

**Finance Committee Meeting
Minutes
February 23, 2021
4:00 p.m.
Remote Conference Meeting**

Call to Order

Finance Committee Chair Dean DePiero called the meeting to order at 4:00 p.m. In attendance were Committee Members, Chairperson Dean DePiero, Trustee Edward Blakemore, Trustee Maria Spangler and Trustee Allyn Davies, Trustee William Leonard, and Trustee Patricia Shlonsky, as well as Executive Director Tracy Strobel, Deputy Director-Support Services, Fiscal Officer Scott Morgan, Human Resources Director Monique Good, Deputy Director of Public Services Pam Jankowski, and Assistant Finance Director Robert Dolan, Facilities Director Jeffrey Mori, and IT Director Jim Haprian

Minutes

The January meeting minutes were noted for the record.

Director Morgan introduced Michelle Hillstrom from Stifel Nicolaus to present on Refunding our Debt Service.

Financial Statement Overview – January

Director Morgan stated we received advances for both property tax levies. We traditionally received a smaller advance in January and a much larger advance in February. This is our first month of collection for the 1.0 mill levy that was passed in November 2020.

Director Morgan stated the first Public Library Fund (PLF) distribution for the month was slightly larger than what we received in January 2020. There is a smaller amount projected for the year than what we received last year. We will continue to monitor this account.

Director Morgan stated patron fines and fees collected in January was significantly less than we received last year. This was anticipated because we were only providing service through our drive-up windows and curbside.

Director Morgan stated refunds and reimbursements we received a substantial amount back from the State of Ohio for a large credit balance we were carrying for the payments we made last year for unemployment. Much of this credit was paid to them when we were using the Shared Work Ohio program.

Director Morgan stated the salaries and benefits accounts are well within budget. The Insurance Benefits are a little over budget because at the beginning of the year we fund all the HSA accounts with the portion the Library pays.

Director Morgan stated the Books and Audiovisual categories within Library Materials show over 20% of the budget spent for the month. January is typically a large buying month for both categories. We have also encumbered funds well into the year to cover best sellers as well as paying for half a year's worth of Prime Picks at \$500,000.

Director Morgan stated many of the other expense accounts show either a high percentage or 100% spent. This would account for standing order encumbrances.

(See under FINANCE)

Investments – January

Director Morgan stated we purchased two pieces of commercial paper from Lymh Moet Hen Ly Se with yields of 0.25% and 0.23% and one piece from Toyota Motor Credit with a yield of 0.22%.

We also purchased two federal securities from Federal Home Loan Mortgage Company with yields of 0.27% and 0.65%. To get the larger yield of 0.65% we used our limit of a 5-year maturity.

Transfers

Director Morgan stated there was one transfer for the month from the General Fund to My Com Neighbor of \$10,833.33 for a library match per the grant agreement.

(See under FINANCE)

The investment reports were approved for vote by the full Board.

Purchase Approval List

Director Morgan stated Item #1 is an encumbrance increase of \$2,800.00 for additional work needed to remove hazardous material at the Bayway Youth Cabin. Item #2 is a renewal purchase to upgrade public computer equipment. This is year two of a four-year lease. Item #3 is for a software update renewal for public and staff computers system wide. This is a five-year subscription. Item #4 is for the 2021 Youth Summer Learning programming & supplies. Item #5 is for Kindergarten Club and Baby Club consulting services for 2021. Item #6 is for the mobile hotspots' activation & device shipping. Item #7 is the yearly lease of 435 HP laptops with support. This is a four-year lease that has a total amount not-to-exceed \$658,073. Item #8 is for the upgrade lighting at the Administration Building. Item #9 is for the upgrade lighting at Fairview Park Branch throughout the branch interior. Item #10 is for the design services for the security offices and design services for the Garfield Heights Branch study rooms. Item #11 is for the strategic planning consultant services with Janus Small Associates. Item #12 is for the online learning management system and staff safety training. Item #13 is for the Diversity, Equity & Inclusion (DEI) consulting services necessary for strategic planning and plan execution.

The Purchase Approval List was approved for vote by the full Board.

Gift Report

Director Morgan stated the report includes Friends gifts for branch programming. We received substantial gifts from the Cuyahoga County Public Library Foundation \$37,000 for DEI for staff training and public speaker and \$30,000 for 123 Read. We also received nice gifts from individuals some specifically related to programs and a few for general library use or general branch use for a specific branch.

The Gift Report was approved for vote by the full Board.

Voucher List April

The Voucher List, itemizing expenses in excess of \$5,000.00 was presented for informational purposes.

Resolution Permanent Annual Appropriation

Director Morgan stated this report summarizes the last three years of actuals.

Director Morgan mentioned during the finance report itself, the Public Library Fund estimate is down. This year, we will continue to monitor that account. Both the local property tax levies are listed they are separate and the amount that they are estimating this year for \$2.5 million is up from last year.

Director Morgan stated patron fines and fees, is his best estimate, certainly we are hoping that we can remain open, and come back up to full capacity, particularly in passport processing. There are a lot of people traveling right now we will see how it goes.

Director Morgan stated he have kept the interest rates the same, he does not expect those to rise.

Director Morgan stated refunds and reimbursements accounts, what we received last year, was over what we received in the previous year that had to do with a couple of Workers Comp reimbursements that were not expected. This year, most of that increase has to do with the number of credits we received back from the Federal Government.

Director Morgan stated what we budgeted for salaries last year is what we are budgeting this year.

Director Morgan stated in library materials of course we committed to the levy pass, putting additional dollars in the materials this year, see the final expenditure of \$8.4 million budget and for this year is \$10 million a significant increase in the capital budget and the general fund. There were lots of projects we did not get to last year we did not have the money to do them, but we will do those projects this year.

Director Morgan stated we decided 1mil was that we had spent down most of the money in the capital fund, this would give us the opportunity, particularly in the first couple years of the levy to take some of that money and transfer into the capital fund and begin once again to rebuild that fund for future years. This transfer includes about \$7 million into the capital fund.

Director Morgan stated we are asking for appropriation of \$84 million.

Total special revenue funds are \$1.6 million.

Note Retirement fund \$4.5 million.

Capital Fund \$10 million.

Regular Trust Fund \$140,000

Special Trust Fund \$50,000.

Endowment Trust Fund \$2,500.00

Agency Fund \$100,000.00

The grand total of all appropriations is \$100,885,881.42.

Director Morgan stated this is the Permanent Annual Appropriation resolution. He reminded us that the Board did adopt the temporary budget last November. By law, the permanent budget needs to be approved by March. He stated there is one correction to this report in the general fund the appropriation should be \$84,386,655.67. The grand total of all appropriations is \$100,885,881.42.

The Permanent Annual Appropriation Resolution was approved for consideration by the full Board.

Other:

Adjournment

There was no other business before the Finance Committee, and Committee Chair DePiero called the meeting adjourned at 4:54 p.m.