

BOARD OF LIBRARY TRUSTEES MEETING
May 9, 2017 – 7:30 p.m.
Oxon Hill Branch
Minutes

Board Members Present

Dr. Christy Wright, President
Samuel Epps IV, Vice-President
Sylvia Bolivar
Brett Crawford
Toni A. Smith
Dr. Arthuree Wright

Staff Present

Kathleen Teaze, CEO
Michael Gannon, COO for Support Services
Michelle Hamiel, COO for Public Services
Dereje Salehudres, Dir. of Finance & Budget
Jeff Naftal, Director of Human Resources

- Welcome and Call to Order: 7:45PM
- Mr. Epps stated that the minutes were incomplete as they did not reflect action taken at the Executive Session and asked that they be tabled and Mr. Crawford concurred. President Wright stated that the minutes would be tabled until the next meeting after the necessary changes had been made.
- **Financial Status Report – Dereje Salehudres, Director of Finance**

An overview of the Library's financial activities and budget status for fiscal year-to-date March 2017, 75% through the fiscal year, and year-over-year comparison.

Year-to-date operating revenues were \$20.8M which is 74.4% of the budgeted amount, and 3.3% higher compared to 71.1% of year-end actual a year ago:

- Revenues from Public Support were at 74.3%, and 4.3% higher compared to 71.0% of actual a year ago.
- Branch revenue was at 57.7%, compared to 74.7% of year-end actual a year ago. Branch revenue was lower than budget mainly due to a decrease in overdue fines, 44.4% of the budget. Meeting room rental and other branch revenues were running at 71.5% and 71.3% of the budget respectively.
- Other revenue was much higher than budgeted at 311.7%, for the most part due to higher than expected passport service revenue, at 427.2% of budget, E-rate rebate at 261.1% of budgeted \$40,000, and non-budgeted \$3,400 Procurement Card rebate, negatively offset by the lack of interest revenue. A year ago this line was at 68.9% of year-end actual.

Year-to-date operating expenditures were \$20.2M which is 72.2% of the budgeted amount, and higher by 3.4% compared to 68.8% of year-end actual of a year ago:

- Compensation was running at 71.5% and lower compared to budget, and 4.4% higher compared to 67.1% of year-end actual the same period a year ago. Compensation is projected to be lower than budget at year end.
- Library materials were under budget at 65.6%, and lower than a year ago which was at 74.0% of year-end actual. Overall this line item is expected to be slightly lower than budgeted at year end.
- Operating services and supplies were running slightly over budget at 80.6%, and 0.4% higher than 79.0% of year-end actual a year ago. Some highlights under this line item were:
 - higher expenditures in IT temporary staff to cover for temporarily vacant positions (FMLA and Military Leave);
 - higher legal fees due to extended negotiations with the Union;
 - printer cartridge expenditure was higher than budgeted;
 - higher than expected payroll outsourcing fee, in part due to additional services which were not budgeted.
- Computer software & support were at 61.8%, and higher compared to 59.3% of year-end actual of a year ago. Expenditures in audio/visual were higher due to timing of order placement, however expected to be within budget at year end.
- Building & equipment were running at 88.0%, which was 13% over budget, and 10.9% higher compared to expenditure a year ago which was at 77.1% of year-end actual. Costs incurred to service an aging building infrastructure are expected to negatively affect this line items as was the case in prior years.
- Utilities were at 87.4%, higher than budget and spending level this time last year. The year-to-date expenditures for telephone, refuse removal and water & sewer line items are way higher than they should be at this point. Other utility expenditures are either almost at the budgeted level or lower than projections.
- Other expenditures were at 62.5% and lower than budgeted and compared to last year's 67.7% of year-end actual a year ago.
- PR display advertising was higher than budget and running at 94.81% , due to display advertising that is purchased a few times during the year;
- Public services programs was below the budget at 20.11%, due to timing in summer reading expenditures;
- Vehicle Lease & Rental was higher than budgeted, at 197.3%, because some trucks were under repair and that necessitated to lease vehicles.

The fiscal year-to-date net effect was a surplus of \$612K compared to \$532K surplus a year ago. Over all, if revenues and expenditures run at the current level and as projected, the Library will have slight surplus at year end, mainly due to salary lapses.

YTD Grant Revenue and Expenditures:

- The Library has incurred \$306K grant-related expenditures and recorded the same amount in revenue to cover the costs.

YTD Capital Improvement Revenue and Expenditures:

- The Library has incurred \$5M in CIP(Capital Improvement Program) and CIG (Capital Improvement Grant-State of Maryland) expenditures, and recognized the same amount as revenue.

President Wright inquired about whether we are in danger of significantly overspending the Utilities line item and Mr. Salehudres stated that we are not.

Mr. Crawford asked about spending toward the end of the fiscal year. Ms. Teaze stated that the system has a practice of cutting off spending as of May 15 of each year which serves to curtail unplanned spending and gives time to reconcile the books for the end of the fiscal year.

Mr Salehudres briefly outlined the 2016 independent audit procedure and timeline. He proposed that members of the Finance Committee attend any meeting by phone. President Wright asked that he send the dates to the Board.

Chief Executive Officer Report – Kathleen Teaze, Chief Executive Officer

Ms. Teaze referred the Board to her written report.

FY18 Budget with HEHS committee.

Ms. Teaze heard from Council staff today that Council is considering additional funding for wifi hotspots.

CIP Budget hearing with Council scheduled for Monday May 15 at 1:00 p.m.

Maryland General Assembly changed Maryland law such that Division of Library Development Services will be moved from Maryland State Department of Education to become a new and independent State Library Agency with oversight by a State Library Agency Board.

Ms. Teaze talked about the importance of supporting LSTA Funding on the Federal level

Career Online High School- 169 people are registered, 16 of 25 scholarships and stated that we plan to provide a graduation ceremony for those who finish.

Ms. Teaze cited Strategic Planning Measures—Net Promotor Score, Market Penetration. KPIs pointed out all trends are up except for Public Service Hours, Library Visits, PC sessions and PC Occupancy Rates.

Mr. Crawford asked about charts-New Cardholder Retention defined and Gain/Loss index. Ms. Teaze responded that library cardholders move from being active to inactive at a higher rate than people are registering as new users.

Mr. Epps asked about what happens when students graduate from high school. Ms. Teaze responded that the school system sends us a file of those no longer in the schools and their cards are deactivated.

President Wright asked whether hours are being expanded in light of closed branches. Ms. Hamiel discussed which branches have expanded hours.

President Wright asked about the expenses for public relations and specifically about the cost of advertisements on the backs of Metro buses.

Mr. Epps asked if when a branch is closed, do customers stop using the library at all or do they use other branches. Ms. Hamiel responded that mostly they use other branches.

Mr. Epps suggested using social media promoted ads as inexpensive marketing. Mr. Gannon stated that we will be moving into Facebook Ads.

Mr. Crawford said he was surprised to receive an email from the PGCMLS Foundation. He asked for clarification on the Foundation and the status of the relationship with Sun Trust Bank and the financial literacy program. Ms. Teaze stated that the Foundation is inactive but the relationship with Sun Trust remains. Mr. Crawford asked about the Board of Directors and Ms. Teaze explained that there are none, except for herself as agent. Mr. Crawford asked if Maryland law allows a foundation to exist without a board. Ms. Teaze responded that she did not know. Mr. Crawford asked what the plan is for when Ms. Teaze retires and Ms. Teaze responded that a plan should be made by the Board of Trustees.

- **Chief Operating Officer of Support Services Report – Michael Gannon, COO of Support Services**

- **CIP Status Report – FY17**

- Bladensburg (replacement): Design underway. Construction to begin spring 2018 with completion in fall 2019.
 - Bowie-
 - Brandywine (new branch): Design to start summer 2020.
 - District 7 (new branch): land selected and under negotiation – acquisition funding available in summer 2018 with design to begin in summer 2019 – construction to begin in late summer 2020 with construction complete in spring 2022.
 - Hyattsville (replacement): project in permitting – construction to begin fall 2017 with completion in fall 2019.
 - Langley Park (new branch): land selected and under negotiation – design to begin in summer 2018 with construction in fall 2019 and completion in spring 2021.
 - Laurel (replacement): completed in fall 2016.
 - New Carrollton (renovation): construction underway – with completion in late spring 2018.
 - Surratts-Clinton (renovation): design underway with construction to begin summer 2018 with completion in fall 2019.
 - Hyattsville Branch (old building) - Hazardous Material survey completed (necessary prior to demolition and at the request of MCGEO). Results showed nothing higher than 15 per square meter. As a reference, public schools are required to be lower than 70 per square meter.

Mr. Crawford asked whether the same scope of the renovation of Oxon Hill Branch could be expected at other branches. Mr. Gannon stated that the Oxon Hill renovation should not be used as the standard because it was poorly done, and suggested using Bowie Branch as an example.

President Wright asked whether parking was a problem for Bowie Branch when Arts programs are held. Both Mr. Gannon and Ms. Teaze responded that there have been no complaints in recent history.

Ms. Bolivar asked about the possible new branch at Baden. Ms. Teaze stated that the Baden Friends have been asking that PGCMLS move into the vacant former Health building adjacent to the school (where the library is now located). County Central Services has authorized an assessment to determine its viability as a library. PGCMLS is willing to consider moving there because it offers somewhat larger space and more independence from school requirements.

- **Chief Operating Officer of Public Services Report – Michelle Hamiel, COO of Public Services**

- Summer Reading

- Summer Meals

- Unique programming for millennials-Craft of Brewing-local brewers will demonstrate brewing technology and methods. Samples will be given. Only those over 21 will be allowed to taste the beer. City of Laurel license for alcohol obtained.

- Requests for expanded hours-Glenarden Branch

- Usage numbers have not increased since New Carrollton has closed.

- **Correspondence Log**

- No questions

- **New Business:**

- Employee Procurement Card – Additional employees to approve

- Support Services/Project Manager – Limit \$4,000.00 New Position

- Buildings & Grounds Supervisor - Limit \$1,000.00 Change in personnel

- Staff Development Coordinator - Limit of \$500.00 Add

Motion to approve the new cards and limits was made by Dr. A. Wright and seconded by Ms. Smith. The motion passed unanimously.

- **Unfinished Business:**

- Code of Conduct Policy-Motion was made and seconded (Crawford/Epps) to table the item for further discussion. Motion passed unanimously.

- Performance Review Policy – Motion was made and seconded (A. Wright/Bolivar) to approve the Performance Review Policy. Motion passed unanimously.

- Selection of Consultant for Classification and Compensation Study – Motion made and seconded to accept the recommendation of the Committee made up of equal number of

PGCMLS management and union representation; however, Mr. Crawford abstained from the vote.

- Meeting schedule for 2017 – President C. Wright proposed going back to monthly meetings on the second Tuesday of the month. Mr. Epps stated that Tuesdays were no longer feasible for him. He recommended keeping the meetings every other month on Thursdays. Mr. Crawford suggested that since the Board is not clear on the search process for a new CEO, it might be better to establish a Search Committee that could proceed with the search and make recommendations to the full Board, thus avoiding the need for monthly meetings. After further discussion, it was decided that further meetings for 2017 will be held on the second Thursday, rather than the second Tuesday, of alternating months, beginning with the July meeting.

Motion moved and seconded (Epps/Crawford) that the Board meet bimonthly (every two months) on the third Thursday of the month. Motion passed unanimously. The schedule for the rest of 2017 is as follows at the same time, 7:30 p.m.:

July 20, 2017 - Greenbelt
September 21, 2017 –South Bowie
November 16, 2017 - Laurel

- **Requests to Address the Board:**

- Kenya Brunson, PGCMLS staff
- Amy Millar- MCGEO staff – request from union to be part of the process of hiring the new CEO.

- **Closing Comments from the President:**

President Wright thanked everyone for attending the meeting and she also thanked the COO's for their outstanding reports.

A motion was made and seconded to move into Executive Session to discuss personnel matters. The motion passed and the meeting was closed at 9:36 p.m.