

**FREDERICK COUNTY PUBLIC LIBRARIES BOARD OF TRUSTEES
MINUTES OF MEETING
NOVEMBER 5, 2014**

The Frederick County Public Libraries Board of Trustees Meeting convened at 7:00 p.m. on November 5, 2014 at the C. Burr Artz Library, Frederick, Maryland.

BOARD MEMBERS PRESENT: C. Greenway, D. Kiser, G. Laugelli, S. Manny, B. Poteat, and C. Smith.

BOARD MEMBERS ABSENT: T. Kutz and Commissioner Liaison, D. Gray.

STAFF PRESENT: D. Batson, Director; D. Maminski, Associate Director; K. Lewns, Financial Business Office Manager; S. McCoy, Branch Administrator – C. Burr Artz Library; J. Earp, Administrative Aide-Fiscal; R. Putman – Team Leader/Finance Division – Frederick County Government; and L. Tibbs, Recording Secretary.

CITIZEN REMARKS: None.

APPROVAL OF MINUTES: D. Kiser made a motion to approve the minutes of the October 8, 2014 board meeting; seconded by S. Manny. No Discussion.

VOTE: Unanimous

CHAIR'S REPORT: C. Smith noted that yesterday was a big day for Frederick County and the State of Maryland. She stated that she hoped everyone, like her, enjoyed a day free of robo calls.

Although Commissioner Gray is not in attendance this evening, Ms. Smith wanted to publicly express, on behalf of the Library Board, its appreciation for his support and participation as the Board of County Commissioners Liaison for the past several years. We will be sending him a card as well to express our appreciation.

Ms. Smith advised that yesterday she attended the Frederick Chamber Business Expo and she visited the library booth. While there, she picked up an "I Love My Library" wristband for herself as well as all members of the FCPL Board of Trustees.

DIRECTOR'S REPORT: Mr. Batson noted that staff has been working with the County human resources staff and legal department with regard to a personnel matter. We are not at a point where we can discuss this since everything is being dealt with by the appropriate authorities. This issue has taken a great deal of D. Maminski's time as well as one of our administrators. He stated that right now everything is going through the normal appeal process, which is appropriate, but if it comes to a point where he needs to inform members of the FCPL Board of Trustees further, he will certainly do so. He added that he just wanted to let members of the FCPL Board of Trustees know that there is a process going on at the present time. Mr. Batson thanked the County for their assistance in this matter and stated that they are doing a very good job in helping FCPL through this.

Thereafter, Mr. Batson announced that Beth Pelle's replacement has been hired. The effective date will be December 1, 2014. The individual chosen is a former employee of FCPL, Mr. James Kelly. He currently serves as an Assistant Director for Carroll County Public Libraries. Mr. Batson stated that we are more than happy to have him back. He further added that we had a series of very good candidates apply for this position. In addition, Mr. Batson advised that we are currently on the second round of interviews for Elizabeth Cromwell's replacement. It is hoped that we will be able to make a final decision within the next few weeks.

Mr. Batson thereafter reviewed the September, 2014 statistics. He noted that we are seeing some progress in some areas. Middletown Library was closed for most of September which affected the statistics and with the weather being good, people are outside and do not come into the library. Mr. Batson stated that we will watch the statistics as the weather starts turning colder but then we are going to run into the holidays and activity usually drops like a rock between Thanksgiving and Christmas. He noted that it will probably be the first of the year before things start to improve. We are keeping an eye on it. The one thing that is consistent is children's programming, children's attendance and children's circulation.

Mr. Laugelli inquired about the drop in special collections. Mr. Batson stated that he does not know the answer to that question and he will speak with Mary Mannix about that.

Mr. Batson noted that the way libraries are being used now is changing constantly. We do not have a firm grip on what is "normal" any longer. There have been dramatic changes in non-fiction. Patrons that used to come into the library for non-fiction are now going on-line and "Googling" it. We are seeing some changes in patron usage, therefore, we can't give firm numbers because no one in the industry can do that at this time. He further noted that there are a few positives. Finally, all the publishers are allowing us to buy 99% of what is out there but the fees are absolutely ridiculous. We are hoping that, over time, those costs will start to drop. He added that there has been more and more electronic usage. Mr. Batson stated that once the first six months is done, he will get back to the Board with additional information.

Ms. Greenway noted that the Detention Center seems to be doing extremely well. Mr. Batson stated that a young man, Joe Dacey, has taken over the Detention Center and he is doing a wonderful job.

Ms. Poteat inquired if FCPL is looking into other ways to compensate for the reduction in fine collections. Mr. Batson stated that we are trying to find additional ways to compensate for that reduction.

Mr. Batson pointed out one additional item on the statistics. The public computer usage increased by almost 100%. That is a huge increase. He also noted WiFi users jumped by 36%. Although the patron traffic may be lower, patrons are using the computers more. The usage is not necessarily circulation.

NEW BUSINESS:

a. Financial Report: Ms. Lewns noted that the County is always about a month behind in

posting revenue so when reviewing the Financial Statement this month, you really are missing a whole month's worth of revenue. At this time, FCPL is at 26% as far as fine collections are concerned and with missing a month of activity, we are probably at about 33%. She noted that things should be OK for about another year or two and then we'll start looking into it.

Thereafter, she advised that E-rate funds will go down because the only time it will affect us is when we purchase new WiFi equipment. What FCPL is now receiving is for phones and it is getting lower and lower and it will be phased out over the next couple of years. When we get more information, we will pass it along. FCPL used to get about \$20,000 and we are now receiving \$11,000. She estimated that E-rate reimbursements will disappear completely in about three years.

Ms. Poteat stated that the E-rate reimbursements were erratic in the past and inquired if that is still the case. Ms. Lewns stated that the E-rate reimbursements seem to be on a regular basis but they do run a year behind.

Ms. Lewns further stated that FCPL will not be selling t-shirts for the Summer Reading Club so that revenue will also go away. This past year we had over 200 t-shirts left over. FCPL is facing a couple of things next year that we are going to have to think about.

She further informed members of the FCPL Board of Trustees that 24 new laptops were recently purchased to replace some staff laptops. The cost for the 24 laptops was approximately \$19,000. In addition, she noted that the category of library collections is higher than the 33% of where we should be and that is due to the fact that we encumber the funds for materials on a quarterly basis.

Ms. Smith inquired whether the laptops are part of the in-kind services. Ms. Lewns stated that FCPL purchases them directly.

Ms. Greenway inquired about the \$5,000 in credit card fees and whether those fees are beneficial to the library. Ms. Lewns stated that credit card fees are very slowly increasing. It has not been a drastic change. Ms. Greenway stated that if what FCPL is getting from credit cards is being eaten up by the fees, it isn't a profitable venture. Mr. Batson stated that some patrons are now paying online that did not pay before. Ms. Lewns stated that we have further information on the credit card fees that she will provide by the next meeting.

Ms. Lewns further advised that if any member of the FCPL Board of Trustees ever wants a more detailed breakdown of anything that is shown on the monthly report, they should just let her know and she would be more than happy to provide the information.

b. Audit Presentation: R. Putman, Team Leader – Finance Division of Frederick County reviewed the audit for Frederick County Public Libraries for the period ending June 30, 2014. A copy of the Audit was distributed to all members of the FCPL Board of Trustees. She began by reviewing a breakdown of the budgetary basis – budget and actual including all of the revenues and expenditures as compared to budget for the fiscal year July 1, 2013 through June 30, 2014. She noted that the overall result of all of the revenues, as compared to budget, was a slight

negative variance of \$25,000. She added that because the budget is basically a stab in the dark and the fact that the actual figures came in so close is fantastic. She thereafter noted that we see some really good things on the expenditures side. With regard to salary and fringe benefits, there is a positive variance of almost \$500,000, which is great. Ms. Putman further reviewed various other expenditures which were very close to budget all along. Thereafter she reviewed the end result of all of the expenditures versus budget and there was a positive variance of \$800,000. The net result, as combined with the County's contribution to the library of \$7,800,000, is that there was a positive change in the fund balance of \$253,000.

Thereafter, Ms. Putman reviewed the Statement of Net Assets through June 30, 2014. This statement reflects the assets and liabilities for the library for the fiscal year that just ended on June 30, 2014 as well as the two previous years. She noted that everything is very much in line. There was one adjustment that was made in the collections for the library regarding the value of the collection of books/publications that are held within the library. She pointed out that the liability section is very much in line for the period ending June 30, 2014 as compared to the two previous years.

Ms. Greenway inquired whether the accumulated depreciation figure included the adjustment of the library collection. Ms. Putman stated that the accumulated depreciation figure includes an adjustment for the library collection. Ms. Putman added that she has further details, if desired. Ms. Greenway further stated that an audit is usually done after the year is over to make sure everything is compliant and she inquired why an audit is being done in the middle of the year. Ms. Putman stated that the fiscal year ended June 30, 2014. Mr. Batson added that the audit that is being reviewed this evening is for the previous fiscal year, July 1, 2013 through June 30, 2014. Ms. Putman added that once the books are closed on June 30, 2014, the auditors arrive around October to review the previous fiscal year activity.

Ms. Putman thereafter reviewed the Conversion Worksheet Budgetary to GAAP to Government Wide worksheet. She stated that this form is quite confusing but she wanted to point out that the first two columns of the worksheet are basically a summary of what was presented on the first two pages of the audit documents. It summarizes the revenues, expenditures and the County's contribution to the library.

Mr. Laugelli commented that based on the numbers provided, this is a very prudently run system.

Ms. Smith noted that members of the Finance Committee of the FCPL Board of Trustees met just before tonight's meeting to review the audit in greater detail.

G. Laugelli made a motion to accept the audit as presented; seconded by S. Manny. No discussion. VOTE: Unanimous.

BOARD QUESTIONS AND COMMENTS: None.

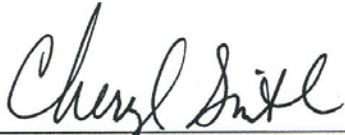
OTHER CITIZEN REMARKS: None.

Ms. Smith reminded everyone that the FCPL Board of Trustees does not meet in December. The

next meeting will be held on Wednesday, January 7, 2015 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 D. Kiser. No Discussion.
VOTE: Unanimous.

The meeting adjourned at 7:40 p.m.



Cheryl Smith, Chair

Frederick County Public Libraries Board of Trustees