

SUPERIORLAND LIBRARY COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
September 30, 2014

CALL TO ORDER: The Annual Meeting of the Superiorland Library Cooperative Board of Directors was held at the Superiorland Library Cooperative, Marquette and via video conference at the West Iron District Library and the Superior District Library. Other participants dialed in via ReadyTalk audio 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); or the West Iron District Library (116 Genesee St., Iron River). Since the Chair, John Schaeffer, was unable to attend, it was agreed that Suzanne Dees would run the meeting. The meeting was called to order at 10:04 a.m. eastern.

SLC BOARD MEMBERS PRESENT: (*denotes voting member) Chris Homan*, Vice-Chair: Kay Elzinga*, Secretary; Ginny Detterbeck*, Pat Houle*, Jeri Selthoffer*, Joan Brown*, Kim Nowack, Tina Graber, and Sharon Scholke

LIBRARY DIRECTORS/STAFF/BOARD MEMBERS PRESENT: Denise Engel (Director, Wakefield Public Library) and Donna Adams (Board member, Forsyth Township Public Library)

FY 2015 BOARD MEMBER PRESENT: Caroline Jordan (representing Peter White Public Library)

SLC STAFF MEMBERS PRESENT: Suzanne Dees, Director and Pamela Malmsten, Recorder

VOTING BOARD MEMBERS ABSENT: John Schaeffer and Susie Schwedler

APPROVAL OF THE AGENDA: The agenda was approved as presented by consensus.

PUBLIC PARTICIPATION: The library representatives present had no comments at this time. There was no other public participation.

APPROVAL OF THE MINUTES: A MOTION was made TO APPROVE THE MINUTES OF JULY 17, 2014 AS PRESENTED (MSC Jeri Selthoffer /Chris Homan). Motion carried unanimously.

DIRECTOR'S REPORT:

Suzanne gave an update to the written Directors Report that was distributed to board members and posted online. She reported that AT&T is working on plans to phase out copper-wired services, including T-1 high speed data circuits. Several SLC libraries still rely on T-1 lines for internet service; Suzanne said that SLC staff will work with Merit Network, the UPRLC Internet Consortium service provider, to consider installation of fiber connections in more libraries. Merit is looking for grants to subsidize some of the costs of

the fiber installation, but libraries may have to contribute local funds. To further assist member libraries in this transition, SLC staff will also begin researching VoIP (Voice Over Internet Protocol)--telephone service over the Internet--which could possibly replace telephone land lines. Last year SLC libraries received an average of 74% e-rate discounts on copper-wired services; discounts totaled \$63,238. In 2015, however, there will be an estimated 20% loss on telephone service e-rate discounts.

FINANCIAL REPORT:

July and August 2014 Cash Disbursements and YTD Reports: Suzanne Dees presented the financial report. Year to Date expense and revenue reports, the balance sheet as of 8/31/2014, and cash disbursements for July and August 2014 were reviewed. A MOTION was made TO APPROVE CASH DISBURSEMENTS OF \$64,758.33 FOR JULY 2014, \$39,307.07 FOR AUGUST 2014, AND YEAR TO DATE REPORTS AS OF 8/31/2014 (MSC Jeri Selthoffer/Chris Homan). Motion carried unanimously.

FY 2013/2014 Budget Revision: A spreadsheet with proposed budget line item revisions was distributed to the Board; changes were highlighted in red. Changes included a slight increase in the computer supplies line item; SLC purchased a new server this month. \$12,000 was added to the professional and contractual line item to contribute to the UPRLC online catalog Authority Control project; this expenditure was approved by the SLC board at the July meeting. Regarding the revenues budget, Suzanne noted that indirect state aid revenues were less than anticipated; this was due to un-served townships; the cooperative receives direct state aid, but not indirect state aid, for un-served areas. Suzanne is also looking into a possible population count mistake for the Superior District Library. A MOTION was made TO APPROVE THE REVISED BUDGET FOR FY 2013/2014 [with expenses of \$665,668 and revenues of \$665,801] AS PRESENTED (MSC Kay Elzinga /Pat Houle). Motion carried unanimously.

Schedule of Services: The FY 2014/2015 Schedule of Services was distributed to the board; new services and changes were highlighted. Items under the "Economy of Scale/Resource Sharing" heading include a \$9,000 cooperative subsidy to the Overdrive downloadable digital media subscription and \$6,100 for Zinio digital magazine titles. SLC will also support the improvement of the UPRLC online catalog with the implementation of the Enterprise, a "discovery layer" that features advanced searching capabilities. SLC/UPRLC staff will continue working with other UPRLC Cataloging Committee staff members to monitor SirsiDynix's Authority Control work and perform any on-going manual record clean-up that may be necessary. Along with technology consulting and support, Technology Support activities include central site maintenance of Dell AppAssure backup service and assistance with wireless implementation and installation of software that is capable of counting wireless users. Continuing Education activities include offering streamed, archived workshops, ReadyTalk seminars, shared video conference programs, and partial funding to continue the expansion of member library interactive video conferencing capabilities. Leadership/Consultation activities include working to find new funding sources for school libraries that are prohibited from levying millages, and obtaining legal opinions on questions with cooperative-wide implications. In FY 2015, the Great Lakes Talking Book Reader Advisory Center and Outreach Center (GLTB) will target Mackinac and Keweenaw counties for Outreach grants. The complete FY

2014/2015 Schedule of Services is posted online at:

http://joomla.uproc.lib.mi.us/SLC/images/pdf_files/schedule2015.pdf.

Adopt 80/20 Percentage Option for Employer/Employee Health Insurance

Premium Share: Michigan Public Act 152 of 2011 limits the amount public employers can contribute to employee health insurance plans. The law stipulates that public employers can opt for a 80/20 plan—employers pay 80 percent of premiums and employees pay 20 percent—and the 80 percent employer requirement can be met by averaging out the total employer health plan premium share among eligible employees. Currently, SLC full-time employees pay 15 percent of their premiums and eligible part-time employees (those who work at least 30 hours per week) pay 40 percent. Beginning October 1, 2014, Suzanne recommended that the Board adopt an 80/20 premium share policy for all full-time and part-time employees eligible to participate in the SLC group health plan. A MOTION was made TO ADOPT AN 80/20 PLAN [Employer pays 80 percent and employees pay 20 percent] FOR PAYMENT OF HEALTH INSURANCE PREMIUMS FOR ALL FULL-TIME AND PART-TIME EMPLOYEES ELIGIBLE TO PARTICIPATE IN THE SLC GROUP HEALTH PLAN (MSC Chris Homan/Kay Elzinga). Motion carried unanimously.

FY 2014/2015 Budget Adoption: A draft budget for FY 2014/2015 was reviewed. The recommended budget includes funding for all items included in the FY 2014/2015 Schedule of Services. SLC's \$12,000 contribution to the UPRLC online catalog Authority Control project was included in the FY 2015 budget, since the work may not be completed, and thus invoiced, until after September 30, 2014. Suzanne noted that, at year end, she anticipated revenue over expenses of \$5,500. There were no questions on the budget. A MOTION was made TO APPROVE THE FY 2014/2015 BUDGET AS PROPOSED [with revenues of \$636,418 and expenses of \$630,910] (MSC Jeri Selthoffer /Chris Homan). Motion carried unanimously.

OLD BUSINESS:

Results of Inquiry into Changing Defined Benefit Pension Provisions: At the July 17, 2014 SLC Board meeting, MERS Regional Manager Terra Langham presented information on SLC's defined benefit pension plan options. The Finance Committee met on July 31 to discuss the value of certain pension plan provisions with the intention of possibly asking MERS to analyze the impact to SLC's Net Pension Liability (NPL) if one or more of the provisions were dropped. The SLC Board had agreed that it was important to offer a plan that would attract high quality employees. The Finance Committee agreed to ask MERS to analyze Benefit F55 (with 25 years of service), which allows employees to retire at age 55 if they have 25 years of service, and E2 2.5% COLA, which is a yearly cost of living increase. MERS accountants looked at SLC's plan and reported back that dropping the provisions would have no impact on SLC's current unfunded liability. Dropping the two provisions, however, would reduce the NPL for future employees who participate in the SLC MERS pension plan. If the provisions were dropped, MERS could create a new division for SLC and merge it with the current active division to avoid closing the active division. Board members agreed not to take action at this time.

Appointment to Northern Michigan Library Network (NMLN) Board: Suzanne's term as one of SLC's two representatives to the NMLN Board will expire on March 20, 2015, and reappointment by the SLC board is necessary. A MOTION was made TO REAPPOINT SUZANNE DEES AS ONE OF SUPERIORLAND LIBRARY COOPERATIVE'S REPRESENTATIVES TO THE NMLN BOARD OF DIRECTORS FOR A TERM BEGINNING MARCH 20, 2015 (MSC Kay Elzinga/Jeri Selthoffer). Motion carried unanimously. It was noted that Bruce MacDonald will replace Kay Elzinga as the Peter White Public Library representative to the NMLN Board in FY 2014/2015.

Approve Updated SLC Bylaws: A second reading of proposed revisions to the SLC Bylaws was presented to the Board. The first reading was presented at the July 17, 2014 SLC Board meeting. Minor changes included an updated list of members and associate members. Suzanne noted that provision for a mail ballot was provided to Board members who were unable to attend the meeting. A MOTION was made TO APPROVE THE REVISED SLC BYLAWS AS PRESENTED (MSC Kay Elzinga/Joan Brown). Motion carried unanimously. Current SLC Bylaws can be found online at: http://joomla.uproc.lib.mi.us/SLC/images/pdf_files/bylawscurrent.pdf. The updated Bylaws will be filed with the Library of Michigan.

Update Appendix A of SLC Plan of Service: A second reading of proposed revisions to the SLC Plan of Service was presented to the Board. The first reading was presented at the July 17, 2014 SLC Board meeting. The revisions include a reference to additional public relations and marketing activities, more emphasis on high definition and desktop video conferencing technology, and the elimination of the reference to the mobile training lab that is no longer available. The complete Superiorland Library Cooperative Plan of Service is online at: http://joomla.uproc.lib.mi.us/SLC/images/pdf_files/planservice.pdf. The updated Plan of Service will be filed with the Library of Michigan.

NEW BUSINESS:

Annual Affirmation of E-Rate Policies: The proposed E-rate Policies were presented to the Board for annual adoption. The policies include the designation of the Director, Suzanne Dees, as the Purchasing Agent and Authorized E-Rate Representative for the Superiorland Library Cooperative. Suzanne noted that the Record Retention Policy was revised to comply with FCC rule changes and that the Gift Policy remained unchanged. A MOTION was made TO APPROVE THE FY 2014/2015 E-RATE POLICIES AS PRESENTED (MSC Joan Brown /Kay Elzinga). Motion carried unanimously. The approved E-Rate Policies are listed below.

Superiorland Library Cooperative E-Rate Policies

Authorization for E-Rate, FY 2014/2015 (annual adoption) The Board of Directors of the Superiorland Library Cooperative designates its Director, Suzanne Dees, as Purchasing Agent for the Superiorland Library Cooperative; as its Authorized Representative for all federal programs, including but not limited to E-Rate.

E-Rate Record Retention Policy

All E-Rate records shall be retained for the period of time as required by the FCC.

E-Rate Gift Policy

The Superiorland Library Cooperative board, employees and any E-Rate consultants shall follow the gift rules outlined in the FCC's 6th Report and Order.

This restriction on acceptance of any gift or other thing of value from a service provider participating in the E-Rate program is always in effect. The restriction is not triggered only during the period when a competitive bid is in process.

E-Rate Procurement Policy

In selecting service providers for all eligible services and/or goods for which E-Rate support will be requested, the Superiorland Library Cooperative Administration shall:

Request competitive bids for all such eligible services and/or goods and comply with the following local procurement process:

Value under \$2,000

The Director or designee is authorized to make purchases for all individual items where the cost per item is under \$2,000.

Value \$2,000 to Under \$5,000

The Director is authorized to make purchases after obtaining pricing from a minimum of two sources, when available.

Value \$5,000 to Under \$15,000

The Director will obtain pricing from a minimum of two sources, when available, and submit the pricing with a recommendation to the Board or contractual funding agency. If deemed necessary by the Director, notice of requests for bids will be published in the Marquette newspaper.

Value \$15,000 or More

The Director will solicit competitive bids and submit the bids with a recommendation to the Board or contractual funding agency. If deemed necessary by the Director, notice of requests for bids will be published in the Marquette, Houghton, Escanaba, and Iron Mountain newspapers. The Director may email notice to member libraries so that notice may be posted in a wider region.

The Administration shall wait at least four weeks after the posting date of the competitive bid before making commitments with selected service providers.

The Administration shall consider all complete bids that meet required specifications and select the most cost-effective service offered, with price being the primary factor considered.

The Administration shall keep control of the competitive bidding process by not surrendering control to a service provider who is participating in the bidding process.

Childrens Internet Protection Act (CIPA) Compliance

The Board of Directors of the Superiorland Library Cooperative reaffirms its CIPA and Internet Safety Policy adopted at a public meeting with notice on April 19, 2002.

The E-Rate Record Retention policy shall apply to invoices proving purchase of Internet filtering software.

Approval of Financial Investment Institutions for FY 2015: A MOTION was made TO APPROVE THE FOLLOWING FINANCIAL INSTITUTIONS FOR FINANCIAL INVESTMENTS IN FY 2014/2015: WELLS FARGO BANK, RANGE BANK, PENINSULA BANK, NORTHERN MICHIGAN BANK, CITIZENS BANK, PEOPLE'S STATE BANK, MBANK, MARQUETTE COMMUNITY FEDERAL CREDIT UNION, SUPERIOR IRON RANGE COMMUNITY FEDERAL CREDIT UNION, AND THE UPPER PENINSULA CATHOLIC CREDIT UNION (MSC Jeri Selthoffer/Pat Houle). Motion carried unanimously.

Board Membership and Election of Officers for FY 2015: Suzanne reported that, effective October 1, 2014, long-time SLC Board member Kay Elzinga has chosen not to seek re-appointment as Peter White Public Library's representative to the SLC Board. The Peter White Public Library Board appointed Caroline Jordan as its SLC Board representative beginning October 1, 2014. Voting Board members for FY 2014/2015 are: Tina Graber (Munising School Public Library), Patti Jahn (Ironwood Carnegie Public Library), Caroline Jordan (Peter White Public Library), Sandra Kraii (DeTour School Public Library), Kim Nowack (St. Ignace Public Library), Marie Oja (Republic-Michigamme School Public Library), John Schaeffer (Superior District Library), Jeri Selthoffer (Crawford County Library), and B.R. Smith (Alanson Public Library). The following Board members were nominated for officer positions: Chair: John Schaeffer, Vice-chair: Jeri Selthoffer, and Secretary: Caroline Jordan. A MOTION was made TO ELECT THE SLATE OF OFFICERS [Chair: John Schaeffer, Vice-chair: Jeri Selthoffer, and Secretary: Caroline Jordan] AS PRESENTED (MSC Joan Brown/Chris Homan). Motion carried unanimously.

Calendar of Board Meetings for FY 2015: Tentative Board meeting dates for FY 2015 are: Thursday, December 4, 2014; Thursday, March 5, 2015; Thursday, July 16, 2015; and Tuesday, September 29, 2015.

NEXT MEETING: The next meeting of the Board of Directors is scheduled for Thursday December 4, 2014.

ADJOURNMENT: There being no further business, the meeting was adjourned at 11:00 am eastern.

Kay T. Elzinga, Secretary

Pamela Malmsten, Recorder