

SHAKER HEIGHTS PUBLIC LIBRARY  
Board of Trustees  
Regular Meeting  
December 17, 2018

Attendance

Members Present: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Member Absent: Ms. Williams

Staff Present: Ms. Brodar, Ms. Ritchey, Ms. Switzer, Implementation Team

Mr. Gleisser called the regular meeting of the Shaker Heights Public Library Board of Trustees to order at 6:37 p.m. in the Main Library Room F.

Roll Call: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Executive Session

2018-65 Mr. Meinhard moved and Mr. Cicarella seconded the motion to enter Executive Session to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee.

Roll Call: Ayes: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Nays: None. Motion carried

Trustees entered executive session at 6:37 p.m.

Trustees returned to regular session at 6:45 p.m.

Approval of Minutes

2018-66 Mr. Bertsch moved and Mr. Meinhard seconded the motion to approve the November 19, 2018 Regular Board Meeting Minutes.

Roll Call: Ayes: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Nays: None. Motion carried.

President's Report

Mr. Gleisser reported that the joint facilities task force met Thursday December 13. At the meeting Ms. Switzer asked about a memorandum of understanding between the city, schools, and library. It was agreed that the city law director would draft the document. Participants agreed at the meeting that each organization would pay one-third of the costs of the consultant for phase one. It is estimated that this consultant will cost around \$40,000. The city will hold the contract with the consultant and pay the bills, with the schools and the library reimbursing the city for their share of the costs. Ms. Switzer noted that since it is anticipated that phase two will cost significantly more, the library would like the share of fees paid to be proportional to the budgets of each organization. There was general consensus that this was a fair approach.

Fiscal Officer's Report

## A. PLF Update

The November 2018 Public Library Fund (PLF) distribution is approximately 3.75% more than the ODT's revised estimate for the month. It is 4.7% higher than the original December 2017 estimate.

The December 2018 Public Library Fund (PLF) distribution is approximately 3.25% more than the ODT's revised estimate for the month. It is 5.2% higher than the original December 2017 estimate.

The library's November distribution of \$129,572 was 8.6% higher than the library received in November 2017. The December distribution of \$137,220 is 8% higher than the library received in December 2017.

The total PLF distribution for calendar year 2018 is 3.9% more than original ODT estimate. The library has received \$59,466 (4%) more than 2017.

## B. Financial Statements

During the month of November, the General Fund revenues continue to have a favorable total balance, even though revisions to the library policy have reduced meeting room revenue and CLEVNET auto-renewals have reduced fine and fee revenue.

Salaries and Benefits have a slight favorable balance. This leaves enough for the two percent lump sum payout in December for the second half of the year. Due to some savings in expenditures, the library will have a favorable balance at year-end.

**General Fund through November 2018**

Total 2018 Operating Revenue	\$ 4,729,189.63
Total 2018 Operating Expenditures	\$ 3,995,413.24

**All Funds through November 2018**

Beginning Year balance	\$ 2,266,597.36
2018 Receipts	\$ 4,738,256.02
2018 Expenditures	\$ 4,062,918.27
Unexpended Balance	\$ 2,941,935.11
Encumbrances	\$ 259,311.29
Unencumbered Balance	\$ 2,682,623.82

2018-67 Mr. Meinhard moved and Ms. Garrett seconded the motion to accept the November 30, 2018 financial statements as submitted.

Roll Call: Ayes: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Nays: None. Motion carried.

## C. 2018 Year-End Projections

General Fund:

The November 2018 YTD General Fund revenue is \$4,729,190 with another \$137,220 due in December for the Public Library Fund. The projected total for 2018 is \$4,878,409, including additional miscellaneous revenue for the year. The year-end expense projection is \$4,618,918, including the transfer of \$175,000 from the General Fund to the Building and Technology Funds in item VI.D.

Although the operating budget is a deficit budget, the combination of additional projected revenue and underspending should result in a net surplus of approximately \$259,000 at the end of 2018, even with the \$175,000 transfer to Capital funds.

Special Funds:

The year-end projections reflect the expectation to receive the \$25,716 from the Friends of Shaker Library before the end of the year to eliminate the negative "Unexpended Balance" from the Funds report. It does not reflect the expenditure for the van as it is not expected to arrive prior to year-end. The expenditure is reflected as a carryover encumbrance at the bottom of the report. The wrap for the van will be budgeted as an expense for 2019.

The revised projections reflect the transfer from the General Fund in item VI.D.

## D. 2018 Final Appropriations and Transfer to Capital Funds

Ms. Ritchey reported that the General Fund Revenues exceeded the budget and the year-end projected expenditures will be under the budget. This will allow for the requested transfer from the General Fund to the Capital Funds.

Although the budgeted Expenditures and Transfers exceed the budgeted Revenue, the actual receipts for 2018 create a surplus for the year as opposed to a loss. Therefore, Ms. Ritchey asked to modify the 2018 Appropriation Budget to transfer \$25,000 into the Building Fund and \$150,000 into the Technology Fund from the General Fund in December, for a total of \$175,000.

More is being transferred into the Technology Fund because a number of significant expenditures are planned for 2019, including updated accounting software, hardware and software updates to support the move to Windows 10, and updating security software and some cameras.

	<b>2018 Appropriation</b>	<b>December Modification</b>	<b>2018 Projections</b>	<b>2018 Final Appropriation</b>
<b>General Fund Budget</b>				
Revenue	\$4,617,530	\$0	\$4,878,409	\$4,617,530
Expenditures & Transfers	\$4,651,560	\$175,000	\$4,618,918	\$4,826,560
<b>Special Funds Budget</b>				
Revenue	\$43,100	\$175,000	\$211,557	\$218,100
Expenditures	\$126,090	\$0	\$73,425	\$126,090
<b>All Funds Total Final Budget</b>				
Revenue	\$4,660,630	\$175,000	\$5,089,966	\$4,835,630
Expenditures	\$4,777,650	\$175,000	\$4,692,343	\$4,952,650

2018-68 Mr. Meinhard moved and Ms. Katz seconded the motion to accept the 2018 Final Appropriations and Transfer to Capital Funds as submitted.

Roll Call: Ayes: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Nays: None. Motion carried.

E. 2019 Temporary Appropriation Budget

The Temporary Appropriation Budget must be adopted by the Board to cover the operation of library business until the Final Appropriation Budget for both the general and special funds are approved. By law, the Final Appropriation Budget must be approved and submitted to the County Budget Commission by March 31, 2019.

This temporary appropriation covers the full 2019 general operating budget and special funds budget of the library while the facility project financing is determined. A budget for all funds, including 2019 renovation expenditures, will be presented to the Board for approval by March 31, 2019.

Included in the Technology Fund budget are the expenses related to the Technology Plan approved at the November Board meeting.

Included in the operating budget is a 2.5 percent raise for all staff. January 1, 2019 is in the December 23, 2018 to January 5, 2019 pay period. Paychecks for this pay period will be received January 18, 2019. In order to avoid changing pay rates in the middle of a pay period, the raise will take effect December 23, 2018, to be paid January 18, 2019.

The Director is eligible for a raise up to the percentage given to staff, at the discretion of the Board. The Board approves the compensation of the Fiscal Officer annually, as required in the Ohio Revised Code. Ms. Switzer noted that Ms. Ritchey's 2019 salary will be approved at the 2019 Organizational Meeting (immediately following the December 17, 2018 regular Board meeting), including any raise the Board should decide to grant her.

	Nov 2018 YTD Actual	2018 Projected Year-End	2019 Appropriation
<b>General Fund</b>			
Revenue	\$4,729,190	\$4,878,409	\$6,214,832
Expenditures & Transfers	\$3,995,413	\$4,618,918	\$4,849,636
<b>Special Funds</b>			
Revenue	9,066	211,558	117,400
Expenditures & Transfers	67,505	73,426	186,850
<b>Total All Funds</b>			
Revenue	4,738,256	5,089,967	6,332,232
Expenditures & Transfers	4,062,919	4,692,344	5,036,486

2018-69 Mr. Bertsch moved and Ms. Katz seconded the motion to accept the 2019 Temporary Appropriation Budget as submitted, including a 2.5 percent raise for staff and the Director.

Roll Call: Ayes: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Nays: None. Motion carried.

F. 5-Year Operating Forecast

Ms. Ritchey noted that the five-year forecast focuses exclusively on operating projections. The equivalent of 0.7 mills of the new levy has been used for operating revenue. These projections set aside the equivalent of approximately 1.2 mills of the new operating levy to cover facilities project expenses and debt retirement. These figures are based on discussions with the municipal advisor about funds needed for debt service on PLF bonds or other financing options.

Operating projections will be modified as needed, depending on which financing option is chosen and what interest rate the library receives for the financing.

These projections do not include operating efficiencies achieved through the renovation.

Facility-related expenses, such as the Owners Representative and Architect, are not included in these projections, as they will be included in the funds allocated to the facility project.

G. Renovation Financing Update

Ms. Switzer said that the library’s Municipal Advisor, Sudsina & Associates LLC, has identified Certificates of Participation (COPs) as an additional facility financing option for the library. Using COPs would allow the library to finance the entire renovation of both buildings, rather than needing to delay and phase aspects of the project until enough cash is saved.

Because the City owns the Main Library, using COPs to finance the Main Library renovation would require cooperation from the City. The library owns the Bertram Woods Branch property, so the decision to use COPs to finance that renovation belongs solely to the Library Board of Trustees.

Board members agreed that Ms. Switzer, Ms. Ritchey, and Mr. Gleisser should discuss this option with appropriate representatives from the city to assess its feasibility for the Main Library renovation. Mr. Gleisser asked Ms. Switzer to schedule this meeting.

Ms. Katz recommended considering a capital campaign that mobilizes volunteers, perhaps including levy committee members and Friends of Shaker Library.

Director’s Report

A. Written Report

Ms. Switzer reviewed her written report.

B. Community Engagement Report

Ms. Switzer presented the written Community Engagement Report.

New Business

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

General Fund (101-6510)

Arthur Dorland

Armistice/Veterans Day Program \$25

Veterans for Peace CHP 39

Armistice/Veterans Day Program \$50

2018-70 Ms. Katz moved and Ms. Garrett seconded the motion to accept and appropriate the above gifts.

Roll Call: Ayes: Mr. Bertsch, Mr. Cicarella, Ms. Garrett, Mr. Gleisser, Ms. Katz, Mr. Meinhard

Nays: None. Motion carried.

B. Personnel Action

Ryan Kelley, Circulation Services Assistant, Half-time, Level 106, Hired, effective 11/20/18

Announcements

Mr. Gleisser thanked all the staff on behalf of the Board for all their work during 2018.

Adjournment

Since there was no further business to discuss, Mr. Bertsch moved and Ms. Garrett seconded the motion to adjourn the regular board meeting at 7:36 p.m. and trustees unanimously agreed. The next regular meeting of the Shaker Heights Public Library Board of Trustees will be Monday, January 28, 2019 at 6:30 p.m. in the Bertram Woods Branch Dietz Community Room.

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Brian Gleisser, President

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Susan Ritchey, Fiscal Officer

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Troy Meinhard, Secretary