

SHAKER HEIGHTS PUBLIC LIBRARY
Board of Trustees
Regular Meeting
Monday, March 14, 2011

Attendance

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

Members Absent: Mr. McGovern

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 6:35 p.m. in the David Dietz Community Room.

Approval of Minutes

Ms. Shatten asked for a motion to approve the February 15, 2011 regular meeting minutes.

2011-33 Mr. Miller moved and Mr. Anderson seconded the motion to approve the February 15, 2011 regular meeting minutes as submitted.

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

Nays: None. Motion carried.

President's Report

A. Board Bylaws, 1st Review

Ms. Shatten asked Dr. Whyte if she had any recommendations for consideration from the Board Bylaws review. Dr. Whyte said that she would have a report at the April Board meeting.

B. Board Retreat

Ms. Shatten said at the February meeting, the Board agreed to hold the retreat at the Shaker Historical Society and the rental agreement was being finalized this week. Ms. Shatten shared a number of Board member recommendations that she received for the agenda since that meeting and reviewed the final agenda with Board members.

Staff Presentation – Margaret Simon, Public Relations Coordinator

Mrs. Simon provided Board members an overview of community collaboration activities she takes part in on behalf of the Library. She mentioned the “designer” water bottles, Board member pictures, phone trees, “Year in Review Calendar”, League of Women Voters programs, Barbara Luton Art Competition as some of the activities for which her office provides support. Mrs. Simon said she applies for grants every year and is currently working on the implementation of the CEO grant at Main Library. Mrs. Simon said the Library receives positive feedback from the Shaker High Art Show that provides students an opportunity to showcase their work. Ms. Allen asked Mrs.

Simon about the level of Board involvement in a successful levy campaign. Mrs. Simon said levies are community based and a community responsibility. She said the Library is fortunate to have strong community support and passed the most recent levy with more than a two thirds passing ratio.

Fiscal Officer's Report

A. Financial Statements

Mr. Piskac reviewed the February 2011 revenue and expenditure financial statements and reported the following:

Mr. Piskac said he added more format changes to the revenue financial statement. The changes include segregation of revenue by category and separate line items for State revenue, which will enable the reader to see the effects of State funding reductions by revenue source.

Revenue Summary

- Mr. Piskac reported year-to-date revenue was \$1,661,039.92, which is \$50,040.81 lower than 2010 revenue.
- Mr. Piskac reported the February PLF receipt was \$14,461.78 more than 2010.
- He reported February year-to-date Real Estate Property Tax collections were \$79,000 lower than 2010 year-to-date collections. He said that difference could be related to homeowners changing their property tax payment from the January single payment option to the January and July two pay option plan.
- No Intergovernmental Revenue was received in February.
- Fines and Fees revenue was \$2,994.28 less than 2010.
- Meeting Room revenue was \$569.25 less than 2010.
- He said the Refunds and Reimbursements line item is higher than 2010 due to a recent grant reimbursement from the Gates Foundation (\$1,300), OPLIN Filtering Grant (\$4,494.10), and \$10,000 from the Friends of Shaker Library for the new Children's desk.
- He reported the 2010 Transfer In was the Gates Grant Phase II funding match requirement.

Expenditure Summary

- Mr. Piskac reported year-to-date expenditures were \$777,886.23, which is \$24,123.70 less than 2010. He said year-to-date salaries were \$19,163.11 higher than last year partially due to the employee 1.5% raise effective in January and the hiring of a full time Adult Services Manager in November 2010.
- He reported two employees took the 2010 retirement incentive and the related expenditures are lower than the prior year when three employees opted for the retirement incentive.
- He reported overall year-to-date supply expenditures were slightly higher because of additional purchases for snow melting chemicals and annual supply purchases. The current lighting project will increase the maintenance supply cost by approximately \$4,900 for energy efficient ballasts and lighting tubes for Main Library, but the upgrades will save approximately 40% in electricity cost over the older light fixtures.
- The current month insurance expenditure was approximately \$750 less than last year due to no claim activity during the prior policy period. Ms. Loraine Lamont and he assessed the Library's material holdings value with Sutton Insurance and found the materials value increased to \$6.8 million due to additions to the collection. He said the current policy would be increased to the revised amount and an additional \$600 would be incurred due to the additional insurance coverage.

- He said the current month other services line item includes the annual CMI software maintenance agreement (\$3,780.25).
- Capital Outlay includes partial payments for additional cameras and the employee card access system approved at the last Board meeting.

Bank Reports

Mr. Piskac reported the month-to-date deposits of \$924,721.80 were \$493,535.88 more than month-to-date withdrawals of \$431,185.92. He also reported the year-to-date deposits of \$1,661,039.92 were \$883,153.69 greater than year-to-date withdrawals of \$777,886.23. He said the ending cash balance was \$2,061,861.17, which is due to a higher 2011 beginning cash balance and real estate revenue receipts.

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

Mr. Piskac reported the General Fund had an unexpended balance of \$1,962,767.40, \$1,152,061.77 in encumbrances, and an unencumbered balance of \$810,705.63. Mr. Piskac also reported the unexpended balance for all funds was \$2,061,861.17, \$1,218,983.16 in encumbrances, and \$842,878.01 in unencumbered funds.

Investment Report

Mr. Piskac reported the February 2011 investment balance was \$1,640,351.97 and the Star Ohio interest rate remained at 0.11%. He said the Fifth Third CDs are maturing March 18, 2011 and the proceeds will be deposited with PNC Bank for future short-term investments.

Mr. Piskac recommended the Board of Trustees approve the February 28, 2011 financial statements as submitted.

2011-34 Dr. Whyte moved and Mr. Anderson seconded the motion to approve the February 28, 2011 financial statements.

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

Nays: None. Motion carried.

B. 2011 Final Appropriation

Revenue Budget

Mr. Piskac said on the eve of the Governor's budget announcement, the State revenue estimates used in this revenue budget are based on information and assumptions known as of today. He said the Governor is scrutinizing all State funding for the next biennium budget and Library revenue from any State source may be reduced or eliminated. Mr. Piskac reviewed the General Fund revenue budget and noted the following:

- PLF from the State was estimated at \$1,500,713.14 by the Department of Taxation for calendar year 2011. He said the PLF is estimated to be approximately \$95,443.30 higher than 2010.
- Real estate property tax is estimated by the County Budget Commission to be \$2,780,885.67, which is lower than 2010 actual. He said the Library would receive at least \$100,000 more than the original estimate because the actual collection rate is higher than the County estimate.

- Intergovernmental revenue was broken out by State funding source instead of the single line item as shown in the 2010 column.
- The level of patron revenue for fines and copiers is expected to remain constant for 2011. Mr. Piskac said the computer printing revenue is expected to increase once the new computer center is completed.
- Interest revenue is expected to remain flat for 2011. CD interest revenue will come from the maturing CDs and other short-term investments.
- The Library's 2012 75th anniversary celebration has already received a \$200 donation. The Library expects to receive additional donations especially towards the last quarter of 2011.
- Rent from the cellular tower is expected to continue with Sprint for the rest of 2011.
- Other refunds and reimbursements is expected to remain about the same for 2011. The State CAT revenue is broken out on a separate line item.
- Miscellaneous receipts include the March \$20,000 transfer from the Library Endowment Fund with the Cleveland Foundation.
- Advance-In is the return of a 2010 advance to the MyCom grant.
- Total current year operating revenue is \$5,066,073.29 and total available funds are \$6,161,410.49, which is \$249,096.70 higher than 2010 total available funding.

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

- Bertram Woods Branch Fund (208) prior year balance increased due to the proceeds of from the 50th Anniversary Celebration wooden nickel fundraiser.
- Marilyn Kammer Fund (209) is used for purchases from the Top 50 Best Sellers list.
- Friends of Shaker Library Fund (211) included \$10,000 in the Equipment line item for the new Children's desk at Main. The desk is completed and was paid for in February.
- MyCom Grant (212) is expected to receipt approximately \$20,000 during 2011.
- Gates Grant (213) receipted the \$1,300 Phase II portion for computers at Bertram Woods.
- The CEO Grant (214) and Connect Ohio ECO Grant (215) and the OPLIN Filtering Grant (216) are set up for the current year.
- Building Fund (401) has a \$40,000 transfer for the final bond note payment to the City.
- Total Special Revenue funds available is \$262,160.54.

Mr. Piskac reported total available estimated funds for 2011 is \$6,423,571.03.

PLF Revenue Schedule

Mr. Piskac reviewed the estimated 2011 calendar year PLF schedule. He reported the first half PLF revenue of \$730,847.30 should not be reduced by the State, but the \$769,865.84 second half PLF revenue is at risk under the biennium budget and noted a percentage schedule of potential PLF reductions for the second half. Mr. Piskac reported the \$83,876.55 March PLF receipt was \$163.39 less than estimated.

State Revenue Schedule

Mr. Piskac reviewed comparative Library sources of State revenue funding for 2010 actual and 2011 estimated. He said 2010 PLF is 27.2% and all State revenue sources is 37.3% of the total General Fund revenue. He said the actual 2011 PLF would drop down to approximately 27% of total General Fund revenue if no funding changes were made by the State and the Library received additional real estate revenue as previously noted.

2011 Schedule of Revenue

Mr. Piskac reviewed the 2011 Schedule of Revenue and noted the schedule shows the estimated revenue for each major Library revenue category and estimated month of receipt. He said January and February are reported as actual and he received notice that March PLF and Public Utility – State will be received on March 15.

Appropriations

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

- Salaries include the Board approved 1.5% midpoint raise for all employees. Salaries also include a full year of wages for the new Adult Services Manager and substitute budgeting for a circulation assistant for each Library location along with regular substitute hours. A half-time Technical Services position is budgeted to replace the full-time retiree and the full-time IT Manager position is not included and may not be filled.
- Retirement incentive benefit, vacation and sick payouts are significantly less than 2010
- OPERS is based on 14% of budgeted salaries and wages
- Health insurance is budgeted for a 25% increase over last year's expenditure. The Library learned yesterday from Structured Employee Benefits of Ohio that the Library is able to control health insurance premiums by changing from the Aetna POS OA 2000-90 plan to the Aetna POS OA 3000-80 plan. Under the current Aetna POS OA 2000-90 plan, the renewal rate increase would be approximately 20% but SEBO recommended Aetna POS OA 3000-80 plan would be only about 2.5% higher than current plan rates. During the Library health insurance meeting with SEBO, they advised us that some changes in the plan such as 100% coinsurance coverage are no longer available due to recent health care legislation and the Library would only be able to provide coinsurance up to 90% under a renewal of the existing policy. Under the proposed health insurance coverage recommendation, library staff would have higher deductibles but the Library's reimbursement of the first 50% for single coverage would continue.
- Worker's Compensation is expected to be slightly higher than last year and includes a management fee to Frank Gates Avizent for managing our Worker's Compensation account.
- Medicare is based on 1.45% of the total salary and wages.
- Non-Salary benefits is for the health insurance waiver incentive benefit.
- Cataloging supplies will be higher during 2011 due to a large purchase of binding labels for Technical Services.
- Hand tools and minor equipment include replacement vacuum cleaners for the Maintenance Department.
- Maintenance supplies include \$4,900 for the lighting project upgrade at Main Library, which will be offset by Glacial Energy electricity savings and the anticipated 40% energy savings with the new energy saving ballasts and florescent tubes.
- Fuel for Library vehicles may need to be increased if gas prices remain high.
- Postage includes \$10,000 for refilling the postage machine, which usually lasts about two years. Other postage costs include meter rental, postage upgrades, and postage for other courier services.
- Building repairs, equipment and furniture repairs accounts have additional funding for anticipated repairs at both locations.
- Approximately \$600 more will be required for the actual \$23,369 insurance premium to cover material items added to the insurance schedule.
- Equipment leases was increased to cover any potential equipment needs for the Main Library renovation area or general operations.
- Utilities were adjusted to reflect the anticipated use and savings under each energy program.

- Tax collections fees include the repayment of the December DTAN to the Library. The DTAN amounts are deducted during 2011 once the delinquent tax is collected under tax collection fee line item.
- Professional fees include \$15,000 for Play & Learn
- Materials budget is \$580,489.15 and includes Windows Operating License software upgrades for computers. The Library spent \$470,186.93 for Materials in 2010.
- Capital outlays for furniture and equipment include additional security cameras and a replacement door access control system for Main Library, which were previously approved. The Library is also purchasing 20 computers for the new computer center from the \$20,000 Library Endowment Fund transfer and \$6,000 from the General Fund. Under the Connect Ohio Grant (216), the Library is purchasing 16 computers for the training lab and using General Funds of \$6,280.16 as matching funds. The Library is also buying three computers under Phase II of the Gates Grant for Bertram Woods, which may require up to \$300 from the General Fund to complete the purchase.
- Organizational memberships are organizational memberships approved by the Board during the January Organizational meeting.
- Unallocated appropriations are \$10,000 for non-budgeted items.
- Advances out are a reserve for Special Revenue Fund start up costs.
- Transfers to other funds includes transfers to the CEO Grant (215) \$12,653, Connect Ohio Grant (216) \$7,194, and the Building Fund (401) \$40,000.

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 \$365, 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 and a generous \$10,000 donation for a new Children's desk at Main.
- MyCom grant includes budgetary carryover funding from 2010 and a return of advance to the General Fund (\$20,000). Future MyCom grant funding is not known at this time.
- Gates Grant (213) is for Phase II of the grant to purchase three computers for Bertram Woods.
- The CEO grant (214) provide \$37,645 in grant funding combined with \$12,653 in matching funds for a total of \$50,298 to fund the new business center at Main Library. Mr. Piskac briefly reviewed the major CEO grant components and said the grant has to be spent by September 30, 2011.
- Connect Ohio grant (216) provides \$15,472 in grant funding combined with \$11,082 in matching funds for a total of \$26,554 to partially fund 16 new computers and provide funding for 288 hours of public computer training. The grant duration is August 1, 2010 to September 30, 2012. The Public Awareness Funds expenditure line item will be 50% deducted from the first Connect Ohio invoice and deducted evenly over the life of the grant beginning February 1, 2011.
- OPLIN Filtering grant (217) will provide \$4,494.10 to purchase a server and filtering software for computers purchased under the Connect Ohio grant and the new Computer Center computers.
- The Building Fund (401) has \$40,000 budgeted for the final bond renovation payment to the City.
- Total 2011 budgeted Special Revenue Funds were \$202,175.60

Mr. Piskac said total budgeted funds for the General and Special Revenue funds were \$5,325,134.32.

Mr. Piskac recommended the Board of Trustees approve the 2011 Revenue Budget, Appropriations Budget, including the additional \$600 for property insurance, change in Aetna health insurance plan, Capital Budget, Schedule of Transfers, Connect Ohio and CEO grant summaries as submitted.

2011-35 Mr. Miller moved and Mr. Anderson seconded the motion to approve the 2011 Revenue Budget, Appropriations Budget, including the additional \$600 for property insurance, change in Aetna health insurance plan, Capital Budget, Schedule of Transfers, Connect Ohio and CEO grant summaries as submitted.

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

Nays: None. Motion carried.

C. 2010 Shaker Heights Public Library – Cleveland Foundation Fund Report

Mr. Piskac reviewed the 2010 Shaker Heights Public Library – Cleveland Foundation Fund Report and said the Library's fund position improved over the course of 2010. He said the fund had \$10,922.36 in net additions and the December 31, 2010 ending net assets were \$134,914.78. Mr. Piskac said the 2010 Board approved \$20,000 transfer from the fund for the computer center purchase is not included, but would be done on March 18, 2011.

D. Glacial Energy Update

Mr. Piskac reviewed the third electric billing cycle under the new electric supplier Glacial Energy. He said under the prior electrical supplier, The Illuminating Company, the Library would have paid 6.284 cents per KWH. Under the Glacial Energy program, the Library paid 4.824 cents per KWH, which resulted in a savings of \$1,150.18 for the February billing. He said the Library saved \$4,660.80 over the past three billing cycles and the savings are reinvested in purchasing energy saving bulbs and ballasts for Main Library compounding electrical savings.

Director's Report

A. Written Report

- Mr. Dickinson provided a brief summary of meetings he attended.
- The Library was closed February 25 due to the weather.
- He attended the annual Red & White Night at Shaker Heights City Schools.
- On Tuesday, March 15, Mr. Piskac and he attended the Cleveland Foundation forum on Investment Performance: Results and Strategies.
- He announced the Barbara Luton Art Competition Awards Ceremony, which will be held on Sunday, March 27 at Main Library.
- The Friends of Shaker Library Spring Book Sale starts Thursday, April 14, and runs through Sunday, April 17.

B. Legislative Update

Mr. Dickinson briefly reviewed the OPERS publication included in the Board packet and said OPERS is not proposing changing the employer or employee contribution amounts but proposing changes to retirement eligibility criteria. He said the Governor's budget will be announced on March 15 and Ms. Murray of the Ohio Library Council is expected to provide a summary of budgetary impacts on Ohio libraries on Thursday, March 17. He said there is a provision in the Governor's

budget that requires public employees to pay 15% of their health insurance premium and a provision to reduce the accrual rate for employee sick and vacation time. Mr. Dickinson said Legislative Day is March 24 and reported Ms. Allen, Board member, Ms. Switzer, Deputy Director, Ms. Sharon Heslin, President, Friends of Shaker Library, Ms. Stephanie Jonas, Vice President of Volunteers, Friends of Shaker Library, and he will attend.

C. Renovation Update

Mr. Dickinson said the overall renovation is going very well and presented Board members with a slide show, which noted the progress. He reported an issue with water entering the building from above the windows during windy rainstorms. Mr. Dickinson pointed out on a wall sketch drawn by Mr. Van Dyke, the architect, showing the possible route of water entry into the building. Mr. Dickinson said Mr. Van Dyke was obtaining quotes for various options such as flashing and tuck-pointing the exterior, which will likely amount to a significant and unexpected expense.

D. Staff Meetings

Mr. Dickinson said the Library is holding a quarterly All Staff Meeting on Friday, March 18 from 9-10 a.m. and the Library will open at 10:30 a.m. He said Mr. Wil Headen, Security Supervisor, will discuss Library security.

Due to scheduling conflicts, the joint supervising training seminar with Cleveland Heights Public Library was canceled. We hope to partner in the future.

New Business

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

Marilyn Kammer Memorial Fund (209-6510)

Randy Kammer

In memory of Harold Eison	\$25.00
In memory of Mark Faircloth	\$25.00
In memory of Rita Catherine Hudec	\$25.00
In memory of Anthony Kujawa	\$25.00
In memory of Laura Livermore	\$50.00
In memory of Miriam Serkin	\$25.00
In honor of Amanda Simpson	\$25.00

John Barber donated a first edition copy of *The Valley of God's Pleasure, A Saga of The North Union Shaker Community*

Moses Cleaveland Chapter of the DAR donated a one-year subscription to *American Spirit Magazine*

2011-36 Mr. Miller moved and Ms. Allen seconded the motion to accept and appropriate the above gifts.

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

Nays: None. Motion carried.

B. Personnel Action (information only)

Raymond Zapp, IT Manager, retired effective February 4, 2011

Wilbur Headen, Security Supervisor, Half-time, Level 109, hired effective February 14, 2011

Community Comments

None

Announcements

None

Adjournment

Since there was no further business, Ms. Shatten requested a motion for adjournment. Mr. Anderson moved and Board members agreed unanimously to adjourn the regular board meeting at 8:39 p.m. The next regular meeting of the Shaker Heights Public Library Board of Trustees will be Monday, April 11, 2011 at 6:30 p.m. at Main Library Boardroom.

Jeanne Shatten, President

David D. Piskac, Fiscal Officer

Kurt Miller, Secretary