

MINUTES OF THE COMMITTEE OF THE WHOLE MEETING OF THE BOARD OF TRUSTEES OF THE WESTCHESTER PUBLIC LIBRARY, WESTCHESTER, ILLINOIS, HELD IN THE COMMUNITY ROOM OF THE WESTCHESTER PUBLIC LIBRARY, 10700 CANTERBURY STREET AT 7:00 PM ON MONDAY, NOVEMBER 12, 2018

1. Pledge of Allegiance

2. Call to Order and Roll Call – meeting called to order at 7:06 p.m. by President John Lamberti.

Present were President John Lamberti, Vice President Demitrus Evans, Trustee Fred Poppe, Trustee Elizabeth Hunter and Secretary Janette Maldonado. Also present were Director Fidencio Marbella, Assistant Director Bonnie Schwanz, Business Manager Allison Muzal and Matthew Krajniak from Focus Financial.

Absent were Treasurer Jenice Hampton and Trustee Gerald Chenski.

3. Public Comment – none.

4. Discussion Items

A. Matthew Krajniak with Focus Financial to Discuss Library Reserve Fund

- Mr. Krajniak reviewed the library's statement, which he mentioned could be misleading since legally it is required to show an approximation of the stock worth at the current moment in time. It shows the current value as of the date of the statement.
- He explained when the interest rates increase, the day-to-day price of a bond tends to drop – resulting in a loss. However, the bond can be retained and in this case there are no losses since they are guaranteed by the U.S. government, unless bonds are sold early.
- In total, the current total in the library's account is \$686,383.67 as of November 9, 2018.
- Vice President Evans asked about a \$40k bond shown on the statement, which Mr. Krajniak used to explain how the bonds are working. The library purchased a bond for \$40,967, but as of 11/9/2018 is worth \$40,448. As long as the library retains the bond, it will continue to collect interest payments. Mr. Krajniak stated in managing the library's funds, he is looking for a certain rate of return (yield) at maturity.
- Bonds are staggered to mature every few months to give the library access to cash. A portion of the cash is then reinvested. Any large-scale projects, such as the replacement of the HVAC system are deducted from the reinvestment amount.
- If all bonds are sold, the library would incur a loss as a result of not retaining the bonds to maturity.
- Mr. Krajniak explained the different types of bonds, including:
 - General Obligation bonds, which allow government to tax citizens if there are not sufficient funds to cover the bond.
 - Revenue bonds that are based on revenue generated, such as from the sale of a property. Mr. Krajniak tends to avoid these as they can be riskier.
- Mr. Krajniak recommended purchasing CDs if the interest rate paid is at 5%, but not if the rate was less or equal to 3% since the current bonds held by the library are paying 3.041% - 4.022% at maturity.
- Trustee Poppe questioned the difference in value on the year-to-date balance shown on the previous statement and the current statement. Mr. Krajniak will review the two statements to determine if there is a change and whether or not it is showing a loss. Additionally, Trustee Poppe asked if the library paid income tax. Mr. Krajniak confirmed the library does not pay income tax as a non-profit. Some bonds are tax-advantaged, however, Mr. Krajniak does not take into account the tax advantages since these do not apply to the library.
- President Lamberti asked if the Board needs to determine how to handle the cash-at-hand from the matured bonds. Mr. Krajniak confirmed he will need the Board's decision. He recommended leaving the cash, not reinvesting, if the funds will be needed over the next 12 months. He asked that Director Marbella contact Mr. Krajniak once a decision is made by the Board.
- Director Marbella asked about when the bonds will mature. Mr. Krajniak pointed how to identify when the bonds mature on the library's statement.

B. Library Improvement Ideas

- Next week will mark the 10th week of the HVAC project. The original estimate for the completion of the project was 8-10 weeks. Director Marbella does not think the project will be done next week but reminded the Board it was started one week later because of the required abatement and lost another week due to the sprinkler change order.
- Director Marbella was invited to testify at the Finance Committee of the Cook County Board about the kayaking trips with the Forest Preserve of Cook County.
- The library's presentation was accepted for the Reaching Forward Conference in May, 2019.

C. Revision of 2019 All Staff meeting dates

- Director Marbella requested changing the May, 2019 date to April 26, since the Reaching Forward Conference conflicts with the May All Staff meeting. The change will have to be voted on at the next regular meeting.

D. FY 2019-20 Levy, meeting with David Plyman

- By law, 20 days of public notice is required for the levy. The Village Board is voting on the levy on December 11. A special meeting was called for November 12, 2018 for the Westchester Public Library Board to vote on the resolution and submit it to the Village prior to their December 11 meeting.
- Trustee Hampton asked if the referendum on the ballot concerning property taxes would impact the library. Director Marbella was not concerned about that particular referendum, but did mention the referendum concerning the minimum wage, if passed, would affect the library.
- Trustee Poppe asked about the probability of the library not receiving the requested levy. Director Marbella mentioned, as long as the library does not exceed the 2.5% levy, then it cannot be denied.

E. Per Capita Requirement, Review of Chapters 6 and 7, Trustee Fact Files, 3rd Edition

- The staff was required to review accessibility video. The Board will need to review:
 - Chapter 6 Intellectual Freedom – Director Marbella mentioned there was mention of filtering and censorship. Vice President Evans asked for clarification on filtering. Director Marbella explained filtering could give the false sense of protection to parents. He added the library has an open concept to discourage viewing of inappropriate material.
 - Chapter 7 Planning – relates to long-range strategic planning
 - Reviewed list of groups recommended to keep active communication
 - Questioned how to reach out to non-users. Vice President Evans stated the kayaking and 3-D printing events reach those audiences.
 - Chapters 8, 9 and 10 will be reviewed at the December COTW.

5. Unfinished Business

A. Chamber of Commerce Christmas Luncheon, Tuesday, December 4, 11:30 AM

- Director Marbella asked to be notified by end of the week. The raffle prize will be a kayak trip.
- Sally Kill will be nominated as the Person of the Year. She is a member of the Friends of the Library. It will be announced at the Chamber of Commerce Christmas Luncheon.
- Trustee Poppe questioned whether a library staff member should be nominated as Person of the Year. Director Marbella mentioned he would like to begin recognizing staff during All Staff meetings.

6. Public Comment – none

7. Board Member Comment – none

8. Executive Session – none

9. Adjournment

- Motion made to adjourn by President Lamberti and seconded by Trustee Hunter. Adjourned at 8:11 p.m.

Submitted by Janette S. Maldonado, Secretary, Westchester Public Library Board of Trustees