

Carlock Public Library Board

Regular Meeting Minutes

Tuesday, January 17, 2023

President Beth Wagner called the meeting to order at 6:31 pm. Other Board members present were Nick Birky, Lacey Fritsch, David Garrison, Jane Randall, and Laura Stephenson. Mike Miller was absent. Library Director Christie Lau and SKCO CPAs representative Jeremy Bork were also in attendance. The meeting was recorded.

The Pledge of Allegiance was recited.

Audit Report: To accommodate Jeremy Bork, this item from New Business was moved forward. Mr. Bork presented a draft copy of the Independent Auditor's Report of the Library's financial accounts for FY ending June 30, 2022, which was conducted by Striegel Knobloch & Company (SKCO). The report presented a "clean opinion" indicating that the financial statements "present fairly, in all material respects." Mike had emailed SKCO with some concerns about the reporting of the Insurance and Social Security Funds; Mr. Bork said the funds are restricted so they cannot be used for any other purpose, but reporting them as part of the General Fund is "not out of the ordinary." The audit documents will be reviewed under New Business.

Mr. Bork left at approximately 7 pm.

Correspondence: Christie reported: 1) A number of thank you notes were received from staff and volunteers after the holiday party in December. 2) A note and donation were received from patron Sheila Scatena of Bloomington. 3) A donation was received from patron Henry Campbell of Normal. 4) A letter was received from the Secretary of State Jesse White's office in response to an inquiry made by Mike Miller in regard to the Library's use of per capita funds in 2022. Mike asked the question because the per capita money received was used for something other than what was indicated on the original grant request. Christie explained that an amendment was submitted to the SOS Office describing the change. The Librarian Division of the Secretary of State's Office reviewed Mike's concerns and concluded that CPLD's expenditure of the per capita grant money was in compliance with grant regulations.

Minutes Approved: The minutes of the November 15, 2022 meeting, were reviewed. There were no additions or corrections; they stand approved as printed.

Director's Report: Christie distributed the 2nd Quarter Report and noted that we continue to bounce back from the lower numbers during the pandemic. Circulation statistics have increased from last quarter as well as when compared to 2nd quarter last year. Digital checkouts, Hoopla usage, and new cards issued have increased, as well as the number of programs being offered and participation totals.

President's Report: none

Secretary's Report: Jane reported that there was one election packet returned by the filing deadline for the two open seats on the Board. She has submitted the Certification of Ballot to both the McLean County and Woodford County Clerks.

One citizen visitor arrived at 7:10 pm. Two additional visitors joined the meeting via Zoom at approximately 7:10 p.m.

Finance Committee: The minutes from the Finance Committee meetings on December 1, 2022 and January 12, 2023 were presented and accepted. The Committee discussed the format of the monthly statements, the tax monies received from Woodford and Mclean Counties, our insurance coverage with County Companies, and the audit report.

Policy Committee: The minutes from the Policy Committee meetings on December 1, 2022 and January 12, 2023 were presented and accepted. The Library Director job description was updated to present to the full Board, review of the Trustees binder was begun, and the Communication Policy was drafted to present to the Board.

Long-Range Planning Committee: no report

Financial Report: Dave and Christie have been working with the MCK accounting firm to get the monthly statements in a more user-friendly format, with an income statement for each of the funds. Dave presented statements for October, November, and December 2022, and reviewed the new format. Revenues and expenditures, and a balance sheet for each of our 5 major funds are included. The information is the same as the Harland Accounting Service provided but in an easier to read and more concise form.

Old Business:

- 1) **Strategic Plan:** The Strategic Plan as presented at the November 2022 meeting was reviewed. After discussion and consideration of the Vision options, Lacey made a motion to adopt "Building connections to encourage and support lifelong learning" as the Vision statement, and to adopt the Strategic Plan 2023-2027 as presented; seconded by Beth. Motion carried unanimously 6-0.
- 2) **Job Description Policy:** The Director's job description was sent back to the Policy Committee at the November meeting. The Committee recommended revisions regarding budget and ordinance processes, collection management, and risk management. After review, Dave made a motion to approve the revisions to the job descriptions as presented; seconded by Laura. Motion carried unanimously 6-0.

New Business:

- 1) **Communications Policy:** The Policy Committee presented a new policy, Board of Trustees Communication Policy. To abide by the Open Meetings Act (OMA), the policy is intended to ensure that discussion of library business is public accessible. After review, Lacey made a motion to approve the Communications Policy as presented; seconded by Nick. Motion carried unanimously 6-0.
- 2) **Non-resident Card Fee Program:** Christie explained that public libraries in Illinois are not required to participate in the non-resident card program. There was some discussion of the unserved area in Congerville and Goodfield which are adjacent to our district but are currently going to Eureka Public Library for their library cards. After discussion, Jane made a motion to continue the decision not to participate in the Non-resident Fee Program for 2023 as recommended by our Director; seconded by Lacey. Motion carried unanimously 6-0.
- 3) **Audit Report:** Two questions SKCO noted in their management letter: 1) Using money from the Insurance Fund for risk management purposes; communications with attorney Phil Lenzini resolved that issue, determining that such action was allowed. The Policy Committee will meet to create a Risk Management policy as recommended by attorney Phil Lenzini. 2) Transfers between major funds were not subject to Board approval prior to the transfer; Dave made a motion to require Board approval for all transfers in or out of the Special Reserve Fund and the Working Cash Fund; seconded by Laura. Motion carried unanimously 6-0.
Nick made a motion to accept the Independent Auditor's Report from Striegel Knobloch & Co; seconded by Lacey. Motion carried unanimously 6-0.
The next step is to return the audit documents to SKCO including the signed representation letter. The final copy of the Auditor's Report will come back to us.
- 4) **Insurance quotes:** Dave met with Steve Edgcomb of Country Companies regarding our insurance coverage. Steve recommended that our Workers' Compensation coverage be increased based on a payroll figure of \$120,000; this would increase our premium from the current \$361 to \$501 per year. After discussion, Dave made a motion to increase our Workers' Compensation to the higher level at \$501/year; seconded by Lacey. Motion carried unanimously 6-0.
Steve and Dave discussed increasing the coverage limits on our Liability and Property insurance to \$1,600,000 on the building and \$1,400,000 on the business personal property. The deductible would determine the premium. After discussion, Lacey made a motion to increase the limits on the Liability and Property insurance as stated, with a \$10,000 deductible at a premium of \$4,373/year; seconded by Beth. Motion carried unanimously 6-0.
We currently do not have Directors and Officers Liability coverage, which is designed to protect the people who serve as directors or officers of an organization from personal losses if they are sued. Steve recommended \$1 million coverage on all eight individuals in those positions. Christie's research indicated that this type of insurance is a standard recommendation for libraries. After discussion, Jane made a motion to purchase Directors and Officers Liability Insurance with \$1,000,000 coverage at a premium of \$698/year; seconded by Beth. Motion carried unanimously 6-0.

- 5) **Tax Levy memo:** Christie distributed a memo from her to the Board of Trustees about the concerns regarding the legality and transparency of the Library's tax levy process for 2022. Beth called for Public Comment at this time, as Rhonda Baer, Village President, was in attendance and had comments to offer. Rhonda asked questions comparing the budget process of the Village to the Library's. There was an explanation of the limits a governmental body can ask for in a tax levy. After discussion Dave made a motion to attach Christie's memo dated January 17, 2023, explaining the situation, to these meeting minutes; seconded by Lacey. Motion carried unanimously 6-0.

January 17, 2023 Memo:

To: Carlock Public Library District Board of Trustees

From: Christie Lau, Library Director

Date: January 17, 2003

Subject: 2022 Tax Levy

Summary

Concerns have been raised regarding legality and transparency of the library's tax levy process for 2022. Based on conference with the library's legal counsel, actions related to Ordinance 2022-04 (Tax Levy Ordinance) have not violated statutes and were appropriately transparent to the district's constituents.

Tax Levy Amount

Ordinance 2022-04 indicates a levy request of \$195,600. It is correct that this is more than 5% of last year's extension, which was \$183,880.47. The original draft of Ordinance 2022-04 included a levy request of \$193,000 (which was less than a 5% increase over the previous year's extension). However, due to some adjustments to Ordinance 2022-03 (Budget and Appropriation Ordinance), it was changed to \$195,600.

I consulted attorney Phillip Lenzini, who indicated:

- Requesting a levy greater than 5% of the previous year's extension does not violate any statutes.
- Truth in Taxation statutes (35 ILCS 200/18-56; 35 ILCS 200/18-70), which include a public hearing, may apply if the tax levy amount exceeds 105% of the prior year's extension. There is no penalty if there is no public hearing.
- The county clerk will not release tax distributions greater than what the library is legally entitled to: 0.15% of the value of all the taxable property in the district, as equalized and assessed by the Department of Revenue (75 ILCS 16/35-5)

In plain English, regardless of the amount indicated on the tax levy ordinance, the library will not receive more than it is legally entitled to. If the amount on the ordinance exceeds 105% of the previous year's extension and no Truth in Taxation hearing (or other Truth in Taxation actions) occurred, the county clerk will release tax distributions no greater than what the library is legally entitled to.

A Truth in Taxation public hearing (and other actions) is required only if the library seeks to receive more than 105% of the previous year's extension. There is no penalty for not conducting a Truth in Taxation public hearing (other than the county clerk will only distribute the amount the library is legally entitled to).

Tax Levy Transparency

Illinois statute (75 ILCS 16/30-85) indicates the tax levy ordinance approved by the Board of Trustees must be filed with the county clerk by the last Tuesday in December. In addition, a copy of the tax levy must be available for public inspection at the library. Both of these requirements were fulfilled for Ordinance 2022-04.

It should also be noted that all Board of Trustees meetings are open to the public. An agenda for each meeting is posted no later than 48 hours prior to the meeting. Ordinance 2022-04 (Tax Levy Ordinance) was on the agenda and was discussed and approved during the August 16, 2022, meeting. The agenda for the August 16, 2022, meeting was posted more than 48 hours prior to the meeting, as required. No members of the public were in attendance at that meeting.

A motion was made by Lacey to adjourn; seconded by Laura. Motion carried. The meeting was adjourned at 8:42 pm. The next meeting will be held February 21, 2023, at 6:30 pm.

Respectfully submitted,
Jane Randall, Secretary