

SHAKER HEIGHTS PUBLIC LIBRARY
Board of Trustees
Regular Meeting
Monday, March 12, 2012

Attendance

Members Present: Ms. Allen, Mr. Anderson, Dr. Hutt, Mr. McGovern, Mr. Miller, Ms. Shatten, Dr. Whyte

Members Absent:

Staff Present: Mr. Dickinson, Ms. Miller, Mr. Piskac, Ms. Switzer

Others: Evelyn Krent, League of Women Voters Representative

Ms. Shatten called the regular meeting of the Shaker Heights Public Library Board of Trustees to order at 6:33 p.m. in the Dietz Community Room.

Approval of Minutes

Ms. Shatten asked for a motion to approve the February 13, 2012 regular meeting minutes.

2012-26 Ms. Allen moved and Mr. Anderson seconded the motion to approve the February 13, 2012 regular meeting minutes as submitted.

Roll Call: Ayes: Ms. Allen, Mr. Anderson, Dr. Hutt, Mr. McGovern, Mr. Miller, Ms. Shatten, Dr. Whyte

Nays: None. Motion carried.

President's Report

A. Trustee Recognition

Ms. Shatten read a Resolution of Commendation for Dr. Whyte's service to the Library Board for the years 2005-2012.

Ms. Shatten requested a motion to approve the Resolution of Commendation for Dr. Whyte.

2012-27 Mr. Miller moved and Dr. Hutt seconded the motion to approve the Resolution of Commendation for Dr. Whyte as submitted.

Roll Call: Ayes: Ms. Allen, Mr. Anderson, Dr. Hutt, Mr. McGovern, Mr. Miller, Ms. Shatten

Abstention: Dr. Whyte

Nays: None. Motion carried.

B. Trustee Search Update

Ms. Shatten asked Mr. McGovern for an update on the Dr. Whyte's replacement. Mr. McGovern said the search committee interviewed five of the fifteen applicants and the selected candidate will be recommended to the School Board for approval tomorrow.

C. Trustee Activities

Ms. Shatten reminded Trustees about the opportunity to attend the annual OLC Trustee Dinner. Mr. Dickinson said the New Trustee workshop was being offered on April 21 in Delaware County and may be an opportunity for the new trustee. He also said the Cleveland Heights-University Heights Public Library Board is hosting an informal collaborative session with our Board on Thursday, May 3 at the Lee Road Branch.

Fiscal Officer's Report

A. Financial Statements

Mr. Piskac reviewed the February 2012 revenue and expenditure financial statements and reported the following:

Revenue Summary

- Year-to-date revenue was \$1,597,249.95, which is \$63,789.97 less than 2011.
- Major revenue differences include PLF \$13,070.56, Real Estate Advance \$32,000
- The Library received a \$991,000 Real Estate Advance in February
- Meeting room revenue was \$3,691.15, which is \$1,667.90 more than 2011 due to increased meeting room usage.

Expenditure Summary

- Year-to-date expenditures were \$755,426.27, which is \$22,459.96 less than 2011.
- Major expense differences include Retirement Incentive \$13,243.10, Vacation and Sick Payouts \$11,930.20, Insurance – Other includes \$19,592.87 annual Bureau of Workers' Compensation premium. Printing & Publicity \$9,407.28 and Property Maintenance and Security \$16,803.06. He said after netting out the differences, the overall expenditure level was approximately the same as 2011.

Bank Reports

- Mr. Piskac reported the month-to-date deposits of \$1,144,518.89 were \$763,231.33 more than month-to-date withdrawals of \$381,287.56. He also reported the year-to-date deposits of \$1,597,249.95 were \$841,823.68 greater than year-to-date withdrawals of \$755,426.27. He said the ending cash balance was \$2,379,487.39, which is due to a higher 2012 beginning cash balance and real estate revenue receipts. He also reported the \$300 increase to the Business Office Change Fund is not reflected in the Bank Report because he has to work with CMI to create a new bank account. The Change Fund increase is shown on the monthly PNC Bank reconciliation worksheet as an outstanding item.

Combined Month-to-Date/Year-to-Date Fund Report

- The General Fund had an unexpended balance of \$2,301,025.36, \$834,809.89 in encumbrances, and an unencumbered balance of \$1,466,215.47.

- The Connect Ohio Fund 216 received no reimbursements during February. The Business Office received a reimbursement for \$28.04 for November services in check form earlier this month. He said Connect Ohio enclosed a notice stating that it is upgrading their invoice processing software and will resume electronic ACH payments in March.
- All Library Funds had an unexpended balance of \$2,379,487.39, \$868,202.78 in encumbrances, and an unencumbered balance of \$1,511,284.61.

Investment Report

- The Star Ohio investment balance was \$265,626.66 as of February 29 and the interest rate dropped to 0.03% from 0.04% in January. Since the current PNC Bank interest rate is higher than Star Ohio, he transferred \$2.1 million from Star Ohio to PNC Bank in February.

Mr. Piskac recommended the Board of Trustees approve the February 29, 2012 financial statements as submitted.

2012-28 Dr. Hutt moved and Mr. Miller seconded the motion to accept the February 29, 2012 financial statements as submitted.

Roll Call: Ayes: Ms. Allen, Mr. Anderson, Dr. Hutt, Mr. McGovern, Mr. Miller, Ms. Shatten, Dr. Whyte

Nays: None. Motion carried.

B. 2012 Final Appropriation

Revenue Budget

Mr. Piskac reviewed the General Fund revenue budget and noted the following:

- PLF from the State was estimated at \$1,365,667.22 by the Department of Taxation for calendar year 2012. He said the PLF is estimated to be approximately \$80,426.50 (5.56%) lower than 2011.
- The County Budget Commission estimated real estate property tax to be \$2,754,790.32, which is lower than 2011 actual. He anticipates that the Library will receive at least \$150,000 more than the estimate because the actual collection rate is higher.
- Intergovernmental revenue is \$18,958.18 lower due to the elimination of the Public Utility Reimbursement and CAT funding by the State.
- CEO coin-operated copier revenue was added for 2012 with the new CEO services.
- Interest revenue is expected to increase slightly for 2012 with the higher interest rate offered by PNC Bank.
- The Library's 75th anniversary celebration is expected to receive donations as we approach the April anniversary date.
- Rent from the cellular tower is higher due to the recently signed Sprint contract and the payment of rent from May 2011 in 2012.
- Other refunds and reimbursements is expected to remain about the same for 2012.
- CEO Services of \$9,000 is an estimate of new business services, which includes laminating, large copy jobs, folding, printing, rental of work space and fax service. Advance-In is the return of a 2011 and 2012 advance to the MyCom grant.
- Total current year operating revenue is \$4,820,457.54 and total available funds are \$6,274,109.10.

Mr. Piskac reviewed the Special Revenue funds and noted the following.

- Marilyn Kammer Fund (209) is used for the purchase of popular fiction and nonfiction.
- Friends of Shaker Library Fund (211) is anticipating \$36,000 in donations.
- MyCom grant (212) is expected to receipt approximately \$11,200 for the current Homework Helper program. A \$7,200 advance is required for the fund due to the extended lag time in monthly program reimbursements and is part of the final appropriation approval process.
- The Connect Ohio ECO grant (215) is able to receipt up to \$7,599.97 in billable reimbursements for the Connect Ohio training program. The Library does not anticipate reaching this reimbursement level due to the decline in participation in the Connect Ohio computer and Internet training program.
- Total current year Special Revenue funding is estimated at \$67,495.79 and total available funds is \$163,772.18.

Mr. Piskac reported total available estimated funds for 2012 is \$6,437,881.28.

State Revenue Schedule

Mr. Piskac compared Library sources of State revenue funding for 2011 actual and 2012 estimated. He said 2011 PLF is 28.7% and all State revenue sources is 37.8% of the total General Fund revenue. He said the estimated 2012 PLF would drop to approximately 28.4% of total General Fund revenue if no funding changes were made by the State and the Library did not receive the additional real estate revenue as previously noted. He said the State revenue as a percentage of total General Fund revenue for 2011 and 2012 is almost the same for both years.

Appropriations

Mr. Piskac reviewed the General Fund appropriation budget and noted the following:

- Salaries include the Board approved 3% midpoint raise for all employees. Open positions to be filled this year include: 1 Main Library full-time Senior Account Clerk, 2 Bertram Woods half-time Circulation Assistants, 1 Main Library half-time CEO Assistant, 1 Main Library half-time Library Assistant, 1 Bertram Woods part-time Page, 1 Main Library part-time Page, 2 Main Library half-time Adult Services Associates, 1 Main Library half-time Young Adult Associate, 1 Main Library half-time Children's Associate, 2 Main Library half-time Custodians and 1 Main Library half-time Maintenance Specialist. The IT Manager position is not included and may not be filled.
- There is no retirement incentive benefit for 2012 and vacation and sick payouts are expected to be slightly higher than 2011.
- OPERS is based on 14% of budgeted salaries and wages, not including vacation and sick payouts and Deferred Compensation payouts.
- Health insurance is budgeted for a 16% premium increase based on SEBO's negotiations with Aetna. SEBO anticipates a single digit premium renewal increase. The premium computation is based on 40 participants from April to December 2012.
- Workers' Compensation is expected to be slightly higher than last year and includes a management fee to Frank Gates Avizent for managing our Workers' Compensation account.
- Medicare is based on 1.45% of the total salaries and wages.
- Non-Salary benefits are for the health insurance waiver incentive benefit.
- Administrative Supplies are budgeted higher due to the charging of supplies to the CEO grant.

- Hand tools and minor equipment include replacement vacuum cleaners for the Maintenance Department.
- Building Repairs includes the following projects: \$80,294 in approved carryover projects from 2011, \$5,000 for the continuing lighting project upgrade at Main Library, \$1,844 for a new door and steps for the Main Library roof access, \$61,108 for new carpeting and tiling (in certain areas) at Main Library for Meeting Rooms A, B, E and F, new stair treads and rest platform floorings for the east and west stairwells at Main Library, new elevator tiling at Main Library, up to \$15,000 in staff room renovations at Main Library and Bertram Woods. The Building Repairs account does not include funding for repairing the lower level exterior cement bands on the Main Library south facade. The upper bands were repaired during the renovation.
- The Equipment and Furniture Repair account includes the new HVAC contract and a reserve for unanticipated mechanical equipment breakdowns.
- Grounds and Snow Removal account includes \$2,880 for snow plowing services due to the theft of the library truck.
- Property insurance increased slightly due to the full year cost of insuring the Main Library renovation area.
- Professional Fees – Other includes \$15,000 for professional web design services for the Library's website.
- Temporary Contract Labor is for the option of hiring temporary contract labor for the Business Office.
- Materials budget is \$571,614.00, which is \$53,162.24 (10%) higher than actual materials expenditures for 2011.
- Capital outlays for furniture and equipment include 37 replacement computers, \$8,000 for 3 replacement printers for circulation and the remaining funds for a technology contingency for the year, up to \$2,500 for a new refrigerator in the employee staff room, \$25,000 for self-checkout machines, up to \$40,000 for a new VoIP telephone system for Main and Bertram Woods.
- Staff vending account will increase during the year as vending commission checks are received.
- \$7,200 in advances out is for the MyCom grant.
- No transfers to other funds are expected at this time.
- Total 2012 budgeted General Funds is \$5,249,376.73

Mr. Piskac reviewed the Special Revenue funds and noted the following

- A number of the existing Special Revenue funds are budgeted each year but do not spend all budgetary funds as noted in the prior year actual.
- Bertram Woods has the proceeds of the wooden nickel sales from the 2010 50th Anniversary celebration appropriated to the Reading Garden \$2,390, Books \$126.84, and Branch Operations \$1,091. These amounts will be carried forward until spent.
- The Kammer Fund (209) is being used for best sellers as part of the materials budget.
- The Belman Fund (210) is being used for large print books as part of the materials budget.
- Friends of Shaker Library Fund (211) includes their annual support for various library programs.
- MyCom grant includes budgetary carryover funding from 2011 and a return of advance to the General Fund (\$11,200). Future MyCom grant funding is not known at this time.
- Connect Ohio grant (216) has remaining funding of \$9,909.50 for providing public computer and Internet training. The grant duration is August 1, 2010 to September 30, 2012. The Library does not anticipate fully expending the grant funds due to declining public enrollment for classes.
- Total 2012 budgeted Special Revenue Funds are \$85,666.99

Mr. Piskac said total budgeted funds for the General and Special Revenue funds is \$5,335,043.72.

Mr. Piskac recommended the Board of Trustees approve the 2012 Revenue Budget and Appropriations Budget as submitted. He also recommended the Board of Trustees approve the \$7,200 advance from the General Fund to the MyCom Grant Fund (212).

2012-29 Mr. Anderson moved and Mr. Miller seconded the motion to approve the 2012 Revenue Budget and Appropriations Budget and the \$7,200 advance from the General Fund to the MyCom Grant Fund (212) as submitted.

Roll Call: Ayes: Ms. Allen, Mr. Anderson, Dr. Hutt, Mr. McGovern, Mr. Miller, Ms. Shatten, Dr. Whyte

Nays: None. Motion carried.

C. CEO Cash Register Update

Mr. Piskac reported the cash register was installed on February 20. He distributed a copy of the CEO Cash Register procedures notebook, which clearly shows all steps necessary to perform CEO area transactions. Mr. Piskac also reported that he worked with Mr. Walter Lesch, supervisor of the Computer Center, in training his staff on use of the cash register.

Director's Report

A. Written Report

- Mr. Dickinson provided a brief summary of meetings he attended.
- He attended the annual *A Night for the Red & White* benefit for Shaker Heights City Schools.
- The Friends of the Shaker Library is offering a special Anniversary membership rate of \$7.50 to celebrate the Library's 75th anniversary.
- On Tuesday, March 6, 11 out of 14 Library levy issues on the ballot passed. He said Libraries are increasing their reliance on public support due to the reduction of State funding.
- OPLIN is increasing the Library Internet bandwidth to 50 mbps in the next 30 days
- The Library is working with Beech Brook on the STEPS program grant offered through the Mt. Sinai Health Care Foundation. The grant will enable the County to promote K-4 early literacy education and identify children that need additional help in reading. Main Library will be the location for the program.

B. Strategic Plan Update

Mr. Dickinson asked Ms. Switzer to report on any feedback from the February Strategic Plan presentation. Ms. Switzer said she received positive feedback and has no recommendations for changes to the proposed 2012-2014 Strategic Plan.

Ms. Shatten asked for a motion to approve the 2012-2014 Strategic Plan as presented by the Balanced Scorecard Team at the February Board meeting.

2012-30 Dr. Whyte moved and Mr. McGovern seconded the motion to approve the 2012-2014 Strategic Plan as presented by the Balanced Scorecard Team at the February Board meeting.

Roll Call: Ayes: Ms. Allen, Mr. Anderson, Dr. Hutt, Mr. McGovern, Mr. Miller, Ms. Shatten, Dr. Whyte

Nays: None. Motion carried.

C. Health Insurance Benefits Survey

Mr. Dickinson reported the results of his health insurance benefits survey of area libraries comparing health insurance benefits offered by Shaker Heights Public Library. The survey reveals that the majority of other libraries require employees to pay a portion of the health insurance premium. He said Shaker Heights employees do not pay towards the premium but other factors should be taken into account such as the amount of out-of-pocket costs to employees for services and pay rates. He said the plan design of Shaker Heights requires single coverage health participants to pay the first \$3,000 in charges with \$1,500 of the amount reimbursed by the Library. Under other area library health plans, employees contribute anywhere from \$0-300 towards the deductible. He said Shaker Heights employees pay the most towards their deductible of any area library. He also reviewed the pay rate of Shaker Heights employees in comparison to area libraries and the correlation of pay rate to employee paid premiums. He reported that even though Shaker Heights employees do not pay towards their health insurance premium, the average Shaker Heights librarian salary of \$37,274 is far less than the area library average of \$40,652 after deducting the employee paid portion of the health insurance premium. He also compared a clerk salary after the employee paid their portion of health insurance premium and said the average Shaker Heights clerk salary of \$22,194 is less than the area library average of \$26,818. Since the average library salary is higher than Shaker Heights, the salary gap would increase if a Shaker Heights employee paid a portion of their health insurance premium. Mr. Dickinson also compared the starting rates of a MLS Librarian and Circulation Clerk and noted that the average \$20.09 MLS Librarian rate is higher than the \$17.92 Shaker Heights MLS Librarian starting rate. He also said the \$13.11 average starting Circulation Clerk rate is higher than the \$10.67 rate offered by Shaker Heights. He commented that Cleveland Public Library starts their Circulation Clerks at \$21.02, which is nearly twice the hourly rate of Shaker Heights. In conclusion, after comparing the plan deductible, the rate of pay after the employee paid portion of health insurance premium, overall plan coverage, and the rates of pay, the Shaker Heights Public Library is below average in all categories compared to area libraries.

D. Endowment Fund Update

Mr. Dickinson reviewed a summary report of the Library Endowment Fund since it was created in 2000 by a \$10,000 donation from the Friends of the Shaker Library. He reported the Library Endowment Fund realized a large increase in 2003 from a six-figure bequest. He reviewed the various annual uses of the fund for Library purchases starting in 2007. He explained the Library is permitted to use 6% of the fund balance as of January 1 of each year for operating purposes. As of January 2012, the fund has \$114,876.04 in assets with \$6,893 available for disbursement to the Library.

New Business

A. Personnel Action (information only)

MaryAnn Friedlander, Adult Services Associate, full-time, resigned effective February 9, 2012

Katalin Washington, Senior Account Clerk, full-time, resigned effective February 8, 2012

Community Comments

None

Announcements

None

Adjournment

Since there was no further business, Ms. Shatten moved and Board members unanimously agreed to adjourn the regular board meeting at 8:28 p.m. The next regular meeting of the Shaker Heights Public Library Board of Trustees will be Monday, April 9, 2012 at 6:30 p.m. in the Main Library Boardroom.

Jeanne Shatten, President

David D. Piskac, Fiscal Officer

Kurt Miller, Secretary