



Board of Trustees Meeting
Tuesday, March 27, 2012 5:00 p.m.

MINUTES

The meeting was called to order at 5:04 p.m.

IN ATTENDANCE

BOARD: John H. Burtch, Karen A. Davis, Garrett K. Scanlon, Amy P. Sharpe, William J. Shkurti and Mark L. Shy.

ALSO IN ATTENDANCE: Ann Moore, Director; Kate Porter, Assistant Director; Kate Hemleben, Fiscal Officer; Ruth McNeil, Community Relations Manager; Dr. Richard Weber, UA Resident and Nancy Roth, Administrative Secretary.

CONSENT AGENDA

Items included in the Consent Agenda were Minutes from the February 21, 2012 Board of Trustees, the January 2012 Financial Report, the March 2012 Personnel Report and the March General Fund Donations Resolution.

RESOLUTION 04-12

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:

\$50.00	Richard & Ann Vink in Memory of Dolly Green
\$50.00	CWA Local 4501 in Memory of Dolly Green
\$25.00	Jeffrey & Nan Neff in Memory of Dolly Green
\$18.00	William & Johanna Smith in Memory of Dolly Green
\$50.00	Anne Erickson in Memory of Dolly Green
\$50.00	Dr. Michael Fair Jr. in Memory of Dolly Green
\$25.00	Jack & Susan McKenna in Memory of Dolly Green
\$25.00	John Humphries in Memory of Dolly Green
\$25.00	Ron & Sandra Finney in Memory of Dolly Green
\$40.00	Valerie Owens in Memory of Dolly Green
\$75.00	Jane F. Wright in Memory of Dolly Green

Shy made a motion to approve the consent agenda items. Sharpe seconded the motion. VOTING AYE: Burtch, Davis, Scanlon, Sharpe, Shkurti and Shy.
VOTING NAY: None.

PUBLIC COMMENTS

Dr. Weber introduced himself to the Board, noting that he was a UA resident and the educational liaison for Dynamix Energy Group. He explained that this company was involved in helping non-profits assess their energy use and to assist in providing research for energy related grants for which non-profits might be eligible. He noted that for some entities, re-tooling could result in a 30% energy costs savings. He said that Dynamix also has an educational component, providing displays, dioramas and programming options. He noted that the group hopes to connect and partner with UA schools and Grandview as well. The group has an interest in career development, as well. Burtch suggested that Weber follow-up with the UA Chamber of Commerce as the chamber is interested in the establishment of a small business incubator resource in the community.

LEVY COMMITTEE

Sharpe noted that UA voters did approve the operating levy. She said that she, McNeil and Moore will have a de-briefing session in the next few weeks. Burtch encouraged this follow-up, noting that it was important to capture information that could be useful in future levy campaigns. He offered compliments to Sharpe, Moore, McNeil and Shkurti for all their work in support of the campaign, especially the many public appearances that were scheduled. Moore noted that the public offered many positive comments about the library at the public events she attended.

ASSISTANT DIRECTOR'S REPORT

Porter thanked the Board for sending five staff members to the PLC conference in Philadelphia. She said that she attended along with Erin Hendricks from Reference, Abby Brigner from Lane Road, Kate Hastings, Youth Services Manager and Vita Marinello, Adult Services Manager. The group attended different workshops in order to get a broad spectrum of information to relay to the library. She said that there were lots of new and exciting ideas discussed.

DIRECTOR'S REPORT

The Director's written report is attached as an exhibit to these Minutes. Moore offered the Board a Resolution of Thanks for the Levy Committee.

RESOLUTION 05-12

To Express Thanks to the UA Library Levy Campaign Committee

Be It Resolved that the Board of Trustees of the Upper Arlington Public Library hereby acknowledges with thanks and gratitude the service of the volunteers of the UAPL Levy Committee. Working on behalf of the Library, volunteers prepared materials, coordinated mailings, spoke to civic groups, distributed yard signs, canvassed neighborhoods and participated in many other activities to bring the levy campaign to a successful conclusion. The overwhelming affirmative vote for the levy is a tribute to their hard work, dedication and expertise.

That the UAPL Levy Committee had made a significant contribution of direct and lasting benefit to the operation of the Upper Arlington Public Library is hereby noted and witnessed on the 27th day of March, 2012.

Davis made a motion to approve Resolution 05-12. Sharpe seconded the motion. VOTING AYE: Burtch, Davis, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

Moore said that OLC is working with On Demand Energy Solutions regarding a possible energy consortium for libraries. They have requested some survey information from libraries. Moore will also be meeting with the city of UA representatives about the roof-top solar energy project.

Volunteer UA is scheduled for April 11th and will be hosted at the library this year. About thirty organizations will have display tables throughout the library. This is an initiative to match interested volunteers with organizations who are in need of volunteer help.

OPERATIONS COMMITTEE

There was no Operations Committee meeting and no report. Sharpe asked about the Miller Park carpet tile situation. Architect Jack Hedge is working with the carpeting representative from Georgia to resolve the problem. Moore said that she hopes to have a final report from him at the next Board meeting. Operations will schedule a committee meeting when Sherman Wallace, Facilities Manager completes the review of the priority listing.

FINANCE COMMITTEE

The notes from the Finance Committee meeting are included here.

FINANCE COMMITTEE MEETING
Tuesday, March 20, 2012 9:00 a.m.

Meeting Notes

IN ATTENDANCE: John H. Burtch, William J. Shkurti, Ann Moore, Kate Hemleben, Kate Porter, Julie Whitt, Nancy Roth and Nancy Alonzo

The meeting was called to order at 9:00 a.m.

Revised Cash Balance

Hemleben distributed worksheets concerning revisions to the 'Base' budget scenario. The document reflected funding of the Technology Plan and Building Repairs and Improvement plan at 50% through 2017. It also reflected a \$156,920 increase in the Personnel budget line to allow for only funding the first year of the revised Personnel plan.

The total Personnel budget line (\$3,451,974) includes salaries, benefits, anticipated retirement payouts, increases to health care costs, etc. In addition, this would allow for the filling of recently vacated positions at Lane, a 2.5% cost of living wage increase, hiring a long-vacated weekend custodian position, additional part-time positions to cover weekend hours and a reclassification of a full time Adult Services position. It was noted that this \$156,920 will be a recurring cost each year as personnel costs are not a one-time cost. It was noted that this would provide about an \$11,000 cushion in the personnel line.

It was noted that over the next three years, the library is projected to spend less than the annual revenue. The library needs to continue to accumulate a surplus due to the planned HVAC project in 2013. The committee agreed that the revised cash balance plan was appropriate.

Revised Narratives & Summary for Facilities & Technology

BUILDING IMPROVEMENT – Hemleben noted a minor adjustment to the narrative for the Building Repairs and Improvements Plan. As funds become available, primary focus will be on health and safety issues, primarily at Tremont. This will include review of the sprinkler/fire alarm system. A summary listing by year distributed with the Narrative. Hemleben noted that Facilities Manager Sherman Wallace was working on prioritizing the "On Hold" listing of repairs in the event that windfall revenue would become available. The committee agreed that approximately \$250,000 - \$300,000 of current surplus should be earmarked for health/safety issues.

TECHNOLOGY – It was noted that that a new ILS system is a priority in the technology plan 'On Hold' list. The committee agreed that this issue and conversation is something that the new director should be a part of in the future. The Technology, Personnel, and Building Repair plans represent a planned draw-down of some undesignated funds over the next few years. It was noted

that this remains a fiscally viable and prudent approach to take to the library's needs in these areas.

2012 Permanent Appropriations

Hemleben noted that she included a basic description of each fund as part of the 2012 Permanent Appropriations packet. She noted that the Salaries and Benefits line had been adjusted to reflect the revised Personnel Plan. The estimate for the encumbrances for 2011 will continue to change as PO's are closed. She noted that at some point, the Board will have to approve a budget (Revenue and Expenditures) for Fund 250 – the Restricted Fund before fundraising activities can be charged to this fund.

Hemleben also noted that the Board will also need to approve a transfer of funds from the General Fund to the Building Fund in order to finance the HVAC project. The committee agreed that this should be done this year, in preparation for the expense in 2013. The committee also suggested that an explanatory note be added to the proposed resolution explaining that the \$4.7 million cash balance represents approximately \$2.2 million needed for the HVAC project and the \$1.3 million 90-day operating reserves.

MEC Natural Gas Program

Hemleben said that the state has a buying program with First Energy, but that their bulk pricing did not represent as great a savings as she expected. The state contracts yearly, while MEC contracts for three years, allowing MEC to hedge on the price of natural gas. Currently, MEC has indicated that they plan to hedge up to 50% of their purchases. They have indicated to their members that they will not hedge beyond the length of the contract and are taking steps to educate their staff members involved in those types of decisions.

The library will not know until sometime in June what their share of the previous hedging extension will be. Hemleben noted that currently the estimate is about \$19,000. Remaining a part of the buying program with MEC will allow the library to pay this over five years with no interest charged. Many schools participated in this program through MEC and were hit hard with the financial losses caused by the extended hedging. It was noted that the benefits of any consortium are outside the control of the participating entities and depend solely on how well any give consortium is managed.

The committee agreed to proceed with recommending approval of the new MEC contract for natural gas. The steps that MEC is taking and the assurances they have offered their members appear to be adequate.

Moore noted that the next meeting with city officials and Tipp Energy about the rooftop solar panels is scheduled for April 16th.

The committee clarified that they would recommend a 2.5% raise for staff based on the mid-point of each range to take effect as of the first payday in July, which would be July 13th. Moore said that she will try to arrange a Personnel

Committee meeting prior to the Board meeting in order to discuss this recommendation with them.

OPERATIONS

The committee reviewed the monthly financial report for January 2012. There were no questions and the committee agreed to include this on the consent agenda.

It was noted that previously discussed best practices requires the Fiscal Officer to advise the Director when funds are transferred. The mechanism for this has not yet been put into place. The committee confirmed that this needs to be done.

ADJOURNMENT

The meeting adjourned at 10:10 a.m.

The notes from the Fiscal Officer are included here.

Notes from the Fiscal Officer February 2012

- *Our PLF share is \$138,384 for March 2012.*
- *The revised cash balance started the discussion for Finance Committee this month. A few adjustments were made to the property tax revenue as well as the PLF revenue. No changes were made to the fund development plan. Only 50% of the technology and building repairs & improvements plans were funded. The Personnel plan is funding the first year. By funding part of the personnel plan, it allows for a balanced personnel budget line. It was determined during the levy budget planning cycle that a \$250,000 reduction to the personnel plan was needed. Adding in these additional monies allows for continued staffing levels, funding of increased benefits costs for both workers comp, unemployment and medical costs. This year additional monies for anticipated retirement payouts are needed. In future years, a specific budget line for time off payouts will be added.*

By the end of 2017 we will have a balanced budget meaning revenue-in equals expenses-out. The first three years of our six-year budget will have a surplus that will help fund the technology and building plans. Prior to 2017, additional cuts of \$250,000 will need to be made in order to meet our goal of a balanced budget. After these adjustments were made, a balance of \$330,000 through the end of 2017 is available.

Finance discussed increasing the building repairs & improvement plan by \$250,000-\$300,000 to help fund the health safety issues.

- *Minor adjustments were made to the temporary appropriations submitted at the December 2011 board meeting.*
 - *General Fund revenue decreased by approximately \$21,000*
 - *General Fund expenditures increased by approximately \$157,000*
 - *Building Improvement Fund increased by approximately \$150,000*

- *The vote for the natural gas consortium is planned for this meeting. The Finance Committee will be recommending joining the MEC consortium for a three-year contract with two one-year extensions. By approving this, the library will be committed to three years. The approval of the extension will be done in a future year. In this same resolution, the library will be terminating the agreement with Energy USA (EUSA) which will allow EUSA to sell our hedged units purchased outside the contract period. By June 30, all hedged units must be sold by EUSA. All consortium members will be notified of their obligation. The library's current plan is to pay this off early with any savings found within this new agreement.*

- *The income statement with projections (the purple summary sheet usually page 1 of the financials) will be provided at the Board meeting.*

- *Our next Finance Committee Meeting is scheduled for April 10, 2012 at 9am.*

Hemleben reviewed the Finance meeting. Some revisions to the Cash Balance projections were noted. Property tax revenue is down, but the PLF is up slightly. The projection assumed a 50% funding level for the Facilities and Technology plans. The projection also assumed adjustments to the Personnel line, including a 2.5% wage increase and staffing some positions that are currently vacant. The projections assume funding only the first year of changes in the Personnel plan.

It was noted that at the end of 2017, the library should have \$335,000 cash reserves in addition to a \$1.4 million 90-day operating reserve. Shkurti pointed out that \$335,000 is a slim margin, so care still needs to be exercised. If changes are made to the funding structure for libraries during the biennial state budget cycles, it is not impossible that the library will need to return to the voters before the end of the levy term. If fund development activities are productive this should help the library's bottom line.

It was noted that the Technology Plan has been prioritized and the highest priorities identified by IT Manager Greg Ramage are covered. However, the procurement of a new ILS system is not supported by the current budget. However, new products are being developed for cloud-based ILS systems that might be less costly than current models. The Board noted that this might be something that would be appropriate for some type of grant application. The library will need to keep looking for non-traditional funding sources.

Hemleben reviewed the Permanent Appropriations proposal. She noted that Fund 220 (Restricted Fund) will need to have a revenue/expense budget approved once the Board moves forward with Fund Development plans.

Moore said that due to scheduling conflicts, the Personnel Committee was unable to meet. She did have independent conversations with Davis and Scanlon regarding the proposed personnel plan outlined for the Finance Committee. Both Davis and Scanlon had indicated to Moore that they were in favor of moving forward with the staffing plan as it was proposed to Finance. The Finance committee was in favor of moving forward and the cost is supported by the Permanent Appropriations Budget. Moore noted that it was imperative that the library not delay as it will take a couple of months to actually fill the positions and current staffing levels are stretched to the breaking point.

There followed some discussion regarding staffing. Sharpe asked about for more clarity in the calculations and financial information that had been offered about the proposed positions. Other board members indicated that they felt the explanation and supporting financial documentation was understandable and adequate.

The question was raised about whether current part-time staff who might want to have additional hours had been solicited. It was noted that the weekend-shifts are difficult to fill and there need to be some depth in available staff to allow for coverage during lunch hours, illnesses and vacations. It was also noted that current pay rules do not allow for an employee to hold positions in two different classifications.

Burtch noted that the Director should be free to allocate the hours as she sees fit and that the Board's role is to approve the funding for personnel needs as they see fit. Moore noted that an in-coming Director will expect to be free to make these types of personnel assignments and decisions. Scanlon said that he would defer to Moore, Porter and Whitt in this matter and would accept their recommendations as proposed.

Shkurti made a motion to approve the personnel additions as outlined in the Personnel narrative submitted to the Finance Committee (see Exhibit). Scanlon seconded the motion. VOTING AYE: Burtch, Davis, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

Resolution 06-12, Permanent Appropriations Resolution, is included as an exhibit to these Minutes. Davis made a motion to approve Resolution 06-12. Shkurti seconded the motion. VOTING AYE: Burtch, Davis, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

The Board discussed the MEC contract that is up at the end of the month. MEC purchased natural gas futures at a price that ended up being higher than the current market price. This was done for a period two years longer than the length of the contract, but was within the specifications of the contractual

agreement. Many entities were harmed by this speculation and will have to pay additional fees to the provider. The library is expected to owe about \$19,000. As a result of this situation, MEC is revising their process to include more notification to entities and in-house training of a newly formed hedging committee. The library will monitor MEC reports more closely and will request quarterly reports from MEC to prevent a recurrence. With these safeguards in place, the Finance Committee recommends that the library renew the agreement with MEC for natural gas purchasing.

RESOLUTION 07-12

AUTHORIZING PARTICIPATION IN THE METROPOLITAN EDUCATIONAL COUNCIL'S ("MEC") NATURAL GAS PROGRAM FOR A THREE YEAR PERIOD AND UP TO TWO ANNUAL RENEWAL TERMS UNDER THE TERMS AND CONDITIONS OF THE NATURAL GAS SALES AND SERVICE AGREEMENT WITH CONSTELLATION NEWENERGY – GAS DIVISION, LLC NEGOTIATED BY THE OHIO SCHOOL CONSORTIUM AND AUTHORIZING RATIFICATION OF THE AGREEMENT TO TERMINATE THE FULL REQUIREMENTS NATURAL GAS SALES & SERVICE AGREEMENT WITH ENERGYUSA-TPC CORP.

WHEREAS, the Library is a member of the Metropolitan Educational Council ("MEC"), a body authorized by state statute to aggregate purchasing needs of schools and related nonprofit educational entities so as to take advantage of economies of scale when purchasing essential products and services; and

WHEREAS, MEC has joined with other school councils of governments and major school districts (collectively known as the "Ohio School Consortium") to obtain more favorable terms for natural gas service by negotiating for gas service on behalf of 150 school districts and public libraries; and

WHEREAS, the Library now purchases its natural gas service pursuant to the existing *Full Requirements Natural Gas Sales & Service Agreement* with EnergyUSA-TPC Corp. negotiated by the Ohio School Consortium, and that agreement is to be terminated with outstanding gas hedges to be liquidated and replaced by a new, more favorable natural gas sales and service agreement with Constellation NewEnergy – Gas Division, LLC ("Constellation NewEnergy"); and

WHEREAS, this Library by its membership in MEC may continue to participate via the natural gas sales and service program arranged by the Ohio School Consortium with Constellation NewEnergy under the terms and conditions of the new *Natural Gas Sales & Service Agreement*, attached hereto, if the Library ratifies both the new agreement and the *Agreement to Terminate the Full Requirements Natural Gas Sales & Service Agreements with a Mutual Release of Claims*, a copy of which is attached hereto; and

WHEREAS, the Board finds that it is in the Library's best interest to terminate the existing gas supply arrangement with EnergyUSA-TPC Corp. and enter into the proposed natural gas supply arrangement with Constellation NewEnergy;

Notwithstanding the foregoing, the Library shall not be liable for any fixed price transaction (including NYMEX or basis locks) that creates any liability beyond the term of the Agreement unless MEC first provides written notice of the transaction to the Board of Trustees Participant and Library Participant approves the transaction in writing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UPPER ARLINGTON PUBLIC LIBRARY, COUNTY OF FRANKLIN, STATE OF OHIO, as follows:

Section 1. The Board of Trustees of this Library does hereby elect to terminate the existing *Full Requirements Natural Gas Sales & Service Agreement* with EnergyUSA-TPC Corp. in accordance with the terms and conditions of the *Agreement to Terminate the Full Requirements Natural Gas Sales & Service Agreements with a Mutual Release of Claims*.

Section 2. The Board of Trustees of this Library does hereby elect to continue to participate in MEC's natural gas program in accordance with the term and conditions of the *Natural Gas Sales & Service Agreement* with Constellation NewEnergy – Gas Division, LLC.

Section 3. This Board of Trustees hereby authorizes the Board President to execute the attached ratification on behalf of the Board of Trustees for this Library.

Shy made a motion to approve Resolution 07-12. Shkurti seconded the motion. VOTING AYE: Burtch, Davis, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

PERSONNEL

The Fiscal Officer's Personnel Report is attached as an Exhibit to these Minutes. There was not additional report. Personnel will arrange to meet before the April Board meeting.

PRESIDENT'S REPORT

Burtch said that he and Davis had met with representatives from the UA Chamber of Commerce. The discussion centered on developing a community "Hot-Spot" for entrepreneurial resources. This may include the Chamber, the library, the UA schools and possibly other organizations. The location has yet to

be determined. Burtch said that this would be an initiative left for the new director's involvement.

EXECUTIVE SESSION

Sharpe made a motion to move into Executive Session in order to discuss a specific personnel matter. Davis seconded the motion. A roll call vote was taken. VOTING AYE: Burtch, Davis, Scanlon, Sharpe, Shkurti and Shy. VOTING NAY: None.

The Board went into Executive Session at 6:15 p.m.

ADJOURNMENT

The Board came out of Executive Session at 6:40 p.m. The meeting was then adjourned by acclamation.

John H. Burtch, President

Mark L. Shy, Secretary