

April 12, 2017

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 12, 2017.

CALL TO ORDER

Mark Prosperi, President, called the meeting to order at 6:30 p.m.

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

Member absent: Susan Greer.

Staff present: Laura McGrath, Deputy Director; Christie Robinson, Communications and Marketing Manager; Richard Simon, Facilities Manager.

Guest present: Ted Fons, Third Chapter.

APPROVAL OF THE MINUTES OF THE REGULAR AND CLOSED MEETINGS OF MARCH 15, 2017

Mrs. Hunter made a motion, seconded by Mrs. Parrilli, to approve the minutes of the regular and closed meetings of March 15, 2017, 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.

BILLS

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

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)

Mrs. Parrilli commented that she loved reading the Youth Services Success Stories as well as the articles included in the Board packet.

Mrs. Parrilli made a motion, seconded by Mrs. Hunter:

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: \$30. FROM JOHN EGAN IN APPRECIATION; \$2,500. FROM NORTHSORE UNIVERSITY HEALTHSYSTEM FOR SUMMER READING
4. PERSONNEL: RESIGNATIONS: CAITLIN MYERS, PART-TIME DIGITAL LITERACY SPECIALIST, LEARNING EXPERIENCES, EFFECTIVE APRIL 3, 2017; IRENE TAM, FULL-TIME BUSINESS MANAGER, ADMINISTRATION, EFFECTIVE APRIL 18, 2017; STATUS CHANGE: PAUL KNUTSON, FROM PART-TIME PRODUCTIONS SPECIALIST/VIDEOGRAPHER, VIRTUAL COMMUNITY ENGAGEMENT TO FULL-TIME PRODUCTION SPECIALIST/VIDEOGRAPHER, VIRTUAL COMMUNITY ENGAGEMENT, EFFECTIVE MARCH 20, 2017.

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

DIRECTOR'S REPORT

Usage

Overall, monthly circulation in March was up 2.4% from last year, though some of this is due to the fact that we were open one more day this March. Circulation year-to-date is down 1.2%, but we will still be well over 2 million in total circulation at the end of the fiscal year. Youth circulation was up 5.3% from last year in March, with Youth books up 8%. 456 library cards were issued in March, which is up from 357 in March 2016. The number of active Hoopla users reached 1,000 users this past March as overall circulation of digital content continues to rise. The gate count was up 3.5% from last March, and our overall year-to-date gate count is up slightly compared to last year. It looks like we will surpass 800,000 in gate count again this year. Overall program attendance is up from last year across all ages.

IPRF Grant

We applied for and received the IPRF (Illinois Public Risk Fund) Safety & Educational Grant Award for \$4,182. Rich Simon, Maintenance and Security Manager, will use these

funds to purchase safety equipment or make improvements to the facility that will reduce the risk of injury or illness.

Special Board Meeting for Investment Manager Interviews

Wednesday, April 26 has been confirmed for the special Board meeting for the presentations and interviews with three investment management firms. The meeting was posted on the website and the times have been confirmed with the guests. Each firm will have 45 minutes to present, and the entire meeting should last from 6:00-9:00 p.m.

YWCA Stand Against Racism

On Friday, April 28 between 10:25-10:50am, library staff and patrons will participate in this year's YWCA Stand Against Racism. Village employees, local business owners, and students from local schools are all expected to participate as well. Staff is also planning a separate library program to supplement the event and offer patrons an additional opportunity to share their experiences and ideas related to the topic.

National Library Week

The How-To-Fest was held on Sunday, April 9 between 1:00-3:30 p.m. Local experts and staff were on hand to demonstrate a variety of skills and activities. On Tuesday, April 11, we brought in treats for staff to celebrate National Library Workers' Day. On Wednesday, April 12, we will celebrate 60 years of bookmobile services by parking the bookmobile in the west parking lot, serving cake, and offering crafts. The Virtual Community Engagement team has prepared a special video to share the bookmobile's story.

The Board viewed the bookmobile video. A blog post about the bookmobile's history was distributed.

Junior High Zone Furniture

This past month, we made some smaller furniture changes in the Junior High Zone to replace worn, outdated tables and seating. A large table, with six tall stools, will help staff engage with students more easily. Smaller buoy stools with adjustable height were also added to the space to provide safer, more flexible options for students gathering around round tables or sitting in front of the gaming monitor.

East and West Vestibule Entrance Mats

Vortex Commercial Flooring successfully installed the new vestibule mat system in the West vestibule, but there was a delay with the East vestibule installation due to a problem with the materials order. The East vestibule was completed Monday, April 10.

Bookmobile Heating System Issue

Gail Dunlap, Bookmobile Librarian, informed Mr. Kong of an issue with the bookmobile's heating system. The staff have noticed a diesel exhaust scent and a burning odor from the heating units. Michael Swendrowski, the consultant who helped us with the design and build of the bookmobile, inspected the units and believes they are faulty. He contacted the manufacturer and they recommended that we initiate a warranty claim through OBS. We have made contact with OBS and are awaiting further instructions to put in the claim. We will do everything we can to have the issue resolved before next fall when the temperatures start dropping.

Dr. Maks suggested asking for an extended warranty on the parts being replaced. Mr. Kong will check on this.

National Library Legislative Day

In late April, Mr. Kong will be traveling to Washington, D.C. to attend National Library Legislative Day. This is an opportunity for librarians and library supporters from across the country to meet with members of Congress and advocate for library issues and policies. He will also be attending the PLA Board Meeting at that time, so PLA will cover most of his travel and hotel expenses.

LJ Design Institute

In early May, Mr. Kong will be attending the *Library Journal* Design Institute in Columbus, Ohio, with deputy director Laura McGrath. We will join other participants in a full day of learning about trends and practices in building, renovating, and retrofitting library spaces. We have also been selected as one of the libraries that will participate in a real-life design challenge led by one of the architectural firms attending the event. Other attendees will have a chance to learn about our spaces and offer their thoughts.

Brief discussion followed about the library's RFQ for a master plan.

Per Capita Grant

We learned today that Skokie Public Library will receive a FY2017 Illinois Public Library Per Capita Grant in the amount of \$50,300.89.

APPROVAL OF THIRD CHAPTER PROPOSAL

Last year, 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 initial agreement recently ended, so Third Chapter Partners has proposed a one-year extension for the Patron Point marketing program.

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. We have access to interactive online reports that combine patron activity from physical and digital checkouts, program registrations, database access, and study room bookings. Staff use this data to personalize and customize our marketing efforts based on patron behavior.

Since September, when we sent out the first emails inviting patrons to share their preferences with us, our marketing automation platform has allowed us to reap a number of early successes, including the following:

- More than 4,000 patrons are receiving their custom monthly new titles email. This service has been very popular, boasting an extremely high open rate, multiple holds being placed on the titles offered, and positive feedback and engagement with patrons. This service is also helping us achieve a better balance in promotion, which in libraries has historically been very heavily focused on individual events versus collections and other services.
- We have developed a completely automated welcome program for new cardholders. The series of seven emails introducing materials, events, staff, spaces, and resources, will run automatically, triggered by Customer Services staff generating a new library account. After six months or a year, we'll be able to measure whether new cardholders who received these emails use the library significantly more than those who first received cards in the preceding year.
- Renewal reminder emails are now going out through this automated system, which allows these notices to be mobile friendly and more attractive.

Staff are planning a number of ambitious expansions of these projects, as well as new initiatives intended to increase cardholder penetration within the community and increase engagement of cardholders with all aspects of the library. As we further refine the interactive reporting capabilities, we will be able to get an increasingly clear picture of overall patron engagement, analyzing the data on library use and testing new initiatives to attract and retain cardholders and better serve our community.

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

Ted Fons, Principal Consultant, with Third Chapter Partners, was introduced.

Mr. Fons presented his PowerPoint discussing top trends in marketing including a focus on the customer experience and keeping the customer engaged; broadcasting the value of the library; creating opportunities; and the library's welcome campaign which includes a series of seven emails when patrons sign up for a library card.

Discussion followed. Dr. Maks asked about future campaigns. One campaign being considered is renewing your library card before it expires and another campaign is to work with less active cardholders. Privacy was also discussed as Third Chapters Partners does not use or re-sell lists to distributors.

Christie Robinson showed some examples of the customized emails that have gone out to new cardholders.

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

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE PROPOSAL FROM THIRD CHAPTER PARTNERS TO CONTINUE PATRON POINT SUBSCRIPTION FOR ONE YEAR AT A COST OF \$20,000.00.

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

Mr. Fons and Mrs. Robinson left the meeting.

Mrs. Hunter asked how staff will assess what Third Chapter is doing for the library. She is concerned because the library's homebound figures are very low. How will we reach these people? Mr. Kong will add Mrs. Hunter's suggestion to the new objectives document. Dr. Maks suggested reaching out to doctors' offices, social services agencies, physician's groups, North Shore Senior Center, nursing homes, and rehab centers but also market to children who are more 'Americanized' and computer savvy. Many cultures have multiple generations living together and the children/teens are the ones to reach to assist aging populations.

Mrs. Hunter requested a report at the end of the one year contract with Third Chapter Partners to include numbers and what was accomplished.

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 2017.

- MB Financial Reserve Fund (\$510,017)
- IL Funds Reserve Account (\$4,049,638)
- IMET Reserve Fund (\$536.34)
- North Shore Community Bank Max Safe 4 CDs (\$1,021,161)
- First Bank & Trust CDs (\$2,269,689)

The total balance of the Reserve Fund at the end of the 4th Quarter 2016 is \$7,851,042. This is a 0.12% gain from the total balance of the Reserve Fund at the end of the 4th Quarter 2016.

A spreadsheet was distributed providing 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 Fiscal Year 2017, it looks like we will underspend the General Operating Fund budget (including the Capital line) by approximately \$550,000. Most of this total will come from the salary line and other personnel expenses for IMRF and FICA, which we expect to be underspent by approximately \$480,000.

However, on the Revenue side of the ledger, we are presently short nearly \$490,000 of what was projected for the year. Most of this comes from being about 5% short, or approximately \$341,000, short in our 2016 Fall tax collection.

End-of-year projected excess of revenues over expenditures is anticipated in the range of \$300,000-\$350,000, but some of this will depend on whether or not we receive additional revenues from Corporate Replacement Taxes and a Per Capita Grant. Mr. Kong recommends that the Board not transfer any sum to the Reserve Fund for Sites and Buildings at this time. After we look at the balance sheet in early May, he may recommend that the Board make a transfer to the Reserve Fund if we do end up with a substantial excess of revenues over expenditures.

Brief discussion followed. No action was taken.

APPROVAL OF FY 2017-2018 OPERATING BUDGET

The proposed budget for General Operating Expenditures for Fiscal Year 2017-2018 was distributed. The budget as presented allows for an increase of 3.6% in Salaries due to the Board's approval at the March meeting of a 2.1% cost of labor adjustment and 1.5% merit increase for eligible staff.

No changes have been made to the projected budget since the March Board meeting. As outlined in previous memos dating back to January, this budget factors in the following:

- An increase in the Professional Services line to account for anticipated increases for legal (policy review), architectural (for master plan), and financial consulting (investment management).
- An increase in the Maintenance of Buildings and Grounds line in anticipation of hiring a cleaning service to supplement the work of our in-house staff.
- An increase in the Conferences, Memberships, and Workshops line because PLA 2018 will be held in March 2018 and we anticipate sending a good number of staff to this conference.
- An increase in the Data Processing line due to the additional fees for our new payroll service.
- 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.

Mr. Kong projects approximately \$11.97 million in Operating expense and \$774,211 in capital allotment for a total of \$12.75 million in expenditures of the General Operating Fund. He is also appropriating \$300,000 from the Reserve Fund for capital expenditures. The total amount for capital expenditures would cover the recommended work outlined in our recent capital asset study.

Board approval of the budget is requested.

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

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES ADOPT THE FISCAL YEAR 2017-2018 BUDGET IN THE AMOUNT OF \$12,745,042. AS PROPOSED BY THE DIRECTOR (COPY ATTACHED).

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 Biblothecca. Renewal of the annual service and maintenance agreement for the hardware and software involved in these systems for FY 2018 is \$60,308.99.

In previous years, this agreement has been for a 12-month period beginning at the end of one fiscal year and covering most of the upcoming fiscal year, but this has created payment issues because we normally make the payment later in May after the new fiscal year begins. This year, we have asked Biblothecca to adjust the covered period to run 13 months, from April 29, 2017 to May 31, 2018. The following year, we will go back to a normal 12-month period from June through May.

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

Mr. Kong recommends renewal of the Biblothecca service agreement for \$60,308.99 as proposed.

Mr. Griffin made a motion, seconded by Mrs. Hunter:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE BIBLIOTHECCA SERVICE AGREEMENT FROM APRIL 29, 2017 TO MAY 31, 2018, IN THE AMOUNT OF \$60,308.99 AS PRESENTED.

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

APPROVAL OF RENEWAL OF MAINTENANCE AGREEMENT FOR ILS

The library's Sierra ILS (integrated library system) is provided by Innovative Interfaces, Inc. We have received the invoice for a one-year renewal of the Innovative maintenance agreement for Fiscal Year 2018. The amount is \$59,383.24 includes a 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 \$59,383.24 for FY 2018 is requested.

Brief discussion followed regarding security levels for Innovative products.

A motion was made by Mrs. Hunter, seconded by Dr. Maks:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE INNOVATIVE INTERFACES, INC. ANNUAL MAINTENANCE AGREEMENT FOR FISCAL YEAR 2018, IN THE AMOUNT OF \$59,383.24 AS PRESENTED.

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

BOARD VACANCY UPDATE

Mr. Prosperi reported that he and Mr. Griffin interviewed all applicants for the Board trustee vacancy. They have selected four candidates for the entire Board to interview.

After discussion, the Board decided to have a special meeting on May 3 at 6 p.m. The Administrative Assistant to the Director will arrange the interviews. Hard copies of cover letters and resumes from the four candidates will be mailed in advance of the meeting.

Mr. Prosperi will put together two to four interview questions.

DISCUSSION OF DRAFT CAPITAL ASSET STUDY REPORT

In March, the Board heard a presentation of the draft capital asset study report from BTC (Building Technology Consultants). After the presentation, the Board expressed an interest in having more time to examine the report between meetings and continue its discussion of the report at the April meeting. A hard copy of the report was handed out to Board members during the March meeting, and the report is available in PDF on each Board member's library iPad.

As a reminder, the intent of the study was to provide the library with a clear plan for anticipated facility repairs and replacements over the next 20 years. Areas that were examined include the site elements, roofing and waterproofing, façade, interior finishes, mechanical, electrical, plumbing, and fire protection.

In addition to the field assessment, BTC also performed a financial analysis based on the current balance and overall interest rate for the Reserve Fund for Sites and Buildings, projected contributions towards capital expenses, and estimated inflation rates. The intent of the funding plan is to make sure the library has adequate reserve funding for future expenditures without the need of a loan. According to BTC, the library is in healthy financial shape and can pursue a master plan for future interior projects. Once a master plan is in place, the projected costs can be factored into the 20-year financial analysis.

BTC representatives will not attend the April Board meeting, but Mr. Kong asked Rich Simon to be present in case there are any questions for him. After its discussion at the

next meeting, the Board should decide whether it wants BTC to finalize the report using the high-end or low-end financial projections. The high-end projection would require us to make a larger annual contribution to the Reserve Fund, and allow for a more proactive schedule for rehabilitation/replacement of capital components.

Lengthy discussion followed regarding the projection figure or goal to deposit to the Reserve Fund each year. Items discussed include the possible property tax freeze or a temporary tax freeze that may last two years, the rising cost of health insurance, the rising cost to replace items in the building; interior remodeling projects; and a master plan. Mr. Kong suggested a figure of \$550,000 per year as a goal to add to the Reserve Fund.

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

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES SET A GOAL OF ADDING \$550,000.00 TO THE RESERVE FUND EACH YEAR.

The roll was called: Dr. Maks—yes; Mrs. Parrilli—yes; Mr. Griffin—yes; Mrs. Hunter—no; Mr. Prosperi—yes. The motion passed. There were 4 ayes and 1 nay.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM (RAILS)

Mrs. Parrilli reported the following highlights from the March 24, 2017, RAILS Board of Directors meeting's from supporting documents and videoconference.

Financial Report: Finance Director Jim Kregor reported that the General Fund unassigned cash and investment balance ending February 28, 2017, totaled \$10,100,000 covering 10.5 months of operation. Total funds in cash and investments total \$20,300,000. He mentioned that he expects to receive the remaining funds from Area and Per Capital Grant, as awarded by the state. Expenditures continue to be under budget.

Executive Director's Report: Executive Director Dee Brennan introduced staff who reported on the current status of Illinois library certification. There are 42 libraries left to be certified, with 95% of public libraries completing their certification. Staff will attempt to reach the remaining libraries before the deadline of March 31.

Ms. Brennan presented to the Board a list of projects and services for FY2018 and asked them for feedback on how much of the reserve should be used if full funding from the state is not received. She emphasized that funding LLSAP is critical to library members, where other projects can be postponed or dropped. Also, staff is looking at a variety of ways to cut next year's budget.

Illinois State Library: Greg McCormick of the Secretary of State's office mentioned that even though there is no resolution among the state legislators regarding the state's budget crisis, the ISL remains hopeful and is moving forward with plans for the FY2018 budget.

Institute of Museum and Library Services: Ms. Brennan and Mr. McCormick reported on the current developments of future federal funding for IMLS. Ms. Brennan shared with the Board a statement from the Director of IMLS. Mr. McCormick stated that even though there has been no official statement from the Secretary of State's office, they are closely monitoring the situation. He warned that if IMLS and its funding (\$230 million in FY2016) are eliminated, it would have a "significant impact on the country in FY2019." He stated that it is important for libraries and library systems to understand how funding is distributed and used. ISL is working on a fact sheet for distribution to libraries throughout the state on IMLS and its purpose and services.

Next meeting: April 28, 2017, at the Burr Ridge Service Center.

COMMENTS FROM TRUSTEES

There were no Comments from Trustees.

CLOSED SESSION

At 8:12 p.m., a motion was made by Mr. Griffin, seconded by Dr. Maks, to go in to closed session pursuant to 5ILCS 12/2(c)1 of the Open Meetings Act (The appointment, employment compensation, discipline, performance, or dismissal of specific employees of the public body, including hearing testimony on a complaint lodged against an employee to determine its validity.) The motion was approved unanimously. The vote was 5 ayes and 0 nays. The motion passed.

The Board discussed a personnel matter.

Adjournment

At 8:24 p.m. a motion was made by Dr. Maks, seconded by Mrs. Hunter:

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

The motion passed unanimously. The vote was 5 ayes and 0 nays.

Open Session

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

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE PAYING THE EMPLOYER PORTION OF HEALTH INSURANCE FOR A LIBRARY EMPLOYEE UNTIL DECEMBER 31, 2017, DUE TO EXTENUATING CIRCUMSTANCES AS DISCUSSED IN CLOSED SESSION.

The motion was approved unanimously. The vote was 5 ayes and 0 nays.

ADJOURNMENT

At 8:25 p.m. a motion was made by Mr. Griffin, seconded by Mrs. Hunter to adjourn the regular meeting. The motion passed unanimously.

Karen Parrilli, Secretary

**Skokie Public Library
Budget for FY 2017-2018**

ACCOUNT NAME	Budget FY 2017-2018
Salaries	6,688,320
Professional Services	70,000
Audit	8,000
Materials Processing & ILL fee	125,000
Maintenance of Equipment	100,000
Maintenance of Buildings & Grds	250,000
Maintenance of Auto Equipment	5,000
Insurance (Health, Dental & Life)	750,000
Health Saving Account-ER Contributions	33,750
General Insurance	150,000
Utilities	83,000
Conference, Mbrshps, Wkshps	120,000
Postage	32,000
Printing and Publicity	83,800
Data Processing	20,000
Reception & Entertainment	17,000
Programming	80,000
Copier Lease	6,000
Technology/Network	428,000
Cable/Media Lab	8,700
Physical Content	946,000
Leased Content	280,000
Learning	75,000
Research	170,000
Small Equipment	12,000
Library Supplies	55,150
Janitorial Supplies	38,000
Office Expense and Transportation	2,500
Furniture and Equipment	35,000
Employer's IMRF	706,955
Employer's FICA	511,656
Contingency	80,000
General Operating Total	11,970,831
Capital	774,211
	12,745,042
2001 Bond Debt Repayment	1,268,100
TOTAL	14,013,142