

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

DATE: October 27, 2008
TIME: 4:00 p.m.
LOCATION: Oshtemo Branch Library
Meeting Room
7265 West Main Street
Kalamazoo, MI 49009

REGULAR SESSION

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

PRELIMINARY BUSINESS

Roll Call: Trustees present: Cynthia Addison, Robert Brown, Lisa Godfrey, Cheryl TenBrink, James Vander Roest and Valerie Wright.

Agenda Approval: The agenda was accepted as presented.

President Wright acknowledged the recent death of long-time trustee, Loren Dykstra, who had continuously served on the KPL board of trustees beginning with the 1997/1998 term. On behalf of the board of trustees she honored his long commitment and service to the library and those it serves.

Several staff members and trustees shared memories of Mr. Dykstra.

I. RECOGNITIONS, RESOLUTIONS, COMMUNICATIONS

A. Millage Resolution

Recommendation: Director Rohrbaugh recommended the board adopt the document “Resolution Submitting Millage Proposal” including “Exhibit A: Notice of Last Day of Registration” and “Exhibit B: Notice of Regular Election Tuesday, May 5, 2009” and authorize signatures by its secretary as appropriate.

MOTION: **L. GODFREY MOVED AND R. BROWN SUPPORTED THE MOTION TO ADOPT THE MILLAGE RESOLUTION AND NECESSARY SIGNATURES AS RECOMMENDED.**

Executive
Summary:

At the September 22 meeting, the director was authorized to have the ballot language drafted for a renewal of the 1990 operational millage rate at 2.7782 mills for twenty years. The recommended resolution including the ballot language was drafted by the board’s attorney.

The millage planning committee has confirmed May 5, 2009, as its recommendation for the vote. It is included in the resolution.

The millage planning committee and the board have considered a reduction in the rate but concluded the current millage is necessary to maintain the level of service the community has come to depend upon and needs even more than in the past with the current economic conditions.

“The Case for Kalamazoo Public Library”, a statement of key facts about the millage renewal, our place in the community, and the services that support our vision, was distributed at the September 22 board meeting. It will be the basis for much of the campaign.

Discussion: L. Godfrey commented that library staff and trustees, in various committees, have been looking at the millage question for years; the committee has been considering it for well over a year. Included in deliberations has been the level of millage, whether a reduction could be reasonably afforded, or if, after 20 years at the same rate we might need more.

They looked carefully at library and community needs and determined the appropriate decision is to ask the voters to renew support at the same rate. Approval would mean the library will operate under the same revenue rate for 40 years, which reflects incredible attention to detail and the formation of our budgets over that time and also puts the onus on the library to keep paying careful attention to finances, especially in the current economic situation.

Use of the library in various ways is increasing by double digits, and the increasing demand will continue, which mirrors national trends. A renewal would not represent a level of luxury; the institution would need to be frugal. The idea of reducing the rate of support is not good stewardship in terms of what the community needs from the public library. The millage committee is confident in recommending we go for this renewal at the current rate and that it is important to do so in order to provide the kind of services the community needs and will expect in the future.

J. Vander Roest commented the library board, over the 18 years he has been a trustee, has been as careful stewards of the public's money as they can be. He isn't on the millage committee but knows the committee gave very careful thought to what the level of support needs to be. They not only considered the needs of the community that will only be intensifying given the economic downturn, but also the plethora of tax appeals we are experiencing, some of which are extremely costly to the library's revenue. It was determined rightly, in his opinion, that a request for renewal was the correct decision. He commended the millage committee for doing an outstanding, conscientious job in making sure our library has the support the community needs it to have.

Roll Call Vote: J. Vander Roest – yes; R. Brown – yes; C. TenBrink – yes; C. Addison – yes; L. Godfrey – yes; V. Wright – yes.



Motion carried 6-0.

B. 403B Plan

Recommendation: The director recommended the board adopt a resolution for a new Kalamazoo Public Library 403(b) Plan to comply with requirements of the Internal Revenue Service Code.

MOTION: C. ADDISON MOVED AND R. BROWN SUPPORTED THE MOTION TO ADOPT THE RESOLUTION TO ESTABLISH THE NEW 403(b) PLAN AS RECOMMENDED.

Executive Summary:

In July 2007, the IRS finalized new regulations for public 403(b) retirement plans to go into effect January 1, 2009. These new regulations require that a 403(b) plan be maintained with a written employer plan detailing the terms and conditions for eligibility, limitations and benefits. The new regulations have redefined the library's role as plan sponsor and will expand plan eligibility to include all employees' access to the plan

Kalamazoo Public Library's 403(b) Plan will continue elective provisions allowed under IRS regulations, including Code 403(b) (the 15-years of service) and Code 414(v) (age 50) Catch ups, annual 'normal' limitations, loans, and hardship withdrawals. Contributions to the plan will be through employee salary deferral only and will be available only through vendors listed as approved by the plan. The new Kalamazoo Public Library 403(b) Plan was designed to allow the greatest level of flexibility possible to the employee for salary deferrals for retirement while controlling cost and complexity of administration. Miller Canfield has prepared the resolution to adopt the plan and all employer plan documentation.

The resolution was reviewed and supported by the Personnel Committee.

Roll Call Vote: J. Vander Roest – yes; R. Brown – yes; C. TenBrink – yes; C. Addison – yes; L. Godfrey – yes; V. Wright – yes.



Motion carried 6-0.

II. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the board.

III. CONSENT CALENDAR

A. Minutes of the Board Meeting of September 22, 2008

B. Personnel Items

Increase in Time

Diane Randall moved from three-quarter to full-time Librarian I effective October 1, 2008. Her additional 10 hours/week assignment will be in the Nonprofit Management Support Center, within the Adult Services Department.

New Hires

William Caskey was hired for the full-time Librarian I position in the Children's Room within Youth and Branch Services effective and with a start date of November 10, 2008. A former member of the Ready to Read staff, Bill returns to KPL from the Kingston Frontenac Public Library in Kingston, Ontario.

Bobbe Luce began in the Supervisory-Technical level 5, full-time position of Nonprofit Services Specialist within the Adult Services Department. Her effective date was October 1, 2008. Bobbe brings a diversity of experience to her position, including nonprofit and board leadership, small business/entrepreneurship, volunteer service, and consulting.

Jun Van Lear was hired for the full-time LA3/OP-C second shift custodial position within Facilities Management, effective October 1, 2008. He was previously employed at KPL as an hourly custodian.

Stanley Weller has been hired for the LA3/OP-C half-time bookmobile driver position within Youth and Branch Services, assigned to the Oshtemo Branch, effective September 16, 2008.

Disposition: The board accepted the Minutes of the Meeting September 22, 2008 and the personnel items as presented.

IV. FINANCIAL REPORTS

A. Financial Reports for the Period Ending September 30, 2008

Recommendation: A. Rohrbaugh recommended the board accept the Financial Reports for the Period Ending September 30, 2008 as presented.

MOTION: R. BROWN MOVED AND J. VANDER ROEST SUPPORTED ACCEPTANCE OF THE FINANCIAL REPORTS FOR THE PERIOD ENDING September 30, 2008.



Motion carried 6-0.

V. REPORTS AND RECOMMENDATIONS

ACTION ITEMS

A. Audit for 2007/2008

Presentation: Director Rohrbaugh introduced Tom Cole of Plante & Moran, who presented the 2007/2008 audit for acceptance. He distributed graphs to accompany and highlight the financial

statements for 2007/08 and indicated the library's financials received an unqualified opinion from the auditors and that the financials are in great shape.

Discussion: J. Vander Roest, chair of the Finance & Budget Committee, told trustees the committee carefully reviewed the statements with Mr. Cole and were pleased with staff efforts and the resulting unqualified opinion for the year.

MOTION: J. VANDER ROEST MOVED AND L. GODFREY SUPPORTED THE MOTION TO ACCEPT THE 2007/2008 FINANCIAL STATEMENTS AS PRESENTED.



Motion carried 6-0.

B. Budget Revision

Recommendation: Director Rohrbaugh recommended the board approve: 1) the transfer of \$7,000 from the General Fund Non Profit Management Center Budget to the Capital Improvement Plan Non Profit Center furniture budget, and 2) the addition of \$130,000 to the General Fund Tax Charge Backs budget.

Executive Summary:

Two separate budget items required board approval. The first involved a transfer of \$7,000 from various General Fund Non Profit Center line items budgets to the Capital Improvement Plan Non Profit Center Furniture budget to accommodate the purchase of the furniture necessary to create the public non profit management center area on the second floor of central. The cost associated with affixed vs. standard cubical furniture walls was higher than anticipated. No changes to services or material purchases were anticipated as a result of the budget transfer.

The second budget adjustment was to increase the General Fund Tax Charge Backs line item by \$130,000. Several Michigan Tax Tribunal (MTT) decisions contributed to the need to increase the library's budget to accommodate the refunding of taxes, the largest of which was the settlement of Meijer, Inc. vs. Oshtemo Township. We received a letter from Oshtemo Township attorney, Mr. James Porter, dated September 19th. The letter informed the library of the pending settlement of a tax appeal between Oshtemo Township and Meijer, which encompassed a 15 year period and \$92,764 in tax refunds due. The liability for the settlement of this particular judgment is expected to be due within the quarter and will be billed in one lump sum. The current budget for tax charge backs is \$25,000 and has already been exceeded due to the unexpected liability for tax refunds due to Canterbury Apts. and National City/Corporate Tax Resources totaling more than \$34,800.

Both the transfer and the budget adjustment were reviewed and supported by the Finance & Budget Committee.

Discussion: In response to a request for clarification from L. Godfrey, the director said all expenditures for the Non Profit Center are within the Non Profit Center budget. She indicated in the future, book expenditures will come from the general adult services materials budget. L. Godfrey thought we were going to buy books from within the center's budget and was concerned that this will be the beginning down the same slippery slope we have traveled before for new services. D. Schiller indicated expenditures for books for the center were always acknowledged as an in-kind expenditure by KPL.

President Wright asked for a motion prior to further discussion.

MOTION: IT WAS MOVED BY R. BROWN AND SUPPORTED BY C. TENBRINK TO APPROVE REVISION OF THE BUDGET AS RECOMMENDED.



There was no further discussion of the item.

Motion carried 6-0.

C. 40(B) Plan Investment Services

Recommendation: Director Rohrbaugh recommended the board approve Foresight Capital Management Advisors, Inc. and Hantz Financial as the approved vendors providing investment services under the new Kalamazoo Public Library 403(b) Plan.

Executive
Summary:

In the past, Kalamazoo Public Library has acted primarily as a facilitator connecting employee salary deferrals with their choice of retirement investment company. As a result, the library currently distributes salary deferrals for 24 employees to 11 different investment companies. No qualitative controls have been in place to guide the employees to any one company or type of investment fund. In fact, many were inherited from pre-district arrangements under Kalamazoo Public Schools.

As 403(b) plan sponsor, Kalamazoo Public Library must name approved investment vendors to provide all 403(b) investment advisory services beginning January 1, 2009. Both Foresight Capital Management Advisors and Hantz Financial were chosen as investment providers because of their firms' professional investment services and their ability to review and analyze investment performance. All funds and annuity products offered by both firms are reviewed on a regular basis by accredited financial professionals, offering a level of assurance that has not previously been available. No additional costs will accrue to the library for the review of investments for individual employees or the financial advisory services they receive from either firm. Employees will be allowed to either maintain their current account at the level of investment achieved with the December 31, 2008 deferral or transfer their investment accounts to a new investment account established by either firm for all deferral contributions beginning January 1, 2009.

The library will contract with a third party vendor who will administer the program. Library staff will not handle it.

This recommendation was reviewed and supported by the Personnel Committee. Upon board approval, vendors will be contacted to make arrangements for a staff informational session to be held in November.

MOTION: R. BROWN MOVED AND L. GODFREY SUPPORTED A MOTION TO APPROVE FORESIGHT CAPITAL MANAGEMENT ADVISORS, INC. AND HANTZ FINANCIAL AS THE APPROVED VENDORS PROVIDING INVESTMENT SERVICES UNDER THE NEW KALAMAZOO PUBLIC LIBRARY 403(b) PLAN.

Discussion: J. Vander Roest said beginning January first, these are the only two entities employees can deal with. He asked if we feel the two recommended vendors offer quality products.

D. Schiller explained several school district consortiums have chosen these two firms. She added the two firms do regular analysis of the products they offer and are accredited in their field.

R. Brown added we had to provide a plan because of new Internal Revenue Service regulations. The guiding principles were to give the broadest variety available to employees at a reasonable cost to the library.



Motion carried 6-0.

D. Position Reclassification

Recommendation: Director Rohrbaugh recommended the position of Library Assistant 4 in the Technical Services/IT Department be reclassified to Library Assistant 5, effective November 1, 2008.

MOTION: J. VANDER ROEST MOVED AND R. BROWN SUPPORTED A MOTION TO RECLASSIFY THE POSITION OF LIBRARY ASSISTANT 4 IN THE TECHNICAL SERVICES/IT DEPARTMENT TO LIBRARY ASSISTANT 5, EFFECTIVE NOVEMBER 1, 2008.

Executive
Summary:

The Library Assistant 4 position in IT has broadened in scope as the volume of work performed by IT has increased and the work has become more complex. Some of the duties performed by Supervisory/Technical positions have shifted to the Library Assistant position, as they have been assigned to new projects.

The Library Assistant 4 is now leading or taking greater responsibility in several areas where he formerly assisted other staff. Analysis of the revised job description using the library's Position Classification System clearly indicates that the position merits reclassification.

The cost of the proposed reclassification for the remainder of FY 2008-2009 will be less than \$1000. This recommendation was reviewed and supported by the Personnel Committee.



Motion carried 6-0.

E. Process to Fill Vacant Trustee Seat

Presentation: President Wright announced the trustee seat left vacant by the recent death of Trustee Loren Dykstra needs to be filled for the duration of the term, through June 2009 by board appointment.

She recommended approval of the following process:

Letters of interest and descriptions of qualifications will be solicited from interested citizens of the Kalamazoo Public Library District through postings with the media, on KPL's website, and in all library locations. Submissions will be due by November 21, 2008.

A committee comprised of trustees Vander Roest, Godfrey and Wright will review applicants' letters and credentials and will present a recommendation to the full board at its regularly scheduled December 2008 public meeting. The appointment will be made by majority vote.

MOTION L. GODFREY MOVED AND J. VANDER ROEST SUPPORTED THE MOTION TO APPROVE THE PROCESS AS DESCRIBED BY PRESIDENT WRIGHT IN ORDER TO FILL THE VACANT LIBRARY'S BOARD OF TRUSTEES' SEAT.

Discussion: C. Addison noted this is similar to the process followed the last time there was an unexpected vacancy on the board. She felt the process was excellent and fair. It was noted by trustees that if the sub-committee feels they need more information than is provided in the submitted materials they may choose to interview candidates. The person appointed would need to stand for election in May of 2009 if interested in continuing on the board.



Motion carried 6-0.

REPORTS

F. Oshtemo Courtyard

Presentation: Ernie Clemence, Facilities Manager, updated the board on the work that will be done, likely next spring, to remove the "Timebender" sculpture, which has deteriorated and cannot be repaired at a reasonable cost, and replace it with a colored patio surface and outdoor furniture.

Disposition: Board members received the information.

VI. COMMITTEE REPORTS

Finance & Budget Committee

J. Vander Roest: The committee had a long and productive meeting to review the audit and budget transfer recommendation.

Personnel Committee

R. Brown: The personnel committee met to consider the 403(b) plan and reclassification recommendations.

Building Committee

A. Rohrbaugh: Carpeting was completed at central library by the end of September; some winged chairs have been reupholstered and are back in place. Plans for the re-do of the circulation area at central have been finalized and will go out for bid and timing of work estimates over the next few weeks.

Millage Committee

L. Godfrey: The committee initiated a fundraising endeavor. A web presence explaining what the millage will provide is in process; launch is expected after the first of the year in time for absentee ballot voters and in coordination with the *Kalamazoo Gazette* editorial board.

Endowment Committee

V. Wright: The committee did not meet.

VII. OTHER BUSINESS

A. Directors Report

A. Rohrbaugh highlighted and answered questions about several items in her written report.

She thanked trustees for attending the Michigan Library Association all-conference reception hosted at KPL and for attending sessions at the conference. She also noted the replacement event for the rained out end of summer reading party was held at the Air Zoo with 1000 people in attendance! The vast majority had not been to the Air Zoo before because of the cost – it was a wonderful substitute for the original planned event. Everyone was amazed at the attendance.

Disposition: Trustees received the director's written report and comments.

VIII. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the board.

IX. TRUSTEE COMMENTS

All trustees expressed how much they enjoyed attending MLA conference sessions and how pleased they were with the MLA all-conference reception; complimented staff on the successful event, as well as the appearance of the newly re-carpeted building, and the activities and entertainment that were offered.

X. ADJOURNMENT

Director Rohrbaugh invited trustees to remain for a tour of Oshtemo Branch Library following the meeting.

Hearing no objection, President Wright adjourned the meeting of the Kalamazoo Public Library Board of Trustees at 5:08 p.m.

Cheryl TenBrink, Secretary