

SHAKER HEIGHTS PUBLIC LIBRARY
Board of Trustees
Regular Meeting
Monday, March 11, 2013

Attendance

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

Members Absent: Ms. Williams

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

Ms. Shatten called the regular meeting of the Shaker Heights Public Library Board of Trustees to order at 6:37 p.m. in the Dietz Community Room at the Bertram Woods Branch.

Approval of Minutes

Ms. Shatten asked for a motion to approve the February 12, 2013 regular meeting minutes.

2013-28 Dr. Hutt moved and Mr. Anderson seconded the motion to approve the February 12, 2013 regular meeting minutes as submitted.

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

Nays: None. Motion carried.

President's Report

A. Trustee Search Update

Ms. Shatten noted that three candidates were interviewed by Norm Bliss of the School Board and Mr. Anderson. No final decision has been made. The candidate chosen will finish the last five years of Ken McGovern's term on the Board. The School Board expects to make a decision at their March meeting.

B. Building Assessment/Feasibility Study Options

Mr. Dickinson reported that he received information on building assessment proposals from Duane Van Dyke and the Shaker Heights Schools business manager. He said that the schools have used the same engineering group that Mr. Van Dyke suggested. Mr. Dickinson will write a request for proposal and send it to appropriate architects. As part of the process, the architect will bring in engineers and other professionals to determine what repairs are needed over what period of time, with an estimated cost for each repair. The library will then review the assessment with operational expenses to see what the library can afford to do and when.

Mr. Dickinson noted that for the feasibility study we will limit the scope to three options, which will include creating a single combined facility at an undetermined location, renovating the current facilities to be more efficient and less expensive to operate, and new construction at one or both of the current sites. He estimated that the feasibility study and the building assessment together will cost approximately \$40,000.

Mr. Miller asked what the city's financial consultant was doing for the library. Mr. Dickinson explained that Paul Komlosi, the city's consultant, is reviewing our financial projections and "stress-testing" them to see what we can afford and if our assumptions about financial feasibility are correct.

Ms. Shatten reported that the library's strategic plan received publicity after the city council presentation in February. There was an online *Sun Press* article that contained inaccuracies. Ms. Shatten responded, and the print version was edited to reflect some of the corrections she submitted. Ms. Shatten and Mr. Dickinson met with Margaret Simon, the library's PR Coordinator, to review talking points to help the Board respond to community comments and answer questions. There will be an article on the topic in the next issue of *Shaker Life*.

C. Joint Informal Board Meeting with Euclid Public Library

Mr. Dickinson noted that the Euclid Public Library is the size that we might consider for a new facility, with all public service on one floor. He contacted Kacie Armstrong, the Director, about a joint meeting. Their board agreed to a meeting. Mr. Dickinson suggested meeting on Thursday, May 2, at 6 p.m. He said there will be a light meal and the Boards would discuss mutual issues and tour the Euclid facility. They are renovating but the renovation should be partially complete by May. Ms. Allen noted that she cannot meet on May 2. She suggested May 16 instead. Mr. Dickinson will talk to Ms. Armstrong about alternate meeting dates. He noted that we will host a reciprocal meeting in November.

D. Fiscal Officer Interviews

Ms. Shatten reported that there were 47 applicants for the position and three were interviewed in person. Once an offer is made and accepted there will be a special meeting to approve the hire.

Interim Fiscal Officer's Report

A. Financial Statements – February 28, 2013

Ms. Pandelli reviewed the February 2013 financial statements.

Revenue Summary

The February PLF was \$136,968.76, which is an increase of 0.1% over last year (\$149.15). We received \$838,000 in property tax advances for the first half of 2012. The property tax advances we have received in 2013 total \$1,281,000, which is 2% lower than what was received at this point in 2012.

Expenditures

February expenditures were \$403,729.50. As of February 28, 2013 total YTD Expenditures were \$804,189.81, which is approximately 6% higher than what we spent through February 2012. This is mostly due to the increase in salaries, the timing of payment for dues & membership, and property & liability insurance. The dues and membership in the past was paid in December of the previous year, but not paid until January of this year. The same goes for insurance, which was paid in March of last year, but paid in February this year.

Fund Report

The unencumbered balance for the General Fund, as of February 28 was \$1,119,796.06. The Friends of Shaker Library Fund shows a negative \$25,159.73 as the unencumbered balance. This is because purchase orders have been opened for the entire year, but the Friends will not be reimbursing us until after the purchases are made. The total unencumbered balance for all funds is \$1,150,989.79.

Bank Report:

MTD Report: In February, we transferred \$500,000 from the investment account into the operating account to cover operating expenditures.

YTD Report: The Final Bank Balance as of February 28 was \$2,467,196.97

Investment Report

The STAR Ohio account balance was \$1,134,699.96 and was earning 0.07% as of February 28. Total interest for February was \$59.43. In February, we transferred \$1,000,000 into STAR Plus, which is currently earning 22 basis points. The total interest deposited into the STAR Plus account was \$138.49.

Ms. Pandelli asked the Board to approve the February 28, 2013 Financial Statement as submitted.

2013-29 Dr. Hutt moved and Mr. Miller seconded the motion to approve the February 28, 2013 Financial Statement as submitted.

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

Nays: None. Motion carried.

B. Create Technology Fund 403

Ms. Pandelli asked the Board to create a capital fund, Fund 403 – Technology Fund, to account for those expenditures specifically for technology. Monies will be deposited into this fund, either by restricted donations or transfers out of the general fund. This will ensure that money has been set aside specifically for technology purchases. It also helps keep the general fund budget relatively stable, in that there will not be a large budget increase/decrease each year due to large capital expenditures. By transferring a small amount each year, the Board is setting aside money for technology. It would be wise to set up a forecast for this fund that follows a schedule for replacement technology, as well as, new technology.

2013-30 Mr. Anderson moved and Mr. Miller seconded the motion to create a capital fund, Fund 403 – Technology Fund.

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

Nays: None. Motion carried.

C. 2013 Final Appropriation

Ms. Pandelli reviewed the 2013 final appropriation budget and noted the following:

PLF from the State was estimated at \$1,399,973.87 by the Department of Taxation for calendar year 2013. She said the PLF is projected to increase 2.5% in 2013.

The County Budget Commission estimated real estate property tax to be \$2,578,222.54, which is down \$176,000 (6.4%) from what was projected for 2012. She said the estimates are driven by assessments, which are down 7.5%. The collection rate was certified at 93.9%.

Total current year operating revenue is \$4,607,510.67, which is a total revenue decrease of 6.5%.

General Fund grand total is \$5,192,367.76

Special Revenue funds total \$202,500.00

Grand total all funds is \$5,394,867.76

Ms. Pandelli noted that the new Fiscal Officer may need to make adjustments to the budget, as she was estimating much of the budget based on past expenditures. She said that projected expenditures are \$584,857.10 more than projected revenues and the ending fund balance is \$1,038,213.71. She recommended that the library seriously consider future spending reductions to avoid future negative changes in the fund balance.

2013-31 Mr. Anderson moved and Ms. Allen seconded the motion to approve the 2013 final appropriation budget as submitted.

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

Nays: None. Motion carried.

Ms. Pandelli left the meeting.

Director's Report

A. Written Report

Mr. Dickinson reported that the library received a \$7,814.26 county rebate from property appraisals.

OLC legislative day was Wednesday, March 6. Mr. Dickinson met with the aides of State Representative Barbara Boyd and State Senator Shirley Smith, who are our new legislators. Mr. Dickinson reviewed an OLC document charting state library funding over time and noted that projected library funding for 2014-2015 is approximately the same dollar level we received in 1994 and 1995.

B. Strategic Plan Update

Ms. Switzer reviewed the annual report for the strategic plan, which was approved March 12, 2012. Circulation declined 2.91% in 2012. Thirty-seven new computers were purchased in 2012 to help meet the goal of computer equipment being no more than five years old. Twenty of those computers were for the public and 17 were for staff. Self-check is scheduled to begin April 2, 2013. Much of

the first floor has been rearranged, including elimination of the Movies & Music service desks and shifting of the collection to a more central location. A new reference desk for Adult Services is on order. A floating collection pilot began November 1, 2012 and the next phase, floating audiobooks and CDs begins May 1, 2013. Seventy percent of staff met the goal of attending at least four hours of training in 2012. The majority of those who did not meet the goal were custodians who work solely at night and teen pages. Core competencies were approved in January 2013. The library spent 11.38% of the operating budget on materials. Voice over IP telephone service via CLEVNET was installed March 5, 2013. The reserve fund for capital expenditures is projected to be \$90,000 at the end of 2013. Ms. Switzer distributed copies of the Core Competencies as well as progress reports on departmental goals to support the strategic plan.

C. Board Policies

Ms. Switzer reviewed minor changes to the Library Organization and Department Functions and Political Campaigns Statement Policies. Ms. Switzer asked the Board to approve the Policies as submitted.

2013-32 Dr. Hutt moved and Ms. Allen seconded the motion to approve the Library Organization and Department Functions and Political Campaigns Statement Policies as submitted.

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

Nays: None. Motion carried.

D. Health Insurance Update

Mr. Dickinson distributed a chart with health insurance costs since 2009 showing that projected 2013 costs are still about \$100,000 below 2009. The library's health insurance increase for 2013 is 10.6%, which is lower than average increases for other libraries. He noted that it is still unclear what impact the Affordable Care Act will have on how the library offers health insurance. We will know more in 2014 when the Act is fully in effect.

E. Endowment Fund Update

Mr. Dickinson said that the library endowment fund grew over 10% in 2012 and added almost \$13,000.

F. Resolution of Commendation for Lana Jernejcic

Mr. Dickinson recommended the Board of Trustees approve a Resolution of Commendation for Mrs. Lana Jernejcic for 25 years of service with the library.

2013-33 Dr. Hutt moved and Ms. Allen seconded the motion to approve the Resolution of Commendation.

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

Nays: None. Motion carried.

New Business

A. Gifts to be accepted and appropriated to the designated funds

Unrestricted Contribution Individual (101-6510)
Jane and James Wood \$50.00
In memory of Ken McGovern

Marilyn Kammer Memorial Fund (209-6510)
Randy Kammer
In memory of G. Warren Leve \$25.00

Local History Donations

Carol Griffith donated a copy of *So How Was Your Day, Doc?* by Carrie Griffith, her daughter and SHHS graduate

Barry LaChance and Merrill Henkin, both SHHS graduates donated information, programs and class photographs from the 1950s

2013-34 Mr. Miller moved and Mr. Anderson seconded the motion to accept and appropriate the above gifts.

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

Nays: None. Motion carried.

B. Personnel Action

Amber Worthy, half-time, Circulation Assistant, Level 106, hired effective February 4, 2013

Community Comments

None

Executive Session

Ms. Shatten requested a motion to enter Executive Session to discuss items of personnel regarding the Fiscal Officer vacancy. She said no Board action would be taken after the executive session.

2013-35 Dr. Hutt moved and Mr. Anderson seconded the motion to discuss items of personnel regarding the Fiscal Officer vacancy.

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

Nays: None. Motion carried.

Trustees entered executive session at 8:34 p.m.

Trustees returned to regular session at 9:12 p.m.

Announcements

Mr. Dickinson distributed a chart showing the increase in meeting room reservations since 2008 and another chart showing the even greater increase in meeting room revenue during that time, especially since social functions were authorized in 2012. A final chart documented the continued increase in computer sessions.

Adjournment

Since there was no further business to discuss, Ms. Shatten moved and Board members unanimously seconded the motion to adjourn the regular board meeting at 9:13 p.m. The next regular meeting of the Shaker Heights Public Library Board of Trustees will be Monday, April 8, 2013 at 6:30 p.m. in the Main Library Boardroom.

Jeanne Shatten, President

Luren Dickinson, Deputy Fiscal Officer

Carmella Williams, Secretary