

**Kalamazoo Public Library
OFFICIAL MINUTES OF THE BOARD OF TRUSTEES
REGULAR SESSION**

DATE: May 23, 2005
TIME: 4:00 p.m.
LOCATION: Central Library
Board Room – Third Floor
315 S. Rose Street
Kalamazoo, Mi 49007

President Godfrey called the meeting to order at 4:00 p.m.

PRELIMINARY BUSINESS

Roll Call: All Trustees were present: Cynthia Addison, Donald Brown, Robert Brown,
Loren Dykstra, Lisa Godfrey and James VanderRoest.

Approval of Agenda: The agenda was approved as presented.

I. RECOGNITIONS, RESOLUTIONS, COMMUNICATIONS

A. Resolution to Authorize a Public Budget Hearing on June 20, 2005

Recommendation: The director recommended the board adopt a resolution authorizing a public hearing on the 2005/2006 proposed budget.

MOTION: J. VANDERROEST MOVED AND R. BROWN SUPPORTED ADOPTION OF THE RESOLUTION AS PRESENTED.

Roll Call Vote: R. Brown – yes; J. VanderRoest – yes; L. Dykstra – yes; D. Brown – yes; C. Addison – yes; L. Godfrey – yes.



Motion carried 6-0.

B. Resolution to Change Endowment Custodian

Recommendation: The director recommended the board adopt a resolution authorizing the transfer of the agreement with the Bank of New York to act as the depository and custodian of the assets of the Library Endowment Fund to TD Waterhouse.

MOTION: R. BROWN MOVED AND C. ADDISON SUPPORTED ADOPTION OF THE RESOLUTION AS PRESENTED.

Discussion: L. Godfrey explained our endowment fund advisor felt the library would receive better service from TD Waterhouse and that the Endowment Fund Development Committee and director are acting on his advice.

Roll Call Vote: R. Brown – yes; J. VanderRoest – yes; L. Dykstra – yes; D. Brown – yes; C. Addison – yes; L. Godfrey – yes.



Motion carried 6-0.

C. Easement for Gas Pipeline

Recommendation: The director recommended the board authorize the director to sign an “Easement for Gas Pipeline” with Consumers Energy.

MOTION: C. ADDISON MOVED AND L. DYKSTRA SUPPORTED ADOPTION OF THE RESOLUTION AS PRESENTED.

Executive

Summary:

Consumers Energy has asked for an easement along the west end of our property at Washington Square Branch Library, 1244 Portage Street, for a gas main for the new development there. The original proposal had some provisions we felt were not in our best interests: the period of the easement was unlimited, the elevation of the land could never be changed, there was no indemnification and hold harmless language.

Attorney Don Schmidt, working with Ernie Clemence, our Facilities Manager, negotiated changes and additions to address these concerns; both of them recommend we sign it. Mr. Schmidt has reminded me the library is not obligated to grant this easement, but it would be considered a good neighbor gesture on our behalf.

Discussion:

D. Brown raised a concern about a stipulation that there cannot be development above the pipeline. He also wanted to know if there might be other options available and where the tie in would be.

L. Godfrey noted the library wants to be a good citizen in respect to the city’s development efforts and noted good will from the City Public Works Dept. might be helpful, particularly in our desire to tie our sump pump at Washington Square into the city’s drainage system.

MOTION: D. BROWN MOVED AND J. VANDERROEST SUPPORTED TABLING THE MOTION TO APPROVE THE EASEMENT UNTIL THE CHAIR FEELS THERE IS SUFFICIENT INFORMATION TO CONSIDER THE REQUEST WITH FULL KNOWLEDGE.



Motion carried 5-0, with one abstention. (Addison)

D. Acceptance of Trustee Resignation

Presentation:

President Godfrey indicated she received a letter of resignation from the board of trustees from Amy DeShon, who accepted a position in Midland, MI.

MOTION: D. BROWN MOVED AND R. BROWN SUPPORTED A MOTION TO ACCEPT A. DESHON’S RESIGNATION.



Motion carried 6-0.

II. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the board.

III. CONSENT CALENDAR

A. Minutes of the April 25, 2005 Regular Meeting

B. Personnel Items – no items

Disposition:

The board accepted the Minutes of the Meeting of April 25, 2005 as presented.

IV. FINANCIAL REPORTS

A. Financial Reports for the Period Ending February 28, 2005

Recommendation: Director Rohrbaugh recommended the board accept the Financial Reports for the periods ending March 31, 2005 and April 30, 2005.

Executive

Summary: The director reported the first quarterly penal fine and law library payments were received. Also received was a \$7500 gift from the Kalamazoo Bar Association in support of the law library. Expenditures are at the expected level at this point in the year.

MOTION: R. BROWN MOVED AND C. ADDISON SUPPORTED A MOTION TO ACCEPT THE FINANCIAL REPORTS FOR THE PERIOD ENDING MARCH 31, 2005.



Motion carried 6-0.

MOTION: R. BROWN MOVED AND C. ADDISON SUPPORTED A MOTION TO ACCEPT THE FINANCIAL REPORTS FOR THE PERIOD ENDING APRIL 30, 2005.



Motion carried 6-0.

V. REPORTS AND RECOMMENDATIONS

Action Items:

A - C. Budgets

Recommendation: Director Rohrbaugh recommended the board take the following actions:

A. Receive for review the “General Operating Budget Preliminary Budget for Fiscal Year Ending June 30, 2006.”

B. Approve the Preliminary “Other Funds Budget for Fiscal Year Ending June 30, 2006” and revisions for the “Other Funds Budget for Fiscal Year Ending June 30, 2005.”

C. Receive the “Capital Improvement Plan for the Three Year Period Ending June 30, 2006.”

A. General Operating Budget Preliminary Budget for Fiscal Year Ending June 30, 2006

Executive

Summary: Kalamazoo Public Library’s fiscal year 2005-2006 tax revenue projection is based upon a maximum millage rate of 3.9583 mills and a reported taxable value growth of 4.2% for the district over fiscal year 2004-2005. The 4.2% growth for the district includes a state established inflation rate of 2.3%.

The overall Preliminary Budget for fiscal year 2005-2006 projects a net use of unreserved fund balance of \$103,905 for the fiscal year. This is due to the net effect expenditure projections and the reduction of debt service needs. Expenditure projections include project expenditures for Ready to Read, Reading Together and Prime Time, which in previous years had been funded through gifts, grants and contributions in the Other Funds Budget. Readers advisory services, Spanish outreach services and teen services efforts are also included in addition to the cost of total compensation increases in salaries and benefits. These costs were offset by the decreased debt service funding that was required after two of the four bond issues retired as of May 2005 and savings in other areas. Kalamazoo Public Library expects to repeat the previous years increase to the Capital Improvement Plan in the Close Estimate

Budget after the final results of the previous year, fiscal year 2004-2005, are known and posted.

Discussion: J. VanderRoest reported the Finance & Budget Committee reviewed this budget extensively and endorses it. As was discussed with the former director and now with the current director, we are beginning to see more funds freed up due to the payoff of two bonds and can start redirecting these funds to programming needs. This trend should continue over the next few years. The reason we can afford to provide the wonderful services we do is because the taxpayers have adequately financed the library.

Trustees had some comments about utilities costs and the expected savings to be gained from the inclusion of funds for a central library energy project. When implemented we will have the ability to better control temperatures, for example maintaining lower temperatures automatically when the building is closed. In response to a question about a long-term gas contract, E. Clemence, Facilities Manager, said we took advantage of that opportunity when it was offered, but it is no longer available. It is our expectation that implementing the energy project will result in a net reduction of costs.

Disposition: The Preliminary Operating budget for the coming fiscal year was received by the board and will be brought back for official approval at the June 20th meeting.

B. Other Funds Budget for Fiscal Year Ending June 30, 2006 and revisions for the Other Funds Budget for Fiscal Year Ending June 30, 2005

MOTION: The Finance & Budget Committee reviewed and recommended for approval the Other Funds Budgets for both fiscal years ending June 30, 2005 and June 30, 2006. R. Brown supported the motion.

Executive Summary:

Gifts & Memorials and several other projects that were “stand alone” budgets in the past have been incorporated in the Other Funds Budgets. We have made our best estimate of what revenue, which is actually a combination of revenue and carryover, will be in the coming year.



Motion carried 6-0.

C. Capital Improvement Plan for the Three Year Period Ending June 30, 2006

Executive Summary:

A. Rohrbaugh said we expect to follow the usual procedure for the CIP. After the audit is complete, a fuller funding of the CIP, likely an increase of about \$100,000, is expected when the budget comes to the board mid-year for revision. She called attention to an upgrade of the telephone system for both central and branches.

Discussion: Also included in the CIP budget is a defibrillator; trustees suggested looking into grant opportunities and CPR training for staff.

L. Dykstra said he knows cost is a factor, but asked if preference is given to local vendors if they are equally qualified. A. Rohrbaugh indicated we do this as delineated in our purchasing policy.

There were also comments and questions regarding laptops for teens and shelving units for Washington Square. Since room is an issue, J. VanderRoest asked if we had considered providing services from the lower level at Washington Square; the director said it is impractical because of staffing issues.

J. VanderRoest reported the Capital Improvement Plan for the Three Years Ending June 30, 2006 was reviewed and endorsed by the Finance & Budget committee.

Disposition: The board received the CIP budget. It will be returned to the board for formal action at the June meeting.

D. Non-Represented Staff Total Compensation Pools for 2005/2006

Recommendation: A. Rohrbaugh recommended the board approve a total compensation pool not to exceed \$83,000 to be used to adjust administrator (not including the director) and supervisory/technical compensation for fiscal year 2005/2006 to be divided in the amounts of \$42,000 for supervisory/technical staff and \$41,000 for administrator staff.

MOTION: THE PERSONNEL COMMITTEE MOVED TO APPROVE THIS RECOMMENDATION; R. BROWN SUPPORTED THE MOTION.

Executive Summary:

The pools were based on the latest information received, an assumption of 4.2% growth in the library's taxable value. The pools should be sufficient to allow growth in non-represented total compensation of 4.2%, with an allowance for merit increases for eligible employees.



Motion carried 6-0.

E. Audit Firm

Recommendation: Director Rohrbaugh recommended Plante Moran as the firm to do Kalamazoo Public Library's audit services for the year ending June 30, 2005.

MOTION: R. BROWN MOVED AND J. VANDERROEST SUPPORTED HIRING PLANTE MORAN TO PROVIDE KALAMAZOO PUBLIC LIBRARY'S AUDITING SERVICES FOR THE YEAR ENDING JUNE 30, 2005.

Executive Summary:

We received seven letters of interest from southwest Michigan certified public accounting firms registered with the Michigan Association of Certified Public Accountants as providing audit services for governmental and non-profit entities. Six of the seven responded with proposals.

All proposals received were complete and responded to the required elements in the RFP document. Selection of the recommended firm was based upon the following criteria: local staffed office, similar client base, staff continuity, experience and continuing support, cost, presentation of final audit report and review, and proposed methodology for internal control review. All of the firms who responded would provide excellent services for Kalamazoo Public Library.

The Finance & Budget Committee reviewed all six proposals on May 11. During a lengthy discussion, the criteria of a local office eliminated two of the responding firms. In addition, the advantages of a similar client base, depth of staff experience, and presentation of final audit report and review emerged as the criteria the committee felt best served the interests of Kalamazoo Public Library.

The committee concluded that Plante Moran, with their depth of staff experience and similar client base, and their proposed presentation of audit results best meet the current and future needs of Kalamazoo Public Library.

Discussion: President Godfrey reminded the board last year it was felt we should put this work out for proposal as we have been with the same firm for a number of years, but since we were in the middle of implementing new accounting standards for public bodies we waited a year.

Trustees stressed they have been happy with Siegfried Crandall and are making this change because they want to be accountable to the public. Costs for all firms responding were about



the same. Plante Moran is a larger firm with more resources that may be of value to the library.

Motion carried 6-0.

F. Process for Filling Board of Trustees Vacancy

Presentation: Because of the timing of the vacancy, it was not possible to fill it through the recent election process. It is the board's responsibility, through majority vote, to appoint someone to fill the seat. The district library law is silent on how candidates for the open seat should be identified. She proposed letters of interest and descriptions of qualification be solicited from the public; a committee of trustees whose terms expire in 2007 (C. Addison, D. Brown, L. Godfrey) review the applicants' letters and credentials, and present a recommendation for appointment to the newly constituted board at the July meeting.

Discussion: In response to questions, L. Godfrey said she would expect to send a news release about the open position and application process to the Kalamazoo Gazette, advertise on KPL's website and post notices in the various library buildings. She wants to be sure everyone in the district has an opportunity to express an interest in the seat, including those who would prefer not to stand for election. There is no restriction to keep departing board members from participating in the application process.

MOTION: J. VANDERROEST MOVED AND C. ADDISON SUPPORTED A MOTION TO FOLLOW THE PROCEDURE AS OUTLINED TO FILL THE OPEN SEAT ON THE KALAMAZOO PUBLIC LIBRARY BOARD OF TRUSTEES.



Motion carried 5 – 0 with one abstention(R. Brown)

In response to a question from L. Dykstra, President Godfrey said she would find out if there are any restrictions for serving as a trustee other than being an elector in the district.

G. Director Evaluation Process and Contract Term

Presentation: President Godfrey explained that when Ann Rohrbaugh was hired in December, her start date was established as December 16. Historically the director's contract has run concurrently with the fiscal year, July 1 – June 30. This is advantageous since it is on the same schedule as other processes including the budget process and the Tactical Plan. She suggested amending the director's contract to begin on July 1 and end on June 30. In order to transition to that schedule, she further suggested an informal six months' evaluation of the director be performed at the June meeting; the director has developed a list of accomplishments to date and plans for the coming year for that purpose.

MOTION: J. VANDERROEST MOVED AND C. ADDISON SUPPORTED APPROVAL OF THE CHANGE IN THE DIRECTOR'S CONTRACT TERM AND EVALUATION PROCESS AS DESCRIBED.



Motion carried 6-0.

A. Rohrbaugh distributed the supporting materials she prepared in anticipation of the board's approval of this change.

Reports:

H. Bylaws Discussion

Presentation: J. VanderRoest distributed a draft of restated Board of Trustees Bylaws for trustees to review and compare to the current bylaws. He said he looked at bylaws from libraries of a similar size and philosophy to assist him in making changes. He feels the restated bylaws are an improvement – they better reflect what we do and reflect applicable modern corporate law.

He asked trustees to call him if they wish to make changes or have concerns. It is hoped there can be a discussion and possibly adoption of the restated bylaws at the June meeting.

Disposition: Trustees thanked Mr. VanderRoest for his work and received the bylaws.

NOTE: R. Brown left the meeting at this point (5:15 p.m.)

I. Summer Reading Program Oral Reports

Presentation: Susan Warner, Head of Youth and Branch Services, Kevin King, Teen Services Librarian, and Terry Lason, Head of Loan and Outreach Services, described the upcoming summer reading programs for children, teens and adults. All three expressed their appreciation to the Community Relations Office, and particularly Laura Hoppe, graphic artist, for the wonderful accompanying materials.

Disposition: Trustees were very pleased with plans for the summer reading programs and materials, and thanked everyone involved for their efforts.

J. Teen Services Activities Oral Report

Presentation: Kevin King, Teen Services Librarian, reported on the successful teen program. He particularly highlighted how involved the Teen Advisory Board (T.A.B.) is in planning programs and activities.

Disposition: Trustees accepted the information and voiced their support and recognition of the importance of the teen program.

VI. COMMITTEE REPORTS

No reports.

VII. OTHER BUSINESS

A. Directors Report

A. Rohrbaugh highlighted the Friends annual meeting, Stand for Children Day and the Summer Reading Program kick-off at the Kalamazoo Kings baseball game on June 10.

XIII. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the board.

IX. TRUSTEE COMMENTS

J. VanderRoest said it was gratifying to have been re-elected to the board and he looks forward to continuing to serve the public through this body. He also attended the Global Reading Challenge Finale at Fetzer Center. He wished there had been such a contest when he was a child and feels it is an outstanding program.

President Godfrey appointed L. Dykstra as Acting Secretary in place of Amy DeShon. He will act in this capacity until a Secretary is elected at the July board meeting.

D. Brown is pleased with the depth and scope of the teen program. It is important to serve this age group during critical developmental years. The program is a tremendous service to the community.

President Godfrey said she also attended one of the Global Reading Challenge events and that the amount of detail the children retain about the content of the books is impressive. She thanked staff for their time and commitment to this program.

X. ADJOURNMENT

Hearing no objections, President Godfrey adjourned the meeting of the Kalamazoo Public Library Board of Trustees at 6:10 p.m.

Loren Dykstra, Acting Secretary