

**Finance Committee Meeting
Minutes
March 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, 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 February meeting minutes were noted for the record.

Financial Statement Overview – February

Director Morgan reminded us this report still does contain the temporary budget. We will present the permanent budget next month.

Director Morgan stated we have two levies now. February is traditionally our largest month of collection and the same was true for this year. We will see a few more advances for the first half of the year.

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

Director Morgan stated patron fines and fees collected in February were significantly less than what we received last year. This was anticipated due to COVID-19 and customer visits being down and processing fees for passports are also significantly down.

Director Morgan stated refunds and reimbursements we reported on in January, but as a reminder, we have a large balance in this account because of the State unemployment we received our refund back from our Shared Work Ohio program.

Director Morgan stated on the expense side salaries and benefits 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 library materials overall show an expenditure of over 26% spent due to the larger expenditures in the month of January which is typically a large buying month for both categories.

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 – February

Director Morgan stated we purchased three pieces of commercial paper from Mizuho Bank Ltd, Lloyds Bd Corporate and Standard Chartered Bank with yields of 0.20-0.22%.

We also purchased two Federal agency securities from Federal Farm Credit Bank and Federal Home Loan Mortgage Company with yields of 0.22% and 0.65%.

Transfers

Director Morgan stated there was one transfer for the month. Transfer 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 from \$20,000 to \$50,000 for additional disinfection deep cleanings of buildings system wide due to COVID-19 as needed. Item #2 is a purchase to replace worn carpet throughout CCPL Strongsville Branch. Item #3 is to replace worn carpet throughout the Brecksville Branch. Item #4 is to refurbish breakroom and restroom at CCPL Independence Branch. Item #5 is to refurbish breakroom and restroom at CCPL Maple Heights Branch. Item # 6 is \$21,600 for construction observation and materials testing at Bay Village necessary for construction of the new CCPL Bay Village Branch. This is not part of the Construction Management contract. Item #7 is for redesign and expansion for the teen area at CCPL North Olmsted Branch. We would hire Matt Ross Architects for \$34,300. Item #8 is to mill, repave, and strip parking lot at CCPL Brooklyn Branch and Item #9 is a \$30,000 investment with Crain's Cleveland Business for digital and print ads for an upcoming series of roundtables on the Digital Divide plus sponsorship through June 2021.

Director Rich also spoke to Item #9. She stated this is a \$30,000 investment with Crain's Cleveland Business. They reached out a couple of months ago and let us know that they were going to be doing a whole series throughout this year on the Digital Divide. We began talking about opportunities to collaborate we felt it would be a wonderful opportunity to make an investment with Crain's to be able to help sponsor some of these Digital Divide discussions that they're going to be hosting and the first one is on May 12 and we will have sponsorship of that event, which will also include opportunities to provide a white paper on issues related to Digital Equity and Inclusion and a number of digital ads and print ads as well. We are also going to partner together on a roundtable discussion. This is a great way of getting our message out particular to the business community, which is one of our target audiences and we know Crain's is a great format for doing that and having those type of conversations. We know going forward that Digital Equity and Inclusion is an important piece of our work and our contribution to the community, and we want to be at the table having these discussions with business leaders.

Executive Director Strobel commented one thing we learned while working on the levy last year is that we needed to raise our profile with the business community, and this is a fantastic opportunity to do that.

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 a substantial gift from The Cleveland Foundation, CCPL supporters for many years, first payment of \$50,000 for Homework Centers. We also received nice gifts from individuals some

specifically related to programs for general library use or general branch use for a specific branch.

Director Hawes mentioned that Iris November has been a longtime supporter of CCPL, we are in her will and she is giving us \$5,000 this year for the Kindergarten Club.

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.

Trustee DePiero mentioned that The American Recovery Act Plan (ARPA), are we getting any money from that?

Director Morgan answered we were included at the tail end of the first distribution we received \$675,000 in the first bill. He has seen information from the Ohio Library Council (OLC) that we are more than likely included in this bill, how that is going to come to us he is not 100% certain. There may be a few more restrictions on those dollars on what they can be used for different than what the restrictions were on the first round. This round could possibly be more for infrastructure which we could use the dollars for that as well, given the opportunity, but he is not certain how that is going to channel to us or how much it could be, but we will stay on top of it.

Director Rich commented through ARPA there were additional dollars that were channeled through IMLS, federal funding for Museum and Libraries is where that money goes. It was \$200 million additional to IMLS those dollars will be channeled to the State Libraries, and they are putting together the guidelines, or the guidance around how those dollars can be distributed to local library systems, and what will be acceptable or permissible uses of those dollars. Our in the American Library Association (ALA), and some of the advocacy groups that are involved through ALA we are monitoring where those dollars are going and what that will look like. There are other opportunities, through ARPA, new federal dollars that we are going to be taking a closer look at, some potentially through the emergency broadband benefit that was just recently passed, as well as dollars that are coming to State and Local governments that are not specified necessarily for libraries, but for which will be eligible. There is more to come, and we are going to be identifying where there are opportunities both for us from a need perspective and where there might be alignment with some of this stimulus money.

Resolution Authorizing the Library to Enter into a new Lease to The Centers for Families and Children at the Maple Heights Branch

Director Morgan stated the original lease in 2018 was for a two-year lease with the option to extend for 3months, but they were not able to use the daycare center due to COVID-19 and asked us to extend the lease. A good program to continue in the community. We are asking for Board approval for a two-year lease with the same agreement in the previous lease.

The Resolution Authorizing the Library to Enter into a new Lease to The Centers for Families and Children at the Maple Heights Branch was approved for consideration by the full Board.

- **2021 Refunding Note Resolution**

Director Morgan reminded us at last month Finance Committee meeting Michelle Hillstrom from Stifel Nicolaus, gave a presentation on Refunding our Debt Service indicating where interest rates were at that time, we would have the ability to save some dollars if we refunded the notes that we have available. This resolution would allow us to begin that process. We would be refunding notes in the amount of \$49,900,000. The rates are a little higher than where they were

and if for some reason, we do not hit the benchmark we were looking at by savings, we will hold off on this. We would still like to move forward with the process, and we will continue to monitor this account.

The 2021 Refunding Note Resolution was approved for consideration by the full Board.

- **Resolution Authorizing the Library to Enter into a One Year Contract with Summit Building Services for Comprehensive Custodial Services**

Director Morgan stated the Board have appreciated the contract we have with VGS because of the organization they are and what they do for the community. We have been doing a lot of work with them and trying to bring up the standard of cleaning and we have not been successful. There has been a lot of missed cleaning, especially on the west side. There have been a lot of pushback from branches. This has been a very difficult decision to bring to the Board, to request to change companies. We went through a very extensive process to find a good company and the cost of the contract is close to what we are paying VGS currently.

Director Mori stated the contract with VGS ended in August 2020 under the three-year contract and at that time, we entered a month-by-month contract. At the end of the calendar year January, we are asked by VGS to sign the contract extension, we again, went with a month-by-month contract. We needed to seek some increased services and it is all based on service experience that our staff has long outstanding relationship, but it has always been based on the service we've receive and at the end of January we embarked on a rigorous request for a proposal process.

Director Mori stated we did a bid by invite so we selected nine firms that we felt could provide the services we need. Five of those firms attended the management meeting, we walked through the process, we walked through what we expected, the property, documents laid out. All five of those attendees submitted a response to a request for proposal.

Director Mori stated two were disqualified based on the information they sent, and we interviewed the top two. We had a large evaluation committee, it was 11 people that made up the administrative components; facilities team, Branch Services Director, three Branch Managers, to account for the branch component, and security because they are very involved with bringing people in our system so the large evaluation committee, agreed on the two finalists unanimously. The two finalists came to us and presented a presentation about different things, how they manage their folks, how they train and how they keep track, what they use for time management workflow, communication all the things that are very important to us. Summit Building Services was the decision.

The Resolution Authorizing the Library to Enter into a One Year Contract with Summit Building Services for Comprehensive Custodial Services was approved for consideration by unanimous vote of the Board members present.

Other:

Adjournment

There was no other business before the Finance Committee, and Committee Chair DePiero called the meeting adjourned at 4:37 p.m.