

SUPERIORLAND LIBRARY COOPERATIVE
MEETING OF THE BOARD OF DIRECTORS
September 24, 2020

CALL TO ORDER:

A meeting of the Superiorland Library Cooperative (SLC) Board of Directors was held via Zoom remote conferencing service. The public was also invited to participate in the meeting via Zoom. The Chair, Caroline Jordan, called the meeting to order at 11:03 a.m. eastern. The meeting was recorded.

ATTENDANCE:

SLC BOARD MEMBERS PRESENT: Caroline Jordan*, Chair; Dwight Sunday*, Vice-chair; Deb Friedman*, Secretary; Pat Cheski*, Patti Jahn*, Janet Wagner* (arrived at 11:20 a.m.), Kim Nowack*, Brad Winnicki*, and Marion Luckey

SLC STAFF PRESENT: Pamela Malmsten, Recorder

LIBRARY DIRECTORS/STAFF/BOARD MEMBERS PRESENT: Lynne Wiercinski, Ironwood Carnegie Public Library; Megan Buck, Dickinson County Library; Dillon Geshel, Portage Lake District Library; and Cheryl Hoffman, Spies Public Library

VOTING BOARD MEMBER ABSENT: Barb Rice

APPROVAL OF THE AGENDA:

Dwight Sunday **MADE A MOTION TO APPROVE THE AGENDA AS PRESENTED.** The motion was seconded by Pat Cheski, unanimously approved, and carried.

APPROVAL OF THE BOARD MEETING MINUTES:

Approval of the Regular Board Meeting Minutes of July 23, 2020: Deb Friedman **MADE A MOTION TO APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF JULY 23, 2020 AS PRESENTED.** The motion was seconded by Marion Luckey, unanimously approved, and carried.

DIRECTOR'S REPORT: Since the SLC Director, Shawn Andary, was ill and unable to attend the meeting, Pam Malmsten presented the Director's Report.

- FY 2020 final 50% direct and indirect state aid payments have been received. State aid for FY 2021 is not yet known. [Note: On October 1, the Library of Michigan announced that FY 2021 direct and indirect state aid to public libraries would be \$.4299853 per capita.]
- SLC has been awarding \$100 stipends to member libraries to offset costs of Summer Reading programming. As of September 24, stipends have been awarded to the Dickinson County Library, Gladstone School/Public Library, Hancock School/Public Library, Crystal Falls District Library, Carp Lake Township Library, Spies Public Library, and Ironwood Carnegie Public Library.
- Library of Michigan CARES grants for library PPE (personal protective equipment) have been awarded.

- Library of Michigan Digital Inclusion grant awards have also been awarded.
- SLC co-sponsored several virtual author visits with member libraries. Author talks were presented by James McCommons, William Rapai, and John Smolens. SLC also co-sponsored three Great Michigan Reads presentations.

FINANCIAL REPORT: Pam Malmsten presented the financial report.

Cash Disbursements:

July: Expenses charged to the professional and contractual line item (account 3-801) included \$750 to Compudyne for assistance with server issues, \$1,402.50 to My Web Maestro for web hosting for 13 member libraries, and \$2,300 to Swanson, Mercier, and Associates, Inc. for the SLC building appraisal. July cash disbursements include a total of \$16,950 paid to SLC member libraries for RIDES delivery subsidies for 10/1/2020 – 6/30/2021. These payments were posted as FY 2020 prepaid expenses and will be re-categorized as FY 2021 expenses. The RIDES delivery subsidies for 7/1/2020 – 9/30/2020 (\$5,650) were disbursed in June.

Total July disbursements: \$65,561.39.

August: The \$90.68 payment to Faronics Technologies was SLC's subsidy for the Deep Freeze renewal. The remaining \$3,583.49 was rebilled to the participating libraries (account 4-959.7). The \$3,555 payment to Duquaine, Inc. (account 3-977) was for a new Mitsubishi air conditioner for the front entry; the old air conditioner stopped working and could not be repaired cost effectively.

Total August disbursements: \$60,462.82.

Year to Date Reports as of 08/31/2020:

Revenues: FY 2020 direct state aid, indirect state aid, and subregional state aid to the Great Lakes Talking Books Advisory Outreach Center have all been received. As of 08/31/2020, year-to-date operating revenues (excluding rebilled items) totaled \$614,592.

Expenses: Most line items are under the 11/12 budget figures. A FY 2020 final proposed budget revision will be discussed later in the meeting. As of 08/31/2020, year-to-date operating expenses (excluding rebilled items) totaled \$528,726.

Balance sheet as of August 31, 2020: The balance sheet as of August 31, 2020 showed total Assets of \$876,572.83 and total Liabilities plus Fund Balances of \$876,572.83.

Dwight Sunday **MADE A MOTION TO APPROVE JULY CASH DISBURSEMENTS OF \$65,561.39, AUGUST CASH DISBURSEMENTS OF \$60,462.82, THE YEAR-TO-DATE REPORTS AS OF 08/31/2020** [with total operating revenues of \$614,592 and total operating expenses of \$528,726], **AND THE BALANCE SHEET AS OF 08/31/2020** [with total assets of \$876,572.83 and total liabilities plus fund balances of \$876,572.83]. The motion was seconded by Brad Winnicki, unanimously approved, and carried.

Approval 2019/2020 Final Budget Revision: A proposed FY 2019/2020 budget revision was sent to the board in advance of the meeting.

REVENUES: The second 50% direct state aid, indirect state aid, and subregional Library for the Blind state aid payments were received in July. There was concern that the final FY 2020 state aid payments might be reduced due to the state budget deficit, however full funding was received. Victoria Wolf Bequest revenues were increased. (Note: this

revenue is offset by Victoria Wolf expenses). Rebilled revenues were adjusted to reflect anticipated actual revenues. (Note: Rebilled revenues are offset by rebilled expenses.) A \$1,000 donation to the Great Lakes Talking Books Advisory Outreach Center (GLTB) was added to revenues. UPRLC class revenues did not change.

EXPENSES:

Great Lakes Talking Books: Some line items were adjusted slightly. Total expenses remained the same.

UPRLC Class: UPRLC class expenses are billed monthly to UPRLC; revenues and expenses are a wash. UPRLC class expenses were not adjusted.

General Fund: Line item changes include:

1. *Victoria Wolf Fund:* Victoria Wolf fund expenses and revenues were adjusted to reflect actual expenditures.
2. *Salaries and Payroll Expenses:* Salaries were increased slightly; former Network Administrator Jean Montgomery has been helping with some special projects.
3. *Computer Supplies:* Line item was increased from \$8,793 to \$12,000. SLC recently purchased two new servers.
4. *Professional and Contractual:* The line item “Professional and Contractual-General—Other” was reduced by \$2,000—from \$56,849.20 to \$54,849.30. The reduction was mostly because the planned partnership with technology consultant CompuDyne did not proceed. (See discussion on agenda item VIII. a. “Update on CompuDyne Partnership”.)
5. *Travel:* The “Travel-General-Other” line item was reduced from \$7,500 to \$6,500. SLC staff travel was reduced due to the Covid lockdown and library closures.
6. *Continuing Education/Conferences:* The line item was reduced by \$190 from \$2,855 to \$2,665.
7. *Printing and Publishing:* The line item was reduced by \$1,000 to \$0, since no printing expenditures are expected before 9/30/2020.

Total revenues in the original (07/23/2020) budget: \$824,616

Total revenues in the revised (09/24/2020) budget: \$847,911

Total expenses in the original (07/23/2020) budget: \$814,409

Total expenses in the revised (09/24/2020) budget: \$841,119

Net income in the 07/23/2020 budget: \$10,207

Net income in the 09/24/2020 budget: \$6,792

Deb Friedman **MADE A MOTION TO APPROVE THE FY 2019/2020 FINAL BUDGET REVISION** [with total revenues of \$847,911 and total expenses of \$841,119 **AS PRESENTED**. The motion was seconded by Marion Luckey, unanimously approved, and carried.

Schedule of Services 2020/2021: Pam reported that the FY 2020/2021 Schedule of Services has not yet been completed and will be presented to the Board for approval at the November 5, 2020 meeting. All services listed in the FY 2020 Schedule of Services will carry over to FY 2021 until the FY 2021 Schedule is finalized and approved. SLC

staff felt that the Schedule should be completed after FY21 state aid to public libraries has been announced and the Advisory Board of Librarians Schedule of Services Committee has been able to meet.

FY 2020/2021 Budget Adoption: A proposed FY 2020/2021 draft budget was sent to the board in advance of the meeting. A revised FY 2021 budget will be presented at the November 5th Board meeting; by that time the state aid appropriation will be known and the Plan of Service will have been finalized.

REVENUES: FY 2021 State aid to Public Libraries is unknown at this time. A 25% cut to state aid revenue was budgeted. It is anticipated that subregional Library for the Blind funding for the Great Lakes Talking Books Advisory Outreach Center (GLTB AOC) will remain the same as it has been for the last several years: \$41,073. SLC's local contribution cannot be less than in any previous year; the FY 21 local contribution is \$9,777; FY 20 local contribution is \$9,727.

EXPENSES:

Great Lakes Talking Books: This total GLTB expense budget (\$50,850) is \$50 higher than the FY 2020 budget.

Upper Peninsula Region of Library Cooperation (UPRLC): The UPRLC budget revenues and expenditures are a wash. SLC has a management contract with UPRLC and provides services related to the UPRLC shared integrated library system. SLC invoices UPRLC monthly for staff services and a portion of office overhead costs. The amount billed to UPRLC matches the amount approved by the UPRLC ALS (Automated Library System Users) Group at its February 2020 meeting.

General Fund: Line item General Fund highlights include:

1. *Salaries and Benefits:* Staff salaries are frozen and SLC will withhold contributions to employees' health savings accounts. Salary and benefit costs for a Network Administrator have been added to the budget.
2. *Services to Member Libraries:* The only service that has been cut at this time is Niche Academy. The Niche Academy subscription is paid until April 9, 2021. SLC's contribution to the Overdrive digital book service was reduced from \$30,000 in FY 2020 to \$27,000 in FY 2021. The professional and contractual (P&C) line item includes funding for the Programming Committee (\$4,500) and the Professional Development Committee (\$1,500). The budget also includes subsidies for email hosting services (\$1,500) and web page development and hosting services (\$2,000). OCLC cataloging (\$20,511), RIDES delivery subsidies (\$24,100), and OCLC interlibrary loan services (\$1,800) are all included in the P&C line item. The Conferences and Workshops line item includes the usual subsidies to members: Beginning Workshop (\$250 per library), New/Advanced Director Workshops (\$250 per library), and workshop/conference subsidies (\$100 per library).
3. *Other Professional and Contractual Items:* The line item includes \$8,570 for technology vendor consulting services and \$4,800 for e-rate consulting services (EdTech Strategies).

The budget includes \$216,745 in rebilled revenues and expenditures.

Total FY 2020/2021 revenues (including rebilled revenues): \$745,656

Total FY 2020/2021 expenses (including rebilled expenses): \$785,709

Projected Budget Net Income (Deficit): (\$40,053)

Proposed Transfer from the General Fund unrestricted fund balance: \$40,053

Projected Net Income (Deficit) after Fund Balance transfer: \$0

FY 2020/2021 Fund Balance Report: The proposed FY 2020/2021 budget projects a deficit of \$40,053 as of September 30, 2021. To approve the recommended budget, the Board also has to approve a transfer of \$40,053 from the General Fund fund balance. The Board packet includes a report showing SLC's balance sheet as of 9/18/2020 and a table showing the impact of the projected deficit on the Unrestricted General Fund (GF) fund balance as of 9/30/2021. The report also includes an excerpt from the SLC Fund Balance Policy, along with a table showing the minimum required Unrestricted GF fund balance. The table shows that the minimum required fund balance amount (based on the average of the last 3 years of state aid payments) is \$412,807. After deducting the estimated 9/30/2021 balance of the Victoria Wolf bequest, the remaining GF fund balance is projected to be \$507,123. This projected balance is \$94,316 higher than the minimum required fund balance amount.

Dwight Sunday **MADE A MOTION TO APPROVE THE FY 2020/2021 BUDGET** [with total revenues of \$745,646 and total expenses of \$785,709] **AS PRESENTED.** The motion was seconded by Janet Wagner, unanimously approved, and carried. Pat Cheski asked why the FY 2021 Salary line item was less than the FY 2020 salary line item; Pam said she would check on it and let everyone know. [Note: Following the meeting, Pam notified the Board and library directors that the FY 2021 salaries were less because the part-time technology position was inadvertently left out of the FY 2021 budget; Pam said this was an oversight and would be corrected on the November budget revision.

PUBLIC PARTICIPATION: There was no public participation.

COMMITTEE REPORTS:

Advisory Board of Librarians (ABL) Report: Megan Buck, the Chair of the Advisory Board of Librarians (ABL) reported. ABL met on September 18; 13 or 14 library directors attended. The group discussed changes to SLC staff and the need for technical support. ABL will continue to look at technical support options and discuss ways to make high-level technical support financially viable for SLC and member libraries. There was also considerable discussion on the coronavirus and sharing of safety solutions and reopening strategies. Several directors indicated that, in addition to the more formal ABL meetings, they would like to get together informally (via Zoom) to chat; this format was used during the lockdown period. The next chat is scheduled for October 2nd at 10 a.m. central, 11 a.m. eastern. Megan noted that UPRLC has re-opened the "Unexpected Partnerships" mentoring program. Applications received by September 30 will be guaranteed a match; applications will be accepted after September 30, but a match cannot be guaranteed.

OLD BUSINESS:

Update on Compudyne Partnership: At the last SLC Board meeting, Shawn had reported that the SLC web server and email server security and stability issues, as well as other network security issues, had been identified. The issues required high-level

technical support and Shawn asked the Board to approve an expenditure of up to \$5,000 to be set aside to work with IT vendor Compudyne. After discussion, the Board approved the expenditure as recommended by the Director. Before the Compudyne partnership could be implemented, the e-mail server crashed and technology staff became increasingly concerned with the web page server performance and security issues. After consulting with former Network Administrator Jean Montgomery, Shawn decided that the best course of action would be to purchase new e-mail and web servers in order to stabilize both services in the short term. After further discussions with Compudyne, it was determined that the company's pricing would not be financially feasible for the cooperative. Possible partnerships with other technical support vendors will continue to be explored.

NEW BUSINESS:

Adoption/Reaffirmation of E-Rate Policies (Includes CIPA Compliance)* The 2020 SLC E-Rate Policies (including Children's Internet Protection Act Compliance) were presented to the Board for reaffirmation and approval. There were no changes to the policies over 2019. The policies are posted on the [Board Resources/Policies](#) page of the SLC web site.

Deb Friedman **MADE A MOTION TO APPROVE AND REAFFIRM THE SLC 2020 E-RATE POLICIES.** The motion was seconded by Pat Cheski, unanimously approved, and carried.

Adoption of 80/20 Percentage Option for Employer/Employee Health Insurance Cost Share: Michigan Public Act 152 of 2011 limits the amount public employers can contribute to employee health insurance plans. The law stipulates that public employers can opt for an 80/20 plan: employers pay 80 percent of health insurance costs and employees pay the remaining 20 percent of the costs. It was recommended that the Board adopt an 80/20 health insurance cost share policy for all employees eligible to participate in the SLC group health plan.

Brad Winnicki **MADE A MOTION TO ADOPT THE 80/20 PERCENTAGE OPTION FOR EMPLOYER/EMPLOYEE HEALTH INSURANCE COST SHARE.** The motion was seconded by Marion Luckey, unanimously approved, and carried.

Approval of Financial Institutions: Approval of Financial Institutions for FY 2020/2021: Pat Cheski **MADE A MOTION TO APPROVE THE FOLLOWING FINANCIAL INSTITUTIONS FOR INVESTMENT OF FUNDS FOR FY 2020/2021: HUNTINGTON BANK, MBANK, FIRST BANK, PEOPLE'S STATE BANK, RANGE BANK, INCREDIBLE BANK, AND FLAGSTAR BANK.** The motion was seconded by Brad Winnicki, unanimously approved, and carried.

Board Membership and Election of Officers: FY 2020/2021 voting Board members will be: Pat Cheski (Spies Public Library), Deb Friedman (Crawford County Library), Patti Jahn (Ironwood Carnegie Public Library), Kim Nowack (St. Ignace Public Library), Marion Luckey (Munising School Public Library), Caroline Jordan (Peter White Public Library), Barb Rice (Dickinson County Library), Cris Roll (Superior District Library), and Janet Wagner (West Iron District Library).

Deb Friedman **MADE A MOTION TO APPROVE THE SUPERIORLAND LIBRARY COOPERATIVE FY 2020/2021 VOTING BOARD MEMBERS AS PRESENTED.** The motion was seconded by Brad Winnicki, unanimously approved, and carried.

Election of FY 2020/20201 Board Officers: Caroline Jordan indicated that she would like to step down as Board Chair beginning October 1, 2020. Since there were no volunteers for the position, Caroline agreed to retain the position until the November 5th Board meeting. Current Vice-chair Dwight Sunday had previously indicated that he would be stepping down from the SLC Board beginning October 1, 2020. Since there were no volunteers for the Vice-chair position, Board members agreed that the position would be filled at the November 5th meeting. Current Secretary Deb Friedman agreed to retain her position for FY 2021. Caroline Jordan called three times for additional nominations; there were no other nominations.

Pat Cheski **MADE A MOTION TO APPROVE THE NOMINATED SLATE OF OFFICERS FOR FY 2020/2021** [Chair: Caroline Jordan and Secretary: Deb Friedman]. The motion was seconded by Deb Friedman. It was noted that a new Chair and a Vice-chair will be elected at the November 5, 2020 Board meeting.

Roll call vote: Janet Wagner: Yes, Brad Winnicki: Yes, Patti Jahn: Yes, Caroline Jordan: Yes, Kim Nowack: Yes, Deb Friedman: Yes, Pat Cheski: Yes

Results: Yes: 7, No: 0, Abstain: 0, Absent: 2 (Note: Dwight Sunday had to leave the meeting at 12:20 p.m. and was not present for the vote). Motion carried unanimously.

PUBLIC PARTICIPATION: There was no public participation.

NEXT MEETING: The next regular meeting of the Board of Directors is scheduled for Thursday, November 5, 2020 at 11 a.m. eastern.

ADJOURNMENT: There being no further business, the Chair declared the meeting adjourned at 12:32 p.m. eastern.

Respectfully submitted,

Deb Friedman, Secretary

Pamela Malmsten, Recorder