

Agenda Item #4 (a)

**Board of Trustees
Minutes of Meeting
Julia F. Burnham 3rd Floor Conference Room
Main Library
March 20, 2008**

1. The meeting was called to order at 5:35 p.m. by President Freeland.
2. Members Present: Russell Dankert, Rusty Freeland, Rochelle Funderburg, Sandra Jones, Michael La Due, Minnie Pearson, Robert Shierry, Beth Sandore and Michael Smeltzer

Members Absent: None

Library Staff Present: Mary Bissey, Jill Bouvet, Debbie Keith, and Donna Pittman

Visitors Present: Jean Peters, *League of Women Voters* and Ron Amen, *Lauterbach and Amen*, via telephone conference call
3. Approve the Revised Agenda:
 - MOTION by Jones to approve the revised agenda as presented; seconded by La Due. All: Aye.
4. Approve the Minutes:
 - a. Regular Meeting Minutes of February 21, 2008
 - b. Closed Session Minutes of February 21, 2008
 - MOTION by Funderburg to approve the both sets of meeting minutes as presented; seconded by Pearson. All: Aye.
5. Closed Session: Probable Litigation:
 - MOTION by Dankert to enter into a closed session for probable Litigation as an action, against the particular public body that is probable or imminent; as authorized by 5 ILCS 120/2(c) (11), seconded by Funderburg. All: Aye.
 - The Board entered closed session at 5:37 p.m.
 - MOTION by Shierry to return to open session, seconded by Funderburg. All: Aye.
 - The Board returned to open session at 5:45 p.m.
6. Main Library Project Update:
 - Freeland noted that the updated timeline for the building shows the completion of the project to be finished by the end of June 2008.

a. Revised Request for Disbursement from the City of Champaign (Expense Report 093):

- A revised disbursement memo was distributed. MOTION by Shierry to approve Expense Report 093 which is a combined request for RBJ, Inc.; PKD, Inc.; Felmley-Dickerson Co., Commercial Flooring; McDaniel Fire Systems; T.A. Brinkoetter & Sons, Inc.; Coleman Electrical Service, Inc.; Tech Logic Corporation; Brandenburg Industrial Service Co.; A-1 Alarm Service; Barbeck Communications; Bennett Electronic Service; Central High School; Chase Business Card; Ingram Book Group; Recorded Books, LLC; Alpha-G Consulting, LLC; Demco; Digital Communications; Exile on Main Street; Printec Press; Al Trieber Associates; Business Office Systems; C.V. Lloyd Sound System; Future Packaging & Preservation; Ingram Book Group; Midwest Tape LLC; and Rogards, Inc. for work completed in the amount of \$261,938.32 as presented; seconded by Pearson. All: Aye.

b. Request for Contractor Reduction Retainage:

- Freeland and Funderburg abstained from voting or participating in discussion on this topic because Cross Construction is a client.
- MOTION by Shierry to approve the retainage reduction request for \$20,071 as presented; seconded by Jones. Aye: 7 Abstain: 2.

7. Financial Reports:

a. Approve "Check Register" and "Handwritten Checks" for February 2008:

- MOTION by Jones to approve checks for February 2008 totaling \$440,589.36 as presented; seconded by La Due. All: Aye.
- Keith reported that the first electrical bill for January had been received for the new building and is anxious to receive the February and March bills to have an idea on how much electrical costs will be.

b. 2007-2008 Financial Statements:

- MOTION by Jones to accept the financial statements as presented; seconded by La Due. All: Aye.
- Keith reported that the Bookmobile has required a lot of repairs lately so that line is about \$2,300 over budget.
- Keith noted that beginning with the current payroll, we will be deferring payroll until the end of June.

c. Fund 24 Financial Review:

- No action was required.

d. 2006/07 Audit Report:

- Grove reported that the City plans to discontinue working with the GEMS software and is looking for a new software program.
- Keith introduced Ron Amen with Lauterbach and Amen who joined the meeting via teleconference call.

- Amen reviewed the Independent Auditor's report which the library received an unqualified audit opinion, the highest level opinion given.
- Funderburg noted that in the Management Letter prepared for the City of Champaign, it states that the City should be handling the library's finances and questioned if it was because of a GASB standard.
- Amen explained that when his firm took over the audits of the library, City and other components of the City from prior auditors, there was a Management Letter in their report that said the finances, due to internal control perspective, should all be handled by one centralized processing to make the audit process and the internal control structure better from an audit perspective. Amen has been put in the middle and is not something he could ignore because it was put in place in the past. In the first two years of the library's Management Letter from his firm, the comment was in the report. After two years the point became moot and he has taken it out of the library's Management Letter because the Board had discussed it, it had been addressed, and there had been discussions with the City about it. Amen decided to remove it from the library's Management Letter. It has not been removed from the City's letter. It is not in the City's Management Letter still four years later because of the township. Amen feels professionally uncomfortable removing the portion of the City's Management Letter relating to the library because he has taken the comment that they had in the City's report (four years in a row) and has not changed one word. If we went in and professionally take out the library's piece, he thinks he would be professionally at exposure that he is not comfortable with.
- Funderburg stated that from a legal perspective, if you take the position that an accounting standard requires something, it requires it whether you put it in the library letter or City letter, why wouldn't they be consistent? Why does anything having to do with the township have anything to do with the library?
- Amen stated that the prior auditor's put it in the letter and he does not feel it is necessary to put it in the library's letter because he is reporting to the Board independently of the City.
- Funderburg questioned if Amen still believes that the City should take over the library's finances?
- Amen stated that the comment was generated by prior auditors and with his professional standards, he can't ignore that. Under a City audit which includes the library and the township, he believes that one system would make the audit process internal control more cohesive than having three separate internal control structures.
- Funderburg commented that cohesive is one thing, is it legally required by any accounting standard?
- Amen stated that is why he took it out of the letter. It is not required.
- Freeland requested that Amen explain what the Management Letter is and the scope of his professional responsibilities.
- Amen replied that the Management Letter has three different levels. General comments, things of housekeeping that they believe are important to the process of an audit. This comment would fall under that category. A material weakness or a reportable condition – those things are not open to debate. Those things are what their profession tells them they are required to disclose to the Board and the government of the entity they are auditing would have to address those or there is a potential to get something other than an unqualified audit opinion. The Management Letter of that comment is something that was put in before of a general nature, it did not say it was a reportable condition or a weakness. He had to

address it, removed it, and it is not required. Amen stated that it would be better to have one system but it is not wrong to have three.

- MOTION by Funderburg to accept the 2006-07 audit report prepared by Lauterbach and Amen as presented; seconded by Sandore. All: Aye.

e. 2008-2009 Proposed Budget – Other Funds:

- Keith began with the Capital Fund. Originally it was planned to keep \$150,000 in the fund because anything over that amount went to the City Council. The fund looks healthy for this year and next. As the operating fund balance goes up, the contributions to this fund also goes up. The contribution is 3% of operating fund revenues. The operating fund transfer shows that it went up \$10,000 last year and will be going up \$20,000 next year.
- Freeland asked if money will accumulate in this fund for carpet replacement or roof repairs.
- Keith stated it would be a combination of this fund and maybe Fund 24 depending on how it grows.
- Freeland stated it would be good in the next fiscal year to analyze that and make plans. We should take the initiative with the City and if it's better that the Fund 24 money could be used to be pay additional debt service then we can use the money from the operating budget here and reserve that. Freeland asked if we use this fund as a reserve, as it grows, would we be able to use the money in this fund to help cover some of the operating fund.
- Keith stated that perhaps they could reduce the 3% transfer each year with growing revenues for the library, could it be reduced to 2 or 2.5.
- Freeland stated it might make sense to let it grow to \$300,000 or \$500,000 for future needs such as HVAC in another 20 years. If we could use that money and replenish it, we would not impact the City's operating budget quite as much.
- Discussion followed on having a plan in place for future needs.
- MOTION by La Due to approve the fund budgets as presented; seconded by Dankert. All: aye.

8. Correspondence and Communications:

- Photo from *The News-Gazette* entitled "Novel idea" of the all-area girls' basketball team posting with the LIBRARY letters outside the new library building (March 6, 2008).
- Photo from the *American Libraries* March issue entitled "Penguins on the brain" highlighting the January 6, 2008 Grand Opening where Children's staff wore penguin hats along with the black and white dress code for the day (March 2008).

9. Comments from the Audience:

- None.

10. Director's Report:

- Grove reported that was up 32% for the first full month in the new building. Parking and the weather have been challenging but it is going to get better. Grove continues to hear good comments from the community. Grove explained that without RFID self checkout, we would not have been able to keep up with the increase in business. Many good comments from the

public continue. Wi Fi is averaging 28 users at any given time. The café reported that after it was installed, there was an increase in their business.

- Grove explained that good news came in today from Tech Logic. On the weekends, the speed of the conveyor has been a problem. It handles about 600 items an hour. We had understood that it would accommodate more than that. Today, Grove had a conversation with the executive who stated they want to upgrade the system to handle 1200 items per hour free of charge.
- Smeltzer noted on the monthly statistics report that Douglass Branch reported that the computers went from 1,000 uses to 45 year to date.
- Grove will investigate that and report next month.
- Freeland noted there was a large increase in library cards the first month.
- Grove stated that there are a lot of people who haven't been to the library for a long time. She expects the growth to continue.

11. Committee and Liaison Reports:

a. Champaign Public Library Foundation:

- Shierry reported that the Foundation Board revised their endowment fund investment procedures. Another sub committee is working on a policy standard regarding gifts and they are working on a campaign to increase the endowment fund.

b. Friends of the Champaign Public Library:

- Pittman reported that they met yesterday and sales are going well and they now have credit card access. A membership event is scheduled for April 18. The annual meeting is on April 29 with more information to come.

c. Lincoln Trail Library System:

- Funderburg reported that they are looking at renovations in their building to bring the bathrooms up to code and redo the kitchen area. Some changes to their bylaws for members terms will help with new people coming in during budget time. They are very concerned about their budget which is flat and encouraging everyone to go to library day in April in Springfield to lobby your favorite legislature for more money.

d. Douglass Branch Advisory Committee:

- Pearson announced that Mildred Griggs has agreed to serve on the committee.

12. Comments from the Board:

- La Due commented that several computer users that they would like to have silicone caulk to fill the space between the glass panes to make it quieter.
- Grove stated that it was on the punchlist.
- Dankert asked if the art committee would be started in the next year or two.
- Freeland commented that it was discussed at a policy committee meeting where a policy was drafted but no action was taken. The draft can be brought back to the Board from the policy committee.

13. Next Meetings or Events:

- Regular Meeting, Thursday, April 17, 2008, 5:30 p.m., Julia F. Burnham 3rd Flr. Conf. Room
- Regular Meeting, Thursday, May 15, 2008, 5:30 p.m., Julia F. Burnham 3rd Flr. Conf. Room
- Regular Meeting, Thursday, June 19, 2008, 5:30 p.m., Julia F. Burnham 3rd Flr. Conf. Room

14. Adjournment:

- The meeting was adjourned at 6:40 p.m.

Respectfully submitted,

Rusty W. Freeland, President

Minnie Pearson, Secretary

Jill Bouvet, Recorder