

SUPERIORLAND LIBRARY COOPERATIVE  
MEETING OF THE BOARD OF DIRECTORS  
September 29, 2017

**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 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 Dickinson County Library (401 Iron Mountain St, Iron Mountain), or the West Iron District Library (116 Genesee St., Iron River). The Chair, John Schaeffer, called the meeting to order at 11:02 a.m. eastern.

**SLC BOARD MEMBERS PRESENT:** (\*denotes voting member) John Schaeffer\*, Chair; Sara Basso\*, Vice-Chair; Pat Cheski\* Secretary; Debra Friedman\*, Sharon Scholke\*, Greg Rathje\*, Kim Nowack\*, Caroline Jordan, Tina Graber, Pat Houle, Dwight Sunday, and Pam Christensen (SLC Director)

**SLC STAFF PRESENT:** Shawn Andary and Pamela Malmsten (Recorder)

**LIBRARY DIRECTORS/STAFF/BOARD MEMBERS PRESENT:** Megan Buck (Dickinson County Library), Andrea Ingmire (Peter White Public Library), Dillon Geshel, (Portage Lake District Library), Lisa Waskin (Superior District Library), Denise Engel (Wakefield Public Library), Lynne Wiercinski (Ironwood Carnegie Public Library), Dion Mindykowski (Tahquamenon Area Public Library), and Barb Bartel (West Iron District Library)

**VOTING BOARD MEMBERS ABSENT:** Carole Hiney and Lisa Koon-Bloomburg

Before moving into the agenda items, the Chair, John Schaeffer, presented information on the upcoming election of the FY 2017/2018 Board of Directors and the rules for participation/comments by Board members, library directors, SLC staff members, and other members of the public.

**APPROVAL OF THE AGENDA:** Greg Rathje made A MOTION THAT THE AGENDA BE ACCEPTEPT WITH THE ADDITION OF TWO ITEMS UNDER "NEW BUSINESS":

- (1) Under "New Business" Item "i": "Committees" and
- (2) Under "New Business" Item "j": "Personnel Systems". The motion was seconded by Pat Cheski, unanimously approved, and carried.

**PUBLIC PARTICIPATION AT ALL VIDEO CONFERENCE LOCATIONS:** Lynne Wiercinski, the Director of the Ironwood Carnegie Public Library, commented that her library was very interested in Biblioboard and that, with her Board approval, her library would be interested in participating in a product trial.

## **APPROVAL OF THE MINUTES OF JUNE 30, 2017:**

Greg Rathje reported that there was one correction to the minutes of June 30, 2017; the correction was on page 4, Section Heading “Old Business: Executive Director Evaluation Committee Report”. The motion and Greg Rathje’s comment as stated in the minutes read: “A motion was made to award a 3% salary increase to Pam Christensen effective immediately and retroactive to December 14, 2016. Greg Rathje commented that he could not in good conscience support this motion since the terms of Pam Christensen’s employment contract were broken.” Greg said that the comment following the motion should include the phrase “personnel policies” and should be corrected to state: “Greg Rathje commented that he could not in good conscience support this motion since the terms of Pam Christensen’s contract AND THE PERSONNEL POLICES were broken.”

A MOTION was made TO APPROVE THE MINUTES OF THE BOARD MEETING OF JUNE 30, 2017 AS CORRECTED (MSC Greg Rathje/Deb Friedman). Motion carried unanimously.

## **DIRECTOR’S REPORT:**

Executive Director’s Report: Pam Christensen presented the Director’s Report. The complete report was sent to the Board and to library directors in advance of the meeting. Pam C. said that she the estimated FY 2017/2018 state aid increase included in her reports was \$.04 per capita—from \$.32479 to \$.3639. The actual per capital rates have been finalized and will be sent out by the Library of Michigan today. Pam Christensen is a member of the Michigan Library Association Health Insurance Committee. She reported that the committee has received health insurance quotes and will be publicizing rates soon; plans will take effect January 1, 2018. Pam C. attended Digipalooza, Overdrive’s digital media conference which was held in Cleveland last August; she said the conference was very worthwhile. Board member Sharon Scholke asked if SLC Library Directors were made aware of the Digipalooza Conference; Pam C. replied that she wasn’t sure how many were aware of the conference, however she would encourage other SLC members to attend the conference next year. Pam C. reported that last summer’s SLC-subsidized performers, Cameron Zvarra and Joel Tacey, were very popular. She added that Library Directors Dion Mindykowski and Casey Adams recently attended the Performer Showcase workshop in Grand Blanc and that the Programming Committee would begin meeting again in October.

**FINANCIAL REPORT:** Pam Malmsten presented the financial report.

June, July, and August 2017 Cash Disbursements: A June payment of \$18,686.24 to OCLC was for SLC’s OCLC deposit account; OCLC pays about 2% interest on deposit accounts, a better rate than the banks are currently paying. In July, RIDES delivery subsidies were disbursed to member libraries. \$5,462.50 (account 3-801.7) was charged to FY 2017 expenses and the remaining amount (\$16,387.50) is a prepaid expense and will be charged to FY 2018 expenses. In “other cash disbursements”, years 2 and 3 of firewall maintenance costs for 3 libraries were paid by SLC and will be rebilled over the next 2 years. Year 1 was already rebilled to the libraries. In August SLC paid \$1,563.35 to Open Mesh (account number 3-730.5) for some of the equipment needed for the Ironwood Carnegie Library TV Whitespace project.

A MOTION was made TO APPROVE CASH DISBURSEMENTS OF \$165,568.88 FOR JUNE 2017, \$87,382.59 FOR JULY 2017, AND \$52,135.85 FOR AUGUST 2017 (MSC Pat Cheski/Greg Rathje). Motion carried unanimously.

Year to Date Expense and Revenue Reports as of 8/31/2017: Pam M. noted that there are several expense line items that are over or under the 11/12 budget figure and a proposed revised budget for FY 2016/2017 will be presented to the Board later in the meeting.

A MOTION was made TO APPROVE THE YEAR TO DATE REPORTS AS OF 8/31/2017 [with total expenses of \$614,793.84 and total revenues of \$630,606.49 (MSC Pat Cheski/Deb Friedman). Motion carried unanimously.

Balance Sheet as of 08/31/2017: Pam M. reported that, as of 08/31/2017, SLC's total assets were \$861,034.26 and total liabilities plus fund balances were \$861,034.26. A MOTION was made TO APPROVE THE BALANCE SHEET AS OF 8/31/2017 (MSC Kim Nowack/Pat Cheski). Motion carried unanimously.

**OLD BUSINESS:** No items of old business were discussed.

#### **NEW BUSINESS:**

Report of the SLC Finance Committee:

**Annual Approval of Financial Institutions for FY 2017/2018:** A MOTION was made TO APPROVE THE FOLLOWING FINANCIAL INSTITUTIONS FOR FINANCIAL INVESTMENTS IN FY 2017/2018: WELLS FARGO BANK, RANGE BANK, MBANK, NORTHERN MICHIGAN BANK, HUNTINGTON BANK, PEOPLE'S STATE BANK, AND THE RIVER VALLEY BANK (MSC Greg Rathje /Pat Cheski). Motion carried unanimously.

**Approve Budget Revision for FY 2016/2017:** Pam M. explained that she looked at every line item and estimated expenditures through the end of September. Expenses and revenues also included the \$13,000 TV Whitespace grant, so the budget was adjusted accordingly. Total operating expenses in the revised budget are \$553,846, an increase of \$5,607, and total operating revenues in the revised budget are \$564,509, an increase of \$17,629. SLC showed an expected net loss of \$1,361 in the original budget and an anticipated net income of \$10,663 in the revised FY 2017 budget.

A MOTION was made TO APPROVE THE FY 2016/2017 BUDGET REVISION WITH THE EXCEPTION THAT FY 2016/2017 NET INCOME BE APPLIED AS A VOLUNTARY EMPLOYER CONTRIBUTION TO SLC'S MERS [Municipal Employees' Retirement System] SURPLUS DIVISION (MSC Greg Rathje/Pat Cheski). Motion carried unanimously. There was further discussion about SLC's MERS defined benefit liability and the Surplus Division. Pat Cheski asked if funds are invested in the same way in the Surplus Division as they are in the Defined Benefit division; Pam C. and Pam M. said they would check on this. There was also a question about the reasons for making the large lump sum voluntary payment to MERS. Greg Rathje explained that SLC's MERS debt has been increasing dramatically over last 5 years; establishing and paying into the Surplus Division is an effort to slow the rate of debt increase.

The final budget for FY 2016/2017 is posted on the Financial page of the SLC web page at: [http://joomla.uproc.lib.mi.us/SLC/Images/pdf\\_files/SLCFY17budexp092917.pdf](http://joomla.uproc.lib.mi.us/SLC/Images/pdf_files/SLCFY17budexp092917.pdf) (expenses) and

[http://joomla.uproc.lib.mi.us/SLC/Images/pdf\\_files/SLCFY17budrev092917.pdf](http://joomla.uproc.lib.mi.us/SLC/Images/pdf_files/SLCFY17budrev092917.pdf)

(revenues).

**Adopt FY 2017/2018 Budget:** A proposed budget for FY 2017/2018 was reviewed; the budget had been distributed to the Board prior to the meeting.

Pam M. explained that budget revenues include an anticipated state aid increase of about \$.04 per capita—from \$.32479 to \$.3639, along with a density factor increase from \$6.50 per square mile to \$7.28 per square mile. The total increase for SLC is about \$42,840, however Pam C. conservatively budgeted an increase of \$39,928 in total state aid revenues.

Proposed expenses include a 3% salary increase for SLC staff. SLC's Network Administrator, Jean Montgomery, will be retiring in early July 2018. To allow Jean's replacement to have adequate time to train with Jean, the budget includes a 3 month salary/benefits overlap for the new Network Administrator. SLC will also have to pay accrued leave when Jean retires, however this money has been set aside in a restricted fund balance account and will be transferred to operating revenue to cover the leave payout expense.

The line item spreadsheet details the expenditures included in most of the budget line items. The Professional and Contractual line item includes RIDES delivery subsidies (\$22,387.50) through September 30, 2018. The Conferences line item includes \$5,000 (\$250 per library) in stipends for member libraries to attend the Rural Libraries Conference next year. Also included are the \$250 per library stipends for the Beginning and Advanced Director workshops and the \$100 per library workshop stipends. SLC-subsidized electronic subscriptions are the same as in the FY 2017 budget. SLC will contribute \$37,500 to Overdrive digital media and libraries will contribute \$32,500; SLC will contribute \$7,600 to Recorded Books (Zinio) digital magazines and libraries will contribute \$17,650.

Total expenditures in the proposed FY 2017/2018 budget are \$753,286 and total revenues are \$753,286. Revenues include a transfer from the General Fund Balance of \$4,185.

A MOTION was made TO APPROVE THE SLC FY 2017/2018 BUDGET [with total expenses of \$753,286 and total revenues of \$753,286] AS PRESENTED, (Deb Friedman /Sara Basso). Before calling for a vote, the Board further discussed the proposed budget. Greg Rathje asked if the proposed budget includes a 3% raise for Pam Christensen; Pam Malmsten confirmed that it did. Greg said that he would vote "no" on the FY 2018 budget since the Board did not conduct a Director Evaluation that was in accordance with the SLC Personnel Policy Manual or Pam Christensen's employment contract and the Board continues to violate both Pam Christensen's personnel contract and the Policy Manual. Greg added that SLC's MERS debt also has to be considered.

ROLL CALL: Sara Basso: Yes; Greg Rathje: No; Sharon Scholke: Abstain; Pat Cheski: Yes, with provisions (Pat explained her provisions after the vote); Deb Friedman: Yes; Kim Nowack: Yes; John Schaeffer: Yes. Total: Yes (5), No (1), Abstain (1). Motion carried with 5 Yes votes.

Pat Cheski explained the reason for her "yes with provisions" vote. Pat said she is concerned about SLC's MERS defined benefit pension liability and that she would like to see the 3% employee raise be sent back to the Personnel and Finance Committees. She said that SLC needs to look into establishing a defined contribution retirement plan, rather

than a defined benefit plan, for future employees. Sara Basso suggested that a combined meeting of the Personnel and Finance Committees should be scheduled to consider establishing a defined contribution plan for future employees.

The final SLC budget for FY 2017/2018 is posted on the Financials page of the SLC web site at:

[http://joomla.uproc.lib.mi.us/SLC/Images/pdf\\_files/SLCFY18PropBudgetExp.pdf](http://joomla.uproc.lib.mi.us/SLC/Images/pdf_files/SLCFY18PropBudgetExp.pdf)  
(expenses) and

[http://joomla.uproc.lib.mi.us/SLC/Images/pdf\\_files/SLCFY18PropBudgetRev.pdf](http://joomla.uproc.lib.mi.us/SLC/Images/pdf_files/SLCFY18PropBudgetRev.pdf)  
(revenues).

**SLC Investments Report:** A detailed accounting of all of SLC's financial investments and bank accounts was distributed to Board as part of the Board meeting packet.

Approve Superiorland Library Cooperative Schedule of Services for 2017/2018: A FY 2017/2018 proposed Schedule of Services was distributed in advance of the Board meeting. A MOTION was made TO APPROVE THE SUPERIORLAND LIBRARY COOPERATIVE FY 2017/2018 SCHEDULE OF SERVICES AS PRESENTED (MSC Sharon Scholke/Greg Rathje). Motion carried unanimously. Tina Graber commented that SLC has one of the best plans of services in the state and she commends Pam Christensen, the SLC staff, and the Advisory Board of Librarians. The 2017/2018 Schedule of Services is posted on the SLC web site at: [http://joomla.uproc.lib.mi.us/SLC/images/pdf\\_files/scheduleservicesfy2018.pdf](http://joomla.uproc.lib.mi.us/SLC/images/pdf_files/scheduleservicesfy2018.pdf).

USF Erate Coordinator Appointment: Suzanne Dees: A MOTION was made THAT SUZANNE DEES IS THE LIBRARY OFFICIAL AND COMPANY OFFICER WHO IS AUTHORIZED TO START, COMPLETE, SUBMIT, MODIFY, AND DEACTIVATE FORMS 498 FOR PURPOSES OF THE ERATE SCHOOLS AND LIBRARIES PROGRAM (MSC Pat Cheski/Sara Basso). Motion carried unanimously. Pam Christensen noted that the e-rate consulting services are a great return on investment: participation in the e-rate program saved SLC member libraries \$117,000 on internet services in FY 2017.

Annual Affirmation of E-Rate Policies for FY 2017/2018: FY 2016/2017 e-rate policies were sent to the Board in advance of the meeting. A MOTION was made TO APPROVE THE FY 2016/2017 E-RATE POLICIES, INCLUDING THE E-RATE GIFT POLICY, AS PRESENTED (MSC Greg Rathje/Debbie Friedman). Motion carried unanimously. The approved E-Rate Policies posted on the SLC web site at: [http://joomla.uproc.lib.mi.us/SLC/Images/pdf\\_files/eratepoliciesfy2018.pdf](http://joomla.uproc.lib.mi.us/SLC/Images/pdf_files/eratepoliciesfy2018.pdf). The gift policy is posted on the SLC web site at: [http://joomla.uproc.lib.mi.us/SLC/Images/pdf\\_files/erategiftpolicy.pdf](http://joomla.uproc.lib.mi.us/SLC/Images/pdf_files/erategiftpolicy.pdf).

Approve Voting Members of the Superiorland Library Cooperative Board of Directors: A MOTION WAS MADE TO APPROVE THE FOLLOWING VOTING MEMBERS OF THE BOARD OF DIRECTORS OF THE SUPERIORLAND LIBRARY COOPERATIVE FOR FY 2017/2018: Lisa Koon-Bloomberg (Crystal Falls District Library), Pat Houle (Wakefield Public Library), Dwight Sunday (Forsyth Township Public Library), Sara Basso (West Iron District Library), Greg Rathje (Tahquamenon Area School Public Library), Sharon Scholke (Dickinson County Library), Pat Cheski (Menominee County Library), Caroline Jordan (Peter White Public Library), and John Schaeffer (Superior District Library) (MSC Pat Cheski/Sharon Scholke). Motion carried unanimously. Greg Rathje asked Pam Christensen to provide a 5 year estimate of who the voting members will be. Pam C. said she wants to explore changing the way the board members are rotated.

Election of Officers: Board members discussed who would be willing to serve as officers for FY 2017/2018. A MOTION WAS MADE TO NOMINATE AND ELECT JOHN SCHAEFFER AS CHAIR, GREG RATHJE AS VICE-CHAIR, AND PAT CHESKI AS SECRETARY (MSC Sara Basso/Sharon Scholke). Motion carried unanimously.

SLC Board of Directors Meeting Dates 2017/2018: Pam Christensen sent the Board a possible list of meetings for 2018. All meeting dates were scheduled on Fridays. Board meeting dates for FY 2017/2018 are: December 8, 2017, March 9, 2018, June 8, 2018, and September 28, 2018. A MOTION WAS MADE TO APPROVE THE CALENDAR OF BOARD MEETINGS AS PRESENTED (MSC Pat Cheski/Greg Rathje). Motion carried unanimously.

Calendar of SLC Holidays FY 2017/2018: A proposed calendar of holidays for 2018 was presented to the Board. A MOTION was made TO APPROVE THE CALENDAR OF HOLIDAYS FOR FY 2017/2018 AS PRESENTED (MSC Deb Friedman/Sharon Scholke). Motion carried unanimously. The list of holidays for 2018 is posted on the SLC Web site at: [http://joomla.uproc.lib.mi.us/SLC/Images/pdf\\_files/holidayschedule2018.pdf](http://joomla.uproc.lib.mi.us/SLC/Images/pdf_files/holidayschedule2018.pdf).

Committees: Greg Rathje commented that SLC Committee meetings need to be held in compliance with the Open Meetings Act.

Greg Rathje made a MOTION THAT MEETING NOTICES SHOULD BE PUBLICLY POSTED AT LEAST 18 HOURS IN ADVANCE OF THE MEETINGS AND NOTICES SHOULD BE SHARED WITH ALL COOPERATIVE MEMBERS. The motion was seconded by Pat Cheski, unanimously approved, and carried.

Greg Rathje made a MOTION THAT THE DRAFT MINUTES OF ALL COMMITTEE MEETINGS SHOULD BE MADE AVAILABLE TO THE PUBLIC WITHIN 8 BUSINESS DAYS OF THE MEETINGS. The motion was seconded by Deb Friedman, unanimously approved, and carried.

Personnel: Greg Rathje commented that the SLC Board needs to have a discussion about SLC's broken personnel system. He added that SLC is not following the personnel policies: SLC has employees who are working without job descriptions and employee evaluations are not being conducted. Greg Rathje made a MOTION THAT THE SUPERIORLAND LIBRARY COOPERATIVE BOARD AND DIRECTOR SHALL FOLLOW THE SLC PERSONNEL POLICIES AND THE SLC PERSONNEL POLICY MANUAL. The motion was seconded by Pat Cheski with the caveat that the SLC Board refer this entire situation back to the Personnel Committee so the committee can determine if the personnel policies need to be revised. The motion was unanimously approved and carried. Pam Christensen commented that this is an issue that the Personnel Committee has been working on and has directed Pam Christensen to work on.

#### **PUBLIC PARTICIPATION:**

Lisa Waskin, the Director of the Superior District Library, asked that a list of SLC committees and SLC committee members be sent out to the library directors. She also asked for a clarification of the procedure for library directors to make recommendation for items that should be included on the agenda. Pam Christensen said she would be happy to send out the information as soon as the committees and committee members are finalized.

Megan Buck commented on a June payment (\$189) to Marquette Monthly; the payment was for a Great Lakes Digital Libraries ad that that was featured in the publication. Megan said that she didn't think SLC should be advertising in the Marquette Monthly since the publication has limited circulation and the manager refused to send copies to the Dickinson

County Library. Megan also questioned a \$1,953.50 August payment to Scholastic, which was for paperback book patron giveaways for SLC member libraries. Megan said that, in addition to the high cost of the paperbacks, this is an inappropriate cooperative expenditure since giveaways benefit only the libraries that sign up. She added that cooperative subsidies should be based on a shared benefit to all members, and that this should have been a group purchase that was rebilled to the participating libraries. Megan also commented on SLC's MERS defined benefit situation: she noted that MERS stipulates that municipalities have to meet a certain funding level to change the plan.

SLC Board member Sharon Scholke commented that the Board Chair should call for a roll call vote when voting on all agenda items. John Schaeffer said that this would be a good idea but could be time consuming. Greg Rathje commented that it would be easy to do with a written grid of Board member names. Pam Christensen said that, in order to save time, she had been considering asking the Executive Committee to discuss using a Consent Agenda format at Board meetings. Greg Rathje noted that the Board can pick items out of the Consent Agenda to vote on separately.

Barb Bartel, Director of the West Iron District Library, commented that West Iron subscribes to Marquette Monthly and the publication is used by patrons. Megan Buck said she requested a paid subscription and hasn't gotten anywhere. Pam Christensen said she would talk to Marquette Monthly management and ask about wider circulation.

SLC staff member Shawn Andary said she is particularly concerned about one item in the SLC Personnel Policy Manual. She said that the policy regarding inclement weather states that employees are not allowed to work from home in the case of inclement weather. Shawn said that, during inclement weather, both she and the Network Administrator work at home and perform important tasks; she said this issue should be addressed as soon as possible since winter is approaching quickly.

SLC staff member Pam Malmsten commented that the SLC Personnel Policy manual needs to be overhauled and that staff would appreciate the opportunity to review and comment on a revised policy manual before it is approved by the Personnel Committee.

**NEXT MEETING:** The next regular meeting of the Board of Directors is scheduled for Friday, December 8, 2017 at 11 a.m. eastern.

**ADJOURNMENT:** There being no further business, the Chair declared the motion adjourned at 1:00 p.m.

Respectfully submitted,

Pat Cheski, Secretary

Pamela Malmsten, Recorder