



PALOS HEIGHTS
PUBLIC LIBRARY

DIRECTOR'S REPORT

Palos Heights Public Library Board of Trustees Meeting
March 16, 2023

Library News

Other Building & Grounds News

With the retirement of our longtime landscaper Jim Melka, we had to find someone else to do our landscape maintenance beginning this year. I wrote up an RFP and sent it out to seven companies. We received three responses to that RFP. I have signed an agreement with Roy Erikson Outdoor Maintenance to provide these services for us at a cost of \$906 per month beginning in April. This is somewhat higher than the sweetheart deal we were getting from Melka, which was \$809 per month. But Erikson is a reputable company who will provide the services that we need, and I'm confident that this is the right move for us. This is a 1-year agreement, so we can make a change next year if we see fit.

Budget News

FY2021 tax receipts have mostly stopped at 99.1% of our FY22 budgeted total. This is really good as it means that we have mostly been made whole again after last year's lengthy delay in releasing tax bills. The first tax bills this year were made available online in late February and were mailed to property owners in early March. I expect to see revenues from those bills start to come in any day now. While I expect that there might be higher than average underpayment in this round of bills due to coming so soon on the heels of the last one, I don't expect that underpayment to be large enough to affect our operations. Even underpayment as high as 5% would leave us with plenty of revenue to cover all budgeted expenditures in the first half of this year. My only concern is whether we will see the second installment bills go out in a timely manner in August, or whether they will be delayed as they were last year. If there is significant underpayment in the first half and a delay in the second half, then we might find ourselves taking extraordinary action again next winter.

We are due to repay our loan to the City on April 1. We have the cash on hand to do so, although I would feel a bit better about it if our FY22 tax receipts had started coming in.

FY22 Audit

The audit process is drawing to a close. Of course, we are still waiting on the IMRF report, which is always the last piece to fall into place. Other than the IMRF section, we have a complete draft. We are in the

process of finalizing all parts of the report that don't involve IMRF, and we will have a complete report for your approval at the May 18th meeting.

Programs and Events

Other News

Legislative Update

You might have heard about HB2789, a piece of legislation introduced by our new Secretary of State (who also serves as the State Librarian) Alexi Giannoulias that would “protect the freedom of public libraries and library systems to acquire materials without external limitation and to be protected against attempts to ban, remove, or otherwise restrict access to books or other materials.” Basically, it's intended to protect libraries from attempts to ban books, which is a welcome effort as attempts to ban books are on the rise in public and school libraries. While these efforts have been more focused on school libraries so far, broad success in our school libraries would certainly lead to greater efforts in our public libraries. It is encouraging to see this support for free access to information, which is a core tenet of librarianship. It is also encouraging to see our new State Librarian giving this issue such attention and support.

To sum up the bill, it would make all state-funded grants to libraries contingent on the adoption of a policy “prohibiting the practice of banning books within the public library.” This isn't a very high bar for us (or for most public libraries) as we already have policies in place affirming the American Library Association's “Freedom to Read” statement as well as a Collection Development Policy that lays out the process and criteria for challenging an item in our collection and precludes us from excluding materials based solely on ideological objections. HB2789 is widely expected to be passed and signed into law in the coming weeks.

Upcoming Events

- Thursday, March 16: Fundraising Committee Meeting at 6:00pm
- Thursday, March 16: Regular Board Meeting at 7pm
- Thursday, April 20: Long Range Planning Committee Meeting at 6:30pm
- Thursday, April 20: Regular Board Meeting at 7pm
- Saturday, May 20: ATLAS Trustee Workshop at Alsip-Merrionette Park Public Library

Agenda Items

Item 1: Possible Transition to Annual Budget System

The City of Palos Heights has moved to a new way of legally accounting for its spending. The traditional model is to issue a budget and appropriation, as we have always done in the past. In this model, the budget represents the spending aspirations in a given year while the appropriation represents the actual legal limit to spending for that year. There are some significant downsides to this system. First, the

appropriation limits the allowable levy for the year. Because we set the appropriation in January and the levy in September/October, we might not be aware of significant necessary changes that we want to make to that year's levy when we set the appropriation. This has hurt us a couple of times in the past when we wanted to increase our internet speed or hire an additional employee that would be covered by health insurance. The way that we have learned to get around this is by inflating our appropriation so that it is pretty wildly out of sync with our budget.

Which brings about the other major downside to the appropriation system: the public finds it confusing. What is an appropriation if it isn't the budget and it isn't the levy? If the appropriation is the limit to spending, why do we need a separate budget? Why not just make the appropriation the budget? For the lay outsider (and I think every Trustee has experienced this when trying to learn how we do these things), it doesn't make obvious sense and looks like we're trying to obfuscate what we're really doing. For this reason, it's common for municipalities to combine their budget and appropriation into a single document. And this gets us back to the previously mentioned problems of constraining the levy and not allowing any flexibility regarding unplanned expenses.

An alternative to this system is an Annual Budget system¹. In this system, there is no appropriation. The budget itself is the legal limit to spending. But also, the budget can be amended throughout the year to allow for unforeseen changes. It allows for both more flexibility and better transparency with the public. While still less common than the appropriation system, the Annual Budget system is gaining in popularity.

The City didn't consult with us in this decision, and we are not legally bound to follow suit. I've spoken with our attorney about our options regarding staying with a Budget and Appropriation system or following the City's lead and adopting an Annual Budget System.

Option 1: We are free to remain with the current Budget and Appropriation system. Doing so would be a bit more complicated than in the past. It would require the City to hold an annual appropriation hearing on our behalf and then file our appropriation with the County on our behalf. Those are both things that the City will no longer be doing on its own behalf, so it would be creating extra work for them if we were to continue with the appropriation system. And we would still need to maintain an annual budget that adheres to the City's new Annual Budget system so that they can be in compliance, since their budget legally incorporates ours as well.

Option 2: We can follow the City's lead and adopt an Annual Budget system. This would entail adopting a budget for the ensuing fiscal year no later than 60 days prior to the beginning of that fiscal year (which is something that we already do). We would then need to amend that budget during the course of that fiscal year to account for any revenues or expenses beyond what was originally budgeted (which is not something that we currently do).

I recommend that we choose Option 2. Option 1 necessitates the small amount of extra work in Option 2 as well as requiring both us and the City to deal with the formalities of our ongoing appropriation. I believe

¹ See 65 ILCS 5/8-2-9.1 through 8-2-9.10 for the statutory requirements of the Annual Budget system.

that the net change in work for us with Option 2 is also in our favor as we no longer have to deal with the headaches of guessing at an appropriation that will suit the following year's levy or explaining what an appropriation is and why we need to have it in addition to our budget.

I also asked the attorney if either system gives the City greater legal control over the Library's finances. She stated that both systems allow equal financial independence for us. In both cases, the City has no legal standing to change our budget, levy, or appropriation from that which our Board of Trustees approves.

I also looked at our Financial Policy to see what changes would need to be made to it. The Policy doesn't actually talk about our appropriation. I think this is a sign of a good policy. It doesn't restate what is already legally obligated elsewhere, which can lead to confusion if the legal standard isn't correctly reflected by the policy. Good policy incorporates the rule of law implicitly and only restates it insofar as it is necessary to guide our operations. In this case, the appropriation is not a significant guide to our operations, which are instead guided by our budget. In short, the Library Board's spending is legally limited by an appropriation. But the Library staff's spending, which this document is meant to guide, is limited by the budget. That's exactly how we have functioned in the past and is as it should be in my opinion. Changing to an Annual Budget doesn't change this at all and so wouldn't require any changes to our Financial Policy.

Recommendation: No action needed at this time. I want to bring this up for discussion and collect any questions or concerns that you have for further consideration. Presuming any significant concerns can be resolved, I recommend taking formal action in April.

Item 2: June 3 Late Opening

As a staff, we have been talking for years about the possibility of having a big block party to kick off the summer and our summer reading programs. The timing was never quite right for one reason or another in the past, but we feel that this is the year to do it. The plan would be to close off the parking lot and set up a number of fun activities for a morning of fun activities. In addition to having staff available to talk about and help people get registered for our Summer Reading Programs, we would have a bounce house, petting zoo, face painter, ice cream/sno cones, live music, and other fun activities. Almost all of us have been involved in similar events at other libraries, and we think this would be a really fun way to kick off the summer and promote Summer Reading.

These will be staff-intensive activities, and I don't expect that we will be able to staff the party and the building simultaneously. I would like to close the library during the hours of the block party. I don't see why the library couldn't be open as usual in the afternoon the event. So I'm proposing that we open late on June 3rd at 1pm.

Recommendation: I recommend that you approval a late opening time of 1pm on Saturday, June 3rd.

Item 3: National Library Workers Day Honoraria

It is our tradition every year to recognize National Library Workers' Day by giving a gift card to each staff member in the amount of \$25. Staff have always been very appreciative of this gesture, and I recommend that we continue it. In the past, these gift certificates have been purchased from various local restaurants. We currently have 27 employees, so the total cost of these cards would be \$675. Certainly, if the board has any suggestions for a different way of honoring our employees on National Library Workers' Day or if you have suggestions for specific restaurants or other businesses from which to purchase these, such input is welcome. The cost of these honoraria has already been factored into this year's budget.

Recommendation: I recommend that you approve National Library Workers Day honoraria in a total amount of \$675.

Respectfully submitted,
Jesse Blazek
Library Director