

**Finance Committee Meeting
Minutes
April 21, 2020
4:30 p.m.
Remote Conference Meeting**

Call to Order

Finance Committee Chair Dean DePiero called the meeting to order at 4:33 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, Assistant Finance Director Robert Dolan, IT Director Jim Haprian, Facilities Director Jeff Mori, and other interested observers.

Minutes

The February meeting minutes were noted for the record.

Financial Statement Overview – February/March

Director Morgan stated in general property taxes he will not do a complete review of the February financials unless there are questions. He will speak on the March financials.

Director Morgan stated we received our first half advances from the County and with this advance we are a little higher than half of our estimate for the year. We could see a possible reduction because of increased delinquencies for tax payments. We have not received any communication from the County about a possible reduction, but if we do, we will report that to the Board.

Director Morgan stated in the Public Library Fund (PLF) our February and March distribution for PLF was as anticipated. The Ohio Library Council (OLC) has advised Libraries that we can anticipate a 25% reduction in the PLF beginning in May. Our April distribution came in already based upon our original estimate which will have to decrease because of less money coming into the State therefore the PLF will also be reduced. We anticipate the May distribution will reflect that 25% decrease and for CCPL this 25% decrease over the year equates to approximately \$4.1 million loss in revenue for the PLF.

Director Morgan stated in patron fines and fees collected in March were about half of what we would typically collect in a month due to passport revenue. This was anticipated since we were closed half of March and all of April. Our average monthly collection is \$120,000. With the reduction in PLF we will see a reduction in the amount of fines and fees that we will collect for the year. We will include this decrease as part of the overall budget reduction.

Director Morgan stated some of the other revenue accounts will also need to be adjusted, but their overall reduction does not have the same impact as does the general property tax and the PLF which is where the majority of our money come in. We will need to adjust the Interest account to reflect a dramatic decrease based on the economic conditions because of COVID-19. We will also see a decrease in the amount of resale supplies because of our closures. We will include these decreases based on estimates as part of the overall decrease.

Director Morgan stated salaries and benefits accounts are showing a higher percentage spent in the Insurance Benefits-Employer, because at the beginning of the year we fund accounts for all employees who have an HSA. We anticipate showing in April we should be back at the percentage we should be. 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. The POs for standing orders will all be reviewed for possible decreases.
(See under FINANCE)

Investments – February/March

Director Morgan stated there are two investments reports we will need to have approved at the Board meeting today.

Director Morgan stated there were no investments or maturities for month of February.

Director Morgan stated we had three CDs that matured during the month of March. The proceeds were deposited to a Money Market account at Fifth-Third Bank. We have worked with the Fifth-Third Bank to reinvest those funds in another CDARS for one year earning 1.2%. That investment will be reported on the April report.

There were no other maturities or purchases for the month of March.

Transfers

There were no transfers or advances for the month of March.

(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 for Precision Environmental Company. This is necessary for CCPL Maple Heights Branch HVAC replacement there was some asbestos abatement needed to be done in the pipes. We are asking for an encumbrance increase for \$350.00. Director Morgan stated Item #2 is for 2020 Institutional dues for Urban Libraries Council (ULC) annual membership. Director Rich spoke to Items #3, #4 and #5. Item #3 is for the annual renewal licensing to use Blackbaud system that runs our Razors Edge donor data base this is how we do all of our contact for fundraising, and it holds all of the records for our Development team. Item #4 is for outside fundraising support from Stacy Caddey. We have worked with her as a consultant in the past she did our development audit a few years back. We closed our branches in March and we are down two staff in the Development department, and we need additional support. Director Morgan has reported this evening the anticipated losses from our public funding and we recognize we will have to ramp up our philanthropic efforts to find new and increasing sources of external revenue and we are engaging Stacey Caddey for some additional capacity and some expertise. Item #5 is for the engagement with Cyrid Media this would be the investment for all the paid media over 2020 for our Education Campaign. We have talked to the Board previously about making an investment this year ramping up education and awareness and while our branches are closed and our customers are having to find new ways to engage with the library we want to make sure we are connecting with them. This investment would cover media buys that will be done through Cyrid Media, but those dollars will be distributed across several different media outlets; tv, radio, streaming, digital and outdoor billboards as well.

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

Gift Report

Director Morgan stated the regular report includes gifts from the Friends groups for branch programming as well as larger gifts. This report is a catch up that had not been reported since closing. We received three gifts from CCPL Foundation; \$30,000 for 123 Read, \$24,000 for ASPIRE laptops, and \$25,000 for Wonderbooks. There are several Foundation and individual gifts listed at the end of the report.

Trustee Leonard asked Director Rich if there are any new grants that we have not received in the past or we did not expect?

Director Rich stated No. This report reflects all dollars that we were expecting and dollars we knew that were coming from the three gifts from the Foundation which is part of the distribution they made at the end of 2019 we knew were coming. The Cleveland Foundation in support of the DEA Exhibit is relatively new. All other dollars were expected.

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

Voucher List February/March

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

- **Resolution to approve Change Order Number One for Engelke Construction Solutions**

Director Morgan stated this resolution is for the renovations of four restroom projects for CCPL Branches, Beachwood, Solon, Southeast and Strongsville. This is an additional ask for an increase of \$16,282.68. This is a contingency that we normally budget for the project, except we do not encumber the money until we need to use it. This will bring the total of the contract to \$396,492.68 which is still well under budget of our original estimate of \$425,000.00.

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 4:54 p.m.