

-Superiorland LIBRARY COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
February 21, 2019

CALL TO ORDER:

A meeting of the Superiorland Library Cooperative Board of Directors was held at the Superiorland Library Cooperative, Marquette and via interactive video conference (IVC) at the Devereaux Memorial Library, the West Iron District Library, and the Bayliss Public 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 Bayliss Public Library (541 Library Drive, Sault Ste. Marie), the Devereaux Memorial Library (201 Plum St., Grayling), the West Iron District Library (116 W. Genesee St., Iron River), or to dial in using ReadyTalk audio conferencing service.

The Chair, Caroline Jordan, called the meeting to order at 11:06 a.m. eastern. She noted that the meeting would be recorded.

ATTENDANCE: Attendance Codes: RT: ReadyTalk audio conferencing, SLC: Superiorland Library Cooperative IVC, DML: Devereaux Memorial Library IVC, BPL: Bayliss Public Library IVC, WIDL: West Iron District Library IVC

SLC BOARD MEMBERS PRESENT: (*denotes voting member) Caroline Jordan*, Chair (SLC); Dwight Sunday*, Vice-Chair (RT); Deb Friedman*, Secretary (DML); Pat Cheski* (RT), Cris Roll* (BPL), Pam Adams* (RT), Brad Winnicki* (SLC), Patti Jahn* (RT), Kim Nowack* (RT), and Shawn Andary, Director (SLC)

SLC STAFF PRESENT: Pamela Malmsten (SLC) (Recorder)

LIBRARY DIRECTORS/STAFF/BOARD MEMBERS PRESENT: Megan Buck, Dickinson County Library (RT); Connie Meyer, Crawford County Library (DML); Barb Bartel, West Iron District Library (WIDL); Eric Magness-Eubank, Alpena County Library (RT); and Alycia McKowen, St. Ignace Public Library (RT)

VOTING BOARD MEMBERS ABSENT: None

APPROVAL OF THE AGENDA:

Dwight Sunday MADE A MOTION TO APPROVE THE AGENDA AS PRESENTED. The motion was seconded by Deb Friedman, unanimously approved, and carried.

APPROVAL OF THE BOARD MEETING MINUTES:

Approval of the Regular Board Meeting Minutes of December 6, 2018: Pam Adams MADE A MOTION TO APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF DECEMBER 6, 2018 AS PRESENTED. The motion was seconded by Cris Roll, unanimously approved, and carried.

FINANCIAL REPORT: Pam Malmsten presented the financial report.

Approval of SLC Financial Audit as of September 30, 2018: The financial audit for the year ended September 30, 2018 was e-mailed to Board members and library directors in advance of the meeting; it is also posted on SLC's web site.

Pam referred to page 33 of the audit: the Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual. This report compares actual revenues and expenditures with the budgeted line item figures. The bottom lines of the report show SLC's fund balance at the beginning of FY 2018 (\$701,035) and at the end of the year (\$682,006). At year-end SLC had an actual net loss of \$19,029, but the projected (budgeted) net loss was \$51,483. The \$19,029 net loss was due to a large lump sum (\$51,085) payment that the Board voted to pay to SLC's MERS Defined Benefit retirement plan Surplus Division in order to reduce SLC's unfunded pension liability.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance (pages 35 and 36 of the audit) breaks down all of the revenues and expenses by class. On October 1, 2018, the General Fund Unrestricted Fund Balance was \$664,984; at year-end, the General Fund showed a net loss of \$13,534 resulting in a General Unrestricted Fund Balance total of \$651,450.

Dwight Sunday MADE A MOTION TO APPROVE THE SLC FINANCIAL AUDIT FOR THE YEAR ENDED SEPTEMBER 30, 2018 AS PRESENTED. The motion was seconded by Pat Cheski, unanimously approved, and carried.

December 2018 and January 2019 Cash Disbursements:

December: A payment of \$6,299.67 to Recorded Books (account 3-959.3) was for SLC's contribution to the group shared digital magazine subscription and content. Participating libraries were billed a total of \$16,830 (account 4-959.3). Also in rebilled items (account 4-959.6), the payment of \$3,246.65 to Quest Software was for the AppAssure PC backup software subscription renewal.

Total December disbursements: \$82,176.40.

January: In account 3-865, the payment of \$2,500 to the Mideastern Michigan Library Cooperative was for SLC's contribution to the upcoming "Small Libraries, BIG Impact" Conference coming up on April 29 and 30th. This conference is sponsored by the Michigan Cooperative Directors Association.

Total January disbursements: \$68,371.53.

Deb Friedman MADE A MOTION TO APPROVE DECEMBER 2018 CASH DISBURSEMENTS OF \$82,176.40 AND JANUARY 2019 CASH DISBURSEMENTS OF \$68,371.53. The motion was seconded by Cris Roll, unanimously approved, and carried.

Year to Date Reports as of 01/31/2019:

Revenues: The first 50% state aid payment (\$139,075) has been received.

Expenses: Some items, particularly salary costs, are over the 4/12 budget figure. This is mostly due to some staffing changes that were not included in the original budget.

Total YTD revenues as of 01/31/2019: \$272,822

Total YTD expenses as of 01/31/2019: \$297,597

Pam Adams made a MOTION TO APPROVE THE YEAR-TO-DATE EXPENSE AND REVENUE REPORTS AS OF JANUARY 31, 2019 [with total revenues of \$272,822 and total expenses of \$297,597]. The motion was seconded by Cris Roll, unanimously approved, and carried.

Balance sheet as of January 31, 2019: The balance sheet as of January 31, 2019 showed total Assets of \$806,040.40 and total Liabilities plus Fund Balances of \$806,040.40.

Dwight Sunday MADE A MOTION TO APPROVE THE BALANCE SHEET AS OF 01/31/2019 [with total assets of \$806,040.40 and total liabilities plus fund balances of \$806,040.40]. The motion was seconded by Pat Cheski, unanimously approved, and carried.

FY 2018/2019 Proposed Budget Revision:

OVERVIEW: Budget documents, including proposed budget revision spreadsheets and a detailed narrative, were e-mailed to the Board and member library directors in advance of the meeting. Pam Malmsten summarized the proposed changes.

Total revenues in the proposed revised FY 2019 budget were \$857,492 and total expenses were \$894,520, resulting in a projected deficit of \$37,028. Revenues and expenses included \$55,000 in fund balance transfers, which were approved by the Board on 9/6/2018. If approved, the additional \$37,028 deficit, along with the previously approved fund balance transfers—a total of \$92,028—would be covered by the unrestricted fund balance. SLC's current unrestricted fund balance total as of 9/30/2018 was \$651,450. According to SLC's fund balance policy, SLC is required to maintain an unrestricted fund balance of the average of three years of state aid. The average of the last 3 years of state aid (including the current fiscal year) is \$392,016.46. If the deficit plus the previously approved fund balance transfer is as projected at the end of FY 2019, the unrestricted general fund balance will be \$559,422. Pam Malmsten explained that about \$46,488 in increased expenses for FY 2019 are one-time expenses for additional personnel costs that will not be included in future budgets.

REVENUES: Additional revenues included about \$2,000 for UPRLC ALS (Automated Library Services) contracted services.

EXPENSES:

Personnel: Revisions included adjusting salary and benefit costs for the Network Administrator, Luke Bowers, and adding about two and a half months of additional salary costs for the former Network Administrator, Jean Montgomery. A Technology Assistant, Elijah Donnell, was hired in December. The Technology Assistant position was changed to a part-time (24 hour per week) position. This 24 hour/week position has no benefits except the 9% MERS DC plan employer contribution. Additional salary costs related to the Director position were added to the budget. A temporary Acting Director, Suzanne Dees, was hired to fill the Director position while Shawn Andary was on Family Medical Leave Act (FMLA) approved leave. Shawn has been working part-time—20 hours per week—since early January; this salary and benefit reduction partially offsets the additional costs related to the Acting Director position. Shawn anticipates returning to work full-time on March 4, 2019.

Other Line Item Adjustments: The MERS Defined Benefit (DB) plan monthly flat fee was increased from \$2,146 per month to \$2,356 per month. The monthly DB plan cost was increased when SLC closed its Defined Benefit pension plan and opened a Defined Contribution plan. This change resulted a total increase of \$2,520 for the year. The computer supplies line item was also revised. The original budget included \$10,000 for the replacement of two servers at \$5,000 each, however it was decided that one of the

servers, the AppAssure server, would not likely have to be replaced this year. A SLC subsidy of \$1,200 for member libraries' OpenDNS web filtering software was added to the computer supplies line item. The electronic subscriptions line item was adjusted; the SLC subsidy for Recorded Books digital magazines was reduced from \$7,600 to \$6,300 since the actual cost of magazine content was less than originally budgeted.

SUMMARY:

TOTAL PROJECTED EXPENSES: \$894,520

TOTAL PROJECTED REVENUES: \$857,492

TOTAL PROJECTED DEFICIT AND FUND BALANCE TRANSFERS: \$92,028

General Unrestricted Fund Balance on 10/01/2018: \$651,450

Total Projected Unrestricted Fund Balance on 10/01/2019: \$559,422

Brad Winnincki MADE A MOTION TO APPROVE THE FY 2018/2019 BUDGET REVISION AS PRESENTED. The motion was seconded by Pam Adams, unanimously approved, and carried.

Discussion: Pat Cheski thanked Pam Malmsten and Shawn Andary for their hard work in working on the budget.

PUBLIC PARTICIPATION: Megan Buck commented that she is happy that Shawn is back at work.

DIRECTOR'S REPORT: Shawn Andary presented the Director's Report.

Leave Time: Shawn thanked the board for allowing her to take FMLA leave time. She is very happy to be back at work and has been working part time with Suzanne in January and February. She said that Suzanne's mentorship has been invaluable, and she feels that she is in a much better position to assist SLC's member libraries as a result.

Changes at Member Libraries

- Wakefield Public Library – Library Director Denise Engel retired from the Wakefield Public Library at the end of January; Joel Laessig is the new director.
- Crystal Falls – Library Director Mary Jean Thoreson will be retiring on June 1, 2019. The Crystal Falls District Library Board has established a search committee and is in the early stages of posting the library director position. Shawn and Suzanne are working with the search committee and have gathered information such as a timeline, sample job descriptions, and sample interview questions; this information can be used to make the process easier not only for Crystal Falls, but for other member libraries as well. Superiorland's "AccurateNow" account can also be used for background checks.

State Aid - The deadline for state aid reports was February 1, 2019 and indirect state aid payments should be coming in soon. The McMillan Township Library was the only Superiorland Library Cooperative library that did not make the deadline. McMillan staff was unable to gather the necessary financial information to complete the state aid report, and additionally had unexpected closures that made it difficult for staff to access the

library. The Cooperative will bill McMillan for their indirect state aid and will make an effort to ensure that next year goes much more smoothly.

Building Improvements – Suzanne put together a Request for Proposals (RFP) for the replacement of the Cooperative’s exterior doors. Shawn has received proposals from Northern Awning, Closner, and the Window Store for both aluminum and steel doors. The best price by far was from the Window Store, and SLC staff have been following up with them. Luke Bowers, Shawn, and Suzanne plan to visit the Window Store next week, and hopefully, the new doors will be installed soon. The money for the building improvements will come out of the \$10,000 that was set aside in the budget for capital improvements.

Mini-Rural Conference – The conference has been renamed ***Small Libraries, Big Impact***, and it will be held on April 29 and 30 at the Treetops resort in Gaylord. The six cooperatives that are sponsoring the conference will have the first chance to register for 40 spots before registration is open to all. The Library of Michigan is also helping to sponsor the conference. Superiorland Library Cooperative has made a \$250 stipend available for one individual from each member library to attend the conference.

MLA (Michigan Library Association) Health Insurance Consortium – The MLA Health Consortium is finally up and running and offers 20 health plans. The quote is free and other libraries have been realizing a good savings. SLC staff is working on obtaining some quotes for Superiorland to determine if switching to an MLA plan could result in reduced costs for a plan with a similar level of deductibles and coverage.

OverDrive Reciprocal Borrowing Pilot between the Lakeland Library Cooperative and Midwest Collaborative for Library Services (MCLS) is going well with only a few “hiccups.” It appears that Superiorland’s OverDrive group will have the option of joining at some point in the future, and there should be no additional charge to members. This initiative is similar to MeLCat for eBooks and downloadable audiobooks.

Complete Census Count in 2020 – There will be a complete census taken for 2020, and funding for the Cooperative and its member libraries could be significantly impacted by the results. There is some concern that the population could be under-reported, especially in more rural areas. The Cooperative Directors, the Library of Michigan, MLA, and other associations are very aware of this issue and will try to ensure that accurate population counts are achieved.

The Institute of Museum and Library Services (IMLS) is funded through 2025 so the survival of the organization is assured. The amount of funding that IMLS will receive is still unknown however. IMLS will be making a push for \$1 per capita funding.

Great Lakes Talking Books Lynne Buckland-Brown and Jeremy Morelock worked with a narrator to record Cully Gage’s “A Love Affair with the U.P.” The recording has been sent to Lansing to be finalized and converted to the proper format so that GLTB and other NLS patrons can listen to it. Lynne is hoping that this is the first of many recordings and staff is looking at possibly purchasing a small recording booth to minimize background noise during the recording process. The booth would be purchased using funds from the Victoria Wolf bequest.

2017 Michigan Library Trustees Manuals were obtained at the New Directors Workshop in the fall, and copies will be sent out to board members who did not attend the meeting at Superiorland.

Staff Training from MERS – MERS representative Tammy Marier visited Superiorland Library Cooperative on February 12th and spent about 90 minutes talking to staff about the “MyMers” account options, Defined Contribution Plan, 457 plan, and a new option for setting up an IRA through MERS (that is not sponsored by the Cooperative).

COMMITTEE REPORTS:

Advisory Board of Librarians Report: Megan Buck, the Chair of the Advisory Board of Librarians (ABL) reported. The ABL group met on January 15. Library directors talked about Michigan Humanities grants and learned that the grants are easy to apply for and have a high funding rate. A Policy Committee has been formed and has had one meeting so far. Megan commented that serving on the Policy Committee would not only help the cooperative, but could provide valuable policy-making experience to newer library directors. The ABL group also talked about the upcoming “Small Libraries Big Impact” conference and opportunities for ride and room sharing. The next ABL meeting will be in March.

UPRLC Annual Meeting Committee: Shawn Andary, the Chair of the UPRLC Annual Meeting Committee, reported. The meeting will be held on September 18th and 19th at the Peter White Public Library. The slogan for this year’s conference is “Adapt, Evolve, Lead”; Dillon Geshel, director of the Portage Lake District Library, designed the logo and graphics. Possible keynote speakers have been discussed and Shawn has been working with committee member Lynette Suckow on plans for vendor table set-ups. Committee members are also in the process of checking on food and lodging options, sending out “save the date” announcements, and reviewing the language for the “call for proposals” for breakout sessions.

OLD BUSINESS:

SLC Personnel Update: Shawn reported that Elijah Donnell was hired in December to fill the part-time Technology Assistant position. Eli has considerable experience with web pages and American Disabilities Act (ADA) web page compliance; she will be helping member libraries assure that their web pages are ADA compliant. Eli has also worked with 3D printers and will be presenting 3D printing demonstrations at a Youth Services Workshop at the Dickinson County Library on March 20. Megan Buck added that the workshop is open to staff from all SLC/UPRLC member libraries and said she would be sending registration details soon. [Note: Megan sent workshop details and registration information to the Listserv on February 21.] Network Administrator Luke Bowers has been doing very well and has been visiting member libraries. Most recently, Luke headed east and visited the Alanson, Curtis Township, Devereaux, and Bayliss public libraries.

NEW BUSINESS:

Approval of Purchase of Internet Service for the SLC Internet Consortium: Shawn reported that the Superiorland E-Rate Consortium has concluded a qualitative and quantitative evaluation process analyzing bids received from four Internet Service Providers. The quantitative analysis was conducted by SLC’s E-Rate consultant; the consultant looked at costs, both one-time and recurring. As a result of that evaluation

process, a contract was awarded to Peninsula Fiber Network. This Internet Service Provider's proposal was the most cost effective solution for five libraries in the Superiorland E-Rate Consortium: Brevort, Curtis, Forsyth, Ishpeming and North Dickinson. Shawn recommended that the Board approve the purchase of internet service from the Peninsula Fiber Network for the five libraries.

Cris Roll MADE A MOTION THAT THE SUPERIORLAND LIBRARY COOPERATIVE BOARD ACCEPTS THE RECOMMENDATION OF ITS DIRECTOR AND AUTHORIZES THE PURCHASE OF DIGITAL TRANSMISSION AND SHARED INTERNET ACCESS FROM PENINSULA FIBER NETWORK FOR THE PERIOD 1 JULY 2019 THROUGH 30 JUNE 2022, WITH UP TO FIVE (5) 1-YEAR VOLUNTARY EXTENSIONS SOLELY AT THE DISCRETION OF THE SUPERIORLAND LIBRARY COOPERATIVE. The motion was seconded by Brad Winnicki, unanimously approved, and carried.

Resolution for New Range Bank Account: SLC currently has a money market account, three certificates of deposit, and a payroll checking account with the Range Bank. In December, Shawn and Pam decided to start using Range Bank for account clearing house (ACH) electronic payroll payments to employees. To use the ACH service at Range, SLC had to open a new checking account; the money market account could not be used for ACH payments. Some additional paperwork and Board authorizations were also required.

Brad Winnicki MADE A MOTION THAT PAM MALMSTEN AND SHAWN ANDARY HAVE THE AUTHORITY TO OPEN ANY DEPOSIT OR SHARE ACCOUNT(S) AT RANGE BANK IN THE NAME OF THE COOPERATIVE AND TO ENDORSE CHECKS AND ORDERS FOR THE PAYMENT OF MONEY OR OTHERWISE WITHDRAW OR TRANSFER FUNDS ON DEPOSIT WITH RANGE BANK; IN ADDITION THE SIGNATURE OF 1 OF THE 2 AUTHORIZED SIGNERS IS REQUIRED FOR ENDORSEMENTS ON ALL ACCOUNTS AT RANGE BANK. The motion was seconded by Pam Adams, unanimously approved, and carried.

Change Date for September Meeting: Shawn reported that the currently scheduled September meeting date conflicts with UPRLC annual meeting; she recommended that the meeting date be changed to the following week—Thursday, September 26, 2019.

Dwight Sunday MADE A MOTION TO CHANGE THE SEPTEMBER MEETING DATE TO SEPTEMBER 26, 2019 [at 11 a.m. eastern]. The motion was seconded by Deb Friedman, unanimously approved, and carried.

PUBLIC PARTICIPATION:

Library Director Comments: Barb Bartel reported that the West Iron District Library's SLC Board representative Mary Kay McNamara has resigned and the West Iron board will be appointing Janet Wagner to the SLC Board at its March meeting. Barb added that Janet is a former librarian and has considerable experience working with libraries. Megan Buck said that the Dickinson County Library Board would also likely be appointing a SLC Board member.

NEXT MEETING: The next regular meeting of the Board of Directors is scheduled for May 23, 2019 at 11:00 a.m. eastern. [Note: the Board meeting date was later changed to May 17, 2019 in order to facilitate the scheduling of a joint SLC Board/UPRLC Executive Council meeting on the same day as the SLC Board meeting. The SLC Board meeting will run from 10 a.m. – 12 noon eastern and the joint SLC/UPRLC meeting will be scheduled from 1:00 p.m. – 3:00 p.m. eastern. The meetings will be held at the Peter White Public Library (Shiras Room) and lunch will be provided.]

ADJOURNMENT: There being no further business, the Chair declared the meeting adjourned at 12:10 p.m. eastern.

Respectfully submitted,

Deb Friedman, Secretary

Pamela Malmsten, Recorder