



PALOS HEIGHTS  
PUBLIC LIBRARY

# DIRECTOR'S REPORT

Palos Heights Public Library Board of Trustees Meeting  
March 21, 2024

## Library News

February was another strong month for the library. Statistically, we kept pace with or exceeded 2023's torrid numbers in most categories. Circulation and visits remain at an all-time high along with computer usage. Program attendance and outreach remain high.

Operationally, things were busier as the new year is fully underway. Terry and I worked with the auditors to provide the last bits of information they required for their report. I was part of an ATLAS Libraries continuing education panel presentation at the Oak Lawn Public Library on the topic of "Friends, Foundations, and Fundraising." Our building maintenance service was out for most of a day taking care of a short list of minor repair projects throughout the building including things like repairing some damaged carpet squares and properly hanging some large posters and whiteboards. Our intern continues to do a great job as she has spent a few weeks working in each department.

In very sad news, Marge Damm, long-time Friend of the Library, passed away at the end of February. She resigned from the Friends board back in January following a pretty serious fall. She was the Vice President of the Friends board for many years and a very active Friends member going back as far as anyone here can remember. She was really a cornerstone of that group, and she will be dearly missed.

## Statements of Economic Interest

You should have received an email on or about March 11<sup>th</sup> with a link to submit your annual statement of economic interest to the county. Please note, they changed the format of these questions two years ago, and the way they word these questions is counterintuitive, in my opinion. For example, they ask you to list assets worth more than \$10,000. Many of us have cars, residences, or bank accounts that we consider to be assets. They are NOT counting those as assets. Please look at the document titled, "SEI Definitions" in this month's packet before answering "yes" to any of their questions. For most of us, the answers to all of these questions are "no." Please let me know if you have any questions or are having trouble filling out your SEI. I'm happy to help!

## Youth Quilt

Our Head of Youth and Teen Services, Tina, brought up an interesting idea that I want to put in front of you. The quilt that hangs in the stairway leading upstairs is now 20 years old. It has been a beloved fixture of our library since the community came together to create it. Now some of those squares are falling apart. We have “HE ITT,” “CLIF D,” and Paddington who no longer has a name. Others are no longer as popular as they once were and don’t resonate as much with today’s families. Tina suggests that perhaps this is a good time to refresh and reimagine this quilt.

Tina’s idea is two-fold. She would like to embark on a project to create a new quilt in the same vein as the old one, asking patrons to design squares of their favorite children’s books. There will likely be some overlap with the old quilt, as far as the titles are concerned. But there would certainly be some welcome new additions. I think it would reinvigorate the idea that the quilt was originally built upon and allow for a similar connection with a new generation of residents.

The other part of Tina’s idea is that we could auction off the old quilt as part of a fundraising event later this year. This would allow the quilt to live on in the care of someone who has a strong connection with it. Please let me know your thoughts on this.

## Building & Grounds News

See my comments under Agenda Item 2, below, for discussion of the parking lot and building envelope issues. Other building systems continue to be stable. We have replaced a couple of staff computers, which is in keeping with our capital reserves plan. In general, we are getting an average of 5 years out of those computers, which is significantly better than the 4-year anticipated lifespan of those high-use machines. The same is true of our patron computers. We have not had to take any of those computers out of commission in recent years, and we added a new unit to the computer lab this year as we have been seeing occasions when all computers are simultaneously in use. This is all evidence that the technology plan that we have implemented on the advice of our IT consultant is working as intended.

One of the three computers that runs the interactive space in YTS has died. It’s not a huge surprise considering the long hours at intense loads those machines are under. It also explains why we can’t get more than a 1-year warranty on them, as the company that produces them knows that they can’t survive very long under those conditions. So we’ve ordered a new computer with the same software. It costs about \$1,000. I’m adjusting the entry in our capital needs spreadsheet to indicate that we should expect to replace this machine every two years. So far, the other two computers in that installation are fine. The software that they run is less demanding than the Ball Wall, so I’m hopeful that we’ll see a more standard lifespan out of those machines. We’ve also replaced the bulbs in all three of those projectors as they have surpassed their 15,000-hour lifespans. Those lamps cost around \$100 each and lasted about a year and a half. Considering the \$32,000 price tag of the installation, an average annual maintenance cost of less than \$1,000 per year is not bad.

## Budget News

We began receiving tax disbursements for the first half of the FY2023 levy in late February, as we usually do. As of this writing, we have received a little over \$900,000, which is 90.1% of the expected disbursements for the first half of this year and 49% of the whole FY23 tax year. Most of that came in after March 1<sup>st</sup>, so you won't see it in the financial reports until next month. But rest assured our bank balance is in good shape at this point. My working budget spreadsheet is currently projecting that we will have about \$800,000 in the bank at the end of the year, which would translate to something like \$200,000 as a transfer to the reserve fund in January.

We have received a completed first draft of the audit. All looks good, despite it being a bumpy first year implementing the new annual budget system. As is always the case, finalizing will be held up until IMRF releases their data regarding our pension obligations, which usually happens at the end of April. Everything is on target for final presentation and approval at our May board meeting.

## Upcoming Events

- March 21: Regular Board Meeting at 7pm
- April 7-13: National Library Week
- April 18: Long Range Planning Committee Meeting at 6pm
- April 18: Regular Board Meeting at 7pm
- May 18 (Saturday): ATLAS Continuing Education Program – “Director Trustee Relations” at 10 am at the Orland Park Public Library

## Agenda Items

### Item 1: Library Foundations Discussion

Following the great discussion at our February board meeting, I have been doing more research into our eligibility for grant funding and whether 501(c)(3) status would make a big difference in that regard. It's been a few years since I have immersed myself in the grant writing world, and a lot has changed! There are great resources for finding grant programs out there, although most of them require paid subscriptions. Also, most of the major grantors that I looked into now allow applications not just from 501(c)(3) organizations but also from other tax-exempt organizations more broadly construed. I don't believe this to have been the case a decade ago. The McKnight Foundation says that “applicants must be classified by the Internal Revenue Service as tax-exempt, non-profit organizations,” of which I believe us clearly to be one as defined in IRC 170(c)(1). The Bill & Melinda Gates Foundation lists under eligible entities, “a state, a possession of the United States, or a political subdivision (e.g., a local government), agency or instrumentality of the foregoing,” which

again seems clearly to include public libraries. These are just a couple of examples, but it appears that the landscape is much more open than I remembered.

To further clarify, I took a deeper dive into the IRS discussion of the tax-exempt status of public entities and found the following:

“Due to misunderstanding about the Chapter 42 restrictions on private foundations, governmental units often have difficulty obtaining foundation grants. This misunderstanding relates to the taxable expenditure provisions and distribution requirements, and may cause governmental units to seek 501(c)(3) exemption unnecessarily.”<sup>1</sup>

To me, this is an argument both for and against establishing a foundation for the library. In one brief paragraph, the IRS points out that governmental entities simultaneously have a hard time getting grants from foundations but also don't need 501(c)(3) status to do so. Perhaps the reason for the opening up of the landscape is that people are becoming increasingly aware of the nuances of federal tax status.

Further illustrating the diminished need for 501(c)(3) status for receiving charitable donations, I have spoken with some directors at other libraries who have successfully utilized the 501(c)(3) status of The Fund for Illinois Libraries for receiving restricted funds. We already have an account with Illinois Funds and can easily make financial transactions through them. This allows us to channel contributions through a 501(c)(3) with very little red tape and no additional cost. While a library foundation might make this a more direct connection between the library and its 501(c)(3) presence, the benefit of that connection over what currently exists is again minimal, in my opinion.

All of this is to say that having 501(c)(3) status might open us up to slightly more funding than we are currently eligible for, but I think the difference would be minimal. However, there is another major reason that I think tips the scales in favor of pursuing a library foundation.

During our discussion in February, a few trustees mentioned that they might not have been willing to serve on the board if they had known that there were obligations to engage in fundraising activities. While advocacy for the library is a key component of being a trustee, fundraising doesn't have to be. If major fundraising activities like our Library Comes Alive event last Fall are going to become a regular thing, having a foundation in place to facilitate those events provides an easy avenue for interested Trustees and community members to be involved with those activities without placing a default fundraising responsibility on all Trustees. Those who are interested in fundraising can participate in the foundation. Those who aren't interested in fundraising can continue to be Trustees without the expectation that they're going to be primary fundraisers for the library. It would prevent the possibility of scaring off new Trustees who don't want to be involved in fundraising. Conversely, it would allow for the participation of residents who would be interested in doing fundraising but who

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<sup>1</sup> 1990 IRS EO CPE Text, Topic E. “Instrumentalities.” Retrieved from <https://www.irs.gov/pub/irs-tege/eotopice90.pdf> on March 1, 2024.

aren't interested in being Trustees. I think that's a win-win in terms of participation in fundraising activities. I think that having a foundation to act as the fundraising arm of the library would provide a framework that would allow trustees and residents to more easily participate in those activities if they want but also to allow them to work with the library without implicitly committing to fundraising if they aren't interested in doing so.

I have included some examples of bylaws of existing library foundations in this month's packet, if anyone cares to peruse them. I don't think the process of establishing a foundation is particularly daunting. Though fundraising isn't my strongest suit, I'm happy to help get a foundation started and to help facilitate its effective operation in a manner similar to the library's current relationship with its Friends organization.

**Recommendation:** I don't think any formal action is needed on this topic one way or the other. If there is interest in continuing to pursue a foundation, I think interested individuals should start meeting to discuss incorporation, bylaws, and other details. Those who aren't interested can continue being great trustees, as they always have been. And if there is no strong interest, we can let the idea go entirely.

## Item 2: Building Repairs

Following up on last week's committee meeting and the brief discussion at our regular meeting, here is how I see things with regard to our two primary building repair needs.

Regarding the parking lot, we are already on borrowed time. The current surface is at the end of its life. It has extensive cracking and is developing potholes than can no longer be patched and covered effectively. The drains have gradually separated from the grade of the asphalt surface, which is something that happens over time as the ground gradually settles and changes. All of this is to be expected with the existing 35+ year old asphalt surface. We have gotten all of the life we could have hoped for out of the existing materials.

At a minimum, the surface needs to be re-paved with new asphalt. Hopefully, the subsurface material remains in good shape and won't need significant attention. If the subsurface needs any significant work, the cost of this project will increase dramatically. This is what the initial engineering work will tell us. The risk that we currently face is that, with each subsequent season that passes, water is more and more likely to penetrate the existing asphalt surface and unsettle the subsurface layers. There are multiple layers below the asphalt, all of which need to be perfect in order for new asphalt to be put on. The longer we wait before getting new asphalt on, the more likely that there will be subsurface damage, and the much higher the cost of this work will be.

Regarding the building envelope leak, this is a problem that has been with us for years. It is possible that this goes all the way back to the construction of the new building twenty years ago. We've caulked. We've been keeping the gutters clean. And those things have helped reduce the moisture

that we get. But there is a bigger structural problem at play. The opinion of our Owner's Representative is that there is a failure at some point where two or more of the various building materials meet in the structure of the wall. We have aluminum cladding and metal beams and wood windows and a few different types of masonry in those walls. Every time two of those materials meet, there needs to be a barrier to keep water out. Each of those types of barriers has its own possibility of failure, and it is possible that more than one of them is failing. There is no way to learn where the water is coming from without taking the wall apart from the outside and systematically exposing it to water to pinpoint the origin(s) of any leaks. Then we will know what needs to be done to remedy the problem.

In my opinion, there is less urgency here than with the parking lot for a few reasons. First, this is a longstanding problem. Any damage that we are likely to incur by waiting two years to repair this is unlikely to be significantly more than the damage that already exists in those walls. There are signs of water damage in the walls, but they aren't very pronounced and don't appear to be increasing at any observable pace. It's possible that we could hit a tipping point with regard to mold or drywall degradation in the next two years, but I believe that the likelihood of this happening is small because I would expect to see more obvious physical damage to the walls and/or window frames and/or ceiling than we are currently seeing.

The total anticipated cost of the parking lot repair project is \$250,000. This is based on previous engineering proposals of approximately \$20,000, which typically total around 10% of the total cost of construction. I'm also building in about 5% inflation per year, as these proposals were submitted in early 2023. Around \$10,000 of this amount would be paid in FY2024 to cover the evaluation and bid preparation portions of the engineering work. The rest would be paid in FY2025 with the reserve funds that are being accumulated in FY2024.

The total anticipated repair cost of the building envelope repair is unknown and dependent on a number of factors. The proposed cost of the engineering work to diagnose the problem is approximately \$25,000. Per our Owner's Representative, the outcome of that work will likely include three possible recommendations, viz. a minimum recommended repair, a substantial repair that might last longer, an extensive repair that would cost more up front but would likely require less maintenance and expense in the long run. The anticipated cost of these diagnosed repairs ranges from probably no less than \$10,000 to well above \$100,000, which is a difficult range for which to budget.

We probably don't have the funds to address both of these problems at the same time. I say "probably" because there is a possibility that the building envelope could be a much less expensive fix when all is said and done. The problem is that we won't know how expensive that fix will be until we lay out \$25,000 for it to be diagnosed. I think that, for practical purposes, we should assume that it is going to be a costly repair. We are budgeting around \$200,000 to go to our reserve fund at the end of 2024. We are also budgeting for \$25,000 of special reserves spending during the course of FY2024. With similar amounts in our FY2025 budget, we likely have in the neighborhood of \$450,000

to \$500,000 to spend on such projects in the next two years. However, we would like to maintain a minimum balance of \$200,000 in our reserve fund for an unforeseen emergency, should one arise. That leaves us with what I estimate to be the cost of one repair or the other, but not both, between this year and the next.

Regarding the parking lot, I believe that waiting two years could cost us hundreds of thousands of dollars in additional damage and repairs. I don't believe that waiting two years to deal with the building envelope is likely to increase the needed repairs by a significant amount over and above what is currently needed to repair the envelope and repair the currently damaged building materials. So I believe that we should prioritize the parking lot repair with the understanding that the building envelope issue will be undertaken at the soonest possible opportunity thereafter.

My thoughts on a general timeline are as follows:

1. We should move forward with the parking lot repair work first.
  - a. I propose to collect proposals for the engineering work, to analyze the lot and prepare bid documents for the project, to be presented at the April meeting for approval.
  - b. Engineering evaluation and bid document preparation would take place over the summer.
  - c. Bid documents would be issued in January 2025 for opening/evaluation in February 2025.
  - d. Construction firm would be engaged in March 2025 to complete work in the summer of 2025.
2. Once the parking lot is finished and when the budget allows, we should begin the building envelope work.
  - a. I propose that we solicit proposals for the engineering diagnostic work in the fall of 2025, to be presented at the January 2026 meeting for approval.
  - b. Engineering work to diagnose the envelope problem would take place in the spring of 2026.
  - c. Depending on the diagnosis, bid documents for that repair would be drawn up and issued in the summer of 2026 with a target construction date of fall of 2026 or spring of 2027, depending on budget and timing.

**Recommendation:** I don't believe that we need formal board action to begin this process as the first step is simply to gather proposals for the parking lot engineering work. Based on your reactions to this report, I would proceed accordingly or propose a different direction. I am interested to know your thoughts.

### Item 3: Gadgets & Gizmos Discussion

Going back a few years now, we have offered some items for circulation that people might not ordinarily think of as belonging in a library. These include tables and chairs, Tonies, a GoPro camera,

a drone, and other similar items that patrons might not normally have access to or might want to try out before deciding whether to purchase one for themselves. This is a growing trend in libraries as we continually seek to adjust our services to continue to enhance the lives of our modern patrons. Libraries are offering everything from outdoor movie theater kits to pickleball equipment to metal detectors to Chromebooks. Staff are interested in, and I am wholeheartedly in support of, expanding our collection of non-traditional offerings and branding it in a way to make these items more known.

We have called this our Gadgets & Gizmos collection, and we would like to build a display for it near the first-floor staircase using a slatwall and card system similar to this setup at the Northbrook Library:



This would allow us to efficiently display and check out these items without storing them on the floor where they would take up a lot of space and potentially invite unwanted touching.



We are proposing to install a slatwall in this location: We are envisioning a stenciled or painted sign that says “Gadgets & Gizmos” vertically on the green strip of wall with a large “G&G” above the fire alarm box. This location would give good visibility to the display, and it would allow staff to provide proactive help to browsers as this is directly in front of the Public Services Desk.

Patrons would sign an agreement acknowledging the higher replacement cost of these items should they be lost or damaged, similar to the agreement that people sign when using the Zanardo FabLab equipment. Items would only be available for checkout to Palos Heights residents and would likely have somewhat stricter hold and renewal rules.

In addition to things that we already have available to patrons, we are considering providing the following items that people might only need occasionally or might want to try before investing in for themselves:

- Tech items like mobile hotspots, video projector, or a/v recording equipment (nothing too expensive)
- Games like bags, oversize Jenga and Connect 4, or a Dungeons and Dragons starter kit
- Crafting items like a 3doodler or button maker
- Tools and gardening equipment like a stud finder, hand truck, or OBD2 scanner
- Assistive technologies like magnifiers, memory kits, and sensory kits

Obviously, this is not a new idea for us. We have \$1,000 in this year’s budget for getting this collection off the ground. What is new is our plan for branding and displaying/circulating these items and for building this into a long-term asset to our residents.

**Recommendation:** We don’t need formal board action to begin this process as we have already built it into our budget for this year. Assuming you all like the direction we’re going with this, we’ll continue to build this collection in future years. Next steps would include procuring the display materials, i.e. a nice slatwall system to go by the stairs; designing cards and signage for display and circulation; re-cataloging current items to fit with this system; and acquiring and processing a few new items to add to this collection. If successful, we would budget in future years to slowly build and maintain this collection in perpetuity.



#### Item 4: 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 cards 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