

**FREDERICK COUNTY PUBLIC LIBRARIES BOARD OF TRUSTEES
MINUTES OF MEETING
FEBRUARY 12, 2014**

Due to inclement weather, the Frederick County Public Libraries Board of Trustees Meeting convened at 5:00 p.m. on February 12, 2014 (rescheduled from February 5, 2014 due to inclement weather) at the C. Burr Artz Library, Frederick, Maryland.

BOARD MEMBERS PRESENT: C. Greenway, D. Kiser, T. Kutz, G. Laugelli, B. Poteat, and Commissioner Liaison, D. Gray.

BOARD MEMBERS ABSENT: C. Smith

STAFF PRESENT: D. Batson, Director; D. Maminski, Associate Director; B. Pelle, Associate Director; K. Lewns, Financial Business Office Manager; S. Lauchner, Coordinator of Library Collections; D. Buker, Virtual Branch Administrator; S. McCoy, Branch Administrator – C. Burr Artz Library; R. Bowers, Branch Administrator – Walkersville/Middletown Libraries; J. Vogel, Children’s Supervisor – C. Burr Artz Library; T. Carter, Web Content Editor; and L. Tibbs, Recording Secretary.

CITIZEN REMARKS: None.

APPROVAL OF MINUTES: G. Laugelli made a motion to approve the minutes of the January 8, 2014 board meeting; seconded by D. Kiser. No discussion. VOTE: Unanimous

CHAIR’S REPORT: Ms. Poteat advised that tonight is the first of the Frederick Speaker Series at The Weinberg Center with Brian Billick. She also noted that February 14, 2014 is the deadline for applicants to apply for the vacancy on the Frederick County Public Libraries Board of Trustees. In addition, she noted that the Library Board appreciates all of the extra effort that staff has put forth in dealing with this challenging winter. Ms. Poteat also thanked C. Smith for chairing the meeting in January during her absence.

DIRECTOR’S REPORT:

a. FCPL – Update: Mr. Batson pointed out that a copy of the first and second quarter Dashboard has been provided to members of the FCPL Board of Trustees. He pointed out that in the lower left corner of the 2nd Quarter Dashboard under Circulation by Format there are some interesting changes. He indicated that due to time constraints for this meeting, he will review the Dashboard in more detail at the next meeting.

Ms. Greenway inquired what the \$1,000,000 in in-kind expenses was for that is listed on the 2nd Quarter Dashboard. Mr. Batson stated that it is money from the County that includes expenses

such as IT support, building maintenance, custodial, etc. She thereafter inquired about the 882 Adult Programs listed on the 2nd Quarter Dashboard. Ms. Vogel stated that there were 23 adult programs with 882 adults in attendance at those programs.

Mr. Batson noted that he met with the Tischler Group today. They are the ones that the County has hired to study the impact fees. They will also study the justification for setting impact fees. Impact fees are not like a tax that can be levied. There must be legal justification for impact fees and it must fit a formula. The last Tischler study was done in 2001 so it is probably a good idea to review it again. Since the library receives impact fees, I am a part of the group that will be working on this.

Mr. Kutz inquired where the Tischler Group is from and whether they are a local organization. Mr. Batson stated he is not sure exactly where they are located but they are nationally known for this area.

C. Greenway asked whether impact fees are only paid when you buy a new home and inquired about the breakdown received by schools and libraries. Mr. Batson stated that impact fees for schools and libraries are applied to new home purchases. Schools receive \$14,000 and libraries receive \$900 per unit.

C. Greenway inquired whether the current Board of County Commissioner President is trying to do away with the current impact fees. Mr. Batson stated that there was a tax and fee study committee of which he was a part which talked about transfer taxes, recordation taxes, impact fees, etc. and the recommendation that went back to the Board of County Commissioners was to leave everything alone.

Mr. Kutz inquired about some comments that have been in the news about the FCC changing the formula by which the way libraries and schools get bonding for internet connection. Mr. Batson said this issue has been going on for a long time and there is nothing new to report. Ms. Pelle added that this issue would not affect FCPL anymore because we no longer have T-1 lines because as IIT has gone through and replaced the T-1 lines with fiber lines, there is no charge so there is nothing to submit. The only thing that FCPL submits at this time is for some phone lines.

Mr. Batson briefly reviewed monthly/annual statistics. He noted that FCPL is up 19% in circulation. Due to the impending inclement weather, he indicated he would not review the statistics in more detail but if anyone had any questions, please let him know.

NEW BUSINESS:

a. Staff Recognition: Tracy Carter was recognized by the FCPL Board of Trustees for receiving her Masters of Library Science degree. A photograph was taken of the certificate presentation to Ms. Carter by Ms. Poteat.

Mr. Kutz inquired which college she received her degree from. Ms. Carter stated that she took on-line courses and graduated from Florida State University.

b. Financial Report: Ms. Lewns stated that since we are on a fast track this evening she inquired whether anyone had any questions about the financial statement. If anyone has any questions, she requested that they e-mail her and she will be glad to reply to any inquiries. She also announced that the accounts payable position has been filled. The position will be filled by Julie Earp, who is a current employee from the County's Accounting Department.

Mr. Kutz requested that the financial statement be made to fit on one piece of paper. Ms. Lewns stated that she would send the financial statement as a PDF in the future to eliminate that problem.

c. Budget Presentation: Mr. Batson stated that this year's budget is nothing dramatic. In past years, we have purchased bookmobiles, changed computer systems, etc. but there is nothing so glamorous this year. Over the past few years, FCPL has suffered some major cuts not only in personnel but also in equipment and supplies. This year we have a healthy ending fund balance so you will see a lot of mundane things to restore the infrastructure that will enable us to keep doing business that we have done without for the past three years.

Mr. Batson reviewed the Fiscal Year 2015 Revenue Sources. The total budget is \$13,574,586. This figure is based on the figures we have. The County has initially told us there will be a merit increase for employees plus a 2% COLA. This could change but this is the information that was given to us. Also, in-kind services can change too because departments can decide to do different things so there are certain things we have control over and there are many things we don't have control over and we take it as it is given to us. The largest amount we receive is from the County and with the in-kind expenses added in, it amounts to 76% of our revenue source. The State provides 15% and this not only includes operational funds but retirement funds as well. The ending fund balance amounts to 6% and fines, gifts and miscellaneous amount to 3%. Mr. Batson noted that as more and more material is looked at electronically, we are going to have to go back and look at the fines category because overdue fines are not calculated on items that are electronically deleted. This is hitting every library in the Nation. This is a regular revenue source that is gradually going away.

The ending fund balance was thereafter reviewed. Mr. Batson noted that \$559,065 of the ending fund balance will be used to make up the holes in FCPL's budget for operational expenditures (supplies, interpreters, gasoline, printer cartridges, etc.). \$100,000 will be used for Lock-A-Shelf. Lock-A-Shelf is collapsing. It is currently on a virtual server and when it dies, there is nothing we can do. We are looking at some major replacements and \$100,000 is appropriated for that and we honestly don't know if that will be enough.

Mr. Laugelli inquired what a Lock-A-Shelf is. Mr. Batson stated that is where the DVDs are kept and a patron has to go to a computer and check out the DVD and the DVD pops out of the locked shelf. Mr. Batson added that the advantage with the Lock-A-Shelf is we have never had an item stolen from it. The company that made Lock-A-Shelf is now bankrupt and there is nothing we can do at this point. We tried to leave the DVDs open, however, the theft rate was astronomical so we had to lock up the DVDS again.

Ms. Greenway stated that she thought we used to have the DVDs behind the counter for patrons to check out. Mr. Batson stated that the workload for staff on that is just huge and we ran out of shelves.

Mr. Batson stated that \$42,500 is allocated in the budget to upgrade SIRSI. Ms. Pelle stated that SIRSI, our library database, is on an old SUN server. The server needs to be replaced which means that we need to change the operating system that SIRSI runs on and that is what the \$42,500 is allocated for – it will be used to purchase a new server.

\$16,000 has been allocated for a hosting system for credit cards. Ms. Pelle stated that basically we are purchasing this because it will be much safer for us. None of the credit card information will ever be anywhere near FCPL's server and the information will be encrypted by the hosting site. Our systems department has been working with IIT because there are certain basic accreditation rules that you must follow for security reasons when dealing with credit cards. Ms. Greenway asked if FCPL has to pay \$16,000 just for the hosting system. Ms. Pelle stated that part of the cost is for equipment because we will need new card readers in order to comply with this new system. Ms. Greenway inquired whether the \$16,000 is an annual fee. Ms. Lewns stated that there is an annual fee of approximately \$6,000. Ms. Kiser inquired whether patrons use credit cards enough to warrant this system. Ms. Pelle stated that patrons use credit cards to pay for fines, printing costs, purchase books, etc. Mr. Batson stated that FCPL's revenue has increased greatly since we instituted credit cards.

\$30,000 has been budgeted for new e-content (streaming movies). The library will have a couple of new products coming out such as Hoopla and a few others. Hoopla is the same concept as Netflix – streaming movies that the public checks out from the public library. In the long run this will do away with DVDs because patrons will just stream movies. Ms. Greenway inquired whether this could replace the Lock-A-Shelf. Mr. Batson stated that in the long, long term yes but for right now DVDs are very popular and circulate very much. Right now we are at a transitional point but it will be a number of years before we do away with DVDs.

Mr. Batson stated that we have set aside \$50,000 for the new strategic plan. Staff has a lot of ideas, concepts and programs but things are not quite finalized yet. There is nothing worse than having staff work on something and come up with a final product and then we tell them we don't have the money so we set aside a block of \$50,000 so when the plan is finalized and brought to the Library Board and approved, we will have funds to implement it. Ms. Poteat inquired about the timeline as to when this will be presented to the FCPL Board of Trustees. Mr. Batson stated that it was hoped to have the information to the FCPL Board of Trustees by May, 2014, however, he noted that it probably won't be until September, 2014. We don't want to rush things and we want staff to be very involved in this program.

\$67,828 is being set aside in the budget for social media, stock photos, advertising, etc. The book area is also being increased and this will be discussed later.

Commissioner Gray inquired whether there have been any connectivity issues at the various libraries throughout the County. Mr. Batson stated that FCPL has a very good relationship with IIT and we have not really had any issues.

Commissioner Gray reminded everyone that the library's budget starts July 1st and that budget will be approved by the current administration and December 1st, there will be an entirely new administration who may or may not have had any say in this budget.

Ms. Greenway stated that she thinks the \$559,065 amount set aside for operating expenditures is an extremely high amount when compared to other expenditures. She asked if there is a way to get more information as to what the \$559,065 will be used for. Mr. Batson stated that an explanation of the \$559,065 will be provided to everyone shortly.

Thereafter, Mr. Batson reviewed Fiscal Year 2015 gifts and endowments. He noted that FCPL receives various endowments and grants which are used for supplies and materials. Mrs. Fry provides FCPL with \$40,000 each year to provide the salaries and supplies needed to run the Point of Rocks Library.

The next portion of the presentation will give you the breakdown of the \$559,065 set aside for operating expenditures. A comparison is made on the documents provided of the Fiscal Year 2014 and Fiscal Year 2015 budgets. In addition, we provide information as to where the money for the Fiscal Year 2015 budget is coming from such as state aid, ending fund balance, fines, gifts, etc. Mr. Batson noted that there are a lot of zeros under County funds. To be very honest, if FCPL did not have the ending fund balance and state funds, FCPL could not operate. FCPL gets one thing from the County and that is because we gave back some positions to get money for security. This is the only money FCPL gets from the County for operating expenditures. Mr. Batson noted interpreting expenses have doubled since Fiscal Year 2014 to \$35,000 in Fiscal Year 2015. This is because the County negotiated a new contract with interpreters that increased our costs for interpreters. Contracted services have been increased to \$77,265 due to the strategic plan. Equipment Maintenance/Repairs has increased due to the addition of more self-check machines and with that comes maintenance fees. The equipment rental category has decreased and this is because we got rid of the T-1 lines. The wireless category has increased because we added 3 wireless phones at the C. Burr Artz Library and took away the Vocera that hung around staff's necks. Staff is now able to look up data and text with each other using the new wireless phones. The advertising category has increased and part of this is due to the strategic plan. Mr. Batson noted that the categories we are using for our budget are given to us by the County and sometimes the categories don't honestly reflect what the money is used for but we have to use the categories provided to us and insert funds where they would most logically fall. The printing budget has also increased due to advertising and printing related to the strategic plan. The travel/training budget has increased as well. Mr. Batson stated that a number of years ago when the State Library had access to LSTA funds, they would give us a grant every year of approximately \$30,000 on top of our \$50,000 so FCPL had \$80,000 to pay for staff travel and training. The State Library no longer provides us with LSTA funds so we have been painfully clawing our way back up to increase the budget every year for staff training. Trina Panagos has done a great job in bringing electronic training in-house but there are certain things staff need to attend. Little by little to keep accreditation up for our employees and simply get out there and find out what is going on, we have been increasing the budget for this category slowly each year. Ms. Greenway inquired about the staff mileage budget. Ms. Lewns explained that this is to reimburse staff for mileage to go to trainings when they use their own car. FCPL has a van that

staff use but there are times when we have to reimburse staff for mileage expenses. Dues have increased slightly due to the fact that Elizabeth Cromwell is now part of Rotary and these expenses were not included in the budget previously.

The special programs budget has increased slightly. This category includes movie licenses, some children's programs, and provides for additional outreach to the community. The office supplies budget has increased slightly because we are going to be replacing the puzzles, puppets, and some games at all of the libraries. These items are about 10 years old and they need to be replaced. Supplies are also needed for the strategic plan. Computer cartridges are also a part of the office supply increase and, in addition, a STEM program is being set up in the Tech Lab and part of this money will be used for that.

Ms. Lewns stated that there are several changes in budget categories concerning books, periodicals and e-books. A new category has been added this year and it is called e-Books/e-content. We have been paying for these items out of books and audio-visual but we wanted to highlight it so we can keep track of what we are actually spending. Periodicals have gone up because last year Zinio was not included. The money has basically been shifted around for the Fiscal Year 2015 budget.

The computer software/database budget has increased slightly. We have moved the training software which was originally in the travel/training budget to the computer software/database budget. The social media applications have also been added to this budget. A portion of the strategic plan has also been added to this account.

The non-capital equipment total includes the SIRSI upgrade as well as the credit card hosting system. FCPL will be expanding the children's iPad program from C. Burr Artz to the other libraries and this is also included in the non-capital equipment account. TV sets will be expanded out to the regional libraries and they are included as part of this account. In addition, \$20,000 has been added to this account for new technology and equipment.

The capital equipment increase is for the Lock-a-Shelf replacement. \$100,000 has been set aside for this.

The increase in the Sheriff Library Security account is just the 2% merit and the salary that the County provides. The County provides \$59,568 to this account because FCPL gave up two part-time positions to come up with the funds needed for the Sheriff that we have at the C. Burr Artz Library. The Sheriff Library Security staff do an amazing job. Mr. Batson stated that he has had patrons state that they come to the C. Burr Artz Library more now since the Sheriff is here.

A comparison was reviewed of the materials budget between Fiscal Year 2014 and Fiscal Year 2015. Mr. Batson stated that there is approximately an \$80,000 increase in the materials budget for Fiscal Year 2015. The total for the Fiscal Year 2015 budget is \$1,472,549. Mr. Batson noted that the highest FCPL has ever been was approximately \$1.6 million for materials and we have dropped to as low as \$1.25 million. Little by little we are crawling back up.

Ms. Greenway inquired whether the library is still on a monthly approval program for purchasing

books. Mr. Batson stated that after his last time before the BOCC, it was recommended that we do not have to go before the BOCC every quarter to get funds released. Mr. Batson stated that he will be going back every quarter to speak about donations but as far as releasing funds, that was finally pulled and we still have full access to our revenue. Ms. Greenway asked for clarification about donations. Mr. Batson explained that one of the Commissioners wants to talk about the book donation program that the public library has. Ms. Poteat inquired whether the library has to submit lists of materials quarterly to the BOCC and Mr. Batson stated that we no longer have to do this.

Mr. Batson thereafter reviewed the Fiscal Year 2015 enhancements that will take place at FCPL. He first reviewed enhancements for children/teen services. We are currently working on the STEM program and this will be in the Technology Lab at the C. Burr Artz Library. In addition, the iPad/App program will be expanded to all Frederick County Public Libraries. We will be replacing the puppets, puzzles and games at all branches since most of them are over 10 years old.

Thereafter he reviewed enhancements in technology/software for Fiscal Year 2015. Ms. Pelle stated that the SIRSI server and operating system will be upgraded. FCPL's existing credit card system will be moved to an outside hosting system that will provide additional security and we will replace the credit card readers as a result of the new hosting system. In addition, Lock-a-Shelf will need to be replaced. Also, \$50,000 has been set aside for the FCPL strategic plan.

Fiscal Year 2015 enhancements for public services include the new e-Content platform of streaming movies. An enhancement to the social media management application will allow FCPL to provide more efficient and effective ways to utilize our current social media channels. In addition, we will continue to upgrade the FCPL website to improve patron usage and experience.

Mr. Batson stated that until there are changes in the economy and philosophy of the County, we will need to maintain what we are currently doing. We are extremely happy that we had the ending fund balance to do some of the things included in the budget.

C. Greenway inquired if the large ending fund balance was from not utilizing as much money for expenses or was it from additional revenue that we didn't use. Ms. Lewns stated that the ending fund balance is a combination of a lot of different things such as staff retiring, not spending as much money, etc.

G. Laugelli complimented staff on the clarity of the presentation. It was very easy to track and follow.

T. Kutz, as Chair of the Finance Committee, made a motion that the Board approve the budget for submission; seconded by G. Laugelli. No Discussion. VOTE: Unanimous. Mr. Batson noted that the budget will now be forwarded on to the County.

BOARD QUESTIONS AND COMMENTS: Mr. Kutz inquired whether the libraries will be closing early this evening due to the inclement weather. Mr. Batson stated that the libraries will

be open until 8:00 p.m. this evening. Staff has been advised that if the weather changes between now and 8:00 p.m., he should be contacted just in case an earlier decision to close needs to be made. Mr. Kutz also asked if the libraries will be closed on Thursday due to the snowstorm. Mr. Batson stated that when the County made the decision to close the County Offices on Thursday, he decided to go ahead and shut down on Thursday. Mr. Batson noted that the City of Frederick parking decks have been opened up to everyone free of charge so that they can get their cars off the street during the snowstorm. Many precautions are being done ahead of time.

OTHER CITIZEN REMARKS: None.

The next meeting will be held on Wednesday, March 5, 2014 at 7:00 p.m. at the C. Burr Artz Library – 110 E. Patrick Street, Frederick, MD.

G. Laugelli made a motion to adjourn the meeting; seconded by T. Kutz. No Discussion.
VOTE: Unanimous.

The meeting adjourned at 5:50 p.m.

Blanca Poteat

Blanca Poteat, President
Frederick County Public Libraries Board of Trustees