



**Board of Trustees Meeting**  
Tuesday, January 25, 2011 5:00 p.m.

**MINUTES**

President Shape called the meeting to order at 5:00 p.m.

**IN ATTENDANCE**

BOARD MEMBERS: John H. Burtch, Caroline Diwik, Garrett K. Scanlon (5:10 arrival), Amy P. Sharpe, William J. Shkurti, Mark L. Shy

ALSO PRESENT: Ann Moore, Director; Kate Hemleben, Fiscal Officer; Kate Porter, Assistant Director; Ruth McNeil, Community Relations Manager; Wilma D'Souza, Assistant Fiscal Officer; Julie Whitt, HR Manager; Mark Mangini, Reference Manager; Kate Hastings, Youth Services Manager; Bev Clevenger, UA City Clerk; Sue Ralph, UA Community Foundation; Ruth Elzey, Willis; Tricia Schmidt, Willis and Nancy Roth, Administrative Secretary.

**ADMINISTRATIVE BUSINESS**

Bev Clevenger, UA City Clerk administered the oath of office to William J. Shkurti, new Board member. Sharpe welcomed Shkurti to the Board. His experience in finance at OSU was noted. It was also noted that he has authored a book to be published in the spring.

The election of officers was deferred pending the arrival of Scanlon.

**APPROVAL OF THE MINUTES**

Burtch made a motion to approve the Minutes of the December 21, 2010 meeting. Shy seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

McNeil introduced Sue Ralph, new director of the Upper Arlington Community Foundation.

**HEALTH INSURANCE PRESENTATION**

Moore introduced Ruth Elzey and Tricia Schmidt from Willis who were in attendance to present the 2011 Medical Insurance Quote results to the Board. Elzey distributed information packets to the Board in advance of the meeting. Schmidt reviewed the quote process for the Board. All the carriers for the library's size group were shopped. Included in the packet was a brief information sheet about the impact of the Health Care Reform initiatives scheduled to take effect in 2011.

The quote from United Health Care for a plan the near equivalent of the current Anthem plan represented a 41.2% premium increase. The Aetna quote was 44.3% higher than current rates and the Medical Mutual quote was 88.5% higher than the current rate. The renewal rate from Anthem is 15.6% higher than the 2010 rate.

With some minor adjustments to the plan, an Alternate #2 was developed that would result in only a 10.9% increase for the core plan and a 12.3% increase for the buy-up plan. It was noted that employees who opt for the buy-up plan pay for the premium difference themselves. The plan reflected an increase in deductibles and some co-pays, along with the addition of a 4<sup>th</sup> Tier in the prescription drugs. However, Elzey and Schmidt pointed out that because of the health care reform changes, most enrollees will find the coverage better because preventive care is fully covered with no co-pay. This would include yearly gynecological exam, pediatric well care and immunizations, colonoscopies and other recommended exams that were not diagnostic in nature. Willis reps noted that coverage of some items would be dependent on how the physician coded the procedure.

Schmidt noted that there were few concerns about the out-of-network side of the coverage. In the Columbus area, 99.8% of insured people utilize network physicians and hospitals, so it is extremely unlikely that an employee would have to be treated by an out-of-network provider. It was noted that one change is a split deductible for office visits. A higher co-pay is required for a visit to a specialist.

Plans that included a Health Savings Account option were requested from Anthem. These plans did not result in enough savings in premiums for the library to provide initial funding for employees and did not reduce premiums sufficiently to allow employees to continue to contribute to an HSA's without creating a hardship. Insurance companies appear to no longer be creating any premium incentives for employers or employees to utilize HSA's.

In the remaining discussion with Board members, it was noted that small groups have little bargaining power with insurance carriers. In general, the library population is not attractive to carriers because of the large number of older women in the population and the high use of prescriptions. It was noted that a couple of initiatives are in the early stages to try to formulate library consortiums that would have more buying power with carriers. OLC is looking into this as well as Willis.

There was discussion about the utilization of wellness programs and incentives. Willis noted that they have some stock programs that they could share with the library.

Moore was asked for her opinion. She indicated that the 10.9% increase represented by Alternate Plan #2 was a very good rate in the current climate. Some libraries have had to accept 40+% increases. She supported the selection of Alternate Plan #2 and said that the library could continue to work with Willis to explore wellness program information.

**Burtch made a motion to select Alternate Plan #2 as outlined in the Willis presentation. That information is included in these minutes as an Exhibit. Diwik seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.**

## **ELECTION OF OFFICERS**

Shy made a motion for Amy Sharpe to serve as President. Burtch seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

Burtch made a motion for Caroline Diwik to serve as Vice-President. Shy seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

Shy made a motion for Garry Scanlon to serve as Secretary. Burtch seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

Sharpe made the following committee appointments:

- Finance – Burtch and Shkurti
- Personnel – Diwik and Scanlon
- Operations – Shy and Sharpe

Burtch made a motion to re-appoint Kate Hemleben as the Fiscal Officer. Shy seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

Burtch made a motion to re-appoint Wilma D'Souza as the Deputy Fiscal Officer. Shkurti seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

### **ASSISTANT DIRECTOR'S REPORT**

Porter reported that the recent Feed Down Fines event resulted in the donation of 1,729 pounds of food to the Mid-Ohio Food Bank. She noted that this is a good partnership effort.

DVD2Go has been available to patrons for about two years. A similar service for new bestseller books is ready to be implemented. A certain number of current books will be excluded from the holds queue and tagged as 2Go books. Patrons may take one book for one week with a \$1.00 per day fine if they are late in returning the book. Books will re-circulate from the location where they were returned. It is expected to become a popular service.

### **DIRECTOR'S REPORT**

Moore's written report is attached to these minutes as an exhibit.

Moore said that she would like to schedule a Finance Committee meeting before the February Board meeting. She included a time-line regarding preliminary steps that will have to be taken in order to formulate a levy plan. She noted that the Board will need to pass their required resolution in September in order to meet the other deadlines involved with the City and the Board of Elections for the May 2012 ballot. She noted that the Board will have information about the state budget before having to make their decision. It was also noted that with the increased use of early voting option, the levy campaign will need to start much earlier than in the past. It was noted that the formation of a levy campaign committee should be undertaken in the near future.

In their discussion, the Board noted that the library and the Board need to be reaching out to voters as soon as possible. While the library enjoyed strong support for their operational levies in the past, the voting climate is much different than in the past. Library ballot initiatives across the state had an 85% success rate in the most recent election. The UA schools are scheduled to be on the ballot in the fall and their campaign and results could provide some bell weather information for the library.

Moore said that the Operations Committee also needs to schedule a meeting. Facilities Manager Sherman Wallace will be meeting with Moore to review priorities and their estimated costs.

The Upper Arlington Public Library Foundation has completed the necessary legal steps to dissolve as an entity. Funds amounting to approximately \$278,000 have been turned over to the library. The Board will have to decide how to utilize these funds. Burtch suggested that the library's copy of the dissolution paperwork be included as a part of the minutes. Other Board members agreed. The Dissolution of The UAPL Foundation is included as an exhibit to these minutes.

There was a brief discussion as to possible usage of the funds. Board members asked if there were restrictions on the funds. Burtch said that there were no legal restrictions but there might be ethical considerations, depending on the original intent of the various donors. More research is needed.

Moore reported that volunteer hours were up 18% in 2010.

The City of Upper Arlington is hosting a community conversation regarding their master plan on Thursday, January 27th. Moore and Sharpe are planning to attend the meeting.

McNeil informed the Board that twenty-five high school students from China will be spending a week in Upper Arlington. On February 3<sup>rd</sup>, the students will be at the library for the day. A reception is planned for 7:00 p.m. and will be open to the community. The students will give a presentation about Chinese New Year for the public. McNeil encourage board members to try to attend the event. Board members requested that Admin send an email reminder to them.

## FINANCE

The Fiscal Officer's written report is included here.

### ***Notes from the Fiscal Officer January 2011***

*Fiscal (Calendar) year 2010 has been an interesting financial year. We took a conservative approach with revenue projections by reducing the PLF by 20% of the state projected revenue. However, we added \$441,680 late in the year and we still came in over the budgeted expected revenue provided by the state. We ended the year with \$2,431,769! That is \$61,564 higher than the projection provided by the Department of Taxation.*

*January 2011 PLF has been announced and is up approximately 3% from last January!! It is the sixth positive month in a row. I just received recertification from the state tax department in which they project the library will receive \$2,624,612 for fiscal year 2011. I do not plan to increase the temporary or even the permanent expected PLF revenue for 2011. My rationale is that since we do not know how the Governor will handle the huge state deficit; this minimal increase will provide us with a conservative approach on revenue. Again, this would be similar to last year's conservative approach of withholding 20%. The current temporary budget for PLF is about 10% less than the new state projections. Like 2010, at year end if the PLF is greater than expected we can easily increase the budget to reflect this 10% as well as any other projected gain from the state tax department.*

Our percentage of the Franklin County Public Library Fund (PLF) has been updated for 2011. In 2010, our percentage was 7.718% and in 2011 it is 7.463%. This is because the state tax department has certified Franklin County's share of the PLF to be higher than in year 2010. Our percentage has decreased BUT the total dollar amount we will receive has increased because the total annual pool of dollars for 2011 has increased for the county.

	(a)	(b)	( a / b ) *100
	UAPL PLF	Franklin County PLF	% of FC
2011	2,624,612	35,167,601	7.4632%
2010	2,370,205	30,709,784	7.7181%
excess	254,407	4,457,817	5.7070%

Franklin County libraries are guaranteed the same dollar amount from the prior year plus an additional amount of the excess when PLF revenue increases for the county. The excess amount is defined as the dollar amount higher than the previous year. This excess calculation uses several components like population, square footage of buildings, etc to allocate the excess to the Franklin County library systems per our agreement. The prior year dollar amount plus the excess creates the final dollar amount expected for the year.

Based on the January 2011 re-certification by the state tax department our share of the PLF revenue for January has increased approximately 3% from January 2010.

Here is a quick summary of the 2010 general fund.

Revenue	5,850,052
Expenses	4,794,545
Encumbrances*	184,720
Net Increase to Cash	870,787

\*Please note that the encumbrances represent purchase orders not received/paid for in 2010 and are automatically carried forward to 2011.

We are still processing W2s for staff. We will be moving W2s to an electronic filing for staff. They will receive their W2 via iEmployee.com and can print out as many copies as necessary. Before we can do that, we are required to receive approval from each employee granting the library permission to provide electronic W2's. This will happen over the next week and W2's will be issued well before the federal deadline of January 31.

We have several other processes that are still moving forward. The 1099s for our vendors must be mailed to them by January 31. All new purchase orders are being processed as well as our first check run of the year.

Speaking of our processes, the first payroll of 2011 has been a very interesting one. Here is the information provided to staff regarding their pay check.

During our payroll process this week, we noticed that the federal taxes changed on almost everyone's pay check. If you remember during December the federal government was having discussions on the new tax bill. When the tax bill finally passed, the outcome was that the previous administration's tax cuts would be in effect for another year and employees would have

a larger take home pay. That is true for most employees in the nation. However, for government employees that is not the case.

*Without going into too many details, here is a quick summary.*

1. *Social Security retirement rate (similar to our OPERS benefit) went from 6.2% to 4.2% for the employee. We do NOT pay into Social Security retirement. Therefore, we do not get this tax cut.*
2. *The number of income ranges has decreased from 2010. In 2010 there were nine brackets to determine how much tax you owed each pay period. In 2011, there are only seven brackets.*
3. *The minimum tax of each bracket was increased. The average range is between \$16 and \$28. Of course, this increase in federal tax depends upon your pay and withholding allowances (in other words, the number of exemptions claimed).*
4. *The tax change is effective for each pay period in 2011.*

*This tax change is very unfortunate for all of us. Just a reminder, that we are a local government agency which is why we are impacted differently than non-governmental employees.*

*Feel free to stop by my office if you need to discuss this in more details.*

*Follow up email to staff:*

*Thought I'd share a little more information regarding my previous email about the federal tax increase. May I take a moment to say we have an awesome reference department!!! They reminded me of the 'Making Work Pay' tax credit in 2009 & 2010 that was not extended in 2011. Thank you Reference Dept!!!!*

*If you are like me, I don't remember all the details of this 'Making Work Pay' tax credit. In 2009 (and 2010), the tax credit provided a reduction of \$400 in federal taxes to each employee. Instead of mailing a stimulus check like in previous years, the federal government decided to lower the amount of minimum tax in each bracket used to calculate pay checks. Thus, in 2009 & 2010 your take home pay increased due to the lower federal taxes. Now, fast forward to 2011. This tax credit was not extended in the 2011 tax bill. This means that the federal government increased the minimum tax for each bracket used to calculate pay checks thereby reducing your take home pay in 2011.*

*Below is an excerpt from the article I found on the web that I thought was very informative.*

*"The tax compromise also calls for a reduction of an employee's portion of payroll taxes for 2011, called the "payroll tax holiday". At the same time, the Making Work Pay tax credit, which was enacted as part of the stimulus package, is expiring. That credit allowed employees to earn a credit of 6.2% of wages, up to \$400 total, with a phase-out for those earning over \$75,000. The Making Work Pay credit expiration will mean an increase in taxes and thus a decrease in take-home pay – but for most people that decrease will be more than counteracted through the effects of the new payroll tax cut.*

*Of course the comparison above is not true for everyone – if you're part of a system that does not pay into Social Security (such as many state and local government employees, including teachers) you will see a decrease in your paycheck due to the expiration of Making Work Pay and the fact that you have no payroll taxes to have reduced. Retirees are in the same boat as there is not currently an equivalent tax cut for retirement income."*

*If you'd like more information please see the link below for the article mentioned above.*

<http://www.mydollarplan.com/payroll-tax-cut/>

*In your packets, you will find an updated summary of the building issues for Tremont, Lane and Miller. If something has been missed, please let me know so it can be updated.*

*Next Finance Committee Meeting has not yet been scheduled.*

Hemleben noted that 2010 ended on a positive note with about \$1,000,000 in carryover funds. Approximately \$130,000 remains encumbered by open purchase orders. The remaining \$870,000 is in the general fund and could be moved into the building improvement fund if the Board chooses to do so.

Burtch made a motion to approve the December 2010 financial report. Diwik seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

RESOLUTION 01-11  
**General Fund Donations**

BE IT RESOLVED that the Board of Trustees of the Upper Arlington Public Library acknowledges and accepts into the General Fund with sincere thanks the following donations:

\$100.00	Joseph & Jane Hipple in memory of Diane Bare
\$25.00	Janet Reber in memory of Diane Bare
\$50.00	Jiff Munteanu in memory of Diane Bare
\$50.00	Greg & Danielle Callaghan in memory of Diane Bare

Burtch made a motion to approve Resolution 01-11. Diwik seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

**PERSONNEL**

Diwik report that the committee did not meet. She made a motion to approve the Fiscal Officer's Personnel Report which is included as an exhibit to these minutes. Burtch seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

RESOLUTION 02-11  
**2011 Pay Ranges**

BE IT RESOLVED that the Board of Trustees of the Upper Arlington Public Library acknowledges and approves the pay ranges as listed in the attached permanent exhibit to be effective for the first pay date of 2011.

Burtch made a motion to approve Resolution 02-11. Diwik seconded the motion.  
VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

## **PRESIDENT'S REPORT**

Sharpe thanked the Board for their support and said she was looking forward to an exciting second year as President. She noted there were two primary initiatives before the Board – that of establishing a systematic fundraising plan and the levy campaign. She indicated that she would like to form an ad hoc Fundraising Committee that would also include members outside the library. She asked if any Board members would be interested in working on such an ad hoc committee. Shy and Scanlon indicated they would like to serve.

Sharpe presented the Strategic Plan. She thanked Moore and Porter for their hard work in getting the document ready. The current version contains more measurable goals and timelines and is a good starting point for the future. There was brief discussion of the impact of the increased usage of volunteers and their additional hours of service. The Strategic Plan is attached to these minutes as an exhibit.

Diwik made a motion to approve the Strategic Plan as submitted. Scanlon seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

## **ADJOURNMENT**

Shy made a motion to adjourn the meeting. Burtch seconded the motion. VOTING AYE: Burtch, Diwik, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

The meeting was adjourned at 6:15 p.m.

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Amy P. Sharpe, President

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Garrett K. Scanlon, Secretary