

**Finance Committee Meeting
Minutes
June 23, 2020
4:30 p.m.
Remote Conference Meeting**

Call to Order

Finance Committee Chair Dean DePiero called the meeting to order at 4:30 p.m. In attendance were Committee Members, Chairperson Dean DePiero; Trustee Edward Blakemore, Trustee Maria Spangler and Trustee Allyn Davies, Trustee William Leonard, Trustee Patricia Shlonsky, and Trustee Robert Varley as well as Executive Director Tracy Strobel, Deputy Director-Support Services and Fiscal Officer Scott Morgan, Director Communications & External Relations Hallie Rich, Human Resources Director Monique Good, Literacy and Learning Division Director Pamela Jankowski, Assistant Finance Director Robert Dolan, Facilities Director Jeff Mori, IT Director Jim Haprian, Technical Services Director Daniel Barden, and other interested observers.

Minutes

The May meeting minutes were noted for the record.

Financial Statement Overview – May

Director Morgan reminded us that this report does include the reductions that we made based upon COVID-19 and the Library closure because of the reduction revenues for both the Public Library Fund (PLF) and other anticipated revenues of \$5 million. He stated in general property taxes we received our first half advance from then County which was higher than our estimate. We should start receiving advances on those, but we have not seen any, yet they may come in July and that will give us a better idea of our general property taxes for the year and our estimate.

Director Morgan stated in the Public Library Fund (PLF) we are monitoring very closely because this is where we anticipate the most shortfall. February and March distributions came in as we anticipated. The April distribution was down slightly, and the May distribution was down significantly which we anticipated. We receive our June distribution which was down from last year but not as much as we anticipated. The larger drop we saw in May, June will make part of that up and we are looking at the information based from Ohio Library Council (OLC) a decrease of 25% that is what we planned for and we brought that to the Board last month to reduce those revenues and expenses. Those numbers will go up and down and hopefully, by year end we will see no less the 25% decrease as we have planned.

Director Morgan stated in patron fines and fees we collected in May again were minimal because we were closed. The small amount we did collect was customers paying fines on-line. We expect these amounts to continue to be minimal over the next several months. We have suspended fines until the middle of June, and we will not begin processing passports for a couple of months we are still waiting to hear from the State Department on when we can start processing those. We have accounted for those decreases in that overall budget reduction we did last month.

Director Morgan stated the other revenue accounts are where we expect them based upon those decreases. We will continue to monitor those a lot of them are based upon the library being closed and we will see some of those amounts rebound when the library reopens such as supplies for resale.

Director Morgan stated when we created the budget at the beginning of year, we did not anticipate the sharp drop-in interest rates that we have seen, and we will continue to monitor that account. We did account for much of that in our overall decrease, but we will continue to look at that monthly to see if we need to take any other decreases out of those accounts.

Director Morgan stated in salaries and benefits accounts the salaries number we have seen a sharp drop in that number this is working the way it was designed with the SharedWork Ohio (SWO), furloughs and the early layoffs. The salaries are less than half of what is what last year our month to date expense for this year was \$1.4 million last year it was \$3.3 million a savings in that account. This is one of the areas we were anticipating we could save the most dollars in to make up that overall, \$5 million decrease. The program is working as we designed.

Director Morgan stated many of the other expense accounts show either a high percentage or 100% spent. This would account for standing order encumbrances that were created within those accounts. All the purchase orders were reviewed and some of them were decreased and we were able to achieve the number we needed to realize the savings to reach the total reduction in appropriations for the \$5million.

(See under FINANCE)

Investments – May

Director Morgan stated we did make several purchases during the month we had a lot of maturities and based upon rates of return as well as trying to diversify the portfolio as best as we could we did make several purchases from Federal Agency securities and a US Treasury. The rates vary between a low of 0.11% for the Treasury note and a high of 0.45% for a Federal Agency security. The proceeds came from the maturity of some commercial paper and CDs over the month. We will continue to maximize our yields while diversifying the portfolio.

There were no other maturities or purchases for the month.

Transfers

Director Morgan stated there were two transfers for the month. The first transfer was to the Note Retirement Fund to pay our first half of the year interest on our notes and the second transfer was to the Special Revenue – MyCom Neighborhood to pay a required match per the grant agreement.

(See under FINANCE)

Trustee Varley asked do we have a total of COVID-19 expenses or increases in Personal Protective Equipment (PPE) and disinfectants?

Director Morgan answered we are keeping a separate spreadsheet of that cost and we will continue to give you an update. Some of those supplies we must keep repurchasing an adding to the cost and we will have the ability to report that separately.

Trustee Varley asked Director Morgan if he can show next month what the increase and operating costs are directly related to that expense.

Director Morgan stated we are approaching just on PPE purchases alone we are well over \$80,000.00.

Chairperson DePiero commented Director Morgan is doing a great job in difficult times and it is good to see that the plan has been executed and realizing the results that were intended does not always happen.

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

Purchase Approval List

Director Morgan stated Item #1 thru 5 are encumbrance increases. Item #1 we are purchasing a lot of PPE from Grainger for a good price and we are asking for an increase for \$10,000. Item #2 is for emergency sewer repairs we have a standing order for Difrancio Plumbing we had more than what we originally anticipated in the original blanket amount of \$20,000 and we are asking for \$3,500 increase. Item #3 is for the Richmond Heights Branch we are responsible per the lease for paying common area maintenance (CAM) cost those charges are more than what we anticipated at the beginning of the year because of some building and parking lot improvements they've done and we are asking for \$20,000 increase to pay CAM charges. Item #4 is for the laptops we are leasing from HP the blanket we had we delayed the invoicing and there was an increase in the invoice due to that delay and we are asking for an increase \$1,364. Director Haprian spoke to Item # 5 thru Item #7. Item #5 he stated this is an increase in blanket purchase order Symantic has been bought by Broad Com they make our ghost solutions software what we use for imaging our pcs, installing software, and managing our pcs throughout the network. They increased the price significantly because it's a different company they are no longer giving us the educational subscription piece and we are looking to find a different solution due to the increase but we do need to get the software renewed. Item #6 is a piece of software fireeye helix which takes our logs and information from our fireeye security appliances and our firewalls and other network defense pieces of software and hardware and aggregates them together for better tracking and protection if we have any type of network breaches. We are concerned because of the increase and use of VPN software making sure we are secure as possible. Item #7 is a teleservice initiative with Ohio Means Jobs (OMJ) we are getting 26 video conference units we will install in one of the study rooms in each branch so customers can come in and use the study rooms for conferencing with OMJ.

Chairperson DePiero asked if some of these purchases for telecommunication, computer leasing, and laptops are related to teleworking?

Director Morgan answered yes, the lease on the laptops is for some work we are doing remotely but on item #7 for videoconferencing.

Chairperson DePiero mentioned there is some money through FEMA and the State for reimbursement for some of those items are you aware of those or the Library Association?

Director Morgan says he checked with Ohio Libraries Council (OLC) for the possibility of being reimbursed for some of the PPE we are purchasing, they indicated it is not available to libraries it is going directly to the County's and libraries are not eligible to apply for that money under the act that congress passed. Not sure about some of the other equipment we are purchasing outside of PPE, but we will inquire to see if we are eligible for some of that reimbursement.

Chairperson DePiero mentioned the applications he looked at was FEMA through the County reimbursed for expenses related such as video equipment could be reimbursed.

Director Haprian mentioned about the video conferencing units we are talking with the County and OMJ and the hope is that video enable all the small study rooms throughout the entire system to use for OMJ and conference calling. We are in contact with various agencies to fund that project.

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

Gift Report

Director Morgan stated the report includes a gift renewal for the MyCom grant for \$32,500.00, we received three amounts from the Morgan Sisters for reimbursement for a dollhouse display case at CCPL Orange Branch, a gift from Overeaters Anonymous in appreciation of using the Parma Heights Branch meeting room, and lastly, The Cleveland Foundation grant for \$27,500.00 part of our HotSpot Lending program.

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 Leonard asked how is the audit coming?

Director Morgan answered we have requested one extension with the GFOA to submit our report. We do have to file the cash portion of the report by the end of June that will be completed and then we will concentrate to work with them to put the final CAFER together. The Auditors have most of the papers and are reviewing the those. Our goal is to have it completed and approved by end of August.

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

Director Morgan stated this resolution is to amend our certificate of estimated resources and appropriations all three are related to special revenue funds; Warrensville Heights Garden an additional \$1,500.00, renewal for Adult Educational Services (AES) grant from the State of Ohio for the ASPIRE program for \$1,149,750.00 and Food & Culinary Literacy Program for an additional \$1,500.00.

The Resolution was approved for consideration by the full Board

- **2021 Alternate Tax Budget**

Director Morgan stated this is an annual tax budget we need to supply to the County. This is our first look and request to the County for our 2021 budget beginning January 1. Our current levy is a continuance it was a replacement it is for \$2.5 mill and the amount we are requesting from that is \$43,500.00. The biggest number is the property tax and the government revenue and the request for that is \$64,500,000.00. This does not include the current work we are doing on the levy should it pass we would amend this on our temporary budget. Director Morgan stated the 2021 Alternate Tax Budget does require Board approval to submit to the County.

The Resolution was approved for consideration by the full Board

- **Resolution to Approve Change Order Number One for Ozanne Construction for the New Richmond Heights Library**

Director Morgan stated this resolution is an additional add to the contract for \$23,128.39 therefore CCPL can run our own data conduit for the data lines that will come into the school. The original design had us combining our data lines with the school and we decided it was in the best interest of the Library to run those lines separate from the school and they agreed.

The 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 4:56 p.m.