

SUPERIORLAND LIBRARY COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
March 5, 2015

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, 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); 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; Patti Jahn*, Sandra Kraai*, Kim Nowack*, B.R. Smith*, Marie Oja*, Carol Waltman, Sharon Sholke, Sara Basso, and Suzanne Dees (SLC Director)

LIBRARY DIRECTORS/STAFF/BOARD MEMBERS PRESENT: Lisa Poignant Waskin (Superior District Library), Barb Bartel (West Iron District Library), Dion Mindykowski (Tahquamenon Area Public Library), Megan Buck (Dickinson County Library), and Pamela Malmsten (Superiorland Library Cooperative), Recorder

VOTING BOARD MEMBERS ABSENT: Bettina Graber and Jeri Selthoffer

APPROVAL OF THE AGENDA: A MOTION was made TO APPROVE THE AGENDA AS PRESENTED (MSC Caroline Jordan/Kim Nowack). Motion carried unanimously.

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 JANUARY 15, 2015 AS PRESENTED (MSC Marie Oja/B.R. Smith). Motion carried unanimously.

DIRECTOR'S REPORT:

Suzanne highlighted and updated the written Director's Report that was distributed to board members and posted online. The Governor's Executive budget includes a \$1 million increase in state aid; we hope to hold on to that through the state budgeting process.

A new Great Lakes Talking Books staff member, Lynn Buckland-Brown, was hired in January. In addition to her regular GLTB daily duties, Lynn has been actively pursuing outreach activities, including sending out informational packets to schools and visiting nursing homes and assisted living facilities. Lynn and SLC staff member Nick McIntyre also attended an orientation and training session at the Lansing regional library for the

blind. Suzanne said that she happened to answer a GLTB phone call and the patron indicated that she was very happy with the service.

Suzanne has been working with member libraries on their e-rate applications. New FCC rules resulted in consortium-wide e-rate discount reductions. Because Marquette, which was formerly considered a rural area, will now be classified as an urban cluster over 25,000 population, e-rate discounts for SLC/UPRLC and the Peter White Public Library will be reduced another 10%. Suzanne has been working with Library of Michigan e-rate consultant Linda Schatz, however Linda's contract with the Library of Michigan will expire at the end of March. Suzanne said that some Michigan library cooperatives, including SLC, would like to go together and contract with Linda Schatz at least until the end of this funding year (June 2016). Suzanne said that, because of recent e-rate rule changes, as well as the magnitude of discounts involved (\$100,000 just for the UPRLC internet consortium), it is important for SLC to join with the other cooperatives to contract with the consultant. Suzanne added that there is currently enough money in the professional and contractual line item to pay for e-rate consulting services.

Five SLC libraries have issued Requests for Proposals (RFPs) to upgrade their data communications (Ethernet) wiring; the upgraded wiring would facilitate optimal use of the libraries' fiber internet connectivity. Suzanne and Jean Montgomery have developed an evaluation template that library directors will use to help them select the best most cost-effective vendor. Once a vendor is selected, each library board would have to approve a 20 to 30 percent local funding commitment to the project. Suzanne will help the library directors file an online e-rate application before the FY2015 window closes.

Two more public libraries—Dickinson County and Ishpeming—have joined the SLC group movie licensing subscription through Movie Licensing USA.

Five new libraries have joined the UPRLC automated system. New members include three Marquette Area Public Schools elementary schools—Cherry Creek, Superior Hills and Graveraet; the Keweenaw Bay Ojibwa Community College Library; and Brevort Community Library (a branch of the Superior District Library).

Michigan Proposal 1, if approved by the voters on May 5, would increase the state sales tax from 6 percent to 7 percent and would help to fund road construction projects. According to MLA, Proposal 1, if passed, could help to prevent further erosion of library penal fine revenues.

FINANCIAL REPORT:

January 2015 Cash Disbursements and YTD Reports: Suzanne presented the financial report. Year to Date expense and revenue reports, the balance sheet as of 01/31/2015, and cash disbursements for January 2015 were reviewed. A MOTION was made TO APPROVE CASH DISBURSEMENTS OF \$41,725.48 for JANUARY 2015 AND YEAR TO DATE REPORTS AS OF 01/31/2015 (MSC Marie Oja/Patti Jahn). Motion carried unanimously.

Audit Report for FY 2013/2014: Suzanne summarized the audit report for the year ended September 30, 2014. Board members had each received an electronic copy of the audit prior to the meeting. There were no questions on the audit. A MOTION was made TO ACCEPT THE AUDIT FOR THE YEAR ENDED SEPTEMBER 30, 2014 (MSC B.R. Smith/Caroline Jordan). Motion carried unanimously.

OLD BUSINESS:

“Good-bye, Shelves. Hello, Office Space!”: The Alpena Public Library has agreed to take SLC’s movable compact shelving. Alpena will pay most of the cost (\$10,000) required for a professional company to disassemble and transport all but one section of the movable shelving to Alpena; SLC will keep one range of shelving and will pay the installer \$1,200 to take down, reassemble and stabilize the shelving without the movable tracking. The area vacated by the shelving will be remodeled, and, to prepare, staff has been re-organizing and cleaning. Unwanted electronic equipment and other materials were picked up by a recycling company. Possible plans for remodeling include installing wood laminate flooring in the former shelving area, re-painting the walls, and purchasing some furniture for a Great Lakes Talking Books reception area. Suzanne suggested that a committee be formed to approve expenditures for renovations. John Schaeffer offered to serve on the committee; anyone else interested should contact Suzanne.

Suzanne noted that, during the clean-up process, all historical documents were retained and the Michigan public libraries retention schedule for state agencies was followed for disposal of other documents. Suzanne reported on a document that she felt the current board should know about. In 1992 the SLC Board purchased the property to the north of the SLC building; two structures were demolished on the property. At that time the Board was considering a building expansion project and decided to conduct a soil analysis on the property. STS Consultants performed a “Subsurface Exploration and Engineering Analysis” on the soil. The final report on the soil analysis was retained as a historical document; Suzanne said that if the property is ever put up for sale, any potential buyer will receive a copy of report. One copy of the 1992 report will be filed in SLC’s safe deposit box; a second copy is stored on-site with other historical documents.

UPRLC Automated Services Update: ALS staff is now in the process of setting up and customizing Enterprise for member libraries. Enterprise is an online catalog discovery tool that features advanced searching capabilities such as fuzzy logic and faceted navigation. The Board meeting agenda included a link to a web page with more information on Enterprise and another new product, eResource Central. At its February 19 meeting the ALS group decided to form a committee to consider whether ALS should replace both servers that will soon be reaching end-of-life, or to purchase SaaS, the SirsiDynix data hosting solution. With SaaS, data would be stored on SirsiDynix’s remote servers; therefore one of the two central site servers would no longer be needed. The committee will be looking closely at SaaS data security measures, comparing costs for SaaS versus server replacement and maintenance, and weighing other advantages and disadvantages of each option.

Update on Penal Fine Distribution Process: Suzanne said that the Library of Michigan is still working on the distribution process, so no report is available at this time.

NEW BUSINESS:

Personal Property Tax Revenue Reimbursement: In August 2014, voters approved legislation—Proposal 1--that would allow a portion of Michigan use taxes to be distributed to libraries and other units of government to reimburse revenues that were lost due to the elimination of certain types of personal property taxes. Libraries began losing personal property tax (PPT) revenue in January 2014; in December 2014 district libraries received reimbursement form 5220 from the Michigan Department of Treasury. Only government

entities with a debt millage were eligible to file the form since they were slated to receive the first wave of PPT revenue reimbursements. Peter White Public Library was the only SLC library with a debt millage; the PWPL director completed the form and turned it in to the city of Marquette. Suzanne said that MLA and the Michigan Library Cooperative directors assumed that the rest of the libraries would receive a reimbursement form in 2015 to reimburse nondebt millage losses. Proposal 1 included the establishment of an authority that is responsible for distributing the use tax revenues to local units of government. After further research, Suzanne said that libraries that did not levy a debt millage in 2014 and 2015 will not receive PPT reimbursements until 2016. Suzanne has been working with the Library of Michigan and other members of the Michigan Cooperative Directors Association to find out more about this issue.

Michigan Tax Tribunal Decisions Impact Libraries, Schools, Government: Suzanne reported on a problem that is affecting SLC libraries, as well as other libraries, schools, and units of government throughout the state. Although the Peter White Public Library board had already implemented budget cuts in June 2014, at its February 17 meeting the Board decided to reduce expenses further by closing on Sundays effective March 1. This decision was due to greater than anticipated revenue losses resulting from recent tax tribunal decisions or settlements. Because the taxable values of certain local properties were reduced, entities that collected taxes, including PWPL, must repay the petitioners the amount of the difference in the taxable value for the past three years, and the entire amount must be repaid in the current fiscal year. Lowe's recently won a three-year tax assessment reduction against Marquette Township, and according to the Michigan tax tribunal web site, <http://www.michigan.gov/taxtrib>, several other local "big box" store tax tribunal appeals are listed on the tax docket. In addition, a local utility company, WE Energies, is also disputing its tax assessment. If WE Energies wins its appeal, PWPL will have an annual revenue short-fall of \$101,000. Suzanne summarized other pending appeals that could affect libraries in SLC's service area, and stated that legislation is clearly needed to address this issue. [It was learned later that Senator Casperson is holding stakeholder meetings now to consider legislation.] John Schaeffer commented that these tax appeals make the budgeting process very difficult. Suzanne noted that the Michigan Library Association has become involved by filing an amicus brief in a tax assessment Court of Appeals case in Covert Township (Covert Generating Company vs. Covert Township) in the Kalamazoo area.

NEXT MEETING: The next meeting of the Board of Directors is scheduled for Thursday July 16, 2015 at 10 a.m. eastern.

ADJOURNMENT: There being no further business, the Chair declared the meeting adjourned at 11:20 a.m. eastern.

Caroline Jordan Secretary

Pamela Malmsten, Recorder