

SUPERIORLAND LIBRARY COOPERATIVE  
MEETING OF THE BOARD OF DIRECTORS  
September 24, 2013

**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). John Schaeffer, Chair, called the meeting to order at 10:02 a.m. eastern.

**SLC BOARD MEMBERS PRESENT:** (\*denotes voting member) John Schaeffer\*, Chair; Chris Homan\*, Vice-Chair; Kay Elzinga\*, Secretary; Joan Brown\*; Ginny Detterbeck\*; Kim Nowack\*; Marie Oja\*; Tina Graber; and Lynn Suida\*

**FY 2014 SLC BOARD MEMBER PRESENT:** B.R. Smith

**LIBRARY DIRECTORS/STAFF/BOARD MEMBERS PRESENT:** Beth Baker (Dickinson County Library), Denise Engel (Wakefield Public Library), and Dion Mindykowski (Tahquamenon Area Public Library)

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

**VOTING BOARD MEMBER ABSENT:** Jeri Selthoffer

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

**PUBLIC PARTICIPATION:** The library directors 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 11, 2013 AS PRESENTED (MSC Chris Homan /Marie Oja). Motion carried unanimously.

**DIRECTOR'S REPORT:**

Suzanne gave an update to the written Directors Report that was distributed to board members and posted online. The Michicard program will end on December 31, 2013. Suzanne compiled library directors' comments regarding the Michicard dissolution and sent them to the Library of Michigan. UPRLC staff has been able to address many concerns by setting up reciprocal borrowing agreements on the Sirsi system or by using the Innovative Visiting Patron functionality. The Suburban Library Cooperative has set up a new statewide borrowing program: *MiLibraryCard*. All libraries are eligible to join; each

library board will have to sign a *MiLibraryCard* participation agreement. Libraries will have to purchase stickers, but administrative costs will be covered by the Suburban Library Cooperative. Program participants will not receive reimbursement for lost books.

Suzanne reported that, with the addition of 144 new readers, the Great Lakes Talking Book Center (GLTB) achieved a 20 percent readership growth from September to July. Suzanne thanked the 5 library directors who participated in GLTB outreach activities; Ironwood, Wakefield, Ontonagon, McMillan Township, and Carp Lake Township public libraries received a total of \$2,100 in outreach grants in FY 2013. The West Iron District Library and the Crystal Falls District Library are planning additional fall activities and will apply for grant funding later. The Wakefield Public Library received an additional \$100 prize for signing up the most new readers (12). A detailed description of the outreach activities is included in the written Directors Report. Total circulation for 12 months has been 26,879 Talking Books and 2,166 BARD downloads. Eleven percent of GLTB readers are using BARD themselves and GLTB staff downloaded a total of 308 BARD books for GLTB patrons.

Fourteen Superiorland libraries have expressed interest in a statewide serials discount; The Library Network has issued RFP's to vendors. Suzanne asked the Board to consider subsidizing a group purchase of RBdigital's IndieFlix, a streamed independent film subscription (more information to be provided later in the meeting).

Kurt DeMaagd, a federal stimulus grant coordinator, recently visited 5 U.P. libraries--Lake Linden, Calumet, Portage Lake, Ontonagon, and Carp Lake--to conduct an audit of the BTOP program. Suzanne commented that he must have been impressed by the expanded public computer centers at the libraries. BTOP grants provided 242 computers and related equipment to Superiorland Libraries; the total value of the equipment was \$392,000.

## **FINANCIAL REPORT:**

July and August 2013 Cash Disbursements and YTD Reports: Suzanne presented the financial report. Year to Date expenses and revenue reports, the balance sheet as of 8/31/2013, and cash disbursements for July and August 2013 were reviewed.

A MOTION was made TO APPROVE CASH DISBURSEMENTS OF \$44,609.20 FOR JULY 2013 AND \$74,344.12 FOR AUGUST 2013 (MSC Kim Nowack/Joan Brown). Motion carried unanimously.

FY 2012/2013 BUDGET REVISION: A spreadsheet with proposed expense budget revisions was distributed to the Board; changes were highlighted in red. Suzanne noted that only individual line items were adjusted; total budgeted expenditures for the year remained unchanged. Revisions included a transfer of \$6,900 out of the Administration Contingency Fund and Net Lender Reimbursement line items. \$6,200 went into electronic subscriptions to pre-pay Recorded Book/Zinio digital magazine subscriptions, and \$1,750 was added to the Technology and Health Reserve Contingency fund to provide additional funds to pay for half of the cost of interactive video conferencing equipment at Crawford County Library. Suzanne expects to pay out an additional \$12,600 to Merit Network to partially reimburse Internet fiber installation costs for four more libraries. A MOTION was made TO APPROVE THE REVISED EXPENSES BUDGET FOR FY 2013/2014 AS PRESENTED (MSC Chris Homan/Kay Elzinga). Motion carried unanimously.

Schedule of Services: The FY 2013/2014 Schedule of Services was distributed to the board; new services and changes were highlighted. The service plan includes the cooperative subsidy for Zinio digital magazine subscriptions (described above) and \$9,000 toward the annual subscription cost for OverDrive downloadable digital books, a subsidy for one staff member per library to attend the 2014 Rural Library Conference, sponsorship of several workshops and continuing educational opportunities, and the continuation of Great Lakes Talking Books outreach grants. The service plan also includes partial funding for establishing or upgrading interactive video conferencing (IVC) capabilities at member library locations that would facilitate the cooperative's long range goal of establishing IVC regional training centers within 100 miles of each library.

The Technology Reserve Fund will carry over into FY 2014 with funding described above to partially reimburse costs for libraries to connect to the statewide fiber optic backbone; construction costs are covered by Merit Network's ARRA BETOP federal stimulus grant.

In addition to 2 days of technical support and consulting services for each member library, technology services will also include the implementation of new cloud-based backup and restoration software (Dell AppAssure) and installation of software that will allow libraries to track wireless users. Suzanne provided more details on AppAssure in the FY 2014 budget discussion below. Suzanne shared additional information on RBdigital's IndieFlix, a streamed independent film subscription. She suggested that the board agree to a \$1,000 - \$1,500 cooperative subsidy if at least 8 - 10 libraries sign up for the service. If 18 libraries participate, the cost for each would be \$158 per library.

The FY 2013/2014 Service Plan was approved by consensus.

FY 2013/2014 Budget Adoption: A draft budget for FY 2013/2014 was reviewed. Funding for all Service Plan items (except for IndieFlix) has been included in the draft budget.

*Cloud Development:* The computer supplies line item includes \$13,725 for the purchase and central site implementation of Dell AppAssure 5, a backup, restoration, and replication solution for servers and desktops. The software would allow backups, desktop or server data migration, and data recovery to be accomplished in minutes. Suzanne said that IT staff would backup up an estimated 78 critical desktops and servers across our network. The first year cost includes \$6,000 for the purchase of a high-end server; the size of the server would depend on the number of libraries that choose to participate. The cost also includes the purchase of 100 licenses for central site and member library desktop backups. Member libraries that have servers would be re-billed a one-time estimated cost of \$1,200 per server, plus annual maintenance charges.

After a brief discussion, Board members agreed that the cooperative should provide a \$1,500 subsidy for a shared IndieFlix film subscription. Suzanne said she would send more information on IndieFlix to the board members. A MOTION was made TO APPROVE THE FY 2013/2014 PROPOSED BUDGET WITH THE ADDITION OF A \$1,500 COOPERATIVE SUBSIDY FOR AN INDIEFLIX STREAMED FILM SUBSCRIPTION (MSC Chris Homan/Kay Elzinga). Motion carried unanimously.

## **OLD BUSINESS:**

Affordable Care Act: Michigan residents will be able to shop for health insurance policies through the online Affordable Care Act (ACA) Health Insurance Marketplace beginning October 1, 2013. Since many people will be using their libraries' computers and Internet to shop the exchanges, the SLC Board asked Suzanne to draft a policy that would specify the type of assistance that library staff could provide and to advise patrons about privacy concerns due to the public setting of the library. Suzanne consulted Foster, Swift, Collins attorney for assistance in composing the first draft of the policy. A sample policy, which can be used and revised by library trustees, is posted on the Superiorland web site at: [http://joomla.uproc.lib.mi.us/SLC/images/pdf\\_files/policyACA.pdf](http://joomla.uproc.lib.mi.us/SLC/images/pdf_files/policyACA.pdf). Community webinars on the Health Insurance Marketplace are scheduled to be held at Roscommon and Peter White Public libraries on October 2<sup>nd</sup> from 6 p.m. to 8:30 p.m. Employers are required to notify their employees about the health care exchanges; a sample notice is posted on the SLC web page.

Update UPRLC Automated System Long Range Planning: UPRLC's current maintenance contract with SirsiDynix will be expiring on October 1, 2014 and Sirsi has provided a preliminary offer for a new long-term maintenance contract. The ALS Negotiations Committee has been working to develop a less costly counter-offer; this has been difficult because member libraries have been experiencing declining penal fine revenues and other long-term financial concerns. Committee members have been discussing what new products should be included in the long term maintenance agreement; they are looking at Enterprise, a new SirsiDynix product that would add "discovery layers" to the online catalog, and would feature fuzzy logic, federated searching, and narrowed searching capabilities.

The Committee has also discussed whether a SaaS (Software as a Solution) option should be considered, or if data should continue to be hosted on servers located at the central site. With SaaS, all of the consortium's data would be stored off-site "in the cloud" on SirsiDynix servers. While SaaS offers some advantages, the Committee decided not to consider the SaaS option at this time because of concerns that the consortium's data would not be adequately protected; data would not be encrypted or secured with a firewall as it is now on ALS central site servers. A Virtual Private Network (VPN) would provide data security, however VPN is costly and would slow down the service; VPN would also create problems for libraries receiving e-rate discounts for basic Internet access since it is ineligible for e-rate discounts. The Negotiations Committee decided to revisit the SaaS option later if data protection improves.

Update on Zinio/Recorded Books Digital Magazine Program: Suzanne reported that Zinio circulation continues to grow. 19 libraries and 9 branches will participate in the shared subscription in FY 2013/2014. The Superior District Library, including 6 branches, joined this year. John Schaeffer commented that it is challenging for libraries to find ways to effectively promote their new services when patrons don't have to enter the library building to use many of the services.

Impact of Personal Property Tax Phase-Out on Libraries Meeting Minimum Local Revenue Requirements to Qualify for State Aid: At the last SLC Board meeting Suzanne had reported that, because personal property taxes (PPT) will be reduced in 2014, some libraries could have a problem meeting the 3/10 mill minimum local revenue requirement to qualify for state aid in 2015. Suzanne, along with Kathy Webb from the Library of

Michigan and Bryon Sitler, the director of the White Pine Library Cooperative, looked at this issue more closely. Suzanne said that, after studying the data, it appears that the PPT phase-out may not impact state aid qualifications as much as she originally thought because most of SLC's libraries over-qualify for state aid with local revenues in excess of 49 percent over the required minimum. Suzanne did identify 6 SLC libraries that reported lower local revenues and she will work with them to assure that they are reporting all of their in-kind revenues.

## **NEW BUSINESS:**

Interlibrary Loan Net Lenders: Suzanne said that some libraries are struggling to pay for delivery and SLC may want help them at some point. MeLCat delivery statistics for January - June 2013 show that the cooperative as a whole is a net borrower by 2,800 items, which is not a huge imbalance, and that overall ILL borrowing and lending is low compared to other cooperatives. Next year the RIDES network will be changing to a delivery pricing structure that is based on volume; the new prices should be released in January or February 2014. Suzanne said that the cooperative may want to consider reimbursing net lenders in the future and may want to base that reimbursement on a volume formula similar to the RIDES formula.

Adoption/Reaffirmation 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. The policies also give the director the authorization to purchase items valued under \$2,000 without going through the competitive bid process. A MOTION was made TO APPROVE THE FY 2013/2014 E-RATE POLICIES AS PRESENTED, INCLUDING THE PROVISION THAT RAISES THE VALUE OF ITEMS THAT CAN BE PURCHASED OUTSIDE OF THE COMPETITIVE BID PROCESS FROM \$1,000 TO \$2,000 (MSC Kay Elzinga/Marie Oja). Motion carried unanimously. The approved E-Rate Policies are listed below.

### Superiorland Library Cooperative **E-Rate Policies**

#### **Authorization for E-Rate, FY 2013/2014** (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; and, as its Designated Custodian for all federal programs, including but not limited to E-Rate.

#### **E-Rate Record Retention Policy**

All E-Rate records shall be retained for a period of five years after the last date of service in accordance with FCC Fifth Report and Order (Para.47, FCC 04-190, Adopted August 4, 2004).

#### **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 5-Year Retention policy shall apply to invoices proving purchase of Internet filtering software.

**Approval of Financial Investment Institutions for FY 2014:** A MOTION was made TO APPROVE THE FOLLOWING FINANCIAL INSTITUTIONS FOR FINANCIAL INVESTMENTS IN FY 2013/2014: 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 Joan Brown/Kay Elzinga). Motion carried unanimously.

**Board Membership and Election of Officers for FY 2014:** Suzanne reported that she is not yet certain who the Class I library voting representative will be for FY 2014. FY 2014 voting representatives for Class II – Class V are Gwen Chapman (Forsyth Township Public Library), Ginny Detterbeck (West Iron District Library), Chris Homan (Tahquamenon Area School Public Library), Joan Brown (Menominee County Library), Kay Elzinga (Peter White Public Library), Jeri Selthoffer (Crawford County Library), and John Schaeffer (Superior District

Library). The following Board members were nominated for officer positions: Chair: John Schaeffer, Vice-chair: Chris Homan, and Secretary: Kay Elzinga. A MOTION was made TO ELECT THE SLATE OF OFFICERS AS PRESENTED (MSC Marie Oja/Joan Brown). Motion carried unanimously.

Calendar of Board Meetings for FY 2014: Tentative Board meeting dates for FY 2014 are: Thursday, December 5, 2013; Thursday, March 6, 2014; Thursday, July 17, 2014; and Tuesday, September 23, 2014.

**NEXT MEETING:** The next meeting of the Board of Directors is scheduled for December 5, 2013.

**ADJOURNMENT:** There being no further business, the Chair declared the meeting adjourned at 11:40 am.

Kay T. Elzinga, Secretary

Pamela Malmsten, Recorder