



**Springfield-Greene County Library Board of Trustees
December 13, 2016
Minutes**

The Board of Trustees of the Springfield-Greene County Library District met in regular session on Tuesday, December 13, 2016, at 4:00 p.m. at the Library Center, 4653 S Campbell, Springfield, Missouri. Members of the Board of Trustees were present or absent as follows:

	<u>Present/Absent</u>
Andrea McKinney, President and Member:	Present
Michele Risdal-Barnes, Vice President and Member:	Present
Bill Garvin, Secretary and Member:	Present
Matthew Simpson, Treasurer and Member:	Present
Steven Ehase, Member:	Present
Derek Fraley, Member:	Present
James Jeffries, Member:	Present
Catherine Moore, Member:	Absent
Ashley Norgard, Member:	Present

The President of the Board of Trustees declared that a quorum was present and called the meeting to order.

Disposition of Minutes: The minutes of the November 15, 2016, meeting were reviewed. Simpson moved to approve the minutes of the regular session board meeting of November 15, 2016; Fraley seconded. McKinney yea, Risdal-Barnes yea, Garvin yea, Simpson yea, Fraley yea, Jeffries yea, Ehase yea, Norgard yea. Motion carried.

2015-2016 Fiscal Year Audit Report:

Robert Rebmann, CPA from Roberts, McKenzie, Mangan & Cummings, PC presented the 2015-2016 fiscal year audit report. Rebmann noted that although they had presented the audit report at the November Board meeting in years past, December will be the anticipated month for audit report moving forward due to internal deadlines for Lagers. Rebmann expressed thanks to Regina and the staff of the business office that assisted with the audit in September during the time the Library was without a Business Office Manager.

Rebmann explained the audit report is divided into three main areas: management, discussion, and analysis. Pages 8 and 9 of the summary provide a good level of comparison and summary of changes when compared to last year. The audit report includes two different sets of financial statements as well as the required supplemental information provided at the end of the report.

Rebmann described the various options for official auditor opinions that could result from an audit including: unmodified, adverse, disclaimer, or qualifier opinions. The firm of Roberts, McKenzie, Mangan & Cummings, PC issued the library an unmodified opinion for the 2015-2016 audit. An unmodified opinion is the ideal outcome for any audit. Rebmann complimented the Library on its commitment to bringing in a third party CPA to assist us each month when preparing financials. In Rebmann's assessment most organizations do not want to invest in that assistance, but it serves to strengthen the Library's controls and is a positive relationship to continue into the future.

Rebmann highlighted the Management's Discussion and Analysis section on page 8 of the audit. The

pension information for 2016 is very different from the 2015 pension information. This dramatic difference is due to the new GASB regulations for reporting pension information to the public. Last year was the first time this information was required. Through last year's reporting process, it was revealed that the Lagers Retirement System was behind the accounting standard as they were using old actuarial schedules and outdated mortality tables. Lagers updated their schedules and tables and the resulting data is more accurate. Unfortunately, analysis revealed Lagers is underfunded like so many other pension plans. Instead of the net pension asset reported in the previous year, for 2015-2016 we have a net pension liability. This is an issue to track from year to year. Rebmann cautioned that it could become a budget issue if we are required to contribute more to the plan in future years. Much of this cost relies upon investment markets. Rebmann reported the Library is in a strong financial position.

Standing Committees:

Finance and Personnel Committee: Fraley reported for the Finance-Personnel Committee that met immediately preceding this board meeting.

Fraley asked Davis to give an explanation of the faulty formula reported by Davis during the Finance and Personnel Committee meeting. Davis reported that while examining November 2016 financials, she was spot checking the formulas that make the rows add up etc. and found the YTD column figures to be incorrect. Davis went through the financial software and examined the formula that is used to build the columns. The formula was originally built to look at every incurred expense for this fiscal year through June of 2017. That formula doesn't work, because the running YTD total should just be figuring through the end of the previous month not extending out the rest of the year. The faulty formula allowed for the inclusion of expenses for the current month as well. In short, Davis fixed the formula for FY 2017. This required going back and redoing the monthly summaries for August, September and October. The revised monthly summaries are now presented alongside the original monthly summaries for transparency in our master records. This error did not affect the monthly column at all.

Fraley reported that a tax check is anticipated to arrive this week and is estimated at \$1.2 million dollars. We are expecting two checks in January. Revenue from fines was a bit behind this time last year. Lack of Consortium payments is a timing issue. The bulk of our anticipated state aid is still being withheld by the Governor at this point, and it is unclear if we will ever receive those withheld funds. On the expense side, personnel expenditures are under budget and there were no worker's compensation expenses during November. Operating and maintenance expenses are on target. Minor equipment expenses are over budget due to the inclusion of some Brentwood renovation expenses. Charges and services expenses are up due to our annual payment of property taxes due on the Republic branch and the Panera Bread space at the Library Station. Telephone expenses have not yet been offset by an e-rate reimbursement. The addition of new meeting room reservation software increased the software subscriptions line item. Fraley pointed out that nothing has been spent in the furniture, fixtures and equipment (FF&E) category yet this year, and there were no discretionary category expenditures during November. Fraley praised Cooper and the administrative team on a job well done managing the budget this year.

Buildings and Grounds Committee: James Jeffries reported for the Buildings and Grounds Committee. The Buildings and Grounds Committee met on December 6 and toured the Schweitzer Brentwood Branch under renovation. Jeffries reported that everything looked great so far with big changes still occurring daily. Cooper shared an update on recent renovation developments. Cooper reported that the "punch list" was reviewed yesterday, and we anticipate receiving our occupancy certificate on Friday, December 16, 2016. The millwork is causing our only delays at this point. Shaw Carpet installed the wrong flooring in the staff breakroom, circulation workroom and connecting hallways. The material currently installed features raised bumps throughout which will make the routine use of book trucks problematic. Shaw Carpet will be replacing that flooring with the flooring we originally specified at no additional cost to the Library. We are not certain on the timing of the replacement, but we have stressed the need to get it finished before January 3, 2016 at which time the large automated materials handling system will be installed in the circulation workroom. Next week the furniture arrives and the books will be added to the shelving. Cooper pointed to

the glass samples sent over from Hot Glass as examples of the decorative pieces to be suspended from the ceiling at the Schweitzer Brentwood Branch.

Jeffries praised the sneak peek event on December 10, 2016 as a wonderful event. He thanked all those who participated, attended and helped make the event a success. Cooper was praised for her speech.

Report of the Director:

- Cooper attended the recent Missouri Public Library Director's meeting. Secretary of State-elect Jay Ashcroft attended that meeting and spent a little over an hour listening to the library directors' concerns and issues. He seemed to understand that a better working relationship was needed between his office and Missouri's libraries. He gave all of the directors in attendance a business card with his cell phone number and invited them to call him about issues. Cooper and another public library representative on the Secretary of State's Library Development Council gave him business cards and let him know they are available to provide him any information or help that he or his office needs.
- Cooper reported new Schweitzer Brentwood branch manager, Jeana Gockley comes to us from McDonald County Library District where she was previously the director. Jeana attended the December 10 sneak preview at Schweitzer Brentwood for donors and staff. Heather Cottle-Dillon, who previously worked as a reference librarian at the Library Center, has been selected as the reference department manager for the new Schweitzer Brentwood Branch.
- The Missouri Humanities Council is providing \$66,300 for a traveling exhibit, Over There: Missouri & the Great War. Our Friends group will provide \$18,000 and an anonymous donor will provide \$2,000 for the project. The Local History and Genealogy staff and Community Relations designers will create the exhibit, which features seven panels and a digital monument map. After touring, the exhibit will remain the property of the Library.
- On December 7, Building & Grounds Director Leland Blatter visited the Landmarks Board and received their verbal approval to proceed with the cement pour vs. limestone replacement of the Midtown Carnegie south steps project. Official written notice should arrive soon. This should save the Library several thousand dollars. As our next step, Leland will prepare a building permit application and arrange for estimates.
- The Public Building Corporation of the Springfield-Greene County Library District held its annual board of directors meeting on December 8. They voted to invest the maturing certificate in a three year term with a threshold of 1.45 percent or higher.
- At the December 8 meeting of the Community Leadership Forum, the members reached a consensus to lobby the 2017 legislature to do away with prevailing wage for public projects. This would save about 20 percent to 30 percent in costs on any future building projects.
- Cooper introduced the board to Katie Hopkins, our new Adult Program Coordinator for the Library District. Katie has been working in the Reference Department at Brentwood and temporary Brentwood. She has experience in programming for Brentwood and some district-wide programming. Cooper expressed thanks to Eva Pelkey for serving as the Adult Programming Committee Chair as a great stop-gap measure until an adult programming coordinator could be hired. Katie will also be implementing the new meeting room reservation system coming in January 2017. This was perfect timing with Gail Gourley's recent retirement. Katie will finish her Master's in Library Science degree in May 2017.
- West Des Moines Public Library recently joined Mobius further expanding the collection available to our patrons.

- Youth Services Coordinator Nancee Dahms-Stinson has been invited to serve on YALSA's Margaret A. Edwards Award Jury, which honors an author and a specific body of his/her work for a significant contribution to young adult literature. The committee will meet virtually.
- Cooper reminded the board of the timing for the Grand Reopening Ceremony and Ribbon-cutting for the Schweitzer Brentwood Branch on Saturday, January 7, 2016.

Foundation Update:

Valerie reported that the campaign is over and officially \$2.5 million dollars has been raised. A few solicitations are still going out at this time. Valerie expressed thanks to Guaranty bank for their donation taking them over the edge. Lastly, Valerie reports that she is really pleased that Ashley Norgard is serving as the liaison between the Library Board of Trustees and the Foundation Board.

Foundation Board Priorities:

Ashley Norgard first thanked Valerie Richardson and all members of the Foundation Board for all of their hard work during this long campaign. Everyone is so pleased with the result. Norgard shared that at the last couple of Foundation Board meetings, members of the Foundation Board has asked her to come back to the Library Board of Trustees to get a few priorities for the Foundation Board to shoot for in the future.

Therefore, recommendations from this board are actively being sought at this meeting. Norgard would like the Library Board of Trustees to come to some consensus on what we as the Library Board wish for the Foundation to focus on for next few years. Norgard's recommendation is that the Foundation focuses on growing their three existing endowments. The three existing endowments include the Annie Busch Early Literacy Endowment, the Cultural Arts Endowment, and the Book Endowment. When asked what the Annie Busch Early Literacy Endowment funds, Valerie answered the Foundation has made distributions from that endowment to fund Racing-to-Read books and materials.

Richardson was asked for her recommendation and she expressed a desire to not pursue another capital campaign for a while due to potential donor fatigue. She would like to focus on growing the existing endowments through events and education about what those endowments are used for. Richardson gave an example of an upcoming author event scheduled for April 22, 2017 when the Library Foundation will host Piper Kerman, author of the book *Orange Is the New Black* for a signature event. Richardson expressed belief that there should be time for multiple events throughout the year; some large and some small. She also expressed the Foundation Board's desire to work on some bigger events in addition to funding smaller projects like more Wi-Fi hotspots in the northwest corner of Springfield. Lastly, Richardson would like for the Foundation to focus on building its endowments and events to match what the Friends of the Library are able to do for the library district. Likewise, Norgard expressed her desire to see the Foundation contribute the same amount as the Friends of the Library.

When asked about the total annual operating costs for the Foundation excluding her salary, Richardson estimated the annual operating costs to be \$15,000. When asked what a reasonable expectation would be for fundraising in the coming year, Richardson estimated that \$150,000 to \$200,000 in annual fundraising would be a reasonable goal to aim for. However, Richardson expressed uncertainty that could be accomplished in 2017 just after completing a large capital campaign. In January the Foundation Board will begin discussing a new fundraising plan. Norgard recommended the Library Board of Trustees pass a motion to task the Foundation Board with focusing on growing the endowments in 2017. Norgard expressed her preference for giving the Foundation Board a specific dollar amount as a goal for 2017. In Norgard's recommendation for an attainable Foundation goal would be for the Foundation to secure funds to pay for itself plus \$250,000 - \$300,000 in annual donations during 2017. Richardson countered that setting the bar so high will scare the board. Richardson suggested a goal of \$100,000 to \$150,000 for 2017

and then increasing the goal in subsequent years. Norgard recapped that she understood Richardson's feeling that it would be easier to raise money when we have a target. Richardson suggested \$100,000 in funds raised during 2017 would be stretching it. Norgard countered that she would like to see more of a return this next year. Norgard expressed a continuing desire to set an aggressive goal for the Foundation to achieve in 2017 but leave the specifics of how up to the Foundation Board. Jeffries reminded the Board of Trustees that the Foundation Board hasn't been in existence long-term at this point, and he thinks it will be a building period over the next 3 to 4 years. The annual fundraising was about \$30,000 prior to the Brentwood Capital Campaign, and they will have to grow into this.

Simpson made the following motion: **I would move that in 2017 the Foundation Board focus on growing existing endowments, and developing and presenting signature events to grow a larger donor base and raise funds and donations that exceed the foundation's operating expenses and library district's salary contribution that pay for Valerie's salary and benefits.** Norgard seconded the motion. McKinney yea, Risdal-Barnes yea, Garvin yea, Simpson yea, Fraley yea, Jeffries yea, Ehase yea, Norgard yea. Motion carried.

Board Education – Passport Services:

Kathi Woodward, Library Center Reference Department Manager gave a presentation about passport services. The Springfield-Greene County Library District began acceptance in June 2014 at the Library Center. We process new passport applications only. We began accepting and processing passport applications at the Library Station in June 2015. The Library began this program after other libraries in Missouri, including Festus and Kirkwood plus other libraries nationally had begun to offer the service. As libraries, we are able to offer better hours than the post office, and we provide a better atmosphere making it more convenient for patrons. We are always looking for ways to be relevant in the eyes of our patrons. Additional benefits include: increased traffic and income for the district. Operation set-up included reserving tables at the Library Center and Library Station, setting up a photo area with special background paint, retrofitting a workroom passport area with secured cabinet and archived files for processing, daily mailing, and deposit. Training for the agents, staff accepting passport applications, included initial training through online training with quizzes, reading the PARG Passport Agent Reference Guide, role-playing, observing, and then accepting passports with an experienced agent at first. Ongoing updates and agents' newsletter inform us of procedure updates such as not allowing glasses in photos, or Social Security numbers becoming required on the forms. All agents go through an annual recertification process including an online quiz and an in-person class.

The Springfield-Greene County Library's website includes information for the public about what is required to successfully apply for a passport and include a link to our checklist. The staff handles a high volume of phone and in-person inquiries about passports. For example, there were 624 inquiries in March. The process for executing a passport include pre-screening the applicant at the desk for needed materials, making sure all applicants are present, and insuring they have the correct payment ready. Walk-ins are always welcome and we use a wait list when necessary. It takes about twenty minutes per applicant from start to finish.

We have processed up to forty-nine passports in a single day and have found that peak season is between January and April. Both branches have been audited by the U.S. State Department, and the auditor was extremely complimentary. He said there are over 10,000 facilities, and he thinks we are

one of the top offices; he wishes everyone were as organized as the staff here. He also said that our level of organization coupled with the hours and the fact that people don't have to make appointments was a winning combination.

Adjournment: There being no further business, Norgard moved to adjourn the regular session; Risdal-Barnes seconded. McKinney yea, Risdal-Barnes yea, Garvin yea, Simpson yea, Fraley yea, Jeffries yea, Ehase yea, Norgard yea. Motion carried. Motion carried.

The regular session was adjourned at 5:25 p.m.

Board of Trustees

Business Office Manager