Evanston Public Library Board of Trustees Meeting

Wednesday, September 15, 2010
7:30 p.m. Main Library Community Room

Members Present: Diane Allen-Jacobi, Sharon Arceneaux, Gail Bush, Dona Gerson, Mildred Harris, Lynette Murphy, Susan Newman, and Christopher Stewart.

Members Absent: Susan Stone

Staff Present: Mary Johns, Library Director and Paul Gottschalk, Administrative Services Manager.

Guests Present: Numerous members of the community and the press. Alderman Judy Fiske was in attendance.

Call to Order

Board President Christopher Stewart called the meeting to order at 7:37 p.m. President Stewart advised the Board and general public that due to increasing interest in the Library Board meetings, future meetings of the Board will be held in the first floor Community Room of the Main Library.

President Stewart welcomed the two new Library Board Trustees: Mildred S. Harris and Sharon Arceneaux.

Approval of Minutes

President Stewart asked for approval of minutes for four recent meetings:

Library Board meeting of July 27, 2010—Trustee Newman moved to approve and Trustee Murphy seconded. Minutes were unanimously approved as written on a voice vote.

Library Board meeting of August 4, 2010—Trustee Gerson requested that the 3rd paragraph under heading, Discussion of Library Fund funding model, be amended to include the fact that President Stewart ruled that a previous motion made that evening by Trustee Bush took precedence over Trustee Gerson’s motion.

The minutes of the August 4, 2010 Library Board meeting are, therefore, amended to read:

Trustee Dona Gerson offered a substitute motion to adopt the Library Funding Model for fiscal year 2012. There was no second. Further, President Stewart ruled that the earlier motion of Trustee Gail Bush had precedence.

Minutes of the August 4, 2010 meeting were approved, as amended, under a motion by Trustee Newman and a second by Trustee Bush and a unanimous voice vote.
Minutes from the Public Forum of August 28, 2010 were approved by a motion from Trustee Gerson, a second by President Stewart and a unanimous voice vote.

Minutes from the Public Forum of September 1, 2010 were approved by a motion from Trustee Bush and a second from Trustee Newman. Board approved minutes by a unanimous voice vote.

**Citizen Comment**

Michael Vasilko advised that he was lowering his rhetoric and apologized for his vehement objection to the Board's vote to move to the Library Fund model. He indicated that this change of attitude was based upon seeing Trustee Allen-Jacobi’s participation in the first of the City's Budget Workshops held on September 14th. Mr. Vasilko was gratified to see that the Board was concerned about increasing costs and concerns about increasing taxes. Mr. Vasilko expressed his objection to any new property tax increases until the City’s Economic Development Plan identified other sources of revenue for the City. Mr. Vasilko provided each Board Trustee with a comprehensive packet outlining a proposed Evanston Fine Arts and Performing Arts District.

Jim Hughes of Evanston Public Library Friends gave a power point presentation providing extensive data from 2000-2010 on the use of the Evanston Library system at all locations. The data shows circulation growth of 14% during that period with most of the growth occurring during 2008-10, growth reminiscent of similar increased library use during the depression years of the 1930s. Data shows the Main Library delivers 77-83% of services and branches provide 17-23% of current demand. Branches are, however, the fastest growing part of the system during 2007-2010. Branch operation accounts for 9.5% of current library budget. Mr. Hughes suggests that closing Branch locations will cause a significant drop in total library usage, decreased sales revenues along Central Street and Main Street corridors, and will increase cost of usage for patrons by requiring increased use of paid parking, CTA fares or cab fares in order to access the Main Library location.

Larry Lundy spoke of his support of the South Branch library location. His children are home schooled and he makes great use of the location. He also applauded the Reading Stop established for the summer season at the Dempster/Dodge shopping area. Mr. Lundy feels that the West side of Evanston is underserved by the library system. He commented that people from Park School located near the South Branch are limited in their mobility and rely on the South Branch as a location for a reading program. He supports a new location for the South Branch and some alternatives for library access on the west side of Evanston.

**Old Business**

**Evanston Public Library Friends Report**

Michael Tannen, member of the Board of Directors of the Friends, saluted the Library Board for invoking the Library Fund funding model in its vote taken on August 4, 2010. He hoped that the Board is moved by the 3,000-member household ranks of the Friends and by the spontaneous support shown by some of those household members at the
City Council meeting of September 13, 2010. He emphasized that the Friends supporters at that Council meeting were motivated to appear by an e-mail reminder of the Council meeting. Mr. Tannen noted that two of Evanston’s newspapers support the action taken by the Board to move to a Library Fund status in exercise of the Board’s rights under State legislation. Mr. Tannen reminded the Board that exercising its rights is part of being a democracy and that various divisions of government must respect one another. Based on research done by the Friends, the organization feels that the state statute means what it says. The Board, having passed a resolution to embrace Library Fund status under the law, reserves the right to set a library tax levy and to control the library budget.

Mr. Tannen says that the Friends believe the Board is dealing from a position of strength and that the Friends are ready to support holistic planning for library services in the City. The Friends believe there is tremendous funding in the form of grants available for outreach to children, and that they stand ready to pursue some of that funding. Mr. Tannen reminded the Board that the Illinois Library Statute requires the Board to provide the greatest benefits to the greatest part of the community.

Lori Keenan, member of the Board of Directors of the Friends and member of the Sustainable Funding taskforce, introduced herself as a mother, small business owner and 12-year resident of Evanston. She handed each Board member a packet comprised of news articles, letters, and messages expressing support for the better funding of Evanston’s library system and maintenance of the branch locations. Some included expressions of interest in partnering with the Library in outreach programs.

Ms. Keenan pointed out the success of volunteer organizations in raising money for libraries. A volunteer group in Princeton, New Jersey was just honored on a national level with the Dale Carnegie Learning Financial Development Award for financial development to secure new funding sources for a public or academic library. Ms. Keenan pointed out that Evanston’s Friends raised twice the amount of money that the Princeton group did and in a fraction of the time. She reiterated what Mr. Tannen said about abundant funding being available through grants. She indicated that the Friends are ready to find new ways to fund programs. Having raised $200,000 since March, 2010, she feels the Friends are a force, and that they feel invigorated. They have 12-15 grant writers in their ranks and with the help of Library staff they are certain they can find significant additional funding outside of increased taxes.

Mr. Keenan said that a vast majority of the Friends are branch supporters. The Friends organization is made up of 3,000 member families representing over 6,000 people. She fears that if the branches are closed, then the momentum of the Friends may come to a halt. She assured the Board that this was not a threat but rather a natural outcome.

President Stewart thanked the Friends for their report and assured them that their interaction with the community and their engagement on library issues was unprecedented in recent years and has resulted in healthy public dialogue about library services. He assured the Friends that the Board greatly appreciates their efforts and does not want this cooperation to falter.
Discussion of EPL Fiscal Year 2011 Budget Scenarios

President Stewart then introduced Paul Gottschalk, Administrative Services Manager, who presented several proposed budget scenarios for FY2011 as requested by the Board at the August 4, 2010 Board meeting.

Mr. Gottschalk gave a presentation beginning with an overview of the City’s budget process and timeline for developing a balanced budget. City’s effort began in mid-summer. Each City department was required to submit a first draft of its FY 2011 budget by August 8, 2010. The first citizen forum inviting comments from the community on issues, ways to cut costs, and ways to increase revenue was held on September 14th. There is a similar citizen forum scheduled for September 29, 2010. The City Council meeting scheduled for September 20, 2010 will focus on a mid-year review of the current budget and on factors affecting the City’s budgets in FY 2011. The City Manager will present a balanced budget for 2011 to the City Council by October 8, 2010. The City Manager will hold public hearings on the budget process and plans to adopt a final balanced budget on November 22, 2010, in order to send Evanston’s tax levy to Cook County by December 15, 2010. Because the City is transitioning to a new fiscal year for 2012, based on the calendar year, budgeting for 2011 reflects a shortened budget cycle, March 1, 2011 through December 31, 2011.

Mr. Gottschalk indicated that the City originally gave direction that budgets from departments should remain flat in non-personnel areas. The budget scenario that the Library submitted on August 8th reflects maintaining the two branch libraries for the full 10-month FY2011, at current staffing levels. Subsequent to its original direction, the City has requested proposals from each department for a 5% budget reduction due to a significant financial gap.

Key factors in considering FY 2011 budget options below:

The transition year to calendar year makes 2011 a 10-month fiscal year, March 1-December 31. Therefore, all comparisons of FY 10-11 to FY 2011 are pro-rated for 10 months (83% of a full year).

FY10-11 funded the Branches for only six months of operations.

Staff cost increases: wages will go up 2% on March 1st and another 1% on June 1, 2011 for union employees; Medical insurance and Illinois Municipal Retirement Fund (IMRF) pension costs up higher than 10% over FY10-11 due to miscalculations of projections for FY10-11. Overall $276,243 projected increase in staff costs for FY 2011.

Mr. Gottschalk then presented the three budget options requested by the Board:

Option A—this is the budget submitted to the City on August 6, 2010:

- 10-month budget
- Two branches on current schedules
- Collection budget at same level as FY 10-11
• $311,909 budget increase (8.9%) and $337,993 Library tax levy increase (10.8%)

Option B
• 10-month budget
• Two branches on current schedules
• Collection budget at FY 09-10 level (represents $101,667 increase over FY 10-11 level)
• $413,577 budget increase (11.8%) and $439,661 Library tax levy increase (14.0%)

Option C
• 10-month branch
• Two branches at full FY09-10 schedule
• Collection budget at FY09-10 level
• $460,222 budget increase (13.1%) and $486,306 Library tax levy increase (15.5%)

Mr. Gottschalk also presented an Option D scenario:
• 10-month budget
• No increase in Library property tax levy—Requires reduction of $337,993 from Option A

Mr. Gottschalk then addressed possible ways to reach Option D reductions given that 79% of the library budget is for salaries and benefits:
• Review Option A collection budget of $382,583
• Review Option A branch budget of $279,876
• Open Main Library at 10 a.m. Monday-Friday $40,500
• Administrative re-organization $37,500

Questions from Board members covered several areas:

What about potential charge backs to Library for city services not currently budgeted?
The City currently has $27.9 million in inter-fund transfers among various funds. Over the coming year, the City plans to take a closer look at charge backs to various funds and departments, including the Library. There is no way to know presently what those charges may be.

Is there any way to increase library’s non-tax revenue?
Fines and fees. Staff has reviewed each possible revenue source for adjustment. Most are as high as, or higher, than comparable libraries. Non-tax revenues are projected to be down $26,000 for FY 2011 based on current revenue experience.

State Per Capita Grant. This amount is projected to be $62,833 for FY 2011. However, the State has not paid for the FY10-11 grant yet and the uncertain fiscal situation for the State is likely to affect the Per Capita Grant.

Has Library taken a disproportionate hit on headcount reduction?

The Library has reduced full time equivalents by 10.37 in FY10-11. Costs for our existing employees are going up. Salaries, an additional paid day, medical insurance and pension contributions are all up and the Library does not control these costs. Only staff reductions can offset increases. Further headcount cuts will leave holes in staffing and outreach efforts. Branch staff cost projections for FY 2011 is $276,343, up 10% over FY 09-10. Some staff reductions can be ameliorated by new technology. Radio Frequency Identification of materials would streamline book handling process, but the technology costs roughly $500,000, a capital expenditure that is not in the City’s Capital Improvement Plan.

Trustee Allen-Jacobi made the following motion: Move that the Board’s guideline for the budget we adopt for Fiscal Year 2011 be that we not increase the Library’s tax levy portion of property taxes over the Fiscal Year 2010-11 level as pro-rated on a 10-month basis excepting only increases in personnel costs related to salaries and benefits including those provided for under union agreements. Seconded by Trustee Gerson.

President Stewart advised that the motion was not on the meeting agenda, but that that did not preclude a vote.

A roll call vote was taken: Trustee Allen-Jacobi, yes; Trustee Arceneaux, yes; Trustee, Bush, no; Trustee Gerson, yes; Trustee Harris, yes; Trustee Murphy, yes; Trustee Newman, no; Trustee Stewart, no. The motion carried on a 5 to 3 vote.

President’s Report

President Stewart remarked that it has been a very busy time since the August 4, 2010 board meeting when the Board voted to adopt the Library Fund model. There has been another Board Meeting, two public forums, City council meetings as well as discussions with City personnel, library personnel and community members on the implications of the Board’s decision. President Stewart emphasized that the transition is a process that affects the City, the Board and the community and will be pursued on in an orderly manner.

Financial Report
Paul Gottschalk said that in the interests of time he had no further report other than what is provided in the Board packet and that we are five and a half months into the current fiscal year and have expended approximately 41% of the budget.

**Director’s Report**

Library Director Mary Johns referred to the report given in the Board packet. She applauded the success of the summer reading program. She reminded the audience that September is National Library Card Sign Up month.

Trustee Gerson asked about the success of the Dempster-Dodge Reading Stop and the cost of that outreach effort. Director Johns said that the response was somewhat slow, but there was a week when 156 Kindercare children visited. The station was sponsored by a Board allocation from the endowment in the amount of $10,000 and a generous gift of $2,000.

**New Business**

Library staff has looked at levels of use and recommends that the modified hours for opening the Loft should be continued.

Trustee Gerson moved that the hours of opening for the Loft be 11:00 a.m. pursuant to Staff recommendation. Trustee Newman seconded the motion. A voice vote of the Trustees unanimously passed the motion.

Trustee Bush encouraged other trustees to attend sessions at the Illinois Library Association Conference being held at Navy Pier September 28 through the 30th. Evanston Library staff members will be part of a presentation discussing partnerships in the community.

President Christopher Stewart opened a discussion of a proposed Ordinance 66-0-10, Amending Title 7, Chapter 14 of the City Code regarding the Library Budget which ordinance was proposed for consideration to the City Council on September 9, 2010. Pursuant to the ordinance, the Mayor instructed the Council that “the intent of this ordinance would be to establish a fixed amount for the annual library budget. First, the ordinance seeks to lock in a guaranteed minimum funding level by providing that the funding for the City of Evanston Public Library could not decrease below the level of funding in the FY 2010-2011 budget. The library budget would be fixed to any increase in the City General Fund budget, and any increase in the overall budget would result in a required corresponding percentage increase in the funds allocable to the library.”

President Stewart read the ordinance in its entirety. Discussion followed.

Trustee Newman asked if the proposed ordinance conflicted with the vote that the Board took on August 4 to move to a Library Fund model for funding.

Trustee Murphy asked if the City ordinance would supercede state legislation.

Trustee Bush responded that the Board implemented the Library Fund model in its vote on August 4 which reflects the Board’s rights under state library law. Trustee Bush
interprets the purpose of the proposed ordinance as a means to establish a baseline below which the library budget cannot fall. She went on to point out that under the State library statute for Library Fund, the Board has the right to set its own budget. Trustee Allen said she finds the proposed ordinance unacceptable. Trustee Newman agreed saying we don’t know what may happen to the General Fund.

President Stewart says the proposed ordinance links to the library budget to the General Fund. He appreciates the spirit of the proposed ordinance, but it is very different from the state statute and the responsibility of the Library Board. President Stewart believes the path the Board took to implement the Library Fund model is appropriate and that the proposed ordinance does not take into account the chronic underfunding to the Library.

Trustee Murphy asked what would happen if the City votes to pass the ordinance? Various Trustees acknowledged that the answer is not known.

Trustee Gerson indicated that the Board needs to recognize the City’s timeline for budgets from all departments and that the Board can then participate with City in discussion of that proposed budget.

President Stewart acknowledged the need to act so that the Board can present its proposed budget prior to the City’s deadline for presenting its first pass at a balanced city budget on October 8th. Budget discussion will be on the agenda for the next regularly scheduled Library Board meeting on September 22, 2010. Anticipating significant discussion on the budget issues, President Stewart set the time for the meeting for 6:30 p.m. A special meeting of the Board was scheduled for October 4th at which meeting the Board intends to vote on its budget for fiscal year 2011.

Trustee Newman moved to adjourn the meeting. Trustee Gerson seconded the motion. The Board unanimously voted to adjourn the meeting at 10:10 p.m.

Respectfully submitted,

Diane Allen-Jacobi
Secretary
Evanston Library Board