

Harvey Public Library District
November 19, 2018
Special Board Meeting

President Patterson called the meeting to order at 7:02pm. Recording stopped due to technical difficulties and resumed at 7:16pm.

CALL TO ORDER

ROLL CALL

Members Present: Mauzkie Ervin, Jerlene Harris, William Whitaker, JoAnn Nesbitt and Roberta Patterson

Members Absent: Tamika Price

APPROVAL OF LAST MONTH'S MEETING MINUTES

Treasurer Whitaker interjected a conversation held by Trustee Harris while the recording stopped, asking that we continue with amending minutes of the meeting. President Patterson agreed that topic Trustee Harris wants to cover should be done during the Report of the Interim Director.

Trustee Harris said the Board tabled information concerning the monies paid to Lauterbach & Amen until Attorney Jarad could get back to the Board. Trustee Harris stated Lauterbach was paid over \$7,000 but was not under contract.

President Patterson stated we are on approval of meeting minutes. President Patterson called for a motion to approve September and October meeting minutes.

Trustee Harris mentioned the treasurer was not present, so we did not get a Financial Report from the treasurer. Treasurer Whitaker stated we are discussing meeting minutes. President Patterson asked if Trustee Harris had questions regarding the minutes. After Trustee Harris did not finish her statement, she said she would file FOIA to get information.

President Patterson asked for a motion to approve September and October meeting minutes. Vice President Nesbitt made the motion and was seconded by President Patterson.

Roll Call Vote:

Ayes: Mauzkie Ervin, JoAnn Nesbitt, and Roberta Patterson

Nays: Jerlene Harris

Abstain: William Whitaker

Motion Carried.

APPROVAL OF BILLS AND REVIEW OF ACCOUNTS

Trustee Harris stated the bills were presented incomplete. She stated that she asked for larger print, the print so small that they looked like dots on a page. She also asked for a list of people who receive checks from the District. Trustee Harris said she will file a FOIA for the information. The interim director stated Trustee Harris never asked for a list of staff being paid, she requested a list of the staff currently in the

Harvey Public Library District
November 19, 2018
Special Board Meeting

building. Trustee Harris received the list of employees about two months ago. Trustee Harris interjected that she did ask for payroll checks.

President Patterson called for a motion to approve bills and review of accounts. After a delay, President Patterson made a motion to approve bills and review of accounts and was seconded by Treasurer Whitaker.

Roll Call Vote:

Ayes: Mauzkie Ervin, William Whitaker, JoAnn Nesbitt, and Roberta Patterson

Nays: Jerlene Harris

Motion Carried.

CORRESPONDENCE AND ANNOUNCMENTS

Trustee Harris asked about an event for the homeless, hosted by the President's son. President Patterson stated she made the announcement last week. Trustee Harris if the flyer was announcing a political agenda. Harris stated the library could not be used to advance political agenda. President Patterson asked about other announcements or correspondence.

Trustee Ervin commented on the correspondence, stating the library should be used as a place of solicitation. The flyer appears to announce raising money. President Patterson stated the flyer is asking if people want to donate toiletries or time; Or they can donate money. But it is not a fundraiser.

Trustee Ervin said we have to be careful that this is not fundraising for a campaign. President Patterson reiterated it is not a fundraiser and asked if anyone had other announcement.

REPORT OF TRUSTEES/COMMITTEES

A. Building & Grounds

No Report.

B. Finance

Treasurer Whitaker asked to move to the Report of the Treasurer.

TREASURER REPORT

Illinois Investment Fun

General Fund-Estimated Amount \$173.50

Gift Account-Estimated Amount \$5,701.21

Special Reserve Account \$22.46

First Merchants

Vendor Account \$188,110.76

Expense Account \$6,952.20

Treasurer Whitaker asked to make a comment on his own behalf since Trustee Harris indicted his absence to the Board and residents of the District. He has missed meetings due to travel for work, which is done during the first weeks of each month. He expects travel to die down at the beginning of the year, but he

Harvey Public Library District
November 19, 2018
Special Board Meeting

cannot be indicted for what his wife expects and that is to bring home the bacon. Treasurer Whitaker went on to apologize and appreciates everyone's patience. He said he does review the packets he just does not have the verbal input.

Trustee Harris said that the interim director or president have not heard from you. A report is due by the treasurer, but if you are not here, who is making the treasurer's report? Treasurer Whitaker stated the treasurer's report is presented by the treasurer, it is not prepared by the treasurer. It is prepared by the library director.

C. Planning & Development

No report.

REPORT OF LIBRARY INTERIM DIRECTOR

WHAT IS HAPPENING IN THE LIBRARY

During the month of October, the focus was on staff scheduling. A great deal of the interim director's time was spent in and around Circulation. Due to economic and time constraints, I would like to make the suggestion to provide Board packets via email. Due to limited staff, it would be more time effect. Those unable to accept email are welcome to stop in the library up to 48 hours before the meeting to pick up packets.

The District remains delinquent with a major portion of ComEd, although I continue to work with the utility on the 2017 balance. We are current for 2018. In October, I attended a webinar where I learned about programs to save energy. An appointment was made to have the building assessed by ComEd to learn about decreasing our usage and to decrease the amount we owe each month.

I remain in contact with bond council and general council regarding the repayment agreement presented to the Cook County Clerk. Attorney Glenn Weinstein is available for questions during the meeting. Thank you to Attorney Jarad for making me aware of the levy ordinance which must be filed before the last week of December. I received notification of the Per Capita grant which is due January 15, 2019. I will evaluate information needed to submit the grant prior to January 15.

The audit is moving along. Lauterbach representative is assisting in ensuring the sage database is up to date. Lauterbach will also ensure the District is up to date with payroll completed for previous quarters, so we may submit accurate reports to taxing bodies for employees' payroll.

HPLD is under way with preparations for Breakfast with Santa. As of today, we have already collected \$1,124 in donation money. We are looking for additional monies and donations to make this our biggest event. The date is Saturday, December 15 at 8:00am – 11am. The morning will include tables set for vendors to discuss information and provide giveaways to patrons. The last day to register for Breakfast is December 1. After December 1, patrons may only register for breakfast, not a gift. Food for Fines will run from November 1 – 21st. It is a popular program whereupon patrons can decrease

Harvey Public Library District
November 19, 2018
Special Board Meeting

late fees with food.

Trustee Harris asked the interim director furnish the complete Board a list of all employees and their assigned duties. This was allowed to previous boards. The request was made in previous minutes where Trustee Price asked for a list. Trustee Harris also asked about vendors for Breakfast with Santa. She wanted to know if they are selling items. The interim director stated there will be nothing sold. The vendors are social service agencies, only providing information.

Trustee Harris asked about the webinar, she pointed out that the interim director needs to make information on webinars and conferences available to trustees. Trustees would like to be more knowledgeable in their duties to better serve the community.

Trustee Harris asked about Columbus Day and whether or not employees were paid to work that day. The interim director stated employees did not work that day and were not paid. Only managers came in to prepare the building for insurance evaluation.

Trustee Harris asked for a copy of the analysis letter from the auditor. The interim director stated that the management analysis letter is created after the completion of the audit.

Trustee Harris began to ask about the levy. President Patterson stated the levy will be discussed during New Business.

Treasurer Whitaker asked to repeat the date and time for Breakfast with Santa. The interim director answered, December 15, from 8:00 – 11am. Treasurer Whitaker said he has full confidence in the interim director and the job she has done since June and did not want a copy of the employees' schedules. President Patterson stated she also did not need a copy of the schedules.

OLD BUSINESS

Retention of New Financial Advising Firm (Action Item). Phoebe Shelton from Acacia Financial Advisors was present and available for questions and answers.

Trustee Harris asked if she would advise the entire board of any findings. Ms. Shelton stated her duty in a regulated industry was to serve for the District, not one individual. The auditor will provide letters and assessments. The financial advisors would provide recommendations, but those are not typical services. The advisors would assist in the relationship between the District and bond insurer and/or credit rating agencies, requested to review financial information needed by the District but recommendations would be in form of email, phone call or letter made public to the entire Board.

Trustee Harris asked if the financial advisor would be available to the Board via phone. Ms. Shelton said she has an open door policy and will be happy to answer calls. Typically contact is with the person on staff, executive director or finance director. As long as the questions are within the purview of the Board, and within the budget, she has no problem with calls.

Harvey Public Library District
November 19, 2018
Special Board Meeting

Treasurer Whitaker asked if there is charge for phone calls. Ms. Shelton stated if what is requested of her or the firm is within the District's budget, and if tasked with questions, then she will answer. Treasurer Whitaker followed up, is there a minimum. Ms. Shelton said there is no minimum, not a retainer but on as needed basis.

Trustee Ervin asked about the bond, is there hope for refinancing for lower interest rate. Ms. Shelton explained that under the new tax reform, it took away the ability for units of government to do an advance refunding. With bonds there is a 10-year call date, an early call date would be three years. What it does allow instead of refunding under tax-exempt basis, you could refund on a taxable basis but current economics is not feasible. The District will have to wait for a 10-year call. Once the financial advisors are engaged, we can look at other options to put in place to get out of that high interest rate.

President Patterson stated that there are complaints and a lot of talk about the bond and monies used to get the bond. However, the library got the best deal possible at the time for this area offered for the City of Harvey, at the cheapest rate.

Ms. Shelton said it is understandable to note that and it has been a very difficult market for credits struggling financially. Ms. Shelton added, the District project turned out nice.

Trustee Ervin stated on July 22, an article was written in the South Town mentioning the bond was not bided out; board members handpicked it. President Patterson refuted that statement. Trustee Ervin stated the District paid more for having the bond, it should have been \$30,000 - \$60,000 but we paid \$400,000, in addition to not receiving the best possible rate.

Ms. Shelton commented that typically there are two methods of sell for bonds; each has its time and place in the world of finance. There may have been a competitive sell, which is often for a transaction with a higher credit rating, because it is more appealing for investors that go after competitive sells. A negotiated sell is often a "story credit". There is a bit of a challenge, or need to be day to day and do the bonds at a certain time. Both methods have pros and cons and hard to say if one could have been better. The rate seems high compared to a double A or A credit, but the issue is that it is difficult to look back at a moment in time and say we could've done better. One percent has not been seen in the last several years. The longer term debt means higher percentages.

Trustee Ervin stated he is looking at three to four percent at a B rating, so our rating is not good for an 18 year project.

President Patterson asked for a decision to go with Acacia Financial Group. Trustee Harris asked if there were other choices to consider. President Patterson stated there were no other selections. Trustee Harris asked if a bid was put out to other financial advisors. President Patterson stated the bond council, Glenn Weinstein, general council Dee Jarad looked everywhere for others to express interest.

President Patterson called for a motion to approve Acacia Financial Group. Trustee Ervin made the motion and was seconded by Vice President Nesbitt.

Roll Call Vote:

Ayes: Mauzkie Ervin, William Whitaker, JoAnn Nesbitt, and Roberta Patterson

Nays: Jerlene Harris

Motion Carried.

Harvey Public Library District
November 19, 2018
Special Board Meeting

Repayment Agreement with Cook County Treasurer (Action Item)

Glenn Weinstein, bond council, was called to answer questions about the agreement. Mr. Weinstein provided background information on the need for the agreement. When the tax year 2016 was done; taxes levied in one year is collected in the next year. The first installment based on 55 percent of the tax amount from the prior year. At the beginning of 2017, the District abated because there was a build up of extra money in the escrow fund. The amount of the 2016 taxes collected as part of the first installment was more than the amount of taxes levied after the abatement. The District ended up owing money to the Cook County Treasurer. Bond council helped enter into an agreement with the Treasurer, stating the amount of the deficit would be made over the course of four years and paid from money available after the debt service on the bond. The money would come from the escrow account. The agreement covers the terms of that collection. If the District does not have enough money to make a payment, then the amount could be put into the next year. The agreement also allows payments to be paid sooner. The nice thing is that no interest will be added.

Trustee Harris asked what is owed to the Treasurer. Mr. Weinstein answered the amount is \$252,560.50. The original amount was \$382,475.00, so there has been pay down of the deficit over the past year from surplus money not necessary from debt service.

Trustee Ervin asked the account is set; what is the payment plan? Mr. Weinstein stated principle be paid in four equal installments, no longer than four years.

President Patterson asked if there is four payments over four years. Mr. Weinstein said yes, the payment would be \$63,140.13 each year, due December 1. If it turns out that collections were lower than expected, then what is not available would roll over to the next year. Payment would be made from Regions Bank, via check or Regions would wire the money to the District and the District would pay the Treasurer directly.

Trustee Harris asked what point in time did the District receive over \$200,000 or did it go into the escrow account. Mr. Weinstein stated it more than likely would go into the escrow account. Trustee Harris asked if this is the escrow account to secure the bond payment, now requested to reduce the balance of the escrow account at Regions Bank to pay the bond used to build the addition. Mr. Weinstein stated the escrow account pays for the bond issued to build the library. Trustee Harris asked, now it is up to the Board to reduce the account to pay the county the overpayment. Mr. Weinstein answered, yes, only after the bond debt service is paid for the year. Is that excess money coming from the levy. Mr. Weinstein answered, yes.

President Patterson asked if the Board was voting on repaying the treasurer \$252,000 upon bond council recommendation. Mr. Weinstein said, more specifically, the Board is voting on the approval of the written agreement. President Patterson asked if the general council was aware of the action item to be voted on. Mr. Weinstein stated yes, she received copies of the agreement and was involved with negotiation, and is in agreement with the amount over a four-year period.

Treasurer Whitaker stated back in the summer, it was made known that Cook County would probably not take longer than four years for the repayment. President Patterson agreed.

(Attorney Jarad entered the meeting prior to the Board's adoption of the repayment agreement)

President Patterson called for a motion to adopt the repayment agreement with the cook county treasurer, first payment to be made December 1. Trustee Ervin made the motion and was seconded by Treasurer Whitaker.

Harvey Public Library District
November 19, 2018
Special Board Meeting

Roll Call Vote:

Ayes: Mauzkie Ervin, William Whitaker, JoAnn Nesbitt, and Roberta Patterson

Nays: Jerlene Harris

Motion Carried.

NEW BUSINESS

Ordinance for the Levy and Assessment of Property Taxes for Fiscal Year Commencing July 1, 2018, ending June 30, 2019. (Action Item)

After no questions were raised, President Patterson called for a motion to adopt the ordinance for the levy and assessment of property taxes commencing July 1, 2018, ending June 30, 2019. Treasurer Whitaker made the motion and was seconded by Trustee Ervin.

Roll Call Vote:

Ayes: Mauzkie Ervin, William Whitaker, JoAnn Nesbitt, and Roberta Patterson

Nays: Jerlene Harris

Motion Carried.

AUDIENCE PARTICIPATION (Remarks Limited to 3 Minutes)

A patron asked for clarification on the statement made by the interim director about the District being behind on 2017 ComEd bill, but current for 2018. The interim director explained that since June we've made payments with the vendors. ComEd has been working with the District through different programs to assist us in getting back and keep services on. There is a \$40,000 balance from 2017. There is no way for the District to catch up with that bill and remain in operation.

Trustee Ervin stated ComEd did not want to see the library closed. Without the library, there would be no programs, no computer use, and no free lunches. The residents have invested money into the library, we still have to move on and keep the library going. President Patterson stated ComEd will allow residents to make payments arrangements and keep the utility going.

Another patron asked about the change in hours. When will the hours change to be beneficial for more patrons. President Patterson stated we made changes in order to keep the library operating. We have to work on funds; we constantly assessing wages, hours in order to manage the debt in the library.

Ms. Seay asked about the treasurer's report, if he does not prepare it then he really does not know how much is available. President Patterson answered every library director prepares the treasurer's report. Treasurer Whitaker stated the director who provides me with information runs the day-to-day operation. If I have questions about the report then I will go to the director. If the District is not collecting money,

Harvey Public Library District
November 19, 2018
Special Board Meeting

then we have to operate with less than what is appropriated. What happens is you operate with a library with fewer staff and fewer programs. Treasurer Whitaker added, what we're hoping for economic development boosted in the city. Development helps all the entities in the city.

Ms. Donahue said she does not understand why outside groups cannot hold forums in the library; like what is done in Park Forest, Matteson, Crete. Why are organizations curtailed holding open forums, dealing with non-partisan political issues. President Patterson apologized and stated the Board may need to revisit the policy because she didn't see why forums could not be held. President Patterson agreed there should be freedom of information.

Trustee Ervin stated there should be meetings held if they are non-partisan. President Patterson welcomed Ms. Donahue to come back and sign up for a room. She added that the library is the hub of the city where you can meet and have forums. We had a forum for Thornton High School and community members. If you are turned down, then get in touch with a trustee. President Patterson stated that according to the library attorney, the policy is written that you should be able to have meeting or forums. We do not know why you were denied. If you are denied, get in touch with Antonia. The policy also provides for an appeal process.

Mr. Mahone stated the forms would not be available because they are political. However, he would stop in the library tomorrow to sign up for a room.

One patron was concerned about the library finances and wondered if the library was in danger of closing. President Patterson stated with the changes made, it may take a while, but we will not close.

ADJOURNMENT

President Patterson made a motion to adjourn the meeting and was seconded by Trustee Ervin.

Roll Call Vote:

Ayes: Mauzkie Ervin, Jerlene Harris, William Whitaker, JoAnn Nesbitt, and Roberta Patterson
Nays:

Meeting Adjourned at 8:41pm.