

CLEVELAND PUBLIC LIBRARY
Finance Committee Meeting
November 19, 2013
Trustees Room Louis Stokes Wing
12:00 Noon

Present: Ms. Rodriguez, Mr. Corrigan, Mr. Seifullah, Mr. Hairston (arrived, 12:08 p.m.)

Absent: Ms. Butts, Mr. Werner, Mr. Parker

Ms. Rodriguez called the meeting of the Finance Committee to order at 12:06 p.m.

FINANCE COMMITTEE

Resolution Requesting Tax Advance

Carrie Krenicky, Chief Financial Officer, stated that this annual request to the Cuyahoga County Fiscal Officer to advance funds to the Cleveland Public Library prior to regular settlement dates is customary in order for the Library to meet current expenses.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution to Advance Cash from the General Fund to the MyCom Fund and the Ohio Library for the Blind and Physically Disabled (OLBPD) Fund

Carrie Krenicky, Chief Financial Officer, stated expenditures for the MyCom Fund and the Ohio Library Blind and Physically Disabled Fund are Special Revenue Funds that are on a reimbursement basis. For MyCom, expenditures are submitted on a monthly basis and the Library is reimbursement accordingly. Ohio Library for the Blind and Physically Disabled Fund is running close to \$60,000 short on its reimbursement for the closing year and will need to be reimbursed.

Ms. Rodriguez asked the reason for the \$60,000 shortage in the Ohio Library Blind and Physically Disabled Fund.

Carrie Krenicky, Chief Financial Officer, stated that there were higher expenditures in August and reimbursements have not been caught up with expenditures.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Approving Public Library Fund Allocation Agreement Commencing January 1, 2014 and Terminating December 31, 2017

Director Thomas stated that in 2009 when the last Public Library Fund Allocation Agreement was put in place, Cleveland Public Library continued to receive the largest amount of funding. However, anything above the 2007 amounts of LLGSF funds received by the Libraries were allocated on a different percentage basis. Since that agreement, population demographics for Cleveland continues to decrease and the population in other library system service areas have increased. Because of this change, the other library systems believed that their funding should increase accordingly.

Under this new agreement, the PLF to be allocated to the Cleveland Public Library remains at 41.18430%.

Mr. Corrigan gave a historical background on litigation between the library systems and the Supreme Court and why a public research library would need additional support considering the issues of population and circulation. An agreement was reached that included percentage distribution formulas. This current agreement allows the Library to receive a lesser percentage in PLF dollars should the State return to funding libraries as they used to. Taking this reduction underscores the Library's stance that population should be considered in future negotiations.

Joyce Dodrill, Chief Legal Officer, stated that the reduced percentage only applies to PLF funds received in excess of the 2007 amount of PLF funds received.

Mr. Corrigan stated that this emphasizes the need for a Library Foundation to be developed to help fund and support the collection of our public research library.

Director Thomas stated that this agreement includes that a discussion would be held if a merger of libraries were to be considered.

Mr. Corrigan commended Director Thomas and staff for their work on this agreement.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing the Cleveland Public Library to Enter into a Memorandum of Understanding with Ohio Department of Administrative Services for the Purchase of Natural Gas

Myron Scruggs, Director of Property Management, stated that historically, the Library has purchased natural gas through a one-year renewable fixed rate contract pricing. Since the State's Program provided variable rates at an average of \$4.17 per thousand cubic feet, this program offers a 15% to 20% savings reduction than the current rate.

Joyce Dodrill, Chief Legal Officer, stated that the Resolution should be corrected to provide that the current rate that the Library is paying IGS is \$4.74 per thousand cubic feet.

Ms. Rodriguez requested that this correction be reflected in the resolution to be considered for full Board approval.

After commending staff for their work on securing utility savings for the Library, Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing Agreement with FirstEnergy for Electric Service (HOLD)

Mr. Corrigan asked the reason for the “hold” on this resolution.

Mr. Scruggs, Director of Property Management, stated that the Library is presently in a contract with First Energy Solutions until August 2014. It is recommended that the Library extend the contract to 2015. When we go on line with gas heat instead of electric, the Library could see higher electric rates and to lock in rates now will put the Library in a better position.

Resolution Authorizing Agreement with Gallagher Benefits Services, Inc. for Benefits Consulting Services for 2014 and 2015

Joyce Dodrill, Chief Legal Officer, stated that it is recommended that the Board enter into a new agreement with Gallagher for a two-year period through December 31, 2015 to correspond to the term of the new contract the Library is entering into with BRAVO for the wellness program which expires December 31, 2015. Gallagher is paying the cost of BRAVO.

Director Thomas stated that with the wellness program, there appears to have been significant changes in the health of Library staff although sick time usage has not decreased.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution to Enter Into a Purchase Agreement with Sims Buick GMC to Purchase a Delivery Truck

Mr. Scruggs, Director of Property Management, stated that the 13 year old Step Van is fully depreciated. The purchase of a delivery truck from SIMS Buick GMC will be wrapped identically to the van purchased last December. This van has heavier springs, is larger than the Step Vans making it convenient for loading and unloading.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing Change Orders #002 and #004 for the South Branch Deactivation Project

Mr. Scruggs, Director of Property Management, provided pictures of the window wells and identified window well decay and efflorescence water damage. Change Order #004 is needed to remove and infill the window wells. Change order #001 for the roof hatch and change order #003 for lintel investigation were not approved by Westlake Reed Leskosky.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing Agreement with Integrated Precision Systems Inc. for Maintenance of People Counting Hardware, Software, and Firmware

Myron Scruggs, Director of Property Management, gave an explanation of the functions of the people counting system.

Ms. Rodriguez noted that IPS has offered the Library a new maintenance contract in the amount of \$30,000 the first year with a 5% increase each year thereafter, and questioned whether that was high.

Director Thomas stated that IPS has had a good reputation for working with the Library and has provided good, reliable service in the past.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing the Purchase of Early Literacy Stations from AWE Inc.

Ms. Rodriguez stated that a demonstration of an early literacy station would be beneficial to the full Board.

Director Thomas stated that an early literacy station would be available for demonstration at the upcoming board meeting and noted that demonstration units are currently available at Rice and South branch libraries.

Rod Houpe, Chief Technology Officer, Information Technology/CLEVNET, stated that AWE Inc. was identified as the only manufacturer of the Early Literacy Station. It is recommended that the Library purchase 54 stations in the amount of \$137,646.00 in order to make two of them available in each branch.

After some discussion about the early literacy learning stations and their educational software programs, Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing Purchase of Laptop and Tablet Vending Kiosks from Java Connections, LLC

Rod Houpe, Chief Technology Officer, Information Technology/CLEVNET, gave a detailed description of the appearance and function of the laptop and tablet vending kiosk.

After a detailed discussion of security concerns and staff training, Ms. Rodriguez stated that this item would go to the full Board for approval.

Ms. Rodriguez adjourned the joint meeting of the Finance Committee at 12:54 p.m.