

BOARD OF LIBRARY TRUSTEES MEETING
September 27, 2018 – 7:30 p.m.
Largo-Kettering Branch

Minutes

Board Members Present

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

Prince George's County Memorial Library Attendees

Michael Gannon, Interim Co-CEO
Michelle Hamiel, Interim Co-CEO
Jeff Naftal, Director of Human Resources
Dereje Salehudres, Director of Finance
Jessica Freeman, Executive Assistant

Absent:

- Welcome and Call to Order: 7:47 PM
- Mr. Epps requested a change to the agenda; making the agenda item Future of Mt. Rainier Branch as Information Only. Mr. Epps requested a motion to approve the agenda. Dr. Wright moved to accept the agenda and Mr. Crawford seconded the motion. The agenda was approved with a unanimous vote.
- Mr. Epps indicated an addendum to the minutes to include the Executive Session minutes. Mr. Epps requested a change to the July 6, 2018 Board of Library Trustees minutes; adding that Mr. Epps requested a report from the Interim Co-CEO's with their recommendations concerning the Mt. Rainier Branch. Mr. Crawford made a motion to approve the June 6, 2018 Board of Library Trustees meeting minutes with the addendum of the minutes of the Executive Session and addition to the Board of Trustees Minutes. Ms. Bolivar seconded the motion. The minutes were approved with a unanimous vote.
- **Committee Reports**

Nomination Committee – Samuel Epps, IV, Chair

Mr. Epps announced that there is one vacancy on the Board. The Nominations committee will wait for the new County Executive to take office before taking action to fill the vacancy.

Personnel Committee – Dr. Arthuree Wright, Chair

The search firm Bradbury Miller and Associates received 24 applications for the CEO of PGCMLS vacancy. The Board looked closely at 17 of those applications and was able to narrow that candidate pool down to seven this evening. Those candidates will be notified and video conference call interviews will be scheduled in October. The finalists will be brought in for live meetings and interviews on November 1st & 2nd. The Board looks forward to a resolution to this process shortly.

- **Financial Status Report as of May 31, 2018 – Dereje Salehudres, Director of Finance**

FY 2018 Audit

Mr. Epps acknowledged receipt of the Financials. Mr. Salehudres reported that auditors from Murphy & Murphy have completed their field work, however the audit process is still on going. All of the audit work is complete except for two outstanding items: Risk Management Insurance and OPEB Liability. One of the pending items is the final numbers for the Library's risk management insurance cost for FY2019. PGCMLS participates in the County insurance programs and is charged by the County based on its actual experience. The estimated number shows a surplus of \$24K, potentially will increase the fund balance. However, the final allocation of cost from the County has not been made yet, but the Library expects to receive the number in the next two weeks.

In FY2013 the PG County decided to carry the Library's Other Post Employment Benefits (OPEB) liability on their financial statements, while the Library meets its ongoing obligation to retirees by contributing on a pay-as-you-go basis to retirees' health benefit premiums. GASB 75, a recent statement that is crafted to improve accounting and financial reporting by state and local governments for OPEB, requires including the liability on the financial statements of component units. Due to this, the County required us to show the liability on the Library's FY18 financial statements. We had the initial conference call that involved the County and our auditors on September 7th, and the auditors agreed to include the FY17 ending liability number on our books as prior-period adjustment. The County doesn't have the recent actuarial report yet, but the FY17 OPEB liability that is related to the Library is about \$28,286,000. Mr. Salehudres took questions from the Board regarding the FY 2018 audit. Mr. Salehudres reported that he has requested documentation from the County regarding why the OPEB liability has ballooned to \$28,286,000 from roughly \$5M in FY 2013 when it was paid for by the County.

Operating Budget

The actual preliminary result is about \$126,000 surplus. That amount compares with a surplus of \$583,000 from operating budget activities a year ago.

Revenues were about \$29.9 million, excluding receipt of the state aid-on- behalf of retirees and grant revenue. Total revenue was within \$125,700 favorable compared to the budget including \$282,100 non-budgeted grant proceeds, but excluding State aid-on- behalf of retirees. Some notable particulars:

- County Support, State Appropriations, and revenue from County Correctional Center were as expected.
- Branch revenues were, \$724K, lower than budgeted but higher than a year ago. It was lower ,mainly, due to lower than projected overdue fines. Meeting room revenue was \$179K and higher than the budgeted amount of \$129K.
- Other revenues were significantly lower than budgeted at 62.8%, or \$168K, due to lower than budgeted passport services revenue, mainly because of the closure of the main Hyattsville branch. E-rate rebate was also lower at \$58K, due to timing difference.

Expenses were about \$29.9 million. After offsetting state aid-on- behalf of retirees and grant, expenditure was at 99.1% of budget and above last year's expenditures by about \$2.5 million. Some particulars:

- Compensation costs, after adjusting for the state aid-on- behalf of retirees, were at 97.4%, or \$20.3M actual. FY18 was higher by \$354K over last year's compensation expenditure.

- Non-compensation expenses were overall higher than budget by about \$256K, which are attributable mostly to higher than budgeted consulting fee, security services, payroll outsourcing fee, software licensing & support, building repair & maintenance, and telephone & telecommunication fees.

Capital Improvement Revenue and Expenditure

The County supports large capital improvements, which are paid for by the Library System with reimbursement by the County; this amount was \$4,412,841 for the fiscal year. In addition, the Library received grant from the State to cover for the Bowie branch capital improvement project; the reimbursable expenditure was \$172,547.

FY18 Year-End Cash Balance

The cash balance increased, \$492K, from \$5,082,000 in fiscal year 2017, to \$5,574,400, in fiscal year 2018. This is due to \$126K estimated surplus, \$1,015,900 net decrease in accounts receivable and prepaid expenditure, \$982,400 net decrease in accounts payable and accrued expenses and \$332,900 increase due to prior period adjust as the result of FY17 risk management surplus.

FY2019 Operating Budget Status

Excluding grants, the Library has received revenues of 8.5% of the budgeted amount, compared to about 7.8% a year ago. The increase was attributed to meeting room revenue, passport service due to the additional service location at the Laurel branch, and timing of e-rate rebate revenue. Likewise, expenses were running at 8.5%, slightly higher than budgeted, and the 7.7% level in the prior year:

- Compensation at 8.4% this year, compared to 8.2% a year ago.
- Non-compensation at 6.8% vs. 7.0% of actual a year ago.
- Total outlay at 8.5% vs. 7.7% a year ago.

Mr. Salehudres took questions from the Board members.

- **Chief Executive Officer Report – Michael Gannon, Interim Co-CEO**

Summer at Your Library

Total participation was up again this year, 66,349 participants. That is a 16% increase over 2017.

New Carrollton Branch Grand Opening

The Grand Re-Opening of the New Carrollton Branch took place yesterday and well over 100 attendees came out, which included the President of the Board, Mr. Epps and Toni A. Smith. The County Executive, the Mayor of New Carrollton, and Council Chair Glaros spoke at the event.

Mr. Gannon asked if the Board would like to move the November Board meeting to the newly opening New Carrollton Branch. The Board decided to move the November meeting to the New Carrollton location.

Mr. Gannon took questions from the Board and Ms. Bolivar requested more information about the teen zone in the branch.

Budget School

The Office of Management and Budget announced that this year's Budget School will be held on October 10th from 9:30 – 12:00 and Mr. Gannon encouraged the Board's Budget Committee to attend.

Union Contract Negotiations

Mr. Crawford asked if things were on track to have an agreed upon contract prior to submission of the budget. Mr. Gannon conveyed that another negotiation session took place today and other meetings are scheduled. All parties are aware that the budget is due in November. It is hoped that an agreement can be made, at least on any financial aspects of the Contract, prior to the budget being submitted to the County in November.

Bonds to Support Capital Improvement Projects

Mr. Epps noted that each election year county residents are asked to vote on the bonds that will be floated by the County to pay for capital improvement projects. Dr. Larew noticed on his sample ballot that there is a \$40M discrepancy on the ballot between the English and Spanish versions. Mr. Gannon will report this discrepancy to the Board of Elections.

Staff Day 2018

Mr. Gannon reported that this year's Staff Day will be on Monday, October 8th at Martin's Crosswinds in Greenbelt. He also invited members of the Board to attend.

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

Summer Meals

The total amount of meals served this summer was 3,560. There were only minimal complaints received this year.

Books from Birth

There are over 7,200 County children that are registered for the program and there are 400 that have aged out after turning 5. The County has funded the program for the time being and funding is based on the number of children living in the County.

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

Accokeek Branch Renovation

The branch was closed for three weeks to complete renovations; re-carpet, re-paint, and re-theme the children's area. The children's area is themed Discovery Woods.

Public Building of the Year Award

Tonight the American Institute of Architects, the Maryland Chapter is awarding the Laurel Branch with the Public Building of the Year award.

Playaway Book Pack

The System is increasing purchasing of Playaway book packs due to increased demand and interest from customers.

My Lucky Day Collection

The My Lucky Day leased collection is quite popular and there is interest to expand the program to other branches. The My Lucky Day collection solves a problem for the system so that not as many copies of new materials have to be purchased and later discarded when they are no longer as popular.

Capital Improvement Projects

Surratts-Clinton: The project is currently in permitting but it is expected to receive the permit soon. Once the building permit has been received, the County's procurement department will put out the contract for bid. It is hoped that the contractor will be selected by late fall. The branch will be closed for 14 months during the renovation.

Hyattsville: It has been purported that the same contractor has been selected for the Hyattsville project as the New Carrollton renovation project.

Langley Park: County real-estate office is still negotiating for the land.

Bladensburg: Mr. Gannon plans to request that the funding for the project be moved into the FY 2020 budget rather than the FY 2021 budget so the project can get started. Bladensburg will be the first elite silver rated branch in the system and will replace the current branch but be on the same property. The Library paid Pepco in order to move the existing power lines where the new branch is going to be placed.

Mr. Epps requested that a chart of capital improvement projects be created and updated for each Board meeting.

- **Correspondence Log**

Ms. Bolivar asked if the correspondence from the New Carrollton patron had been responded to. Mr. Gannon provided that the customer was invited to the grand opening of the branch and that a formal response can be crafted to be sent.

Ms. Bolivar requested that the letter from the Councilmembers be sent to the Board.

- **New Business: Proposal to Increase Meeting Room Reservation Rates**

It was proposed that the largest meeting rooms' rental rates be increased as the last time rates were increased was 2013. The rooms that would be impacted are the auditoriums (fee increase of \$50) and large meeting rooms (fee increase of \$25). Mr. Crawford inquired if there has been any feedback received from the public regarding the fee increases. Mr. Gannon indicated that no feedback has been received. Mr. Crawford moved to approve the proposal to increase meeting room reservation rates, which was seconded by Dr. Wright. The motion passed with four votes.

- **New Business: Proposal to Increase both Black & White and Color Printing Rates**

The Library is requesting to increase the fee charged to print in either black & white or color to help cover the increasing costs of toner. Members of the Board raised concerns that the increased costs would be a significant hardship for customers and inquired about what factors were considered in order to propose increasing the fees. Mr. Gannon suggested tabling this item until the next meeting where he will provide a more in-depth report on breakeven point, costs of materials, and utilization.

- **New Business: Board Recognition Policy**

Based on the recent departure of Dr. Christy Wright from the Board, it was recommended that the Board implement a recognition policy. A motion was made by Ms. Smith to develop a policy to recognize those Board members who complete at least one full term. The motion was seconded by Ms. Bolivar. The Board unanimously approved the motion.

- **New Business: Future of Mt. Rainier Branch**

Mr. Epps recognized that the Mayor of Mt. Rainier is in attendance of the Board of Trustees meeting. He also noted that the discussion tonight will not be to take any action regarding the closure of the branch. Mr. Gannon reported that the branch was erected in 1952. The building is heated by a boiler that is controlled by the City's Public Works Department staff and is cooled by a through-the-wall residential air conditioning unit. There is no fire alarm or sprinkler system. An intrusion alarm system and internet access are maintained by PGCMLS. General housekeeping is provided by the Library's Buildings & Groundskeeper staff. Public restrooms are not available due to past incidents of criminal offenses being committed in the public restroom. Staff have use of a unisex restroom that is not ADA-compliant. In fact, the entire space is not ADA-compliant. The City pays the gas, electric and water bills; maintains the building; and does not charge rent.

The City offered the building to the County, but the request was denied due to the deteriorating condition of the building and the cost to bring it up to the current code. Because the building is not owned by the County, the Library cannot use operating or capital funds to make repairs.

Interim Co-CEO, Michelle Hamiel, also reported that there are an unprecedented amount of incidents reported at the Mt. Rainier Branch. There have been reports of higher crime in the area. Ms. Hamiel is concerned about staff that work in the branch. Much of the customer base at this branch is utilizing the branch for shelter during operating hours. Due to limited space, story time is offered at the Watering Hole, a natural food store/juice bar.

In past meetings between the City Manager, Miranda Braatz, and the Library System it was suggested that the branch be closed and that the Library could donate the computers in the branch to the City of Mt. Rainier. The donated computers would be used to open a computer lab for the public since much of the traffic in the Library branch is centered around the need for public computers. The Library agreed to maintain the story time held at the Watering Hole. The Library believes this to be a viable plan as the Bladensburg Branch is 1.5 miles from the Mt. Rainier branch and the Woodridge Branch of the D.C. Public Library is also 1.5 miles away alternatively. At a city council meeting, the Mayor of Mt. Rainier asked the Interim Co-CEOs if the Library would be willing to stay in the branch if necessary repairs were made to the facility. The Library would be willing to stay in Mt. Rainier if the building were to be repaired.

While the staff are very dedicated, there are concerns from Administration for the safety and security of the staff as well as their basic comfort since the air conditioning and heat are often not operational.

Mr. Epps requested a timeline of events concerning Mt. Rainier and when meetings concerning the branch took place. President Epps also encouraged the Interim Co-CEOs to consider alternatives. Mr. Crawford suggested utilizing the Cube as a mobile service to the community; however, Ms. Hamiel explained that the Cube is not outfitted as a book mobile. Dr. Larew also contributed that conversations with community members and

stakeholders should take place to determine the programming needs of the community. Ms. Bolivar requested that once the programming needs are determined that a budget be proposed.

Mr. Epps reiterated that there are no plans to remove the branch from Mt. Rainier and would like to see further discussions had between both the City of Mt. Rainier and the Library to come up with alternatives to meet the customers of Mt. Rainier branch's needs. Ms. Bolivar invited the attendees of the Board meeting from Mt. Rainier to provide budget requests from the City of Mt. Rainier to support the branch prior to the submission of the PGCMLS budget in November.

- **Requests to Address the Board**

Melinda Miles, Mayor of Mt. Rainier

The Honorable Miles found some of the reported issues about the branch surprising as she had not been made aware of them previously. The Honorable Miles agreed that the building was built in 1952, during a time that asbestos and lead paint were used in construction. A plan exists within the City of Mt. Rainier to move the location of the branch and incorporate it within a new constructed community space. Spending on the current facility has been limited so that funding could be made available for the new building. The City does not want to be without a Library branch.

Following a sidebar conversation with the Area Manager, Heather Jackson, the Mayor determined that the building that houses the Mt. Rainier Library branch will be closed temporarily for repairs due to possible asbestos and lead paint concerns, as well as a leaking HVAC system. The Honorable Miles would like to schedule a meeting with the Interim Co-CEOs to discuss next steps.

Celina Benitez, Vice Mayor of Mt. Rainier

Vice Mayor Benitez raised a concern that while the alternative branches are within 1.5 miles, there are transportation concerns for customers as many walk to the current location and may not do so if the branch is not within walking distance. Vice Mayor Benitez encouraged the Board and interim leadership to continue including the City of Mt. Rainier in the conversation regarding the Branch.

Fred Sissine, Friends of the Mt. Rainier Branch

Mr. Sissine thanked Michael Gannon and Heather Jackson for their public service in meeting the needs of the Mt. Rainier community concerning the branch. While the branch is currently inadequate, it is far better than no library. Mr. Sissine stressed the importance of the branch remaining due to the needs of the school aged children in the City. While the City has struggled with the need for a new branch of the Library, it also struggles with meeting other financial requirements for the City. It is Mr. Sissine's belief that the City of Mt. Rainier simply needs more time and the cooperation of the Library System's administration to be able to make changes at the branch or to provide a new location. While the Friends of the Mt. Rainier Branch are there to support, it is there position that the City must take the lead in fixing the issues with the building.

Bryan Knedler, Councilmember on the City Council of Mt. Rainier

Councilmember Knedler shared in the Mayor's surprise in the maintenance issues of the Branch. The building adjacent to the Branch is being renovated and a new boiler is going to be put in place. Since the buildings share the

boiler this should fix the issues with the boiler at Mr. Rainier's Library Branch. Mr. Knedler discussed moving the branch to a space that is adjacent, which is larger than the current space. Initially, the offer that took place months ago, was not for the County to take possession of the branch to make renovations as the building cannot be renovated but was for a new branch that would be owned by the County to be built on the land that the current branch sits.

- **Closing Statements**

Dr. Larew wanted to recognize the efforts of Beatrice Mctirnan, Librarian at the County Correctional Center and invited his fellow members to visit the center when they can.

- Adjourn: 9:29 PM