

Special Board Meeting
Thursday March 3, 2016 6:30PM
MINUTES

1. CALL TO ORDER

The special meeting of the Board of Library Trustees of the Lincolnwood Public Library District was called to order by President Beard at 6:34PM on March 3, 2016 in the library's Roehri Room.

2. ROLL CALL

Trustees Present: Beard, George, Gimbel, Martel, Poulosom, Stavinoga

Trustees Absent: Berger

Staff Present: Bochenski, Inman, Keegan, Hunt, Skrzypinski

Visitors Present: Douglas Lim, Wally Hadel, Dan Pohrte, Alex Krug, Tiffany Nash, Adrienne Booker, John Miller, Lydia Cohan, Doris Guthman

3. AUDIENCE TO VISITORS

No visitors spoke.

4. RENOVATION PROJECT

Doug Lim and Wally Hadel from Gilbane reviewed the re-bid process and results. Overall the re-bid results were on target with the budget. Mr. Hadel reported that during the scope reviews an error was found in the painting bid, the contractor added the final costs incorrectly, which resulted in the base bid amount being \$4,000 under the correct amount. Mr. Lim explained that even with the error the contractor is still the low bidder by \$19,058. The recommendation letter was revised to correct the error.

Trustees discussed the total project budget and reviewed several options that would affect the cost. These options were listed as alternates in the re-bid packages. The two primary alternates discussed were the reduction of the adult reading box, and the substitution of the movable glass walls surrounding the youth program room. The Board discussed the pros and cons of each option at length, taking into account the impact each option would have on the budget, as well as the impact on the functionality and design of the library, and usage by the community. The majority of the Board was generally in favor of keeping the full adult reading box and movable glass walls for the youth program room.

During the discussion the Board considered the likelihood of needing to spend the entire contingency, and agreed that if the full contingency was not expended then the project could still come in on budget, even if both options were selected. Trustees discussed the primary types of change orders (unforeseen conditions, designer error, owner initiated) and preliminarily discussed the type of approval needed for each type during the project. Trustees talked about scheduling Finance & Facility Committee (or Special Board) meetings for alternate weeks to approve change orders over a certain dollar amount. Scheduling the meetings and setting approval limits will appear on the March 17 Board agenda.

Trustee Poulosom moved and Trustee George seconded to **APPROVE AND AWARD THE BASE BIDS AND ALTERNATES BP-32A-01 AND BP-32A-02 AS PRESENTED IN THE MARCH 3, 2016 RECOMMENDATION LETTER FROM GILBANE.** (The recommendation letter will be appended to these minutes.)

Ayes: Beard, George, Gimbel, Martel, Poulosom, Stavinoga Nays: none Abstain: none Absent: Berger

Trustee Stavinoga moved and Trustee Poulos seconded to **APPROVE AND AWARD THE FURNITURE QUOTES AND BID AS PRESENTED IN THE BOARD PACKET.** (The recommendation list will be appended to these minutes.)

Ayes: Beard, George, Gimbel, Martel, Poulos, Stavinoga Nays: none Abstain: none Absent: Berger

5. RENOVATION FINANCING

Adrienne Booker and John Miller from Ehlers Inc. reviewed the financing timeline as included in the Board packet. Adrienne explained the need for the Board to approve a Debt Management Policy, and Director Bochenski handed out a draft of the policy. The purpose of the policy is to set guidelines for the library in times that the library is carrying any debt. One item, the target level of operating reserve, is currently included in the library's existing Fiscal Accountability Policy. However, there is no specific target amount set, it currently says that the Board will review all fund balances each year during the budget review. Director Bochenski asked the Board to review the draft policy in advance of the March 17 Board meeting. Approval of the Debt Management Policy and revision of the pertinent section of the Fiscal Accountability Policy will be on the agenda for the March 17 Board meeting.

Ms. Booker reported that the library's bond counsel will draft the debt certificate ordinance that will need to be approved at the March 17 Board meeting. This ordinance sets certain parameters for the public sale, including the amount to be borrowed, repayment amounts, repayment timeframe, interest rates, and expiration. Ms. Booker explained that the amount to be borrowed will be represented as a "not to exceed" number, which will allow a small amount of leeway to accommodate any variations during the public sale process. Once the ordinance is approved, and after the competitive bids have been received, the debt certificates will be awarded to the underwriter with the best (lowest interest rate) bid.

Ms. Booker explained that while the debt certificates would not have a pre-payment option, the Board could include an eight-year call on the debt. This would allow the library to re-finance after eight years if interest rates were lower. The Board agreed that the eight-year call was a desirable option.

The Board discussed at length the amount to be borrowed, including how the operating budget and operating reserve would be affected, library expenditures, current interest rates, and fund balances. Trustees talked about what the library's target operating reserve should be, and understood that for the first few years of the debt the reserve would be approximately six months. Throughout the life of the debt that reserve could potentially increase, depending on how much the Board chooses to transfer to the Special Reserve Fund at the close of each fiscal year.

Trustee Stavinoga said that she had misunderstood the motion to approve the base bids and alternates that occurred earlier in the meeting, and stated for the record that she supported bringing the project in on budget with no increases.

During the discussion several borrowing amounts were considered and debated, from \$2,350,000 to \$2,550,000. Trustees Beard asked each Trustee if they were comfortable with preliminarily approving a borrowing limit of \$2,500,000, and each agreed. The final, formal vote will be taken at the March 17 Board meeting when the Board approves the debt certificate ordinance.

BOARD OF TRUSTEES
LINCOLNWOOD PUBLIC LIBRARY DISTRICT
4000 W Pratt Ave • Lincolnwood • Illinois 60712

6. CLOSED SESSION

The closed session to conduct the library director's evaluation was not held due to time constraints. The evaluation will be held at the March 17 regular Board meeting in closed session.

7. SCHEDULE OF UPCOMING BOARD AND COMMITTEE MEETINGS

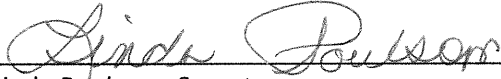
The following meetings were scheduled or confirmed:

- Regular Board Meeting: Thursday March 17, 2016

8. ADJOURNMENT

Trustee Martel moved and Trustee George seconded that **THE MEETING BE ADJOURNED AT 9:24PM.**

Voice vote carried.



Linda Poulsom, Secretary