

**Finance Committee Meeting
Minutes
November 27, 2018
5:00 p.m.
Administrative Building Auditorium**

Call to Order

Finance Committee Chair Leonard called the meeting to order at 5:01pm. In attendance were Committee Members Chairperson William Leonard, Trustee Edward Blakemore, Trustee Maria Spangler, Board President Patricia Shlonsky, Trustee Dean DePiero and Trustee Robert Varley as well as Executive Director Sari Feldman, Deputy Director Tracy Strobel, Operations Director and Fiscal Officer Scott Morgan, Human Resources Director George Sample, Literacy and Learning Division Director Pam Jankowski, Facilities Director Jeff Mori, IT Director Jim Haprian, Assistant Development Director Meghann Marnecheck and other interested observers.

Minutes

The October meeting minutes were noted for the record.

Financial Statement Overview – October

Operations Director and Fiscal Officer Scott Morgan stated in general property taxes most of the revenue have been received through advances. We did receive more than what we had budgeted \$700,000.00 and those dollars will be carried over into next year towards several capital projects.

Director Morgan stated in the Public Library Fund (PLF) we exceeded what we received last year. He stated if this trend continues, we should be slightly over what we have budgeted. We will continue to monitor this account.

Director Morgan stated fines and fees are back up. He stated the largest increase continues to be in the area of passports due to the \$10.00 increase in passport processing fees. He stated we are still processing more passports than in the years past.

All other revenue accounts are where we would expect them to be for the month of October.

Director Morgan stated in general expenditures, salaries and benefits are where we expect them to be at this time of year. Percentages are down but November is a 3-pay month which will bring us back up where we need to be. A lot of the other accounts still have standing orders which we have started cancelling. There will be a carry over next year by decreasing those encumbrances.

Director Morgan stated all other expense accounts are within budget.

Director Morgan stated we have received the last pay application for Middleburg Heights Branch. There is still some work to be done but, based upon the numbers we have we will have about \$80,000.00 left from that project. We will carry over and put back into the capital fund.

Director Morgan stated we are still waiting on a couple of final expenditures at Berea Branch. There is A/V work being done in the meeting room and we will have a small amount of money left over.

Director Morgan stated Maple Heights Branch we are still waiting for the final pay out for the additional work done and the additional furniture that was ordered.

Director Morgan stated at the Strongsville Branch, we just placed an order for some meeting room chairs. Once the furniture is received and paid for, we will close out that account.

Director Morgan stated the cash balance left over is \$12 million. He mentioned out of that balance we need \$118,000.00 to pay for Middleburg Heights Branch, minus \$7.5 million for the Bay Village Branch, after those projects are completed that leaves a balance in the capital fund of \$4.7 million. Our intention was to spend that money down as part of the capital program.

Trustee Leonard asked what do we see in projects after Bay Village is completed?

Director Morgan mentioned this does not include the money for the Richmond Heights Branch. That money is still saved in the trust fund as it came through a settlement from an estate. He stated the \$4.7 million is available to spend. He stated there are no projects at this time earmarked for that money.

Trustee Varley asked does the money for roof repairs go back into the capital fund or is that additional revenue?

Director Morgan stated those projects will be handled in the general fund. We have about \$1.5 million we have to spend at the Maple Heights Branch to replace the HVAC system. We would take that amount from the \$4.7 million.

Executive Director Feldman stated we will schedule a Capital Committee meeting to discuss cost of capital projects.

(See under FINANCE)

Investments – October

Director Morgan stated we purchased three new Treasury Notes (TN) from ING US Funding, Toyota Motor Credit Co., and Bnp Paribas. All three of these TN's have a shorter maturity date, and we did receive a higher yield. There was no other purchases or maturities for the month.

There was one transfer for the month from the Regular Trust Funds to the General Fund for \$1,288.97. This purchase was from the General Fund that should have come out of the Regular Trust Funds.

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

Purchase Approval List

Director Morgan stated Item #1 is for Roetzel & Andress for construction legal services for the land agreement for Bay Village, and Richmond Heights. He stated there is a correction on Item #2 the increase should be \$5,500.00 to increase the amount from \$66,000.00 to \$71,500.00 for governance relations service for Roetzel & Andress LPA. We will make thirteen payments in 2018, the December 2017 invoice arrived later in January 2018 which was paid at that time.

Facilities Director Mori stated Item #3 we are asking for an increase in waste removal services needed outside of our normal operations. He stated Item #4 we are asking for an increase of \$1,650.00 for additional necessary backflow and sprinkler inspections. He stated Item #5 we are asking for increase of \$1,636.00 for elevator services repairs and additional maintenance and parts and labor not covered in the contract.

Director Morgan stated Item #6 is an increase for \$3,450.00 for the A/V system upgrades being done at the Berea Branch. Director Haprian spoke to Item #7 this is for our annual renewal for Adobe Creative Cloud for LLD training laptops, Branch recording studios and Memory Lab and it also includes our graphics division licensing. Executive Director Feldman spoke to Item #8 and Item #9. She commented last year we did nearly one-hundred Youth Summer Camps around the system and they were well attended. The Baby Club Coordinator will be paid for by the Mt. Sinai Foundation. Emily Stupka has run programs for us before.

Assistant Director Marnecheck commented on Item #10 that the Board previously approved naming of the meeting room at the Brecksville Branch based on an estate gift we received dedicated to the Brecksville Branch. The \$35,550.00 is in line with the donor wishes to improve the business offerings at the Brecksville Branch. Director Haprian also commented on Item #10 that the Brecksville meeting room system is very old. Facilities Director Mori is helping the Branch coordinate with new projectors, speakers, hearing assistance devices, getting a mobile unit that will be used for conferencing and presentations in the small conference room and story time room, so they can do a lot more programming. Assistant Director Marnecheck stated the Board also approved a furniture package that went along with this estate gift.

Director Morgan commented on Item #11 is for design services for the new Richmond Heights Branch. The school had hired the architect for design services, we met with them and asked them to coordinate our portion of the building and our portion of the build out of our space that we are doing and send us a proposal to accomplish that work and the proposal is in line with architectural services we have paid for in the past for all our other projects.

Trustee Varley stated if the Purchase Approval List goes to the Board for approval, he will abstain from Item #9.

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

Gift Report

Director Morgan stated the report includes Friends group gifts for branch programming. Assistant Director Marnecheck commented this is the final payment for Encore Entrepreneurship programming a commitment from The Cleveland Foundation over the last four years. FirstEnergy once again provided support for our Homework Center programs and we also received a generous grant from Google for hotspots for adult education learning. And lastly, we received a small gift to support Project Learn.

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

Voucher List

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

- **Temporary Annual Appropriation – 2019 Budget**

Director Morgan stated we bring the temporary budget in November. The budget worksheet for 2019 is for the general fund only. For comparative purposes the estimated budget for 2019, actuals for 2017 and 2016 and once we receive final numbers for 2018 budget we will finalize and we will bring the permanent budget in February. For the temporary budget we are asking for a carryover of \$500,000.00. The Public Library Fund (PLF) number and the local property tax number comes directly from the County and there are slight increases in those over what we estimated this year and the local property tax number is closer to \$42.7 million the actual amount we received. That amount is continuing to go down each year. Director Morgan stated patron fines and fees we raised budget slightly because of the increase in passports this year. He raised the interest because we have seen a rise in rates.

Director Morgan stated all other revenue accounts remain the same.

Director Morgan stated in the expenditure account salaries we have taken down slightly. We did an actual position by position for this budget number and we will be \$300,000 less next year. Employee fringe benefits includes increase in cost to healthcare over what we are paying this year. Supplies we kept the budget the same. Purchased contract and services we kept the budget the same. Materials budget we raised slightly to include some items that are actually now being paid for out of another category. We are going to pay for those out of Library materials.

Director Morgan stated we increased the capital budget because of IT and facilities expenditures expected for next year.

Director Morgan stated all other accounts except for contingency are where they should be for this year.

Director Morgan stated we are asking for an appropriation in the general fund of \$66 million. The Note Retirement Fund is the fund we will use in 2019 to retire debt this amount includes principal and interest. The Capital Fund will be used to pay additional expenses for Bay Village as well as other outstanding projects. The Trust Funds and Agency Fund of \$100,000.00 is made up of flexible spending account monies from employees to go into their accounts. The grand total of all appropriations is \$80.1 million.

The Temporary Annual Appropriation – Budget 2019 was approved for consideration by the full Board.

Director Morgan mentioned we have used Royal Landscape Company for ten years. The owner died last year, and we saw a decrease in the service we were receiving. They were dumping clippings and hiding them on the property instead of taking the clippings with them, things were being missed, and we received calls from a couple of the City's saying how bad our property looked. We made constant calls to them. The Orange Branch received a small grant from our Foundation Board to plant a pollinator garden and money they also received from additional grants. They had big day of service at the branch where 50 volunteers came and planted the garden. We told Royal Landscape not to go into that area at all and two days later the company mowed the entire garden down. We met with them and told them they would be responsible for everything they had cut down and pay the Library back for the money used for that project. We had our final meeting with them and decided to let them go. The Orange Branch community know the garden will be replaced in the Spring.

Director Morgan stated we gave them a check for the money we owed them, less the money they owed us. We will start a search for another landscaping company. We may have to split the contract between two contractors, it's difficult to find a company to handle all twenty-eight branches.

- **2019 Blanket Purchase Orders**

Director Morgan stated these are recurring blanket purchase orders or items we purchase on a regular basis in excess of \$15,000.00 that we present to the Board annually for your review and approval. We took Royal Landscaping off this list and as soon as we know the name of the new company, we will bring this back to you on the PAL.

The 2019 Blanket Purchase Orders was approved for consideration by the full Board.

- **Resolution to Request Tax Advances from Cuyahoga County**

Director Morgan stated each year CCPL Board must adopt the Resolution requesting the County to send us advances on our property tax.

The Resolution was approved for consideration by the full Board.

- **Resolution Seeking Permission to Advertise for a Request for Qualifications for Construction Manager at Risk Services for the New Construction of The Bay Village Branch Library Facility**

Director Morgan stated CCPL Board approved hiring HBM Design Architects. This resolution allows us to advertise for Construction Manager at Risk. We will seek proposals, score those proposals and based upon those scores we will schedule interviews after which we will do our rankings and bring our top three choices to CCPL Board for approval.

The Resolution was approved for consideration by the full Board.

Deputy Strobel mentioned we completed the community meetings yesterday and we met with Mayor Koomar and Council Representatives and Planning Commission. Next week we will meet with the staff. She projects we will have the first design submitted by mid to end of December. It was a positive meeting with Mayor Koomar and Council it was their opportunity to share the tradition of Cahoon Park and communicate to the architects the importance of the aesthetics.

Director Morgan mentioned that he, Executive Director Feldman and Facilities Director Mori met with Brandy Carney, Chief of Public Safety and Justice Services and Mark Christie, Emergency Management Director, of Cuyahoga County.

Facilities Director Mori stated CCPL will be working with the Cuyahoga County Office of Emergency Management, EMA Director Mark Christie, to the benefit of both organizations.

CCPL will benefit from the Office of Emergency Management (EMA) through:

- Review and updating of the CCPL emergency response plan, falling in line with larger county wide plan
- On site table top exercise and training of CCPL staff
- Access to County resources if needed during an emergency

EMA will benefit from CCPL:

- Providing literature to the public in paper and electronic forms
- Providing public training and workshops at some of our larger meeting facilities: PAS Auditorium
- Utilize the branches for warm places, places of refuge, or command centers during an emergency response
- Adding CCPL assets to the EMA resource list, including
 - Vehicles
 - Tools/equipment/generators/lighting
 - Skilled work force
- Utilize branch meeting rooms for localized training with community service providers: fire & police

Director Morgan mentioned we developed a plan ten years ago and we hired and paid a consultant for these services. Since we will now be working with the County there will be no charge to us.

Other:

Adjournment

There was no other business before the Finance Committee, and Chairperson Leonard called the meeting adjourned at 5:50 p.m.