

BARTLETT PUBLIC LIBRARY DISTRICT
REGULAR BOARD MEETING MINUTES
MONDAY, JANUARY 16, 2023
7:00 p.m.

Location: Meeting Room, Bartlett Public Library District
800 S. Bartlett Road, Bartlett, IL

CALL TO ORDER: The regular meeting of the Bartlett Public Library District Trustees was called to order at 7:00 p.m. by President Hopkins.

ROLL CALL: President Heidi Hopkins; Vice President Peggy Deyne; Treasurer Joe Olsen; Secretary Peggy Bucaro; Monica Boyer, Dave Barry, and John Sias, Trustees.

STAFF PRESENT: Director Karolyn Nance, Human Resources Manager Dina Castelvechi, Circulation Manager Mary Prohaska, Adult Services Manager Mallory Untch, Business Office Specialist Marianne Kingsmill, Technical Services Manager Sonya Skibicki, Facility Manager Larry Siegel, IT Manager Manuel Garza, and Youth Services Manager Phyllis Sadowski.

PUBLIC PRESENT: Aiden Marhofke, Teen Advisory Representative; John Falduto, Managing Partner, Sawyer Falduto Asset Management, LLC; Jamie Wilkey, Partner, Lauterbach & Amen, LLP; Ed Tracy, Executive Vice President, Seldon Fox, Ltd.; Lynn DeSmidt, Patron.

TOWN HALL: None.

CONSENT AGENDA:

1. Items to be included in Consent Agenda:
 - a. Minutes from the August 5, 2021 Finance Committee Meeting
 - b. Minutes from the June 28, 2022 Finance Committee Meeting
 - c. Minutes from the November 21, 2022 Committee of the Whole Meeting (Building Tour)
 - d. Minutes from the December 19, 2022 Regular Board Meeting
 - e. Approval of the Bill List: January 16, 2023
 - f. Approval of Transfer of Funds: January 16, 2023
 - g. Approval of December 31, 2022 Financial Report
 - h. Designation of Two Trustees for February Monthly Bill Approval (Olsen, Deyne)
 - i. Travel Reimbursement Approval (None)
2. Consideration of items withheld for separate action: Trustee Olsen moved to remove Item 1c Minutes from the November 21, 2022 Committee of the Whole meeting; Item 1d, Minutes from the

December 19, 2022 Regular Board Meeting; and Item 1e, approval of the Bill List, January 16, 2023.

Item 1c: Trustee Olsen stated that the November 21, 2022 Committee of the Whole Meeting Minutes were approved at the December board meeting. Director Wessel stated that Trustee Olsen had asked her to place those back on the agenda; and Trustee Olsen stated that he had asked for the October 21, 2022 Committee of the Whole Meeting Minutes to be placed on the agenda. The October Committee of the Whole Meeting Minutes will be placed on the February agenda.

Trustee Olsen moved to entirely remove the November 21, 2022 Committee of the Whole Meeting Minutes from the January agenda; seconded by Trustee Barry.

Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.

Item 1d: Trustee Olsen requested the following changes in the draft December 19, 2022 Minutes: Page 3, Paragraph 1, the last sentence begins "Director Olsen," and should be "Director Nance"; in the Paragraph 5, the first sentence begins "Director Olsen," and should be "Trustee Olsen."

Trustee Boyer moved to approve the Minutes as amended; seconded by Trustee Deyne.

Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.

Item 1e: Trustee Olsen noted Check No. 3498 payable to Peregrine Stime in the amount of \$1,237.50 is for payment of 3.9 hours of on-site work, 1.9 hours of which was consultation between the Director and Mr. Ritzman regarding acceptance of petitions for trustee. Trustee Olsen believes that the expenditure of \$877.50 is unwarranted and a misuse of taxpayer funds; and that this is at least the fifth time that the Library has had a trustee election during the course of Director Wessel's tenure as director.

Director Wessel stated the reason the attorney was asked to come out for the acceptance of the petitions was that two years ago there was an issue with the filing, and Director Wessel felt very uncomfortable accepting petitions on behalf of the Library without an attorney present. Director Wessel feels it was a good use of the tax dollars in order to make sure that the petitions were correctly accepted.

Trustee Barry stated the attorney did the work, is entitled to be paid, he was asked to be at the Library, and the Director has the authority to spend the money. Trustee Barry moved to approve the Bill List as presented; seconded by Trustee Sias.

Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Sias.
No - Olsen. Motion carried.

3. Consent Agenda Approval: Trustee Bucaro moved to approve the Consent Agenda minus items 1c, 1d, and 1e; seconded by Trustee Deyne.

Roll call vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.

CORRESPONDENCE: None.

REPORTS, QUESTIONS, AND ANSWERS: Trustee Bucaro noted that on the website there are several items that need to be updated to reflect the fiscal year 2022-2023.

Trustee Olsen congratulated Trustee Deyne on her pending retirement.

Discussion was had about the status of the possible overpayment to Green Bee. Director Wessel has been in touch with Green Bee, and she is hoping to meet with them on January 18, 2023.

Trustee Olsen asked about the status of a response from the electrician regarding as-builts for the parking lot. Director Wessel had contacted Associated Electric, and they are going to contact the person that did the work. Director Wessel has not heard back from the company to date.

Trustee Olsen asked when the Library can expect a draft of the RFP from the lighting firm. Director Wessel stated staff contacted Mr. Shales, who stated the process is moving slower than anticipated. Staff will contact Mr. Shales again this week.

Trustee Olsen asked that the board be provided the comparative wage data for the library director position in advance of the director's evaluation. Director Wessel will forward that information to the trustees via email.

REGULAR AGENDA

ACTION ITEMS:

1. Minutes from the November 21, 2022 Committee of the Whole

Meeting: Item deleted.

2. Investment Update:

John Falduto from Sawyer and Falduto stated the two Schwab accounts were opened and funded in late December 2022. Library staff and Mr. Falduto had a meeting to discuss the next steps including the investment of the dollars as well as operations. The next step from the Sawyer Falduto perspective is to confirm the investment objectives and then fund the investments in the portfolio within the Library's investment policy and the Illinois Public Funds Investment Act.

Marianne Kingsmill was set up to have access to the accounts so she can go online and obtain information as needed, including the monthly statements.

A. Ordinance 2023-1 An Ordinance of the Bartlett Public Library District Reapproving the Investment Policy: Director Wessel stated there were two points in the ordinance that were changed, as stated in the Director's Report on Page 52: Section 112, dealing with the operational side of managing the investments at the approval of the Library Director/Head Administrator, rather than at the board level prior to execution; and Section 114, "book value" was changed to "cost basis."

Trustee Olsen stated under Section 104, Delegation of Authority, the responsibility for the investment program is delegated to the Treasurer of the Board of Library Trustees; however, Section 112 indicates that the Director has that sole responsibility. Trustee Olsen would like to modify that language to read: "Investment activity, holdings and liquidity needs will be reviewed at least monthly by the Library Director and the Treasurer"; and add to that paragraph the statement: "The Library Director and Treasurer may agree to move funds between the library accounts in order to maximize investment earnings and to meet cash flow needs. Such transfers will be reported to the board at the next board meeting for their formal subsequent approval."

Trustee Olsen stated all transactions must have an audit trail showing where the funds came from and where the funds went to. Trustee Bucaro moved to approve Ordinance 2023-1 as amended; seconded by Trustee Sias.
Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.

B. Fund A General Fund Portfolio Approval: Sawyer Falduto is recommending that the Library move forward with the 0-2 years maximum maturity portfolio for General Fund A. This will average approximately \$45,000 interest per year over the next two years. A document titled Representative Investment Yields as of 1/13/23 was included in the board packets at Page 63, including 6-month, and 1-year through 5-year yields.

The investment advisor typically would ladder out 1.5 to 2 years as the maximum maturities.

Trustee Olsen moved to establish the asset allocation parameters for General Fund A to be a 0 to 2-year maximum maturity portfolio; seconded by Trustee Sias.

Roll Call Vote - Yes: Barry, Bucaro, Boyer, Deyne, Hopkins, Olsen, Sias. Motion carried.

C. Fund B Capital Needs Fund Portfolio Approval: (\$750,000)

Mr. Falduto stated he recommends capping it at a two-year maximum maturity, with a little bit of laddered approach.

Trustee Bucaro moved to establish the asset allocation parameters for Capital Needs Fund B to be a 0 to 2-year maximum maturity portfolio; seconded by Trustee Deyne.

Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.

D. Trustee Olsen recommended a \$1 million transfer to be held in the Charles Schwab governmental money market account because it will earn more interest than remaining at Fifth Third Bank. Sawyer Falduto provided a comparison of earnings based on a transfer of either \$750,000 or \$1 million to the Schwab money market account. A \$1 million transfer at the current rate of 3.82% estimated annual income, with a net annual income of 3.62% after subtracting the Sawyer Falduto management fee, would yield \$25,700 on an annual basis, assuming the dollars stay there for a full year and interest rates don't change.

Trustee Olsen stated the balance in the Library's NOW account is currently \$1,800,000. Discussion was had regarding the receipt of property tax income from Cook County in April and from DuPage County in May, which will provide adequate cash to meet the Library's operating needs.

Mr. Falduto stated the liquidity of the Schwab money market allows for a 24-hour business day funds transfer from the time the sale is requested until the time the funds are deposited into

the Library's Fifth Third account. No penalty would be incurred for early withdrawal of funds from the money market because it is an institutional account.

Trustee Olsen moved to transfer \$1 million from the Fifth Third NOW account to the Schwab General Fund A account for investment in the government money market fund; seconded by Trustee Sias. Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.

E. Request to transfer \$100,000 out of the Illinois Funds and transfer into the NOW Account at Fifth Third Bank: Director Wessel stated there is currently a \$118,000 balance in the Illinois Funds account. With regard to a possible transfer of \$100,000 out of the Illinois Funds account into the Charles Schwab general capital account, Director Wessel and Marianne Kingsmill will look into the feasibility of such a transfer and report back to the board at the February board meeting. Currently the Illinois Funds account is providing a competitive interest rate.

F. Transfer from Illinois Funds: No action needed.

3. Request for Proposal (Audit Services): Director Nance invited Jamie Wilkey from Lauterbach & Amen, and Ed Tracy from Seldon Fox to make presentations to the board on their respective responses to the RFP for audit services.

Lauterbach & Amen: The Board of Trustees was provided a copy of the company's proposal, which includes a history of the 25-year-old company. The company's niche is to service government clients, both on the audit side and some internal functions; and the firm has 14 partners and over 200 staff. The firm works with over 60 libraries in the Chicagoland area. They offer a variety of free training opportunities to their clients during the year, such as the annual payroll training they recently held which had over 150 attendees.

The firm would work with the Library on the timing of the audit work. Typically Lauterbach & Amen does not include the library board in the discussion at the planning phase of the audit, rather they provide the board questionnaires regarding overall internal controls, the internal control environment, and if trustees have concerns that the auditors need to be aware of as part of that planning process.

The company's staff are long-tenured. Lauterbach will make best practice recommendations; and while they note that QuickBooks is not designed for multi-fund units of the governments or not designed to be used as a multi-fund software, the company is able to utilize a client's QuickBooks data for its purposes in conducting the audit. Ms. Wilkey identified BS&A as a software that is specifically designed for government entities.

Trustee Olsen asked about additional charges related to journal adjustments that were referred to in the audit proposal. Ms. Wilkey stated that the company has not billed extra for additional journal entries or new GASB pronouncements. The proposal from the company is a fixed fee, and no additional billing will be done for anything outside of what is stated in the proposal.
(Ms. Wilkey left.)

Seldon Fox: The trustees received a copy of the firm's proposal. Ed Tracy is an audit partner with Seldon Fox, a firm of 70 people, including 55 professionals, with offices in Oak Brook and Naperville. They perform approximately 30 government audits in a given year and currently audit four library districts. Mr. Tracy is head of audit practice and has been with the firm for 35 years.

Seldon Fox includes board members in its audit planning because, as part of the audit process, the auditors are required to speak to those who are charged with governance of the entity. The company wants to make sure it designs the audit procedures to address the client's concerns; Seldon Fox wants to speak with management and the board in order to address their perceptions or their concerns.

Trustee Olsen noted that Seldon Fox's fee structure is substantially higher than other response, and he asked Mr. Tracy why that is. Mr. Tracy believes that Seldon Fox probably investigates and reviews the supporting documentation of the entity deeper than most firms do. Mr. Tracy stated that the billing rates are set based on the market in the general area, and that the firm's fees are in the middle range for firms their size. Seldon Fox will typically discount its rates to government clients by 25 percent.

Mr. Tracy stated that the firm has four library district clients as well as other government clients such as park districts,

municipalities, and/or townships, and that the services to these entities are similar. Seldon Fox will provide a request list of reconciliations and schedules, and supporting documentation; and the team will oftentimes make several modified accrual adjustments that are needed as part of the audit work, such as depreciation calculations and net pension liability, which typically would not incur additional fees for the adjusting entries as long as the schedules are provided.

Trustee Olsen stated he checked the references of Seldon Fox, and several clients commented about how hands-on in the process Mr. Tracy is.
(Mr. Tracy left.)

Discussion was had regarding the two audit firms that presented. Trustee Barry commented on the Illinois statute that instructs the Library to accept the lowest responsible bidder. Lauterbach & Amen is considerably less than Seldon Fox.

Trustee Deyne stated she has experience with Jamie Wilkey through her work with the township, and it's been a positive experience; they are very easy to work with. The discounted fees were discussed, as was the number of library clients of each firm. The reference checks yielded only positive comments for both firms from the entities contacted.

Trustee Olsen moved to accept the proposal from Lauterbach & Amen; seconded by Trustee Barry.
Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.

4. Emergency Closing Policy: Director Wessel stated it was brought to her attention that holidays were not addressed in the emergency closing policy. The policy has been updated so that if a staff member has scheduled time off during emergency closings, they will be required to use their applicable paid time off which now includes holidays.

Trustee Barry moved to approve the updated Emergency Closing Policy; seconded by Trustee Deyne.

Discussion was had regarding whether the Emergency Closing Policy should be amended to define what warrants an emergency closing and whether to check with state police and other governmental agencies to determine what advice is being given. Director

Wessel reviewed the factors considered and process engaged in in order to determine whether to close the library on an emergency basis, including calling the board president and vice president to verify.

Staff provided input on their appreciation for the Director making the decision to close the library under the circumstances.

Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Motion carried.
(Five-minute recess.)

DISCUSSION ITEMS:

1. Going Fine Free: Trustee Boyer spoke on the prospect of the Library no longer charging patrons fines for bringing back late items. If items are returned damaged or reported as lost, the patron will remain responsible to pay for the materials.

The Library receives less than 1% of its revenue from fines; and approximately 700 patrons have been barred due to accumulating \$15 or more in late fees.

Trustee Boyer referred to a couple articles on the topic of libraries going fine-free. Algonquin Library has been fine-free for one year and has experienced no adverse effects, and at the same time doing so has increased the goodwill of patrons toward the public library.

The American Library Association discusses fines and fees in Article 5 of the Library Bill of Rights. Although not specifically referring to overdue fines, it does state that all library policies and procedures -- particularly those involving fines, fees, or other user charges -- should be scrutinized for potential barriers to access.

Discussion was had regarding making the library as accessible as possible for everyone and considering the role of public libraries in current society as community and cultural centers where anyone can come in and feel free to explore and learn about anything in a welcoming environment, and to encourage life-long learning, exploration.

It is not the role of the library to teach responsibility to customers who return items late. Patrons are motivated to return items because others are waiting and because there is a due date,

not because of an overdue policy. The role of public libraries is not to be part of the punitive model but to welcome all back into the organization. Trustee Sias believes there needs to be repercussions if someone checks materials out and does not return them.

Materials not returned within 30 days after the due date are considered lost, and they go to billing for the cost of the item; no overdue charge is incurred.

The system of placing a book on hold was discussed. When an item is not returned, the patron is informed they must pay for the item or return it.

Dina Castelvechi will email the trustees her thoughts on the fine-free issue, proposing an alternative to fine-free which is less punitive; considering a fine cap which would have the patron pay 25 cents to get their card back.

The management team spoke about looking at the fee structure and perhaps lowering all of the fees as a midway step, and then following up the next year with going fine-free. Previously the Library would on an annual basis have a fine-forgiveness week.

The February agenda will include the fine-free suggestion as an action item. If the board approves this, it would be rolled out July 1, 2023 to give staff time to prepare and plan.

Aiden Marhofke reported that the librarian has been working with members of the Teen Advisory group to develop programming to reach more teens in the community and get involved with the Library. Teens have the opportunity to earn volunteer hours and participate in projects at the Library. At the most recent meeting the teens participated in making cards for local seniors.

The group is focused on 5th and 6th graders and specialized game nights, and possibly a movie night to get teens in the door, either inside the Library or on the Library's outdoor grounds.

Discussion was had regarding the virtual reality equipment and its continued availability.

2. 6th Month Financial Report Review: The document is a recap of all accounts.

3. Capital Needs Cash Flow Update: Trustee Olsen, Facility Manager Larry Siegel, and Director Wessel met last week to review the capital needs spreadsheets. Trustee Olsen will be working on a spreadsheet that includes anticipated cash flow projections for capital expenditures for the next ten years.

4. Committee on Local Governmental Efficiency: Director Wessel stated an ILA board meeting was held January 12, 2022. Trustee Barry spoke with Mr. McCormick from the Illinois State Library, asking about the Government Efficiency Act; and Trustee Barry has tried to contact DuPage County Board Chair, Deborah Conroy, previously a member of the Illinois House, who was one of the sponsors of the bill. If he gathers information about the Library's responsibility regarding the Government Efficiency process, he will share it with the board.

5. Director Evaluation: The board can send out the forms to the trustees for completion, and trustees are to return them in February. The evaluation will be scheduled on the date of the March meeting.

6. FOIA/OMA Training: Director Wessel reminded the trustees to log in and complete the training, and then be sure to print out their certificates.

7. Insurance Appraisal Update: The most recent insurance appraisal was performed in 2020. The appraisal representative that was at the library was not very thorough. The process was put on hold because of parking lot work; and the Director did not know that the Library needed to update the new items as they came in.

Staff tried to talk with the current company -- which is in Pittsburgh -- to schedule them to come back out for an appraisal, but they are short-staffed and do not have anyone to send. Staff was going to schedule a webinar or a Zoom meeting to try to go through the whole process of the tags, but it would require an exorbitant amount of staff time. Facility Manager Larry Siegel has been looking at getting three quotes from local insurance appraisals.

DIRECTORS REPORT - INFORMATIONAL ONLY

1. Illinois Library Association Library Legislative Meet-Ups
2. Friends Update
3. Foundation Update

NEW BUSINESS: None.

TOWN HALL: Patron Lynn DeSmidt spoke about fines and fees, patrons holding books past the return date vis-a-vis wait lists, and the Library contacting the patron by email or phone to remind them that the book is late and is on a wait list for other patrons to check it out. The Library suggests contacting patrons regarding overdue materials, as well as wait lists, via text or email.

ADJOURNMENT: Trustee Bucaro moved to adjourn at 9:13 p.m.; seconded by Trustee Barry. Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Olsen, Sias. Meeting adjourned.