

**Finance Committee Meeting  
Minutes  
December 18, 2018  
5:00 p.m.  
Administrative Building Auditorium**

**Call to Order**

Finance Committee Chair Leonard called the meeting to order at 5:05pm. In attendance were Committee Members Chairperson William Leonard, Trustee Maria Spangler, and Trustee Robert Varley as well as Executive Director Sari Feldman, Deputy Director Tracy Strobel, Operations Director and Fiscal Officer Scott Morgan, Communications and External Relations Director Hallie Rich, Human Resources Director George Sample, Assistant Finance Director Robert Dolan, Facilities Director Jeff Mori, IT Director Jim Haprian, Technical Services Director Daniel Barden, Assistant Development Director Meghann Marnecheck and other interested observers.

**Minutes**

The November meeting minutes were noted for the record.

**Financial Statement Overview – November**

Operations Director and Fiscal Officer Scott Morgan stated in general property taxes most of the revenue have been received through advances. For the remainder of the year we may see very small additional amounts for property taxes in December. 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) exceeded what we received last year. He stated if this trend continues, we should see an increase from what we have budgeted.

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 processing more passports than in the years past.

Director Morgan mentioned the percentage increase for interest is large even though the amount of revenue is small. The budget was based on what was received last year with a slight increase, rates have performed better than expected.

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

Director Morgan stated in general expenditures, salaries and benefits are where we expect them to be at this time of year and we will be able to finish the year well within budget.

Director Morgan stated all other expense accounts are within budget.

Director Morgan stated there are some negative balances in the 3000 accounts in the general fund, and the note retirement fund and the trust fund. Those amounts will be covered by an increase in estimated resources and appropriations, as well as closing standing orders for year end. Those accounts will have positive balances when we prepare the December report.

Director Morgan stated all other expense accounts for both the general fund and all other funds are within budget for this time of year.

Director Morgan stated Bay Village is a continuing project. We are meeting with HBM Architects next week to negotiate the contract and will bring it back to the Board. We have bids for the proposals for Construction Manager at Risk (CMR). We will score, interview and then bring rankings to you. We have quite a few responses for that.

Executive Director Feldman stated we will schedule a Capital Committee meeting in January and put HBM Architects and CMR for Bay Village discussion on the agenda.

Director Morgan stated we will close out the remainder projects. The only projects you will see for next year will be Bay Village and Richmond Heights.

**(See under FINANCE)**

### **Investments – November**

Director Morgan stated there were no new investment purchases for the month of November, but we do continue to see a steady increase in rates so as the investments mature, we should be able to see an increase in the yield on those purchases. There were no transfers for the month.

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

### **Purchase Approval List**

Director Morgan stated Item #1 is an encumbrance increase for \$560.00 for the backflow and sprinkler inspections to finish out the year. He stated Item #2 is an increase for fire alarm testing. Item #3 Director Haprian stated this is an annual renewal for our Cisco service to support our hardware and software throughout the system. He spoke to Item #4 stated this is the annual renewal for Sierra software necessary to renew library catalog and circulation software. Director Rich spoke to Item #5. She stated this is a purchase for WKYKC-TV partnership advertising package necessary for local advertising to promote the library on their Live on Lakeside show. This will enable us to get regular ear play on WKYC as part of this investment we will have a monthly segment this will also buy 49 commercial spots each month throughout 2019. They will produce 5 different 15 second commercial spots one with general library message and any other specific services we want to highlight. Item #6 Director Morgan stated North Olmsted Branch has been open for 16 years and some of the furniture is really worn. We will refurbish some of the furniture and buy additional study tables and chairs mostly for the teen area. With the new school opening behind the branch it has become extremely busy. Director Morgan stated Item #7 would replace North Olmsted branch KI computer work stations that are not in good shape with the current work stations that we have been buying for the newer branches. Item #8 Director Scott stated this is necessary for additional purchase of 362 hot spots with the google grant we received.

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

### **Gift Report**

Director Morgan stated the report includes Friends groups gifts for branch programming. We received several special revenue grants from Foundations.

Assistant Director Marnecheck commented on those grants. We received a grant from the Burton D. Morgan Foundation for \$27,000.00 to allow us to create a more sustainable model for our entrepreneurship programming and it will provide training process for staff to provide the curriculum on an entry level entrepreneurship series course. Moving forward it won't be a cost to bring outside professional services to provide these programs. We received the first of two

payments for the \$100,000.00 grant from The Cleveland Foundation to support our Homework Center programming. We get an annual gift from the Joseph and Katherine Zack Fund that supports our Mayfield Heights Branch they are in the process of making plans on how to use those funds. PNC has supported our Kindergarten Club programming and helped us expand to seven locations in 2018 and they have renewed that funding in 2019. The Joyce M. Stielau and Herbert W. Stielau Foundation is a capital pledge payment

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.

- **Resolution to Amend Official Certificate of Estimated Resources and Amend Appropriations**

Director Morgan stated estimated resources in the general fund will exceed the estimate by approximately \$1.45 million. The additional dollars come from an increase over budget for both the Public Library Fund (PLF) and real estate taxes. The increase in the Capital Fund is for a transfer, pledge payments and the second distribution from the McGowan estate. The increase in the Trust Funds is for transfer of funds to the Capital Fund. The small increase in the Endowment Funds is for additional interest on investments and the Agency Fund increase is for additional dollars that employees put into their flexible spending accounts.

Director Morgan stated on the appropriations side in the general fund we need to appropriate the additional \$1.45 million. In the Note Retirement Fund, we are \$0.32 short and in the Trust Funds we need to appropriate additional funds to transfer those funds to the Capital Fund. We are requesting amendment to both the estimated resources and appropriations.

The Resolution was approved for consideration by the full Board.

- **Resolution Authorizing the Library to Enter Into an Agreement with Northeastern Refrigeration for the ADM Graphics HVAC Improvements Project**

Director Morgan stated the ADM graphics HVAC improvements was not included in the larger project last year and it needs replacement. The bids were opened for this project and our two lowest bidders were tied for the exact same amount. We resolved the tie by having both bidders come to CCPL, and we flipped a coin which we videotaped should there be future questions. The winner of the flip was Northeastern Refrigeration.

The Resolution was approved for consideration by the full Board.

- **Amendment No. 2 Resolution Authorizing the Library to Accept Guaranteed Maximum Pricing Relating to the New Construction of The Middleburg Heights Branch Library Located in The City of Middleburg Heights**

Director Morgan stated we were in the process of signing the final amount of the Guaranteed Maximum Pricing (GMP) for Middleburg Heights and RFC Contracting, Inc., came back to us and asked for an additional \$200,000.00 for this project. We only brought \$100,000.00 to the Board as we thought through some reimbursements, we may receive some of the money back. We did not receive rebates back and we are requesting an additional \$100,000.00 to add to the GMP to make the final pay application for the project. We are still well under budget of the \$7.5 million we set aside for the project. We will be \$97,000.00 under budget with the additional \$100,000.00 expenditure.

The Resolution was approved for consideration by the full Board.

**Other:**

**Adjournment**

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