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Oak Brook could privatize library as a 'last resort'

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Other cuts on horizon in Oak Brook

Oak Brook is looking to get out of the catering business and make some money.

The village is reviewing bids from two caterers - Calihan Catering and Backyard Grill, both of Chicago - to run the clubhouse banquet facility of Oak Brook Bath & Tennis Club, used for weddings, parties and civic events. The clubhouse is expected to lose \$116,805 in 2009, although that's actually better than it did in some previous years, Village Manager David Niemeyer said.

"We just aren't experts at the restaurant business," he said.

The village would get a cut of the catering firm's profit, "turning a losing enterprise into a moneymaking enterprise," Niemeyer said.

Niemeyer said he expects that a recommendation on which firm to hire will be made at the July 14 board of trustees meeting.

The village board has directed Niemeyer to look for up to \$1.5 million in budget cuts to offset a decline in sales tax revenue due to the slumping economy. This is on top of \$1.3 million in cutbacks made earlier this year, primarily through freezing positions in village departments.

Trustees "are concerned some of the cuts are not sustainable and asked (staff) to go back and find further cuts," Niemeyer said.

Niemeyer said he is working on recommendations now and expects discussion at the July 14 meeting.

Unlike most suburbs, Oak Brook does not collect property taxes for village services, but instead relies on sales taxes to support its general fund. Sales tax is expected to be down \$650,000 by the end of 2009. Revenue from state income tax and interest is also down, Niemeyer said.

Faced with declining sales tax revenue, the village of Oak Brook is considering a radical step to save money: Privatizing its public library.

Village trustees are looking at several options to cut \$300,000 - more than 20 percent - from the library's nearly \$1.4 million annual budget.

One possibility, which officials say would be a last resort, is to turn the library over to a for-profit company that can run it more inexpensively.

"The odds of outsourcing are low," Trustee Gerald Wolin said. "But it's not out of the question."

And that has library supporters worried.

"Privatizing is a Draconian solution which will destroy the library as a viable community resource," said Barbara Benezra, president of Friends of the Oak Brook Public Library, in a statement to village trustees.

Privatization of public libraries "is still a very rare phenomenon nationwide," said Bob Doyle, executive director of the Illinois Library Association in Chicago. Oak Brook Public Library would join just a dozen or so library systems in Oregon, Texas, Tennessee and California that have been privatized.

Typically, librarians who aren't laid off become employees of the for-profit company, but with reduced salaries and benefits. Outsourcing companies also hire more paraprofessionals to cut costs. And patrons may find they can no longer check out a book at a neighboring library or order several copies for a book group discussion through interlibrary loan.

"There are a lot of negatives," Wolin said.

Oak Brook trustees are looking to make up to \$1.5 million in "sustainable" cutbacks communitywide, Village Manager David Niemeyer said. These are permanent cost reductions, not one-time savings such as employee furlough days adopted in some municipalities.

The board does not want to dip into its \$9 million in cash reserves.

"We have a policy that we should make our best effort to keep six months of reserves in the general fund," Niemeyer said. "That's higher than most towns, but that's because we rely on sales tax."

Earlier this year, Library Director Meg Klinkow-Hartmann put together a proposal for \$97,000 in savings that included cutbacks in library hours, eliminating three part-time positions and cutting back on book purchases.

But after three new trustees were seated in April, the new village board decided cuts needed to be much deeper.

The board last month hired a consultant to study the library's staffing, organization and work flow. Library Associates Companies is conducting on-site interviews at the library this month. A report is expected in mid-August.

The firm already has a contract with the DuPage Library System to provide staffing services and support for its 132 members, including public, academic, school and special libraries in five counties.

The company is involved in partial outsourcing - a library project or a function, such as recruiting - but not running an entire library. A different company - Maryland-based Library Systems and Services - is the leader in contracts to run privatized public libraries.

"We have many outsourcing contracts, but not to take over the entire facility," said Deborah Schwarz, president and CEO of Library Associates, which is based in Los Angeles. The consultant will be looking for efficiencies, but "privatization was not discussed."

"Anytime you have an outside consultant coming to look at things, people get a little nervous," Schwarz added. "We are all librarians ourselves and we have great empathy for the staff."

The American Library Association does not support turning over control of taxpayer-funded library services to an outside, for-profit company.

Public libraries are best staffed by professional librarians who are a part of the community and understand the needs of the people they serve, said Jim Rettig, association president. Oak Brook's library, for example, has an extensive collection of foreign-language materials tailored to its diverse community.

"I want the library to continue to be a viable community asset run by librarians who know us," Benezra said. Programs for senior citizens and children and the Evergreen Concerts all contribute to making the library "the heart and soul of our community."

The Friends board is asking for cutbacks to include temporary cuts in materials and hours of operation, rather than focusing solely on staff for cost savings, and to reinstate the cuts when the economy turns around.

Niemeyer said he has heard "a lot of concern about the outsourcing option," but the board "is just trying to do the fiscally responsible thing and look at all options."