchasing Clerk, and two Acquisitions staff members are authorized to use Library credit cards. The Web Manager and Assistant to the Director also occasionally use the cards. Monthly bills are reviewed in detail by the Assistant to the Director and quarterly reports of use by category are also reviewed by the Director.

Library supplies are requisitioned as needed by the Department Heads. Purchase Orders are issued for these expenses. Anything unusual must be justified. Supplies are kept in a locked storage area and allocated by the Business Office. An annual report is compiled of the supply expense by each Department so that any change in level of expense can be noted and investigated.

The third layer of protection is in the multiple written reports which are reviewed monthly by more than one person, including the detailed financial reports and list of bills provided regularly to the Board. The Library's financial dealings are completely transparent and questions regarding expense and procedures are welcome.

Mrs. Anthony added that implementing the use of cash registers at the Circulation Desks and switching to epayments is another way the Library avoids fraud.

Since this information was distributed tonight the Board may wish this to be an agenda item in September.

#### REACHING ACROSS ILLINOIS LIBRARY SYSTEM (RAILS)

Mrs. Parrilli reported on the RAILS Board of Directors Meeting held July 27, 2012 at the Burr Ridge Service Center.

Following are highlights of the meeting as taken from Board reports and the videoconference:

##### *Interim Executive Director's Report:*

- With the Rockford service facility's move to a smaller location, RAILS will save approximately \$8,000 annually.

- Contract negotiations are underway with National Realty Network to sell the service centers in Shorewood, Geneva, and Wheeling.
- Seven new delivery vans were purchased through a special grant from Illinois State Library for the Coal Valley, East Peoria, Rockford, and Shorewood service centers.
- The state of Iowa's Rivershare library members in Illinois will have RAILS delivery service through the Coal Valley service center.
- On the recommendation of the Member Advisory Group, the staff will look into establishing regions within RAILS service area, "taking into consideration such factors as delivery routes, videoconferencing, and LLSAP locations."

*Treasurer Report:* Jim Kregor reported that the June 30, 2012, cash and investment balance of \$9.5 million would fund approximately thirteen months of operation.

*ISL Report from Anne Craig:* Anne Craig announced that the Office of Secretary of State/Illinois State Library will issue a Request for Proposal (RFP) to provide state-wide delivery service. The RFP would determine the cost savings through out-sourcing delivery services. Interested vendors are required to attend an open meeting before submitting bids on July 31. This action is in response to the recommendation from Illinois Library Association's report on the future of Illinois libraries. She also encouraged RAILS to continue with their aggressive reserve fund. She advised that final FY2011-12 payments could still be made by the end of this calendar year but there are no guarantees.

*Election of Board Officers for FY2012-13:* President: Alan Davidson (Princeton Public Library); Vice President: John Spears (Naperville Public Library); Secretary: William Coffee (LaGrange Public Library); Treasurer: Kathy Parker (Tinley Park Public Library).

*Membership:* The latest figures on RAILS membership is 1,565 member library agencies (1,535 full, 30 developmental), 3,700 library facilities, covering 27,000 square miles of northern and central parts of Illinois.

*Organizational Chart for FY2012-13:* This was submitted to the Board as a working chart with changes to come in September. It includes a total of 118 employees, of which 27 are supervisory positions with 3 supervisory positions open.

*From Renee Anderson's July 31<sup>st</sup> email update:*

*Update on RAILS Executive Director Search:* At their July 27 meeting, the RAILS Board decided to re-open the search for an executive director. The details are currently being

worked out. Members will be updated with new information as soon as it becomes available. As previously reported, Jane Plass is currently serving as RAILS Interim Executive Director.

The Rockford service center has moved to a new location. Consequently, there is an auction for leftover items. The online auction ends August 17. Items can be viewed at [www.32auction.com/railsrockford](http://www.32auction.com/railsrockford).

Next Board meeting: August 24, 2012.

Brief discussion followed.

#### COMMENTS FROM TRUSTEES

There were no Comments from Trustees.

#### CLOSED SESSION

At 8:27 p.m., a motion was made by Mrs. Hunter, seconded by Mr. Basofin:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES GO INTO CLOSED SESSION TO DISCUSS THE DIRECTOR'S EVALUATION/SALARY.

The motion passed unanimously.

#### Adjournment

At 8:50 p.m. a motion was made by Mr. Basofin, seconded by Mrs. Parrilli:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES ADJOURN FROM CLOSED SESSION AND RETURN TO OPEN SESSION.

The motion passed unanimously.

The Board reached consensus in regard to the Director's salary.

#### ADJOURNMENT

At 8:55 p.m. a motion was made by Mrs. Hunter, seconded by Mr. Prospero to adjourn the regular meeting. The motion passed unanimously.



Karen Parrilli, Secretary