

**MINUTES FOR THE SPECIAL MEETING OF THE BOARD OF LIBRARY TRUSTEES
OF THE VILLAGE OF CAROL STREAM**

**Carol Stream Public Library
616 Hiawatha Drive
Carol Stream, IL 60188**

DATE: March 12, 2012

TIME: 7:00 P.M.

PLACE: Library Discovery Room

I. Call to Order

Vice-President Bailey called the Special Meeting of the Board of Library Trustees to order at 7:00 p.m.

Pledge to the Flag

Vice-President Bailey led those in attendance in the Pledge of Allegiance to the Flag.

II. Roll Call

Secretary Hudspeath called the roll.

Present: Trustees DeRango, Jeffrey, Wade, Arends, Bailey, and Hudspeath

Absent:

Also Present: Library Director Ann Kennedy, Assistant Director Pam Leffler

III. Recommendation, Re: Process to appoint a Trustee to fill vacant position

Director Kennedy's original recommendation was to have applications due on March 21, to conduct interviews before the March 28 Board meeting and to appoint a new trustee at the March 28 meeting. Various trustees would be out of town between March 19 and the first week of April. The Board agreed to hold the regular March Board meeting on Saturday, March 17 at 9:30 a.m. The deadline for trustee applications will be moved to March 30 and interviews will be conducted in April. Interviews will be conducted at a Special Board Meeting before the Human Resources Committee Meeting on April 11.

IV. Recommendation, Re: Procedure for Working with the Library Director and contacting Legal Counsel

Director Kennedy requested clarification on an agreement reached April 20, 2011. That agreement was that if a trustee wanted Director Kennedy to do something for them than the request should go through the Board President. Similarly, the agreement stated that Trustees should work with the Board President or the Director before contacting legal counsel. Some

of the Trustees have been working under the agreement but not all. Director Kennedy stated that it is easier for her work if she doesn't have multiple trustees making multiple requests. Trustee Bailey stated that the attorney says any trustee can contact legal counsel but the Library can keep costs down by keeping track of requests and seeing if issues can be answered in house. Trustee Arends asked if all questions were going to counsel. Director Kennedy answered that some things can be answered in house and don't have to go to counsel. Trustee Arends said that any in-depth question that would impact budget should go through the President and Director. Trustee Arends also said that the Director can ask the attorney questions without coming to the Board. Trustee Hudspeath stated that these guidelines would allow communication issues to be corralled and would eliminate the possibility of communications taking place of which other Trustees are unaware. Trustee Wade agreed that any trustee with a legal concern needs to inform the Board President and the Director of that concern. Trustee Wade added that it is fine if the President and Director can answer questions and save legal cost as long as questions are forwarded as necessary. Trustee Wade stated that he felt it was a great idea to have the attorney attend all future meetings. Director Kennedy stated that legal counsel will do that but the average cost is \$350 per meeting and she is concerned about the impact this would have on the budget. Trustee Wade stated that he will request an increase in that budget line because with the Board losing a legal resource like Rob Douglas, there will be more legal questions coming from the board.

Trustee Bailey recommended that the agreement state that contacting legal counsel be coordinated between the President and the Director. Trustee Wade added that requests to the Director need to be copied to the Board President. Trustee Bailey stated that this agreement would be a transparent way for the Board to interact. The agreement was adopted by unanimous consent as an agreed upon procedure.

V. Discussion, Re: Proposed FY2013 Working and Appropriation Budgets

Director Kennedy reviewed for the Board requested changes to the Budget.

5108: The total cost for Health Insurance will be going down but the cost to add an individual will be going up from what was previously estimated.

5405: The Technical Services Supplies budget is going over because of the increased cost of DVD and CD cases. An additional \$1,100 is requested for FY2013.

5410 MAGIC expenses: The preliminary estimate was for an increase but subsequent information has the price staying the same. The line item was decreased by \$820.

In response to Trustee requests at the February 9, 2012 meeting, the Director has increased the budgets for programming and for publicity and promotion.

The Director has also requested an increase of \$3,000 in digital media to increase the number of downloadable ebooks and eaudiobooks plus the number of books to be downloaded to the Library's ereaders.

Director Kennedy requested additional funds in 7403 for anticipated building repairs. The account line will be over budget in FY2012 because of HVAC and emergency lighting repairs. A total of \$20,000 is requested for FY2013.

Additional funding requests include \$5000 more in line 5401 for additional laptops for computer classes and patron use. The staff would like to convert the self-check machine to allow patrons to check out AV material in security cases. This would require an additional \$5300 in line 7406.

Because of a rise in the number of stolen bikes, an additional security camera is requested for the front of the building to cover the bike racks on the west side of the entrance. This would require an additional \$3500 in line 7406. Director Kennedy reviewed for the Board the present use of security cameras and their effect on security issues and public safety at the Library.

Director Kennedy requested an additional \$10,000 in line 7406 to replace the outside book return which was hit by a truck in 2011.

With the current budget proposal the General Fund has \$126,000 that has not yet been allocated. The Capital Maintenance & Repair budget has \$446,000 in reserve, assuming a transfer of \$300,000 from General Fund to Capital Maintenance & Repair at the beginning of the year.

The consensus of the Board was to make the requested changes to the budget.

Trustee Wade asked what is included under 7406 Other Expenditures. Director Kennedy stated that it is for miscellaneous repairs that don't plug into other categories. In FY2012 this account line was used to clean up tree damage on Kuhn Road property. Trustee Arends asked about 7405 Memorials. Director Kennedy explained that it is used for the installation of memorial items such as the bricks and trees.

Trustee Wade asked if 3304 Sale Items included income from use of the Meeting Rooms. Director Kennedy stated that income from Meeting Room rental is in 3800 Other Income and that 3304 is for the sales of items on which we need to pay sales tax. Trustee Wade asked if there was an advantage or disadvantage to Library selling used books vs. the Friends selling them. Director Kennedy said that she would like to get legal opinion and that it is her recollection that the Library can't sell items but can give them to the Friends to sell. Director Kennedy stated that she does not know of a library that runs books sales. Trustee Arends asked if the Library sold books would there be a sale tax issue. Director Kennedy stated that there would and that the Friends have to pay sales tax on book sales. Trustee Arends agreed that every library he's looked at has the Friends or a Foundation that sells the used books.

Trustee Wade enquired said that the yearend estimate for 5101 Exempt Staff Salaries is 1,000,400 so next year's budget should be the same. Director Kennedy explained that the new reference librarian came in mid-July so was not paid for full year. Director Kennedy further explained that one Librarian was on maternity leave with some time without pay. Therefore that item is under budget this year. Director Kennedy told that Board that no one is getting a salary increase and there are no new positions. Director Kennedy also explained that 5102 Non Exempt Salaries are estimated to be lower than budgeted because of unpaid leave.

Director Kennedy stated that she is forecasting a 2% salary increase for FY2014. Trustee Arends ask why a zero increase is forecast for FY2015. Director Kennedy explained that she understood the sentiment of the majority of Trustees at the January 25 Human Resources Committee was that an increase one year would be allowed but not two years in a row. Trustees Bailey and Arends said they would like to see that addressed again. Trustee Wade stated that he felt that the way the Board determines pay increases is too arbitrary and he would like to see a dialogue as to what numbers should be used to determine raises and under what conditions tax payers can afford an increase for the staff. Trustee Bailey stated that there is also a concern on how it looks to the Village and other taxing bodies. Trustee Arends stated that salaries should be considered at the end of the budget process and the Board should look at appropriate levels for raises before capital projects are considered.

Trustee Wade asked why mileage reimbursement is going up 30% in three years while other categories are going up smaller amounts. Director Kennedy explained that the rate of reimbursement is set by the IRS and is strongly influenced by gas prices. The staff has to drive further for meetings with the merger of the Library Systems. The Library is trying to keep postage down by encouraging patrons to sign up for electronic notices instead of mail.

Trustee Wade asked if 5315 Other Expenditures included food. Director Kennedy stated that only food for employment recognition. Trustee Wade asked if food was included in any other budget line. Director Kennedy said there is no budgeted money for food for staff, but food is included in programming if there is a program centered around food.

Trustee Wade asked in 5404 System Maintenance, what cost would be needed for the Library to have a back-up server. Director Kennedy stated that the library server has never gone down. The difficulty has always been the ATT or Comcast lines that connect the Library to the phones or Internet. The catalog is not housed in the building so if the catalog goes down it is not our server. CVI, the Library's LAN contractor, has backup servers and copies of software at their location. If the Library has a major crash, CVI will provide the backup.

Director Kennedy stated that account 5401 provides for the purchase of new hubs in 2014 and the replacement of public Internet computers in 2015. Expense line 5401 budgets for different items replaced every year. Expense line 5403 Software has a fluctuating budget because of three-year cycles on license renewals.

Trustee Wade asked what was included in 5510 Reference Services Expenses. Director Kennedy explained that it includes online readers advisory tools and interlibrary loan expenses. The budget line has decreased because there are fewer interstate interlibrary loans.

Director Kennedy asked Trustee Wade if he still wanted to increase legal expenses. Director Kennedy recommended increasing the cost to \$6000. Trustee Wade asked if there would be the need for contract review with the Simkus project. Director Kennedy said that would not be in the FY2013 budget.

Trustee Wade asked if the \$20,000 in 5314 Other Consultants was being spent. Director Kennedy said that this year's \$20,000 was not being spent but the request for next year is for \$6,000 for a web page designer. Trustee Arends asked if there would be a consultant for long range planning. Director Kennedy said that it isn't budgeted but if the board decides to hire a consultant than the budget can be modified. Trustee Hudspeath asked if there were any legal fees associated with the current lawsuit. Director Kennedy said that the insurance companies pay the legal fees but the Library eventually pays with increased insurance rates.

Trustee Wade said that he wished to see a budget increase in the 5600s to pay for more online services. Director Kennedy explained that the online databases are paid for out of either 5604 Youth Reference or 5634 Adult Reference. Trustee Wade suggested other databases to which the Library could subscribe. Trustee Hudspeath asked if the Library could subscribe to Ancestry.com. Director Kennedy said that she would ask the Reference Librarians to look into the suggested databases and on March 17 would ask the Board for more money for the viable subscriptions.

Director Kennedy stated that most 5600 budget lines did not increase except for 5651 Digital Media. Director Kennedy also explained that the new budget line 5652 would be used for grant expenses if grant monies were received. If grant monies are not received than the funds would not be spent.

Trustee Wade expressed his concern about the exponential increases in IMRF expenses. Director Kennedy explained that the numbers used to calculate IMRF expenses are based on numbers received from the Village. Director Kennedy explained the formula that determines the expense. Trustee Wade stated that he would like to increase the IMRF levy in future years to counter the escalating expense and not run the reserves in that fund too low. Director Kennedy stated that an increase in the IMRF levy will decrease the General Fund levy if the Board wants to keep a flat total Library tax levy. Trustee Wade stated that the General Fund Reserve will have over \$3 million dollars so taking more from that levy will not damage the General Fund. Director Kennedy summarized that as the General Fund levy decreases that reserve will be decreased by an estimated \$200,000 each year.

Discussion was held on the possibility of making adjustments or transfers to the IMRF fund if the reserve becomes too low. Trustee Wade recalled Britt Islay informed him the Board can vote to fund the IMRF fund from the General Fund. Director Kennedy said that the Board can look at the issue another year, it does not affect next year's budget. Director Kennedy added that the levy request will be modified to levy \$10,000 more for IMRF and \$10,000 less for General Fund.

Trustee Wade asked to increase the levy for the Liability fund from \$13,000 to \$17,000. Director Kennedy repeated that this would decrease the levy for the General Fund. Trustee Arends asked if the Library really needed to increase the levy for the Liability fund. Trustee Arends stated his concern that the General Fund reserves not go too low.

Director Kennedy explained that the \$100,000 in 7301 Major Repairs covers the insurance deductible in the event of a major breakdown. Trustee Wade asked how much money was in the Capital Maintenance and Repair fund. Director Kennedy stated that the fund started the year with \$300,000, \$300,000 was transferred in, and expenses are anticipated to be \$324,000. Director Kennedy stated that transfers to the Capital Maintenance and Repair fund from the General Fund are used to cover anticipated expenses. Trustee Wade said that future transfers from the General Fund to the General Maintenance and Repair Fund would not have to be made if the reserves stayed at high levels. Trustee Bailey asked that a lower limit be set for the reserve in the Capital Maintenance and Repair Fund. Director Kennedy said that a legal opinion is still needed on the conditions for transferring the funds, if a specific purpose needs to be designated. Trustee Wade suggested that \$150,000 be used as the minimum for the Capital Maintenance and Repair fund.

Director Kennedy stated that the amount paid for property taxes on the Kuhn Road property should be reduced once the buildings are demolished. Director Kennedy said she would need to make a trip to Bloomingdale Township to start the paperwork. Budget line 7602 will be reduced because the utilities have been cut off and all that may be needed now are incidental upkeep expenses.

Director Kennedy asked if there were any other requests for changes to the budget. No one had any other changes to suggest

Trustee Arends asked for a review of the spread sheet showing the different scenarios on future tax levies. The Board looked at Trustee Wade's request for scenarios of a 1% decrease and a 2% decrease in the tax levy. Director Kennedy stated that the Board could decide to keep total levy at 3,431,500 for next year, do a 1% decrease for a total levy of \$3,397,185. or do a 2% decrease for a total levy of \$3,362,870. Director Kennedy said she felt a 1% decrease is doable but that a 2% decrease would hurt the Library. Trustee Wade said that with the added laptops and programs that the Library wants to do including higher costs for Liability Insurance and IMRF, keeping the levy at zero is commendable.

Director Kennedy stated that she will put all of the changes into the budget document and redo the scenario spreadsheet which will be distributed via email and US postal service. On March 17 the Library Board can choose to change the numbers before the budget and resolution are passed.

VI. Adjournment

There being no further business to come before the Board of Library Trustees, Vice-President Bailey declared the Meeting adjourned at 9:02 p.m.

Mary C. Hudspeath, Secretary

Board of Library Trustees