



DIRECTOR'S REPORT

Palos Heights Public Library Board of Trustees Meeting
May 21, 2026

Library News

Budget Update

The Library's operating fund balance continues to be healthy at this point, despite only receiving one small distribution since Tax Year 2025 disbursements started coming out in March. I had correspondence with Andrew Jatco, the CFO of the County Treasurer's Office regarding our unusual situation related to the January overpayment and subsequent underpayment. He did confirm for me that they are aware of the overpayment and have been deducting that amount from our TY2025 distributions, which is why we haven't seen those coming in. He acknowledged that there is still an amount that we are due for the first half of TY2025, approximately \$200,000 in my estimation, and that those funds will continue to be distributed in the coming weeks. There continues to be no reporting available to support either the January TY2024 distributions or the subsequent TY2025 distributions. Those reports would go a long way toward helping to clarify the current picture for us (and every other taxing body in Cook County). In the meantime, we are left to trust that the Treasurer's Office is distributing funds appropriately and that we will receive the remainder of what is due to us in the near future. For now, I project that we have enough money to get us through October. If these payments aren't forthcoming and if the next round of tax bills are delayed, we will likely be in a position of needing to take out another loan this fall or winter. I find it to be a disheartening state of affairs.

Building Envelope Project

The building envelope repair project is well-underway at this point. Demolition began on April 20th and took about three days. We decided to move forward with all three bays at once to save time and hopefully wrap everything up before the Kickoff Party on May 30th. Demolition revealed no significant surprises, so the scope of repair remained unchanged as they began installing the new barriers the following week. The installation of those materials took about two weeks with another week for them to cure. The metal sheeting is scheduled to be installed the week of May 18th with final water testing to take place the following week. Water testing will be very similar to the original testing that revealed the leak and should be the final step in the process. If all goes well, we hope to see the project reach substantial completion next week.

Other News

Everything is lined up for our annual Summer Reading Kickoff Party. This year's party will take place on Saturday, May 30th from 10:00 am until 2:00 pm. We'll have an inflatable obstacle course, remote

controlled cars, a professional balloon entertainer, food trucks, games, crafts and more. I hope you can all join us!

I attended Director's University Advanced the week of April 27th down at Pere Marquette State Park near St. Louis. This is the successor event to Director's University, which I attended in 2018, and takes a much deeper dive into aspects of this job that aren't taught in library school. It was an intense week of workshops that covered everything from advocacy to HR to time management to budgeting. I gave my presentation on Capital Needs Assessments, and I'm always caught off guard by how strongly people react to what is really a pretty dry topic. I think it's something that a lot of people fear because it seems too complicated to deal with, and I think people respond to seeing that there is a realistic way to deal with it.

I also gave a short presentation to the Board of Trustees of the Alsip-Merrionette Park Public Library District on the topic of effective levying practices. They have kept their levy flat for years and are now in a situation where inflation has caught up with them. They wanted to hear about our strategy for establishing our levy each year as we are one of a minority of taxing bodies that doesn't just blindly max out our levy from one year to the next. So we had a good conversation about the budgeting and levying process.

Upcoming Events

- Thursday, May 21st – Regular Board Meeting, 6:30 pm
- Saturday, May 30th – Summer Reading Kickoff Party, 10:00 am – 2:00 pm
- Thursday, June 18th – Personnel Committee Meeting, 5:30 pm
- Thursday, June 18th – Regular Board Meeting, 6:30 pm

Agenda Items

Item 1: Kersey Construction Pay Application 1

As mentioned above, the building envelope construction is now well underway. We have received the first pay application for work performed to date. It has been vetted by our Owner's Representative and engineering consultant.

Recommendation: I recommend that you approve payment to D. Kersey Construction in the amount of \$38,991.60.

Item 2: BTC Payment

BTC is the engineering consultant mentioned above. Chris has been working with us since the beginning of this project and has been studiously monitoring the progress of construction.

Recommendation: I recommend that you approve payment to Building Technology Consultants, Inc. in the amount of \$5,306.30.

Item 3: TIF District Letter of Support

We haven't really had occasion to talk about TIFs in my time here, although it's a topic that I've given a bit of study to over the years. A TIF district is a taxing increment financing district that a municipality designates as warranting special tax status for a specific purpose and for a limited period of time. Usually a TIF is put in place to offer tax breaks to a business district in order to incentivize businesses moving in and for commercial property owners to update their properties. A TIF district must be approved by the Illinois legislature and can't just be unilaterally put in place by a municipality. I believe Palos Heights currently has two such districts, and one of those is set to expire next year. The district in question is along College Drive near Harlem Avenue. It includes properties where the new Palos Heights Senior Living facility was built, the shopping center where the new Culver's is being built, and where there are still more plots that the City would like to see developed. Arguably, these properties would not have seen the development that we have seen in recent years if not for the existence of the current TIF, and the City would like to see that TIF remain in place in order to continue to promote business development in this corridor. The hope is that, at the end of the TIF district's exemption period, there will be a much more robust business environment in this area which will be a cornerstone in supporting a stronger tax base not only from those businesses but from the increased property values in the community at large that results from having such a thriving business district nearby.

I would be remiss if I didn't mention the counterargument to all of this. The counterargument is that TIFs create an artificially low tax burden for these businesses, and that they will simply pack up and move away if the TIF ever actually goes away. As the argument goes, the City is thereby coerced into extending the TIF district forever and never actually sees the long-term tax benefit from these businesses. While this is something that happens, it doesn't happen in places where the business corridor is truly revitalized and strengthened. In such cases, businesses typically choose to stay because, even with the greater tax burden after the expiration of the TIF, profits are strong enough to justify continued operations. If consumer traffic increases dramatically throughout the revitalized TIF district, which is the intent, then businesses will be clamoring to fill any potential vacancies even without the TIF in place.

The implications of extending this TIF district for the library are minimal. If this TIF is extended, there will be no change from the tax base that we have seen over the past 12 years. Our levy will be unchanged and perhaps strengthened as more of those properties continue to be developed.

On the other hand, if this TIF is not extended we will also likely not see any meaningful change to our levy. Property taxes for those parcels will go up, but because of the nature of our levy being combined with the City's, most of those additional taxes will be absorbed by the City's portion of the levy and would not reach us. Also, City Hall will be unhappy with us for not having supported this project that they see as essential to the continued development of local businesses. I believe that the Mayor and City Council have done the research to determine whether or not this is a good move for the City. They also don't want to needlessly turn down tax dollars if they don't have to. But they have made the determination that this will be a good long-term move for the entire City.

Speaking for myself now, I have seen significant revitalization of the College Drive and Harlem Avenue area in my years here. Undeveloped properties have been developed. Older properties have been renovated. But there is still more work to be done to fill out a few vacant storefronts and develop on empty lots. I strongly suspect that this extension is going to be a good long-term move for the City of Palos Heights as I think it has been for the past 12 years.

Recommendation: I recommend that you approve issuing an official letter in support of the City extending the Gateway TIF District.

Item 4: VHS Conversion Policy

For a number of years now, the library has offered a free service of converting people's old VHS tapes to DVD or other digital media, and we get a steady flow of these requests throughout the year. It's been a while since we last looked at this policy, and Lorena has brought a few desired edits to my attention. The changes are minor and reflect that most of those requests now come in the form of copying VHS over to portable digital media (flash drives) rather than burning them to DVDs. DVD technology is getting more difficult to procure, and we would like that to be reflected in the policy. We also want to remove language about specific pricing of blank media as well as their capacities as those things change over time. Our intention is to always sell those items at cost and not to generate profit but simply to make the library whole.

Recommendation: I recommend that you approve revisions to the VHS Conversion Policy.

Item 5: Use of Personal Vehicles Policy

Some libraries have delivery vans for doing home deliveries or a library vehicle for staff to use in getting around to professional functions. We rely on staff to use their personal vehicles to do these things, thus the need for this policy.

In reviewing this policy, I'm proposing changes to section 4.2 such that it reflects the necessity of having a valid driver's license and insurance in order to drive while conducting library business. The previous wording of the policy made it seem like an employee could use their personal vehicle for work without providing this information, they just wouldn't be compensated for that use. In reality, the issue isn't about being eligible for reimbursement but about the library knowing that they are properly licensed and insured if they are going to be on the road in the performance of their duties to the library. It is required by our corporate insurance carriers, and it has indeed been our practice. I just think it's a good idea that the policy more clearly match up with that practice.

Recommendation: I recommend that you approve revisions to the Use of Personal Vehicles for Library Business Policy.

Item 6: Non-Resident Card Fee Resolution

As you know, people who don't reside within the Palos Heights city limits aren't entitled to a library card as they don't pay into the tax base that funds the library. We are a bit unusual in that we have two sizeable areas of unincorporated Palos Heights who don't pay taxes to any library. Statute allows us to offer library cards to people who live in unincorporated areas if they pay a non-resident card fee each year. There are two allowable methods for calculating what this fee will be.

The first is the "general mathematical formula." This entails calculating that average cost that each household in Palos Heights pays to the library and charging that amount to any non-resident household that wants to have a card. The advantages of this method are that it's simple and non-intrusive. We do a simple calculation to establish the average cost per household of library services, and we apply that cost identically to every non-resident.

The second method that we can use is the "tax bill formula." This method entails looking at the tax bill of each non-resident who is interested in getting a card and doing a quick calculation to determine how much they would pay to the library if their home were in the city limits. The advantage of this system is that it's fairer to non-residents, charging them exactly what they would actually pay rather than what the average household pays. The disadvantages are that it requires patrons to bring in a current property tax bill each year, which can feel intrusive, and that it's a little bit more work for library staff to do this calculation on a case-by-case basis.

In the past, we used the general mathematical formula. It was simple and straightforward. Everyone paid the same fee. In 2024, we switched to the tax bill method. Feedback that we receive from patrons has been largely positive. It's a bit more invasive but also allows some households to pay a lower amount, reflecting the lower amount that they would pay if they lived within our existing taxing boundary. It's a bit more work for staff, but it also only comes up a few times per year. Beth has mastered the process, and I believe Circulation staff are no longer intimidated by the process. We have had roughly the same number of cards purchased and have lost a few hundred dollars in revenue. But it is also a more equitable process for those patrons willing to pay the fee. My recommendation is that we stay the course.

Recommendation: I recommend that you approve the "tax bill method" in calculating non-resident card fees for the year beginning July 1, 2026.

Respectfully submitted,
Jesse Blazek
Library Director