

**MEETING MINUTES**  
Olean Public Library Board of Trustees  
February 21, 2018  
**5:30 P.M. – Conference Room**

*The mission of the Olean Public Library is to provide equal access to materials in various formats, programs, services, and professional staff to assist all people with their educational, informational and leisure needs.*

A Certificate of Compliance and Notice of Meeting Posted was signed, notarized and made a part of these minutes along with a copy of said notice.

**Call to Order** at 5:30 pm by Lanna Waterman. In attendance were trustees Wolfrom, McElfresh, Tenglund, Edstrom, Kasperski (via teleconference) Wagner (via teleconference), Assistant Director Mahar, and Director La Voie.

1. Consent Agenda Items: **MOTION (Edstrom, Wolfrom):** To approve the consent agenda items. Motion carried unanimously.

A. Waive the reading of the minutes of the previous meetings and approve as mailed.

B. Approval of Warrant Sheets for January 18-February 21:

#873 Operating Fund: \$99,852.11

#125-147 Cafeteria 125 Fund: \$597.96

# 267 Capital Fund: \$22,295.18

C. Correspondence: A thank you letter was received from the Western New York Library Resources Council for hosting the meeting with Senator Cathy Young and the representative from Assemblyman Giglio's office.

D. Voice of the Public: None

E. Director's Report

- Voluntary Early Retirement Incentive: Two employees have signed an intention to retire under the plan.
- 2019 Budget:
  - We will no longer going to be receiving e-rate funds directly; it will come through the system.
  - Library charges have gone down as email has been utilized more for notices; patrons had to pay for mailed notices in the past.
  - This year, due to retirement incentives, no line would require any use of the fund balance.
  - As you reduce budgets for collections, circulation goes down as well, so we want to ensure that we keep the collection budgets healthy. It was noted that our library's periodical collection was good.
  - A capital improvements line was kept in the Operation and Maintenance of Building line for furniture replacements or whatever is needed. In addition,

we have had problems with our HVAC units, so there will most likely be repairs there resulting in a need to increase the building maintenance and repairs budget.

- The professional development/travel budget was increased so that more people could take advantage of these opportunities.
- Our contract with CCAC is decreasing in cost.
- There is a technology and equipment replacement line included. All of our public access computers are hitting their maximum age and are starting to have problems.
- Discussion:
  - There was a concern that the budgets are balanced on the back of operations. To balance the budget if we did not have a 2% tax increase, we are reducing in operations. If we had a 0% increase, some accounts would need to be cut.
  - A 0% increase is not a good idea because if you do not raise incrementally, then you have to raise by an astronomical amount. Other libraries have experienced problems because of this.
  - In addition, materials and electronic resources continue to increase each year. There is inflation in costs for these. Keeping a healthy collection requires an increase. With a flat budget, you are not getting as much in materials.
  - We do not know what is coming from the state or the federal government. There are potential cuts to these sources of funding. By asking for the maximum, we put ourselves into a position to be able to weather those cuts.
  - The library has enjoyed strong support from our voters. The confidence that the voters have expressed by passing our budgets is encouraging.
  - Others felt that our area population is relatively impoverished. The library is very valuable, but it is concerning to tax people more. However, it is a relatively small amount of money. The tax cap was a function of people's dissatisfaction with high taxes in this state.
  - A compromise solution proposed was a 1% tax increase and the balance would come out of fund balance (about \$10,000). In addition, we might not need to use all of the fund balance. However, moving into 2020, our fund balance will be used if we choose to tax less than we can.
  - A 2% increase is \$20,000, which is not a lot of money, spread over all of the taxpayers.
  - Down the road, if money from the state and federal government starts to dry up, and we then have to increase by 5% because of the financial situation, that would be a harder. In addition, we do not know what will happen with state retirement payments—if there is an economic downturn, we could have to pay much more for that.
  - The library is used by people on fixed incomes to save money. They use computers and the Internet here. People who cannot afford to buy books borrow here. There are no other places where parents can bring children for programming without paying a lot. The average increase on a tax bill, for someone who owns a \$100,000 home, would be around \$7.00.

- The final budget has to be approved next month.
- Budget vote preparations: There will be a newspaper article about the budget, along with an infographic showing facts and figures about how the library is used.
- Downtown Revitalization Initiative: No further word has been received since the last input meetings on February 5-6.
- Interior Renovations: Emergency windows will be installed on Friday. They are still waiting for a resolution on either reupholstering, repaneling or repainting the long east wall where the navy fabric was removed. The electricians have almost completed the rewiring project.
- Laurens Street Property: The owners of Aspen Manor Apartments at 202 Laurens contacted La Voie to see if the library might be interested in the property for a parking lot. However, this is a historic district, which restricts what can be done with the property. It might be worth looking at it. However, we would need to consider that it would not be easy to ensure that a parking lot, if allowed, would be used by only library patrons.
- Library Advocacy Event at our library: CCLS and the Western New York Library Resources Council hosted an advocacy event here on February 2, which was also attended by Senator Catherine Young and a representative from Assemblyman Joseph Giglio's office.
- The Friends of the Library are donating \$3,000 toward the purchase of a new Scannx machine for the library, which is more than 60% of the total cost for a new system.
- PJ Schwabenbauer's exhibit took place in our gallery.

2. Review of Financial Statements: All lines looked fine.

### 3. Committee Reports

CCLS Board Meeting – Harry Wolfrom said that CCLS ended 2017 with a deficit, which was planned because they had vehicle expenses for deliveries. They were waiting for state bullet aid to be released. CCLS is 1/2 million over the recommended surplus. There were questions on how the surplus would be spent but the CCLS board has full control over those funds. They amended the bylaws so that members can only serve two successive full terms. Construction grant timelines will be advertised to member libraries. They are planning on level funding for CCLS for the coming year. They presented a Historical Records Survey for Chautauqua County. There are 24 public libraries in that county; two individuals visited each library to check for historical records to list them. They are thinking of doing Cattaraugus County next.

### 4. Old Business

Trustee Elections are coming up. There are articles in the newspaper about it as well.

#### Motion to amend bylaws

- Last month, it was decided to add language to our bylaws to allow for attending board meetings through videoconferencing software.
- It was decided to change the word “emergency” to “situation.”
- Should we include a provision that the Board would need to approve of someone attending via videoconference at the beginning of each meeting where there were board members who needed to videoconference.

- **MOTION (Edstrom, Wolfrom):** To approve of the amendment to the bylaws, as written, with the change in word from “emergency” to “situation.” Motion carried unanimously.

## 5. New Business

### Budget Presentation by Scott Reed of Buffamante, Whipple, Buttafaro, PC, of Library’s 2017 Audit

- The report was stamped preliminary because there were still a couple of things to resolve. Reed met with Kasperski, La Voie, and the Bookkeeper last week.
- The independent auditor’s report stated that this will be a clean audit opinion, in accordance with generally accepted accounting principles.
- The statement of financial position (balance sheet) is a snapshot of the end of the year. Total assets are up slightly from the past year.
- Assets:
  - The cash balance area is still open—they are working to get the checking account balance to reconcile with the bank. It is probably related to the transition in bookkeepers and they are working on this. They will find what is causing the problem and then fix it. There is a bank statement, a checkbook, and a reconciliation to the general ledger where the entries are. The bank statement and checkbook reconcile. It is the reconciliation to the general ledger that is still being resolved. The discrepancy is \$1,500.
  - The accounts payable line shows zero. The Bookkeeper wrote checks for the bills as if they would be paid in 2017, but they were mailed out in 2018. In the meeting last week, it was noted that recording these bills as accounts payable was the proper way to account for unpaid bills at the end of the year.
  - Regarding accounts receivable, this is higher because we are in the middle of the construction project. The state does not pay the last 10% until the project is finished, so we had \$18,000 due to come in at the end of 2017.
  - The construction in process line reflected monies spent on the capital project through December 31, 2017.
- Liabilities:
  - Taxes are not revenue to us in the year received because they are for the next year.
  - Net pension liability for the state retirement system: accounting rules state that we have to put on our books what our share of the liability for the state retirement system is. The state gives us a report of what our share is. It was lower than last year because the state changes the assumptions and estimates. Another factor is how the market is performing.
- Our net position went up from last year. However, the reason it is higher is that our net increase is the capital construction money that came in, that is recorded as revenue. Once the project finishes, we can then begin to depreciate it and spread it across a number of years. The revenue side comes in before the expense side shows up.
- Our expenses were slightly less than last year, which is a good sign.
- Looking at the Statement of Functional Expenses, we were down in salaries. This was likely due to retirements, but we had incentives for retirement as well. The incentives were not run through payroll but have to be included in a W2. The W2s and payroll reports will need to be amended to reflect this. We also did not withhold taxes or FICA on the checks that were cut; we will need to pay both shares of FICA. It was decided that the Board should attempt to recover the employee share. This type of thing

happens at other employers and the employees have to pay it back. In this case, the employees were given more money than they should have been given.

- For library materials and operation & maintenance of building, we spent slightly more than the previous years. There was also an increase in the miscellaneous category, but most of this is due to grants received in 2017 that we did not have in 2016.
- New York prefers money to be in banks rather than in investment firms. Because the library is limited in the types of investments it is legally allowed to make, we are not making any further income by having money at an investment firm. It might be good to move the money back to a bank.
- Footnote 5 discussed participation in the state retirement system. Our contributions to the system have been fairly stable.
- The management letter accompanying the audit also discussed inter-fund transfers between the operating fund and the capital project fund. These funds need to be kept in balance; it is probably an educational issue. In addition, the library has a capitalization policy that dictates whether a purchase is an asset or expense. There is a threshold of \$500 on this—an item that costs more than \$500 is capitalized. This policy needs to be in writing and possibly \$500 is too low; we might need to raise it to \$1,000.
- Wrapping things up, Buffament3, Whipple, Buttafaro will come back to settle the remaining issues.

Board designated restricted fund: When La Voie attended the NYLA conference, some attorneys presented on their recommendation that undesignated restricted funds be named for a purpose. This will be discussed in March.

Capitalization policy/purchase amounts: This will be discussed in March.

6. Adjournment. **MOTION TO ADJOURN (Tenglund, Edstrom):** To adjourn at 7:35 pm Motion carried unanimously.

Copies of the library's financial statements and director's report are available upon request.

Respectfully submitted,

Ann M. Tenglund