

SUPERIORLAND LIBRARY COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
March 10, 2016

CALL TO ORDER: A meeting of the Superiorland Library Cooperative Board of Directors was held at the Superiorland Library Cooperative, Marquette and via video conference at the Superior District Library, the Ironwood Carnegie Public Library, the Devereaux Memorial Library, the Dickinson County Library, and the West Iron District Library. Other participants dialed in via ReadyTalk audio conferencing service. The public was invited to participate at the Superiorland Library Cooperative headquarters (1615 Presque Isle Avenue, Marquette), the Superior District Library (541 Library Drive, Sault Ste. Marie), the Ironwood Carnegie Public Library (235 E. Aurora St., Ironwood), the Dickinson County Library (401 Iron Mountain St, Iron Mountain), the Devereaux Memorial Library (201 Plum St., Grayling), or the West Iron District Library (116 Genesee St., Iron River). The Chair, John Schaeffer, called the meeting to order at 10:00 a.m. eastern.

SLC BOARD MEMBERS PRESENT: (*denotes voting member) John Schaeffer*, Chair; Caroline Jordan*, Secretary; Sara Basso*, Debra Friedman*, Sharon Scholke*, Pat Cheski, Greg Rathje, and Pam Christensen (SLC Director)

SLC STAFF PRESENT: Pamela Malmsten (Recorder)

LIBRARY DIRECTORS/STAFF/BOARD MEMBERS PRESENT: Lisa Poignant-Waskin (Superior District Library), Megan Buck (Dickinson County Library), Elaine Erickson (Ironwood Carnegie Public Library), Barb Bartel (West Iron District Library), Connie Meyer (Devereaux Memorial Library), and Bruce MacDonald (Peter White Public Library)

VOTING BOARD MEMBERS ABSENT: Bettina Graber, Pat Houle, Sandra Kraai, and Kim Nowack

APPROVAL OF THE AGENDA: The agenda was approved as presented on a motion by Sharon Scholke seconded by Debbie Friedman. Motion carried unanimously.

PUBLIC PARTICIPATION AT ALL VIDEO CONFERENCE LOCATIONS: The library representatives present had no comments at this time. There was no other public participation at any locations.

APPROVAL OF THE MINUTES: A MOTION was made TO APPROVE THE MINUTES OF THE BOARD MEETING OF JANUARY 28, 2016 AS PRESENTED (MSC Debbie Friedman/Sharon Scholke). Motion carried unanimously.

DIRECTOR'S REPORT: Pam Christensen presented the Director's Report.

Book Repair Workshop: Kary Barth of Kapco will be presenting a book repair workshop on Wednesday, April 27th, 2016 from 10 a.m. to 1 p.m. The workshop will be held in the Community Room of the Peter White Public Library in Marquette. Kary will

also be presenting a workshop in Cadillac on April 28, 2016. The workshops will be free of charge. Pam C. said she would send out registration information by the end of March; she also said she would check on the possibility of recording the workshop.

Rural Libraries Conference Stipends: The Loleta Fyan Rural Libraries Conference will be held on May 4 – 6, 2016 on Mackinac Island and SLC will again be offering a stipend of up to \$250 to each member library to offset conference costs. All speakers and sessions will be focused on the needs of small and rural libraries. Pam C. said the response has been marvelous so far; she added that anyone still planning to attend should let her know and should register right away. Registration information can be found on the Library of Michigan web site at: <http://www.michigan.gov/fyanconference>. Pam noted that library Board members are also encouraged to attend the conference.

Harwood Cohort Training: The Michigan Consortium for Library Services (MCLS) and the Library of Michigan (LM) have partnered on a project to offer Harwood Cohort Training to fifty Michigan library representatives. The training, which will be provided by the Harwood Institute, will be held in Lansing on March 14 and 15, 2016. Pam Christensen, Dion Mindykowski (Tahquamenon Area Public Library), Lisa Waskin (Superior District Library), Bruce MacDonald (Peter White Public Library), Elaine Erickson (Ironwood Carnegie Public Library), Carolyn Stacey (Escanaba Public Library), Casey Adams (Roscommon Area District Library) and Dillon Geshel (Portage Lake District Library) will be attending the training. Pam Christensen said that the library directors will learn how libraries can become involved in community planning and discover ways to work with their local communities to discuss and solve community issues,

UPRLC Annual Fees 2016/2017: Pam Christensen reported that the UPRLC ALS (Automated Library Services) group voted to increase member library automated system operating fees by 1 percent. Pam C. said that this minimal increase is good news for libraries, especially since many are currently experiencing financial difficulties.

PA 269/SB 571: Pam Christensen presented an update on PA 269/SB 571, the new “gag order” law which amended Michigan’s Campaign Finance Act and prohibits elected and appointed public and school officials from providing factual information to voters about local ballot measures within 60 days of an election. Provisions of this law would be financially detrimental for many libraries since they would be barred from communicating with their patrons or the public about upcoming millages.

On February 5, 2016, a federal judge issued a preliminary injunction prohibiting the state from enforcing Section 57(3) of the Michigan Campaign Finance Act until further order of the court. Legislation that seeks to clarify PA 269 language has also been introduced.

FINANCIAL REPORT: Pam Malmsten presented the financial report.

January and February 2016 Cash Disbursements and YTD Reports as of 02/29/2016: January disbursements included a \$900 payment to architect John Larson for the SLC staff workspace re-design plans that have been completed so far. There were no questions on the January or February bills. Regarding the YTD expense report as of 2/29/2016, Pam M. noted that most line items were under the 5/12 budget figure. An exception is the travel line item; the director has been visiting member libraries. Communications expenses are also slightly higher than expected; this is due to incidences of “toll-free traffic pumping” fraud charges on SLC’s toll-free line. SLC’s phone

carrier, AT&T, has been issuing credits for the fraudulent charges, Pam M. is continuing to work with AT&T to resolve this issue.

A MOTION was made TO APPROVE CASH DISBURSEMENTS OF \$53,338.44 FOR JANUARY 2016, \$43,509.10 FOR FEBRUARY 2016, AND THE YEAR TO DATE REPORTS AS OF 02/29/2016 [with total expenditures of \$241,221 and total revenues of \$234,769] (MSC Caroline Jordan/Sara Basso). Motion carried unanimously.

Balance Sheet as of 02/29/2016: Pam M. reported that, as of 2/29/2016, SLC's total assets were \$691,748.94 and total liabilities plus fund balances were \$691,748.94. A MOTION was made TO APPROVE THE BALANCE SHEET AS OF 02/29/2016 (MSC Caroline Jordan/Debbie Friedman). Motion carried unanimously.

SLC FY 2014/2015 Audit Presentation and Approval: Pam M. reported that new GASB 68 requirements for pension plan reporting were implemented for the first time in FY 2015. Pam directed board members to the pages in audit referencing the new information.

The Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual, found on page 33 of the audit, compares actual revenues and expenditures with the budgeted line item figures. The report shows that all line item expenditures did not exceed the budgeted line item figures, as required by GASB rules. The bottom lines of the report show SLC's fund balance at the beginning of FY 2015 (\$565,719) and at the end of the year (\$657,379); SLC had total revenues over expenditures of \$91,660 at the end of FY 2015.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance on page 35 breaks down all of the revenues and expenses by class. On September 30, 2015, SLC had \$532,763 in the General Fund Unrestricted Fund Balance and General Fund net income of \$93,121, resulting in a General Fund Balance total of \$625,884 on 10/1/2015. The Restricted Lilja Estate Fund balance was \$24,177 at the beginning of the year; \$259 in interest revenues were added, resulting in a final total of \$24,436 on 10/1/2015. The Earned Leave Restricted Fund Balance stood at \$7,059 on 10/1/2015.

A MOTION was made TO APPROVE THE SLC AUDIT FOR THE YEAR ENDED 09/30/2015 AS PRESENTED (MSC Caroline Jordan/Debbie Friedman). Motion carried unanimously.

OLD BUSINESS: Pam Christensen reported on old business items.

Update on UPRLC Request for Proposal for Cost Effective Broadband: In late September, UPRLC had posted a Request for Proposal for basic internet access and connectivity for a consortium of up to nine libraries. Since that time, however, four of the libraries decided to drop out of bid consideration and a new RFP requesting internet access and connectivity for up to five public library locations—Curtis Library, Brevort Library, Forsyth Township Library, Ishpeming Carnegie Library, and North Dickinson Library--was issued on January 22, 2016. Brevort and Curtis are branches of the Superior District Library and North Dickinson is a branch of the Dickinson County Library. Bids were due by February 22, 2016 with service to begin on July 1, 2016.

UPRLC received three bids and the vendor proposals will be presented to the UPRLC Contract Committee. The North Dickinson Branch library dropped out since costs from all vendors were too high. [Note: The UPRLC Contract Review Committee met at 3 p.m. on March 10 and voted to select the most cost effective bidder, Peninsula Fiber Network, pending

a final written agreement.] This project is very important because currently, the 4 libraries are maxing out their bandwidth; in addition, T-1 lines may be eliminated in the future. Fiber will replace external Wi-Fi and T1 data circuits, and a total of 23 SLC locations will have high-speed, reliable, cost-effective, and scalable internet fiber connectivity.

Pam C. explained that there is some financial risk involved with this project. While it is likely that the one-time installation costs would be eligible for eRate funding, USF rules and procedures have recently changed and there is a chance that funding for the installation costs could be reduced or eliminated. In addition, if installation is delayed, the libraries would have to keep their Merit T1 circuits after July 1st and the Merit monthly costs would not be eligible for eRate reimbursement. Since the libraries have already stretched their budgets to pay their shares of the Year 1 installation costs and would not be able to afford any additional charges, Pam C. recommended that the SLC Board consider assuming the risk to pay for monthly costs for up to 6 months of delayed installation (maximum of \$10,000) and/or one-time installation costs if eRate funding eliminates all installation (maximum of \$28,000). This type of subsidy is not unprecedented for SLC: SLC assumed some of the costs involved with member library participation in the Merit REACH project. If the project is ineligible for eRate funding, the Brevort Library would not participate in the upgrade at this time. John Schaeffer commented that he feels strongly that it is part of SLC's mission to support its libraries in this type of Internet upgrade. A MOTION was made THAT SLC WOULD ASSUME THE RISK OF PAYING FOR MONTHLY COSTS UP TO \$10,000 FOR UP TO 6 MONTHS OF DELAYED INSTALLATION AND ONE-TIME INSTALLATION COSTS UP TO \$28,000 IF eRATE FUNDING FOR INSTALLATION IS ELIMINATED (MSC Debbie Friedman/Sharon Scholke). Motion carried unanimously. Greg Rathje asked about the impact to the SLC budget if SLC has to pay these costs. Pam C. said that the budget would probably have to be revised if SLC has to subsidize internet costs for the libraries; she said we should have a better idea of the impact in time for the July 14 board meeting.

Formation of a Policy Review Committee: Current members of the SLC Policy Review Committee are John Schaeffer, Tina Graber, Dion Mindykowski, Pam Christensen, and Pam Malmsten; Pam Christensen. said that anyone else interested should let her know. The committee will be working on the SLC Personnel Policy manual first. SLC staff meetings have been scheduled for the 2nd Tuesday of every month; at the first meeting, which was held on March 9, SLC staff gave input on possible policy manual changes. Most staff members agreed that they would like to change from the current semi-monthly payroll schedule (with paydays on the 1st and 16th of the month) to a bi-weekly schedule. While other policy manual revision recommendations can wait until the July meeting, Pam C. asked the board to immediately consider giving the Executive Director the discretion to change the pay day frequency policy from a semi-monthly schedule to a bi-weekly schedule. A MOTION was made TO GIVE THE SLC EXECUTIVE DIRECTOR THE DISCRETION TO CHANGE THE SLC PERSONNEL POLICY MANUAL [SECTION 6.2.5] TO STATE THAT PAY PERIODS WILL BE BI-WEEKLY (MSC Caroline Jordan/Debbie Friedman). Motion carried unanimously.

NEW BUSINESS:

SLC Mileage and Travel Rate Policy: SLC currently reimburses mileage for staff and board members at \$.42 per mile; member library directors and staff are reimbursed at a rate of \$.35 per mile. Pam Christensen noted that the SLC travel reimbursement rates have not been updated for several years and recommended that the board consider revising the travel rate

policy. The State of Michigan is currently paying the IRS rate of \$.54 per mile for approved private vehicles and \$.36 for non-employees traveling on State business. The State of Michigan also has a range of reimbursement rates for lodging and meals; certain cities with higher than average costs for lodging and meals are reimbursed at a higher rate. Pam C. recommended that the Board consider splitting the difference for travel reimbursement and adopting a rate of \$.45 per mile for all travel reimbursement for SLC staff, board members, and member libraries; she also recommended that the Board adopt the state's reimbursement policy for meals and lodging at the Michigan "In-State All Other Rates".

Board members further discussed the mileage reimbursement policy. To avoid frequently re-evaluating the mileage reimbursement rate, it was suggested that it may be preferable to adopt the IRS travel reimbursement rate (currently \$.54 per mile) which is adjusted periodically. Library Directors Lisa Waskin and Megan Buck both commented that they appreciate that SLC staff—especially technical support staff members—are willing to travel to their locations. After further discussion, A MOTION was made THAT SLC ADOPT THE IRS MILEAGE REIMBURSEMENT RATE AND THE STATE OF MICHIGAN RATES FOR LODGING AND MEALS FOR ALL REIMBURSABLE TRAVEL FOR SLC STAFF, SLC BOARD MEMBERS, AND MEMBER LIBRARY DIRECTORS AND STAFF (MSC Sara Basso/Caroline Jordan). Motion carried unanimously.

Great Lakes Digital Libraries—Increase Materials Budget: Pam Christensen reported that member library staff are invited to participate in the process of selecting digital materials for the Great Lakes Digital Libraries shared collection of audio books and ebooks. Six library staff members are currently assisting in selecting materials and, as a result, a large number of materials from a variety of genres have recently been added to the collection. Based on input from library directors, Pam C. said she has concluded that the digital collection is one of SLC's most used and appreciated services and would therefore like to increase digital purchases for the rest of the fiscal year. There are currently 6,257 items in the digital collection; in 2015 there were 5,589 unique users; ebook circulation totaled 61,754 and audiobook circulation totaled 36,993 for a total of 98,747 items circulated. In FY 2015 the Overdrive materials budget was \$45,607; in 2016 the budget was reduced to \$41,000. Pam said that her goal is to spend \$4,000 a month on digital materials in order to provide the level of service expected by member libraries and their patrons; to achieve this goal she asked the Board to consider increasing the Overdrive acquisitions budget by an additional \$11,000 for FY 2015/2016. At the end of FY 2015, SLC added \$91,000 in revenues over expenses to the fund balance; Pam said that investing in the digital collection would be a good way to use some of the excess revenues. She added that some libraries contribute additional grant funds beyond their required contribution to the GLDL collection. A MOTION was made THAT AN ADDITIONAL \$11,000 BE ADDED TO THE FY 2015/2016 BUDGET TO BE SPENT ON DIGITAL MATERIALS FOR THE GLDL SHARED COLLECTION (MSC Caroline Jordan/Debbie Friedman). Motion carried unanimously. Pam C. added that anyone else interested in selecting GLDL materials should let her know.

Superiorland Library Cooperative, UPRLC, and NMLN Relationships: Since some board members and library directors have expressed confusion regarding SLC, UPRLC, and NMLN, Pam C. decided to present a brief overview of the structure and functions of the 3 organizations.

The Superiorland Library Cooperative (SLC) is a unit of government—a political subdivision of the state of Michigan--that was created under PA 89 of 1977; there are 11 library

cooperatives in the state. SLC provides services to public libraries; currently there are 38 members and 4 affiliate members. SLC is funded primarily with state aid and all members have to qualify for state aid and be willing to loan materials to other libraries. SLC is governed by a lay board; the primary responsibility of the board members is to serve the interest of the cooperative as a whole, rather than the individual libraries that they are representing.

The Upper Peninsula Region of Library Cooperation (UPRLC) is a 501(c)(3) non-profit corporation and serves multi-type libraries. UPRLC's Board of Directors can be either library staff members or library board members; UPRLC serves about 100 members and is funded with yearly membership dues. A primary service offered by UPRLC is the shared automated system (ALS); about 90 multi-type libraries are members of the SirsiDynix shared automated library system. ALS members pay yearly operational fees that are based on circulation, number of records on the system, and other factors. UPRLC contracts with SLC to manage the shared automated system and to provide other services to member libraries.

The Northern Michigan Library Network (NMLN) was formed in 2008 under an inter-governmental agreement representing SLC, the Peter White Public Library, the West Iron District Library, and the Dickinson County Library. In 2010 the agreement was amended to include the Superior District Library. NMLN was formed in response to a move in the state to eliminate library cooperatives; so that, if the cooperative dissolved, the UPRLC automated system, along with other services, could continue to be provided. SLC set up a lease agreement whereby all of the assets SLC owned in 2008, including the building, were transferred to NMLN.

NEXT MEETING: The next regular meeting of the Board of Directors is scheduled for Thursday, July 14, 2016 at 10:00 a.m. eastern.

TENTATIVE CALENDAR OF UPCOMING BOARD MEETINGS FOR FY 2016:

Thursday, July 14, 2016

Tuesday, September 27, 2016

ADJOURNMENT: There being no further business, A MOTION was MADE TO ADJOURN THE MEETING AT 11:21 A.M. EASTERN (MSC Caroline Jordan/Debbie Friedman). Motion carried unanimously.

Caroline Jordan, Secretary

Pamela Malmsten, Recorder