

**Highwood Public Library Board of Trustees Regular Meeting  
January 25, 2017**

Present—Trustees: Bertha Chavez, Maribeth Kuebler, Laurie Lenzini, Lucy Hospodarsky, Nora Loredo, Catherine Regalado; John Mitchell (director)

**Ms. Hospodarsky called the meeting to order at 7:03 pm.**

**Public Comments** - None

**President's Report**

- The president reported that the library's tax levy was approved.
- President was notified that Highwood Chamber of Commerce dues would rise, and has asked for a non-profit rate. Their board will consider request (reduced rate if paid by Feb 1). Board debated benefits of membership for cost.
- Line of credit status: president obtained finalized term sheet and underwriting is in process.

**Secretary's Report**

The secretary updated the letterhead and website for Ms. Kuebler's name change. Director will update other trustee lists.

Ms. Hospodarsky moved to approve the meeting minutes of December 19, 2016 as presented. Ms. Loredo seconded and the motion carried unanimously.

**Communication**

Director reported on minor correspondence and the Landmark newspaper's Community Guide, which requires as fee for ad, so library will not participate.

**Treasurer's Report**

Ms. Loredo presented the December financials and January invoices.

Ms. Hospodarsky moved to approve January 2017 invoices as listed plus check #1208 for cleaning. Ms. Regalado seconded, and the motion carried unanimously.

Ms. Hospodarsky moved to approve the Chamber of Commerce membership renewal fee of \$175 in event non-profit rate not provided by February 1. Ms. Loredo seconded and the motion carried unanimously.

- Reclassifications needed: payroll subscription currently under personnel, should be under subscriptions or software? Baker Taylor membership fee. Director will review financial reports more carefully before sending to board. He will also understand payroll date selection for reporting.
- BOH Live and Learn Grant account must be used next time renovation expenses are paid.
- Director will inquire when PPRT funds to arrive.
- Accountant to revise Scopelliti memo line (bushes/bike rack) to reflect biggest ticket items.
- Technology consultant to advise director on PDF printing of reports.
- A question on when movie license would be used: Director will restart; a Sunday afternoon timing was suggested.

Final city audit has been made available. Director will supply to accountant. Several questions will be investigated: What is the pension liability of over \$50,000 attributed to library, and how

should library account for this? Does library need to account for restatement of capital assets (as presented in audit note) in finances, state reports, etc?

### **Librarian's Report**

- Per capita grant report, state certification, and ILL report were submitted. Quarterly construction grant narrative also was submitted.
- Krause working on permits for fire alarm. Director to find out process and timing between Highwood (permit) and Highland Park (fire) and stage so a smooth and quicker process as more than a month has passed already since Krause selection.
- Public comment regarding book sale: books removed through inventory could be in book sale. Staff to be informed. Book sales now and donations accepted again once construction complete.
- Staff meeting scheduled Saturday with East building walkthrough prior. Flowers and card will be given to departing staff member.
- Discussion on ensuring OMA compliance on meeting posting. Chair is responsible for calling meeting and preparing agenda. Director responsible for posting agendas at library and removing when meeting is completed, and for website calendar appointment and agenda posting. Ms. Kuebler noted director will continue to create renovation committee agendas.
- Inventory project begun with 2 volunteers, estimated half complete. Tech committee meeting scheduled for tomorrow. President thanked Mark Frye and Catherine Regalado for their 25+ volunteer hours working on inventory.
- Director's report needs correct year and suggestion box comment included.
- Director attended top employment issues webinar.
- City manager consulted on fire system issue expenses and determined insurance claim no longer possible. No point to fix door if it's to be removed during construction.

### **Committee Reports**

Personnel committee will meet Tuesday, January 31 at 6:30 p.m. regarding staffing.

Technology committee December meeting recap provided by Ms. Regalado.

Finance committee: director will post payroll calculator and FY18 budget master on shared drive.

President requested 2016 committee minutes be reviewed and to website by February board meeting.

### **Old Business**

Board discussed new information to be posted on website. All neighboring libraries (HP, DF, LF) post board packets including financials. Board agreed director will post a single PDF the Friday before Monday board meeting containing in order: Agenda, draft minutes, director's report, financials: Balance, P&L Budget v Actual, Check Detail for approval.

### **New Business**

President led discussion on opening a line of credit for the library. She had compiled financial information and reviewed spreadsheet with estimated costs for each part of the East Building Renovation. The fire alarm system replacement, which was not originally identified as a need, will cost ~\$30,000. A change order of \$10,000 was approved by architect. The program room and hallway flooring, kept outside original project to save GC costs, is estimated at \$20,000. Additionally between \$45,000-\$65,000, typically held in reserves until tax money is received, is needed to cover library operating expenses for 3 months. Using the total estimated fees to complete the project, and comparing to the amount available in the Capital Improvement Account, the remaining grant money, and using 100% of Reserves, it is estimated that we may need around \$5,500 in outside funding. This can be accomplished via a bank loan/line of credit,

the cost of which to obtain is estimated at around \$500. Year 1 would be interest only and then Year 2 to 6 would be a repayment of the borrowed amount based on an amortization schedule.

The president presented 3 options: draw reserves to 0, then draw on credit; keep \$65,000 in reserves and fund rest of renovation through line of credit; or keep full reserves and draw on credit – may need more than \$50,000 line, then. Options A and B require change in reserve policy. President recommends Option B. If 3 months reserve kept, library will be short \$70,000. In order to pay back loan, it would have to be built into library tax levy over next 5 years.

The accountant will analyze history of low operating account balance and transfers from reserves. President recommends fixed rate (5.5%) because of rising interest rates. Initial difference between fixed and variable rate is \$600, which will shrink. President will discuss past PPRT payments with city manager this week to help cover fire alarm costs; motion on line of credit was tabled.

Director Mitchell left the meeting at 9:50 pm.

Ms. Hospodarsky moved and Ms. Regalado seconded to enter Executive Session related to 5 ILCS 120/Sec 2(c) 1 – personnel matters.

**Executive session entered at 9:52 pm**

**Meeting called back to order at 10:08 pm**

Ms. Regalado moved and Ms. Lenzini seconded to adjourn.

**Meeting adjourned at 10:09 pm.**

Next regular board meeting will be Monday, February 20, 2017.