

SHAKER HEIGHTS PUBLIC LIBRARY  
Board of Trustees  
Finance Committee Meeting  
January 14, 2019

Attendance

Members Present: Mr. Cicarella, Ms. Garrett, Mr. Meinhard  
Other Members Present: Mr. Gleisser  
Staff Present: Ms. Brodar, Ms. Brown, Ms. Ritchey, Ms. Switzer, Ms. Titas

Call to Order

Mr. Meinhard called the regular meeting of the Shaker Heights Public Library Board of Trustees Finance Committee to order at 6:40 p.m. in the Main Library Boardroom.

Roll Call: Mr. Cicarella, Ms. Garrett, Mr. Meinhard

Minutes

Mr. Cicarella moved and Mr. Meinhard seconded the motion to approve the December 12, 2018 Finance Committee minutes.

Roll Call: Ayes: Mr. Cicarella, Ms. Garrett, Mr. Meinhard

Nays: None. Motion carried.

Fiscal Officer's Report:

Financial Statements

The Library closed 2018 with a favorable balance in both revenues and expenses including a transfer of funds from the General Fund to the Building and Technology Funds.

The Friends of Shaker Library has reimbursed the library the \$25,716 for the new library van.

**General Fund through December 2018**

Total 2018 Operating Revenue	\$ 4,882,201.71
Total 2018 Operating Expenditures	\$ 4,584,834.07

**All Funds through December 2018**

Beginning Year balance	\$ 2,266,597.36
2018 Receipts	\$ 5,091,984.10
2018 Expenditures	\$ 4,655,128.48

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Unexpended Balance	\$ 2,703,452.98
Encumbrances	\$ 95,312.54
Unencumbered Balance	\$ 2,608,140.44

Ms. Garrett moved and Mr. Meinhard seconded the motion and the committee recommended the December 31, 2018 financial statements to the full Board for approval.

#### 2019 Contracts & Purchases over \$50,000

The following providers are used regularly for purchases by the Library. This will authorize the library staff to use these providers during 2019 for purchases in excess of \$50,000 within the approved budget.

- Anthem (Employee Benefits)
- Brodart (Library Materials)
- CDW Government (Technology)
- Cleveland Public Library (CLEVNET)
- Cuyahoga County Treasurer (Property Tax Collection Fees)
- Gardiner (Facility Maintenance)
- Ingram (Library Materials)
- Midwest Tape (Library Materials)
- OPERS (Employee Retirement)
- OverDrive, Inc. (Library Materials)
- The Illuminating Company (Utilities)

Mr. Cicarella moved and Mr. Meinhard seconded the motion and the committee recommended the renewal of annual expenditures over \$50,000 per year as listed above and within the approved budget to the full Board for approval.

#### Accounting Software selection

Staff investigated new accounting software from four vendors. Staff evaluated the software based on its ability to meet operational needs, in addition to meeting the reporting needs of the Board of Trustees.

Ms. Ritchey recommended the purchase of BS&A Software. The software costs for 2019, including training and travel, will be approximately \$40,000, with an annual maintenance fee of \$3,020 starting in 2020. A server costing approximately \$10,000 must also be purchased to support the new software. Migration to the new software should take approximately 7-12 months after Board approval to implement.

Ms. Garrett moved and Mr. Cicarella seconded the motion and the committee recommend approval to purchase BS&A Software and a server at a cost not to exceed \$50,000 to the full Board for approval.

### Credit Card Policy

HB 312, which requires public libraries, schools, and other political subdivisions to adopt a Board policy if using credit cards, became effective on November 2, 2018. Libraries have until February 2, 2019 to make changes to their policies to meet the requirements outlined in the new law.

Under the new law, use of credit card accounts will fall under a Custody and Control Model or a Compliance Officer Model. The Custody and Control Model assumes that the credit cards will be held by the Fiscal Officer and checked out only as needed. Shaker Library has been using a Custody and Control model for many years and will continue to do so. The Library's revised policy is based on Ohio Library Council's Custody and Control sample policy, which was developed with its legal counsel at Vorys, Sater, Seymour and Pease LLP.

Mr. Meinhard moved and Ms. Garrett seconded the motion and the committee recommended the credit card policy to the full board for approval.

### COPs Financing Update

On Friday January 11, 2019, Mr. Gleisser, Ms. Ritchey, Ms. Switzer, and the library's municipal advisors met with Mayor Weiss and other city representatives regarding the possibility of using Certificates of Participation (COPs) as a vehicle to finance the Main Library renovation. This was a preliminary discussion to explore the option.

Regardless of whether the library issues PLF bonds or uses COPs, the library lease will need to be extended to ensure the Library has exclusive rights of occupancy that cover the term of the financing structure. The current lease extends through 2033, with the option to extend for two more ten-year terms. Ms. Switzer is working with the City on the lease extension.

### Underwriter Update

Requests for Proposals for an underwriter to assist with a bond issuance during 2019 were issued on December 5, 2018 with proposals due on December 20, 2018. These proposals were reviewed by the fiscal officer and the municipal advisors.

Stifel, Nicolaus & Co (Stifel), the top ranked firm, has worked extensively with public libraries and has experience with issuing Public Library Fund bonds. Ms. Ritchey recommended hiring Stifel as the underwriter for the renovation financing.

Mr. Cicarella moved and Mr. Meinhard seconded the motion and the committee recommended Stifel, Nicolaus & Co as the underwriter for the renovation financing to the full board for approval.

## Announcements

Mr. Meinhard shared information about the January 14, 2019 meeting with members of the School Board Finance and Audit Committee. He called the meeting to discuss how each organization does financial planning and the financial decisions each Board will be making in the coming years, with the goal of improving transparency and creating a cohesive view of the plans of the community's taxing authorities.

Ms. Garrett would like the Board to consider including a supplier diversity statement in the library's purchasing policy.

## Adjournment

Since there was no further business to discuss, Ms. Garrett moved and Mr. Cicarella seconded a motion to adjourn the finance committee meeting at 8:18 p.m. and the committee unanimously agreed. The next Finance Committee meeting of the Shaker Heights Public Library Board of Trustees will be Monday, February 11, 2018 at 6:30 p.m. in the Main Library Boardroom.