

MEETING MINUTES
Olean Public Library Board of Trustees
February 15, 2017
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 Wagner, Kasperski, Tenglund, Wolfrom, Waterman, McElfresh, Casey, Assistant Director Mahar, and Director LaVoie.

1. Consent Agenda Items: MOTION (McElfresh, 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 19-February 15:

#861 Operating Fund: \$77,095.93

#125-136 Cafeteria 125 Fund: \$1,022.76

#CF260 Capital Fund: \$4,110.00

C. Correspondence: None

D. Voice of the Public: None

E. Director's Report

- LaVoie said that the city is considering re-routing the traffic on North Second Street to be one way going the other way.
- There was discussion regarding filling an accounting position that is being vacated due to retirement. There is a comprehensive list of responsibilities that need to be fulfilled.
- We should build in a computer rotation budget to help replace public computers on a timelier basis.
- Trustee elections are coming up. Petitions will be available on February 16.
- The teen programs have been very successful. Social Security will be moving out at the end of the month, and some additional space can then be found to accommodate this group.
- Additional outreach programs are starting to be implemented. They are also researching ideas for offering homebound delivery and partnering with Meals on Wheels, who would deliver the materials and return them.
- The board decided that beginning this year, we will note retirements and resignations in the minutes.

- MOTION (Tenglund, Wolfrom): To accept, with regret, the retirement of principal library clerk Pamela Zeigler and the resignation of library page Brandy Blanchard. Motion carried unanimously.

2. Review of Financial Statements – No January Financial Statement due to Audit Report

3. Committee Reports

Executive Director evaluation update (Tenglund and Casey)

- MOTION (Wolfrom, McElfresh): To move into executive session to discuss the evaluation at 7:30 p.m. Motion carried unanimously.
- MOTION (Wagner, Tenglund): To move out of executive session at 7:39 p.m. Motion carried unanimously.
- All board members filled out the evaluation. Board members were very happy with LaVoie's performance and we all look forward to a great year ahead. The Board will now change LaVoie's status to permanent; Waterman will stop in the library tomorrow to sign the necessary form. The board will also provide a letter for LaVoie's file.

Library System Board

- Harry Wolfrom attended his first meeting of the board. They are developing a new investment policy. They have decided to keep \$250,000 in an FDIC-insured bank. The excess is going into an ICS savings or demand program, and other money into CDARS accounts. They will spread the money so that all the money is covered by insurance. They also discussed minimum state standards. The costs of e-books were discussed; costs are going up but the cost burden is not equally shared because there are caps on the number of times that a book can be used before you must purchase an additional copy. Some of the smaller libraries have large use but they are not equally sharing in the cost of what they are using.

4. Old Business: None

5. New Business

Presentation by Scott Reed of Buffamante, Whipple, Buttafaro (BWB), PC, of Library's 2016 Audit

- Scott Reed of BWB was present to go over the audit.
- The financial statements present a clean opinion.
- The statement of financial position at the end of the year, comparing the end of 2016 to the end of 2015, shows a good comparison between the two years. The largest assets are the building and equipment and cash. Building and equipment are depreciated; we spent about \$17,000 during the year on new equipment (new computers from a bequest; new shelving; and other small technology), but depreciation was around \$54,000.
- Liabilities: the largest liability is deferred revenue (real property tax money that comes in during November but it is for the following year's budget—this is revenue in the next year). In the long-term liability, net pension liability for state retirement system is a theoretical accounting measure. Statewide the system has a liability for future payouts of \$16 billion. Our share based on our payroll is a very, very small portion of this, and this is an accounting measurement of what our liability could seemingly be. It went up from the previous year because of assumptions that the state makes each year, such as future payouts discounted back to present value. This is not an actual liability.
- The net position is in good shape and is up some from last year, which is good.

- The statement of activity showed that revenues were up, partially due to property tax. We also got more state aid in 2016 plus a state aid capital construction grant that reimbursed us for the 2015 lighting project and fire alarms. Our expenses were also up but not a lot. That is good and 2016 looks good compared to 2015.
 - Benefits were higher in 2016 because of state retirement.
 - Library materials expenditures will be higher in 2017; some orders were placed later in the year and will go against the 2017 budget.
 - Our utilities were down in 2016 compared to 2015 because the winter was easier and because of our energy-saving lights.
 - Miscellaneous expenses were very similar from 2015 to 2016.
- Reed went through some of the footnotes and highlighted a couple of important ones:
 - Cash funds must be invested according to New York State education law, which they are. All funds are totally insured.
 - Subsequent events discussed the voluntary early retirement option in January 2017 and the planning stages of phase 1 of the construction project to occur in the spring of 2017, utilizing grant money to offset.
 - One board member asked—in our budget, we have never budgeted for the capital match on construction projects. Reed thought that we should, as a separate capital budget, not in the operating budget. It is a cash need but it is different than normal operations. If we do not budget for it, it would come out of fund balance. Libraries should have a year’s worth of money in the fund balance, and we do not, so we need to make sure that we do not deplete it. One problem is that we do our budgets two years in advance. We have an estimate from the architect and it looks like phase 1 and 2 will be similar in cost.
 - The 2018 budget will be approved at the March board meeting, with a public hearing in April and a vote in May.
 - LaVoie will check with Guinee to see what he suggests as well.
 - It is good that we have depreciation budgeted, but construction projects are clearly much more than depreciation.
- Management’s discussion and analysis: this section is good for someone who is not familiar with these types of financial statements.
- The letter that accompanied the audit is about the qualitative aspects—accounting policies (generally accepted and consistently applied), use of estimates (state retirement system estimates are given to us), and a statement that our accounting statements have appropriate transparency. It is typical that there are a series of audit adjustments at the end of the year. There were no disagreements with management. This letter is important for what it does not say, because there were no problems uncovered.
- Overall, Reed said that the audit went well, like it normally does, and there were no issues.
- There is still no word or timeframe on the state audit.
- MOTION (Kasperski, Wagner): To accept the audit report. Motion carried unanimously.

Discuss 2018 Library Budget

- Kasperski gave an objective view of where the library is financially and an opinion on the budget. We are in a good, sound financial position. You cannot use the capital assets or retirement system assets, which means that we can only use board-designated funds (set aside for six months of budget or projects) and unrestricted (available for operations if needed). LaVoie mentioned that we should have a year’s worth of funds set aside, according to the library system.

We are short of that position. Also, since we have not budgeted for construction in the past, although we do budget for depreciation, we are funding our capital projects somewhat, but not in entirety. He felt that there should be a tax increase so that we maintain our fund balance and continue to have the funds needed for services. A 2% tax increase brings in approximately \$20,000.

- A 2% tax raise means \$1.00 per \$1,000 in assessed value.
- There was a discussion about how a tax increase affects lower-income tax payers. Social Security recipients actually lost money this year because the raise in benefits did not cover their health insurance.
- One library in the system spent years not raising taxes, and now they are begging for an increase in a crisis. If you go to the taxpayers in a crisis because you have not been asking for increases in a sustainable way, you might not get the increase. We are facing minimum wage increases and inflation in resource costs.
- Many people do not realize when there is a tax increase because it is on the school tax bill.
- Should we cut back on some things? We have already done some things, like changing the lighting.
- Public library budgets generally pass. People are supportive of their libraries in this state. We are such a small percentage of the tax.
- There are programs that we can get started now as well, such as the teen programs. It is not just magazines and books and picking out a movie. There is a lot of teen activity that is getting good press.
- It will cost \$65.00 per week at Boundless Connections to use technology that you can use at the library for free. People who have difficulties with finances need our services.
- We do not want to spend less on library materials and services, which we did for various reasons in 2016. Minimum wage is going up over the next several years and there are yearly increases in the cost of information and library materials. We need to be able to keep up with these costs. In addition, there are uncertainties in other funding that we get, such as state aid to libraries, which is currently set to be much less than last year.
- The IMLS found in a study that library visits and circulation are not dropping in the magnitude that people often think. Usage tracks investment. If libraries receive more public funds, more people use them. It can be a self-fulfilling prophecy.
- A lot of publicly-funded groups think that they are doing the right thing for their group. There is dissatisfaction with governments that think that they know better or will do good with the money. There should be a recognition that publicly-funded institutions should live within their means. Maybe we should cut back. For example, there are a lot of paid holidays. It is ironic that we are closed on holidays when we serve children and families. We have to do a better job of getting our mission done for less money. New York State's population is going down. It is true that the library budget is a small part of it. We can do good with the money, but let's have fund-raisers and capital campaigns. If people like the library, they can contribute.
- There is a segment of the public that cannot afford to have their taxes increased. But there are also people who could not afford to contribute. Also, these people cannot afford the Internet, or to rent or purchase a book or movie. People can save money by using their libraries.

- The library administration will continue to look for ways to cut costs.
- If the community is going to grow, having a good library is important.
- The board will vote on the budget next month.

Motion to amend Bylaws

- Changes that were discussed at a previous board meeting were included.
- In the Handbook for Trustees, it noted that the treasurer should be called the Chief Financial Officer. School district libraries are supposed to hire an independent treasurer who is not a member of the board, who may be a staff member but not the bookkeeper or accountant. The staff member may not have access to cash or record transactions. The treasurer answers directly to the board, so it is best practice to not have a staff member to do it. It can be either paid or volunteer. The person should have expertise in bookkeeping and financial practices. LaVoie will talk to other libraries to see what they are doing.
- It was decided to table the bylaws amendments until further information is obtained.

6. Adjournment: MOTION (Wolfrom, Casey): To adjourn at 7:47 p.m. Motion carried unanimously.

Reminders: Next Board Meeting is Wednesday, March 15, 2017, at 5:30 p.m. in the Conference Room

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

Respectfully submitted,

Ann M. Tenglund