

**Finance Committee Meeting
Minutes
November 26, 2019
4:00 p.m.
Administrative Building Auditorium**

Call to Order

Finance Committee Acting Chair Blakemore called the meeting to order at 4:01 p.m. In attendance were Committee Members, Trustee Maria Spangler, and Trustee Allyn Davies, Trustee Patricia Shlonsky, and Trustee Robert Varley as well as Executive Director Tracy Strobel, Operations Director and Fiscal Officer Scott Morgan, Communications & External Relations Director Hallie Rich, Acting Human Resources Director Larry Miller, Literacy and Learning Division Director Pamela Jankowski, IT Director Jim Haprian, Technical Services Director Daniel Barden, Facilities Director Jeff Mori, Bridget Hawes Development Director, and other interested observers.

Minutes

The October meeting minutes were noted for the record.

Financial Statement Overview – October

Director Moran stated we have received our second half settlement of the year. There were no distributions for the month of October, and we have one small distribution for December. We have exceeded our original estimate for the year by \$776,746.00.

Director Morgan stated in Public Library Fund (PLF) the October distribution was larger than last year. With this distribution we are still on budget. We received a revised estimate for the 2019 PLF from the state and that estimate is over our original estimate. This increase is due to increased collections as well as the slight increase in the percentage that libraries received as part of the new biennium budget from the State in July. The two amounts together we will be able to obtain our \$1 million carryover to start out the new year.

Director Morgan stated interest rates were higher than anticipated and the larger increase has brought in additional revenue. Based on some of our recent maturities we are beginning to see some of those increases leveling off. We will continue to monitor this account.

Director Morgan stated patron fines and fees exceeded our estimates due to passport fees and photos. Sale of resale supplies are also slightly exceeding our estimates.

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

Director Morgan stated expenses for salaries and benefits are slightly ahead of budget. We posted 3-pay rolls in the month of October.

All other accounts are where we would expect them to be.

Director Morgan stated we are expending materials and they are where we expect them to be at this time. Many of those accounts have higher than expected percentages for expenses and encumbrances because these accounts have standing orders encumbered against them to pay monthly and recurring expenses. There are no expense accounts of concern right now.

Director Morgan stated on the project side we are still working on the final expense number for Bay Village Branch and we will bring next month. We do have a better idea for Richmond Heights, and we will bring those two revised numbers next month. The Maple Heights Branch project is completed.

(See under FINANCE)

Investments – October

Director Morgan stated we purchased three pieces of commercial paper. Two were purchased from Citigroup Global Market at a total of \$305,000.00 (\$125,000.00 and \$180,00.00). The third was purchased from Pfizer, Inc.

Transfers

Director Morgan stated there was one transfer for the month of October from the general fund to the special revenue funds for the ASPIRE program match we are required to make for \$65,381.26.

(See under FINANCE)

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

Purchase Approval List

Director Morgan stated there are several encumbrances increases which is not unusual this time of year as we are working through blankets, we are finding we need additional money to pay bills. He stated Item #1 is an encumbrance for Roetzel & Andress from \$30,000.00 to \$33,000.00 due to additional construction legal services needed. Director Mori stated Item #2 they are asking for an increase for Continental Fire & Security, Inc., a blanket encumbrance of \$6,500.00 for an increase of cameras based on some incidents we had which is more than the original budget and to replace some of the cameras that have malfunctioned and are not rebuildable. Acting Director Miller spoke to Item #3 this encumbrance increases of \$4,000.00 is necessary due to additional health & wellness programming. Director Mori stated Item #4 is an additional \$4,000.00 increase for better lighting and additional electrical & maintenance repairs systemwide. Item #5 Director Mori stated we asked Davey Tree who does our lawn & landscape services to do small improvements beyond our original contract such as; sprucing up planting beds around the main entrances, changing and replacing dead material and had them do additional work to improve the health and wellness of trees. An additional encumbrance increase of \$17,000.00.

Director Rich spoke to Item#6 this is for our winter program guide we expanded the issue this year to include our great books for kids a cost increase of an additional \$900 to cover increased shipping cost for the winter issue. Director Haprian stated Item #7 is grant funded from CCPL Foundation for sixteen laptops for our ASPIRE staff. Director Rich spoke to Item #8 this is to replace the existing twenty-year-old print shop machine used regularly to print brochures, letters, and small programs. Director Haprian spoke to Item #9 this is to refresh and replace our public machines that are between 6-9 years old. This will be a four-year lease and has a total amount not-to-exceed \$806,766. Acting Director Miller stated Item #10 there is a lot of need from staff to deal with mental health issues that come in every day. This would be a four-hour training program that seeks to train staff about mental health issues, what to look for preventive and active things they can do, and resources are available and to take of themselves. We elected to go with Recovery Resources to train 450 employees. Director Mori stated Item #11 is for the asbestos abatement of duct work as part of the Maple Heights Branch HVAC project. We had additional testing done and additional asbestos we had to remove before starting the project.

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

Gift Report

Director Morgan stated the report includes gifts from the Friends groups for branch programming, as well as gifts from The Cleveland Foundation to continue our HotSpot lending program, The Ferry Family Foundation and The Joyce M. Stielau and Herbert W. Stielau Foundation for our Homework Centers. We received the second payment from MyCom for the programs at our Parma, Maple Heights and Warrensville Heights Branches.

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 Temporary Annual Appropriation**

Director Morgan stated this is our first look at the budget for 2020. Once we have all the accounts balanced and closed, we will bring the permanent budget back to the Board in February. The appropriation we are asking from the general fund is \$67,158,165.00. This follows very closely to the projections as to where we anticipate we will be in 2020.

Director Morgan stated in the capital fund the \$8 million is an estimated expense for the Richmond Heights and Bay Village Branches next year.

Director Morgan stated money into the regular trust fund, special trust fund, endowment trust fund and the agency fund are at the same levels for this year. The agency fund is the money that we have for the flexible spending accounts for library employees. The grand total of appropriations we are asking for in 2020 in the temporary budget is \$82,282,766.46.

The Resolution was approved for consideration by the full Board.

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

Director Morgan stated this is an annual resolution requesting the County to send us tax advances.

The Resolution was approved for consideration by the full Board.

- **Resolution Authorizing the Library to Enter into an Agreement with Ozanne Construction Company regarding the Richmond Heights Branch Library Project**

Director Morgan stated this a contract that will allow Ozanne Construction to do both the construction management and construction on the new Richmond Heights Branch Library project. We do not have to publicly bid on this contract since the school has already publicly bid the contract. It makes sense to us to use the same contractor and the work would be less expensive for us if we use the same company. We are asking the Board to authorize the contract with Ozanne Construction for building the Richmond Heights Branch Library. CCPL will only pay for the interior construction with the exterior being paid by the school district.

The Resolution was approved for consideration by the full Board.

- **Resolution Authorizing the Library to extend the Lease to The Centers for Families and Children at the Maple Heights Branch**

Director Morgan stated we signed a lease two years ago to put a daycare within the Maple Heights Branch. There was a provision in the lease to allow them to ask us to extend them additional time and they are asking us for a two-year extension. All the terms and monthly rent payment will remain the same and the extension would run through December 31, 2021.

The Resolution was approved for consideration by the full Board.

Other:

Adjournment

There was no other business before the Finance Committee, and Acting Chair Blakemore called the meeting adjourned at 4:50 p.m.