

Indian Prairie Public Library
Board of Trustees Minutes

**Truth in Taxation Hearing
November 15, 2017 – 7 p.m.**

- A. Call to Order and Statement of Purpose – President Suriano called the meeting to order at 7:08 p.m. Present were Asma Akhras, Beena Deshmukh, Donald Damon, Marian Krupicka, Diane Ruscitti, Victoria Suriano, Jamie Bukovac, Maria Wlosinski. Absent: Crystal Megaridis. Suriano stated that the purpose of the hearing was to provide opportunity for public comment on the proposed property tax levy increase. The Legal Notice of Proposed Property Tax Increase for Indian Prairie Public Library District appeared in The Doings Newspaper on November 2, 2017 (copy in packet).
- B. Public Questions/Comments – There was no public in attendance.
- C. Closing of Hearing – Suriano closed the hearing at 7:13 p.m.

**Board of Trustees Regular Meeting
November 15, 2017 – 7:10 p.m.**

A. Roll Call

President Suriano called the meeting to order at 7:14 p.m. Secretary Deshmukh called the roll. Present: Asma Akhras, Donald Damon, Beena Deshmukh, Marian Krupicka, Diane Ruscitti, Victoria Suriano
Absent: Crystal Megaridis
Staff Present: Jamie Bukovac, Maria Wlosinski
Others:

President Suriano asked for additions and/or corrections to the agenda. There were none.

- B. Mission Statement: Secretary Deshmukh read the library mission statement. We enrich people's lives by providing opportunities to explore, connect, and be inspired.

Vision Statement: Secretary Deshmukh read the library vision statement. Our community depends upon the Indian Prairie Public Library District as a vital and trusted resource for achieving personal goals and enhancing quality of life. With a welcoming environment and state-of-the-art services, the library is an essential center of learning, inspiration, and community pride.

C. Public Comment

D. Communications and Announcements

- 1. Thelen to Ryan re: Stinger Magazine

E. Omnibus Consent Agenda

- 1. Minutes of Regular Board Meeting, October 18, 2017
- 2. Treasurer's Report
- 3. Action on Bill/Additional Bills
- 4. Ordinance #2017-9 Directing County Clerk as to PTELL Reduction

5. Approval of RY2018 Illinois Public Library Per Capita Grant
6. Building and Grounds Committee Meeting Minutes, October 26, 2017
7. Determination to Dispose of Personal Property
Krupicka moved, Deshmukh seconded to set the Omnibus Consent Agenda. Motion carried unanimously. Damon moved, Akhras seconded to approve the Omnibus Consent Agenda. Motion carried unanimously.

F. Items Deleted from Omnibus Consent Agenda - none

G. Library Director's Report

With respect to the Sadowski donation, Bukovac said we are the only library she knows of that is creating a makerspace geared to mid-kids. The Sadowski family, as well as library staff, are very excited about the new space. Bukovac reported that the phone system was switched over to VOIP on Tuesday. Bukovac thanked Damon for his time and expertise with the project. She noted that other libraries have spent as much as \$20,000 to put in a VOIP system and those are the quotes we were getting. We ended up spending about \$5,000. We would have spent much more money and staff time without Damon's help. Suriano was very happy to see that the health insurance premium is only going up 5.77%. Ruscitti said she wanted to clarify something on the Director's report regarding the library's pension liability. Her recollection of her comment at the October Board meeting is that the hiring of someone with years of service would impact our pension liability. It would have an impact on our financial statements. She was not suggesting that we should consider that when making a hiring decisions. She was not suggesting that it impact our hiring process. She is correcting the record right now to reflect this.

H. Department Reports

I. Staff Report – none

J. Reports

1. Chamber Reports – backup in packet. Bukovac noted that Shirley Jensen, Assistant Head of Adult Services, will be on the Darien Chamber of Commerce Board of Directors.
2. RAILS – backup in packet.
3. Building and Grounds Committee - Krupicka reported that they met on October 26. The minutes were approved in the omnibus this evening. The Board will discuss the survey results in February. Staff is in the process of organizing the survey comments.
4. Finance Committee – no report.
5. Planning/Outreach Committee – no report.
6. Policy Committee – no report

K. Unfinished Business

1. Ordinance #2017-8 Levying and Assessing Taxes – Damon moved, Deshmukh seconded to approve Ordinance #2017-8 Levying and Assessing Taxes. Ayes: Akhras, Damon, Deshmukh, Krupicka, Ruscitti, Suriano. Nays: none. Absent: Megaridis. Motion carried unanimously.

L. New Business

1. Request to Purchase Furniture for Kids & Teens Department – Bukovac noted that the request was reviewed by the Building and Grounds Committee at their October 26 meeting. Essentially, we never bought furniture for the mid-kids. The request is for the same lounge

chairs that we already have in the teen space and they've held up well. Krupicka moved, Damon seconded to approve the request to purchase two lounge chairs for the mid-kids lounge area at a cost of \$1,660.00. Ayes. Akhras, Damon, Deshmukh, Krupicka, Ruscitti, Suriano. Nays: none. Absent: Megaridis. Motion carried unanimously.

2. MPI Investments - Ruscitti had questions about the library's investment portfolio managed by MPI and requested discussion at the board meeting. MPI had provided information relative to Ruscitti's questions and this information is in the board packet.

Ruscitti requested that the investment portfolio be included as part of the minutes from August when MPI presented on the portfolio. Bukovac responded that the information is in the August board packet on the website.

Ruscitti also requested that in the future when there is a presentation about the library's investments that the trustees receive the information in advance to give them time to formulate questions for the presentation. Bukovac stated that she will make sure this happens in the future.

Ruscitti stated that the portfolio seems inconsistent with the direction given to MPI. Her recollection and her notes is that MPI was talking at that time of high rated, highly liquid, shorter duration securities and they spoke in general terms about 1 to 5 year maturities to pick up some yield. There are maturities that extend way out. These are mortgage-backed and as she understands it in a high interest rate environment the maturity can be greater. In a high interest rate environment they don't prepay as quickly, they slow down and the maturity can in fact be greater than the stated maturity in a high interest rate environment. She suggests that under some scenarios the preservation of capital could be at risk.

Ruscitti also noted that investment portfolios for the Arlington Heights Library and the Fountaindale Library have a much higher percentage of US treasuries, they have a much higher percentage of bank account deposits and they have shorter maturities than our portfolio does. She feels they're more consistent with what she thought the direction was that we gave to MPI.

Bukovac stated that the portfolio is not any different than what they presented to the Finance Committee in 2015 and how they've been investing the library's money since 2009. The library has had no cash flow problems since we've given them that money. We work with them very closely to make sure that we have the money that we need and there's no penalties. We have a Bloomberg stress test in the packet that shows that even if we have the unlikelihood of interest rates going up 1% in one month we lose a total of \$11,000 in our investments and in every other scenario in that Bloomberg stress test we make money.

Krupicka said some of them look longer - but that is not the actuality of how they mature. They mature less than between 1.6 and 2.1 years. All the things that we've invested in are very safe. Not all libraries, not all municipalities will invest the same way because they have different needs, they have different amounts that they're dealing with. This is a very safe way, we've made more money with them than by just the previous way which was just buying CDs. MPI has been very forthright.

These long-term investments are mortgages which aren't like your normal CDs. People sell their house, they refinance, etc. so that it doesn't have that length of investment that shows

up on paper.

Bukovac noted Bloomberg reports on some of the mortgage backed bonds. One has a maturity of 12/15/2032 and the average life is 3.87 years the moderate mod duration is 3.45. Another one where the maturity is 1/20/2025. The average life is 2.72 years. Another one maturity 9/1/2026, average life 2.12 years. MPI has been our investors since 2009 and they've had these mortgage backed bonds in the investment portfolio ever since and he explains this each year when he presents to the Board.

Damon said we basically use a million dollars a year. We've got over 2 million with MPI. The fact that we've got some investments out further really isn't a big risk either. It's just some investments that are out further. We've got a million dollars that is available in the next year. Our real discussions with him had nothing to do with saying well we want everything to be between 1 and 3 years. Our real discussions with him were based on the budget. On how much money we needed every month and if we needed to get a large amount of money out. The real discussion was based around can you meet those criteria.

Suriano said we've talked on numerous occasions about the possible need for large expenditures. MPI has copies of our budget and Bukovac's financial projections. We're not the only individuals that he does this kind of investing with.

Ruscitti said she'd like to have a meeting with MPI to answer her questions and to get a more comprehensive understanding of what their unwind strategy is for that portion of the portfolio if the library has a need for money and preservation of capital under all scenarios. If they can give us a comprehensive proposal to show that under all scenarios the preservation of principal holds then she'd be the first one to be corrected.

Bukovac said she'll send MPI questions and invite them to meet with the Board.

Akhras said that Ruscitti has a financial background and an understanding of this topic whereas Akhras does not. She trusts that Ruscitti will ask appropriate questions of MPI and whether or not Ruscitti agrees or disagrees with the response from the other trustees that the board will not keep spending time on this topic. Akhras also said its good to benchmark against other libraries but it has to be contextual.

Bukovac said that if anyone has any other questions that they would like answered beyond the preservation of principal under all scenarios to send them to her.

Ruscitti said she'd also like to understand what they think is a relevant benchmark for IPPL, who they think is an appropriate benchmark. And why they think the composition of our portfolio is appropriate given benchmarks.

3. Review of *Serving Our Public 3.0*, Chapter 12 "Safety" – Review is required for the Per Capita Grant. Bukovac noted three areas where we needed to do a few things. With respect to safety standard #2, we have added the location of emergency supplies, fire alarms, and fire extinguishers to the library floor plan. With respect to #11, we are working on tornado shelter signs. With respect to #15, we will be sending copies of our emergency manual and disaster plan to community safety personnel.
4. Review of Illinois State Library Literacy Program - Bukovac showed the State Library's

website with respect to their adult literacy program services. In addition to providing resources for libraries to use, they administer adult literacy grant programs, provide adult literacy tutor training, and offer family literacy story kits.

M. Scheduled Meetings - none

N. Community Events

O. Library Event

P. Adjournment

At 8:52 p.m. Krupicka moved, Damon seconded to adjourn the meeting. All ayes. Motion carried unanimously.

Beena Deshmukh, Secretary