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**EASTERN SHORE REGIONAL LIBRARY
BOARD OF TRUSTEES MINUTES
SEPTEMBER 8, 2010, 10:00 A.M.
CAROLINE COUNTY PUBLIC LIBRARY
DENTON, MD**

In attendance: Jennifer Ranck, Debby Bennett, Tom Hehman, Jean Del Sordo, Chuck Powers, Mark Thomas, Craig Abresch, Rick Simpson, Rachael Vilmar, Irene Padilla.

Call to order: Jennifer Ranck called the meeting to order at 10:00 a.m.

Chuck Powers moved to accept the March 18, 2010, board meeting minutes. Jean Del Sordo seconded the motion. The motion carried.

Mark Thomas moved to accept the April 19, 2010, board meeting minutes. Tom Hehman seconded the motion. The motion carried.

Jean Del Sordo moved to accept the May 20, 2010, board meeting minutes. Mark Thomas seconded the motion. The motion carried.

Financial report (Craig Abresch):

Checking account has a current balance of \$63,121.89 as of today, September 8, 2010. MLGIP account has \$443,705.22. Total cash on hand is \$506,827.11.

The "Expected Revenues" portion of the financial packet given to the board will give an idea of our expected revenues and expenditures for the remainder of the fiscal year. Funds have been set aside in Personnel for the Administrator position.

At the end of the fiscal year, we expect to have a carry forward of \$145,689.

The packet also includes the current balance sheet, as of September 1, 2010, and the P&L statement, from July through September 1.

Mr. Thomas asked what the actual carry forward from fiscal year 2010 turned out to be. Mr. Abresch estimated that it would be about \$460,000.

Jean Del Sordo moved to extend the deadline for expenditures and reimbursements of FY2010 grants to libraries until December 31, 2010. Tom Hehman seconded the motion.

Ms. Del Sordo indicated that the auditors said that if this were accepted by the board, it would be acceptable. She also said this would give the libraries more flexibility. Mr. Thomas asked if there were any drawbacks to this idea. Mr. Abresch said there weren't.

The motion carried.

Chuck Powers moved to accept the financial report. Jean Del Sordo seconded the motion. The motion carried.

Committee Assignments (Jennifer Ranck)

Ms. Ranck pointed out that the bylaws require that we have certain committees, and in reality we have different ones. The bylaws need to be updated sometime this year to reflect the change. We will continue with three committees: Technology, Personnel, and Finance.

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Technology committee: Bob Horvath (chair), Jean Del Sordo, Debby Bennett.

Personnel committee: Mark Thomas (chair), Chuck Powers, Tom Hehman.

Jennifer Ranck made a motion to move into executive session. Jean Del Sordo seconded the motion. The board moved into executive session at 10:20 a.m.

Regular session resumed.

Irene Padilla joined the meeting.

Administrator's report (Craig Abresch):

Mr. Abresch drew the board's attention to two position descriptions: one for the training coordinator and one for the administrative assistant.

The pay grade for the training coordinator will be 11, a salary range of \$40,415-\$60,772. We would like to advertise for this position right away. This position will report to Rachael Vilmar. Ms. Padilla asked how we would advertise. Mr. Abresch said we will advertise online and in local print – Daily Times and Star Democrat. Ms. Del Sordo asked who would be on the hiring committee, and whether a board member would be included. Mr. Abresch said that he and Ms. Vilmar would choose the committee, and asked for a board volunteer. Ms. Bennett volunteered.

The pay grade for the administrative assistant will be 7, a salary range of \$27,270-\$39,541. Ms. Ranck asked if this position was replacing the office assistant position, or if it was combining the duties of the office assistant with the administrative services manager. Mr. Abresch said that it was a combination of the office assistant position with some of the responsibilities of the old administrative services manager position. All of the financial/accounting aspects of that position have been stripped out.

Ms. Padilla strongly suggested that ESRL hire a bookkeeper. Outsourcing to an accounting firm does not provide the same degree of accountability. Mr. Abresch said that he would ask the auditors for their recommendations on this. Mr. Thomas recommended that we ask the auditors to discuss this when they present the audit at the next meeting. Mr. Abresch agreed, and also mentioned the possibility of giving some of the responsibility for handling invoices to Dean Haemel.

Mark Thomas moved to open the search for the Administrative Assistant. Jean Del Sordo seconded the motion. The motion carried.

Connie Phoebus will be retiring on September 30, 2010. She will receive a check for her accumulated vacation time. We will be having a retirement party for her at 12:00 p.m. on September 30, at ESRL, and board members are invited. We plan to hire an Elvis impersonator for the party.

Grants to libraries: each board member should have a letter indicating the remaining balance of their grant funds from ESRL. Ms. Del Sordo asked if ESRL could send out an official notice that the deadline for grant fund expenditures has been extended to December 31, 2010. Mr. Abresch agreed.

Seven staff members have overpaid for their health insurance premiums, for a total overpayment for fiscal year 2010 of \$5,019.32. Mr. Abresch has spoken to ESRL's attorney, Robin Cockey, about how to remedy the situation. Mr. Cockey's opinion is that since we do not have a formal policy stating that we provide 90% premium coverage for staff with dependents, ESRL has no obligation to reimburse staff. ESRL will, however, reimburse staff for one year's overpayment, in order to show good faith. We also need to revise our personnel manual to clarify exactly what coverage we provide.

Ms. Del Sordo asked whether we provide 100% coverage for the employee, and 90% of any additional costs for dependant coverage. Mr. Abresch said that we do.

Ms. Del Sordo moved that ESRL reimburse staff for insurance premium overpayments during fiscal year 2010. Mr. Thomas seconded the motion.

Mr. Thomas asked about the tax implications for employees. Mr. Abresch said that the reimbursements will be taxable. Mr. Thomas and Mr. Hehman offered alternate solutions, but Mr. Abresch said that staff had indicated that they would prefer to be issued checks for the reimbursements. The board agreed to go along with the wishes of the staff.

The motion carried.

ESRL has had problems with credit cards in the past, but we have now put in place mechanisms to eliminate the risks and issues we have had in the past. Staff are now putting ESRL expenses on their personal credit cards, and they are uncomfortable with this situation. Mr. Abresch would like to reissue credit cards to managers.

Ms. Ranck asked what the credit limit would be. Mr. Abresch said it's difficult to say, since we have to put large sums on the cards at times, and that a set limit would not prevent fraud. Mr. Hehman would like a written opinion from the auditors regarding the safeguards they recommend in the area of credit cards. Mr. Abresch will discuss it with the auditors. He asked whether we should hold off until we have that statement, or move forward immediately.

Mark Thomas moved that we approve the reissuing of credit cards subject to email review by the board of a relevant statement by the auditors. Jean Del Sordo seconded the motion. The motion carried.

In the past, ESRL has shouldered a lot of the cost for MACo. ESRL's portion of the cost should be \$727.55, whereas the total cost of MACo this year was \$5,045.55. We will be sending out invoices to the other library organizations for their portion of the expense. This will be the first year that we do this, so Mr. Abresch wanted to bring it to the attention of the board. In the past, ESRL has covered the entire amount, and the other organizations will not be expecting to pay their portions.

Ms. Del Sordo suggested that we notify each organization what their cost would have been if ESRL did not subsidize it, and that next year we will not be covering those costs. Ms. Padilla suggested that maybe this is something that ESRL should be covering for the state, and that maybe the regionals should get together and discuss what they are contributing to statewide efforts. Ms. Del Sordo agreed, but said that the other organizations should still be informed of what their costs would have been, and that if other arrangements are not made, next year we will be billing them for their share.

Information Technology report (Rick Simpson):

We have hit a snag with the voice-over-IP (VOIP) phone system. ESRL has never had a Verizon data line, because it's all been provided by Sailor, so we have never been attached to the Maryland state contract. So in order to get Maryland state contract pricing, they need to process all of that paperwork before they can process our request for the circuit that we need to run the VOIP system. The tentative install date was September 20, but it's going to take an additional two months to get us attached to the Maryland state contract. Now we're looking at late November or early December before we will actually have a functioning VOIP system. With the new system, staff will have direct extensions, plus call forwarding.

We have decided to go ahead and implement Windows 7. The first packages of patches and service patches are out, which is our threshold for deploying new Microsoft products. So if you're interested in Windows 7, feel free to order it with any new hardware purchases. We suggest starting with staff machines, before deploying it on public machines, to ease the transition for staff. For public machines, you do need to stay with the 32 bit operating system, due to Envisionware restrictions.

The training lab is finished. There are four additional computers, for a total of sixteen. They are very nice machines. Feel free to reserve the lab if you need it – it's there for your use.

Every year we evaluate our anti-virus product. We pay \$8500-9000 per year to license an anti-virus product for the whole region. None of them are ideal, but Symantec always comes out ahead. We just learned that our MEEK agreement now includes something called Microsoft Forefront, which is Microsoft's new security suite. It includes anti-virus, anti-spyware, enhancements to the firewall, etc. IT department will evaluate it. If it is better than or equal to Symantec, we'll go with it. If we do implement it, we'll have to touch every PC on the shore.

Information Services Report (Rachael Vilmar):

All of our new databases are now live. They include Byki, the language learning product from Recorded Books, NoveList, the reader's advisory product from EBSCO, and Brainfuse, the online tutoring product which will replace Tutor.com. We also have enhanced newspaper coverage from Proquest. Webinars have been available to introduce your staff to these products, and marketing materials have been distributed.

I would also like to invite you to take advantage of Dave Wiley's offer to do in-person staff training on NetLibrary. I imagine that he would also be willing to touch on Byki in those sessions.

We have selected the author for next year's spring children's author visit. It will be Henry Cole, who writes and illustrates juvenile fiction and picture books. He was a 2008 Green Earth Book Award honoree. The dates of the visit are April 5-8, 2011, and Henry will be visiting all of your libraries this year, as well as Salisbury University. This will take place in conjunction with the Salisbury Children's Literature Festival. Since your children's librarians will be inviting school groups to attend his programs, it will make for a great partnership between the libraries, the schools, and the university.

Gale has given us the option of doing geographic authentication for our Gale databases. Sailor is already doing this with EBSCO. The advantage of geolocation is that the authentication process should be seamless for the offsite patron. The disadvantage is that we would sacrifice granularity in our statistics. Statistics by county would not be accurate. Given those facts, Rick and I thought this was a decision that should be made at the board level. If you have any questions, I defer to Rick's technical expertise.

Ms. Bennett pointed out that we've never had accurate statistics, and Mr. Simpson agreed. Mr. Simpson said that the fairest, most reasonable way to collect statistics would be to take the number and divide it by eight. He said that identifying libraries by zip code will not work because zip codes and IP addresses overlap. Mr. Thomas asked how it would look and feel for the end user. Mr. Simpson said that they would click on the link from the website and be taken straight into the database. Mr. Thomas asked what would happen if he were visiting his son in Atlanta and wanted to use one of the databases. Ms. Vilmar said that it would fall back on library barcode authentication.

Ms. Padilla explained that one of the reasons that Sailor moved towards this is that it opens up all the databases to K-12 students, without them having to use their library cards.

Several board members were in favor of moving to geographic authentication. Ms. Vilmar said that she would go ahead with it.

Several of you already have contracts with Movie Licensing USA. ESRL would like to offer to pay for movie licensing for all of you, which would cost \$5,595 per year. Movie Licensing USA has

told me that they will issue refund checks for any unused portions of their individual licenses if we decide to make a group purchase. Refund checks are sent to the individual libraries after payment is received by MLUSA on the group license.

No one was opposed to this idea, so Ms. Vilmar will move ahead.

Debby Bennett and Rachael Vilmar have been planning two advocacy workshops, to take place at the Denton library in October and November. On November 20, trustees, friends, directors, and other library advocates are invited to take part in a workshop we're calling Defending Your Library. The morning session will focus on fundraising, and the afternoon will focus on local, year-round advocacy. We are hoping that you can distribute those fliers to your trustees, and that some of you will be able to attend as well.

Ms. Bennett said that this idea originated with her board and her friends group, and asked that if anyone has suggestions for the panel on foundations and fundraising, to please let her know.

Ms. Padilla asked whether Ms. Vilmar or Ms. Bennett have talked to Daria Parry about this at all, because Carolyn Sheffield recently pulled together a group of people from around the state who are involved with foundations. Ms. Bennett said that she is on that committee.

We are also tentatively planning a workshop for October 23, led by Paula Singer, called Library Trustee 101. It will go over the most essential portions of the new Trustee Manual, and the duties of a library trustee.

Ms. Bennett said that the idea for this workshop also originated with her board, to target not only current board members, but people who are interested in serving on a library board. This may be something we want to do regionally every so often. Her board is still struggling with understanding the budget, so they would like some training on that as well. She would like a financial person who is neutral to come in and talk about it.

Ms. Padilla suggested that we invite the training coordinators from the other regional libraries to this workshop. Ms. Bennett agreed that we will invite library organizations from around the state, including MLA and DLDS.

Irene Padilla's Report

If you've seen the news articles about what has been going on at the Kent County Library, they are fairly accurate. The library board has appointed a staff member that's been there for thirty years as the interim director. They wanted to appoint her executive director, but Ms. Padilla told them they couldn't do that – they need to start looking for a director. The problem is that they didn't budget for a director's position. Their situation is very drastic. They still have unpaid bills from last fiscal year. The board treasurer has spoken very highly of Craig Abresch for helping them get their funding from the regional library. They asked MSDE for an advance, which is unprecedented. The first responsibility for the new director is going to be to figure out how to save money in their current budget so that they can meet all their other needs. They're going to have to cut some fairly large pieces.

It's essential to have a director there. A successful director search will take at least three months. They have no money to pay for a director, however, so I am asking the regional board to consider giving Kent an extra payment this year to pay for half of the director's salary and benefits. This would probably total \$50,000. We only need half, because there won't be anyone on board until January at the earliest – halfway through the fiscal year. I have talked to Jennifer Ranck about this, and I'm open to questions, but this is really an area where the regional could step in and help. I'm afraid that library will be taken over by the county if we don't do something to show that we are helping them move forward.

Ms. Del Sordo said that there are other libraries that are county departments, including Montgomery. Ms. Del Sordo said that Mary Baykan and others are afraid that this will begin a process that will end with all libraries being structured that way – that it will change library law. This would take away the independence of your library board. In Montgomery County they only have a library advisory committee, which is really a step down when you're talking to your county executive, etc. They don't carry anywhere near the weight that trustees do.

On September 15, we (Ms. Padilla and representatives MSDE's audit branch) will be going out there and talking to them about their recent audit, and making sure that the recommendations from the auditor are solid as far as what the expectations are from the library's side. We will be building action plans for each of those recommendations and monitoring them quarterly. The question is whether the meeting will be open or closed. It's the library's decision, and we haven't heard back from them yet.

I will go back on September 30 to meet with the whole board. We will talk in open session, and then we will go into executive session to talk about personnel matters. We will be talking about what their legal responsibilities are, and how the board needs to be organized and structured. Any board can get to the point where it's a closed circle, but the idea is to broaden that.

Ms. Del Sordo asked what assets the Friends of the Kent County Library have, and how they are being utilized to diminish the problem. Ms. Padilla replied that the Friends are a fundraising arm, and not something she has responsibility for or control over. Ms. Del Sordo said that she thinks the Friends, whose responsibility it is to raise money for the Kent County Library, should be asked to support them before the ESRL board is asked for \$50,000. Ms. Padilla said that one of the issues is that, for the most part, Friends and foundation boards support things that are not part of the operating budget. Ms. Del Sordo said that there's no reason they can't. Ms. Padilla said that it depends how they raise their money, but it's generally understood that Friends money goes towards things the library could not otherwise afford, so that the county does not get the impression that the Friends will support the library. Ms. Del Sordo said that she understood, but if it's a matter of ESRL giving up \$50,000 of revenue that could go to support any of the eight county libraries, but the Friends have a pot of money that was raised to support the library... Ms. Padilla said that she would not be the one to approach them about it, but if Ms. Ranck wants to call or designate someone to call and find out that information, that's fine. Ms. Padilla pointed out that ESRL receives state money, that the regionals have taken no funding cuts, and it would be very helpful if we could keep that in mind.

Ms. Ranck asked whether ESRL grant money can be spent on personnel, or whether ESRL money would be spent on materials, etc., which would free up other money to be used for personnel. Ms. Padilla indicated the latter. Ms. Ranck asked whether the money would be given to them in a lump sum. Mr. Powers suggested it be given to them in two increments. Ms. Ranck said that she believes Kent has been overpaid in their grant reimbursements, and asked Mr. Abresch to speak about that.

Mr. Abresch said that one of the reimbursement requests from Kent County was improperly filed by ESRL. They were overpaid about \$8419.

Mr. Powers asked for a copy of Kent County Public Library's budget for fiscal year 2011. He asked what KCPL has spent their ESRL grant money on in the past. Mr. Abresch said that it was generally materials and technology. They lease a lot of technology, which means their technology costs are higher than they would be if we supported them.

Mr. Hehman said that it seems like we are being asked to bail someone out, and we do have the resources to do that, so what is a reasonable quid pro quo? He asked why we should just give them the \$50,000 if they still don't have their act together. Ms. Del Sordo agreed that there needs to be some expectations set. Ms. Padilla agreed, but said that unless they get a director, they're not going to get out of this situation.

Ms. Del Sordo asked if ESRL could hire an interim director as our employee. Ms. Padilla said it would be up to the Kent board, but she thinks they need someone who's going to commit to Kent County, and who is going to be part of that community, and make reasonable monetary decisions.

Mr. Powers suggested that we give them the money in more than one payment, and that when they get to a situation where they're operation, they have to pay the money back. One way to do this would be to reduce their share of ESRL grant money for the next so many years. Ms. Del Sordo said that she could find this idea acceptable. Mr. Powers said that we need to be very clear about what the money can be used for, because he doesn't want ESRL to be implicated if Kent uses the money for something they would not ordinarily use it for. Mr. Hehman asked if the funds should be contingent on having a certified library director in place. Ms. Padilla said that we shouldn't give them any money until they do, but to hire someone in good faith they need to know they're going to be paid.

Mr. Powers said that perhaps ESRL can act as consultants to help Kent reduce their technology costs, etc. Ms. Padilla said that would be a good idea, and that she thinks Chris Roseberry would be very open to working with ESRL on that.

Ms. Padilla said that the county will be taking over Kent's accounting needs – the county will be their fiscal agent. She has spoken to the county administrator and the county CFO many times, and they are very sharp, down-to-earth people who just want to help the library. Anything that ESRL does will need to be worked out with their CFO.

Mr. Abresch said that he had asked Betty what they would need to get out of the red. She identified \$15,000 of unpaid past invoices that date back quite a ways. He spoke to Ms. Del Sordo because he was concerned about the \$15,000. He thinks we may be able to assist them by allowing them to use current grant funds to pay invoices that predate the grant period. Ms. Padilla asked if he meant changing the restrictions one time only. He agreed. He said they have a remaining balance, for this fiscal year, of \$66,000 of grant funds.

Mr. Thomas asked if there is any legal prohibition on doing this. Mr. Abresch said he didn't think so, that it's just a question of board approval.

Ms. Del Sordo moved that fiscal year 2011 grant funds may be used to pay invoices that predate July 1, 2010, provided that those invoices still cover eligible expenses. Mr. Thomas seconded the motion. The motion carried.

Ms. Ranck said that in order to move forward on this pledge of support, the ESRL board would like to see a copy of the Kent County Public Library budget, and we won't be obligated to give them any funds until they have a director in place. The money would be phased in, and the ESRL board will be able to determine the eligible expenditures. In subsequent years, ESRL will recover those funds by reducing the amount of Kent's future grants to libraries.

Ms. Del Sordo said that we need to find out whether these terms are acceptable to Kent County before we make a motion. Ms. Padilla said that someone from the ESRL board should be designated to speak with Betty Spence and the Kent County CFO. Ms. Ranck asked Mr. Powers if he would be the designee. Mr. Powers agreed, for the present.

Ms. Bennett asked whether Ms. Padilla would be on the hiring committee for the Kent County Public Library director's job. Ms. Padilla said she would.

DLDS Report (Irene Padilla)

DLDS is down to a little over \$750,000 from the state, which is half of what they had as late as 2006. This caused a problem with their federal money, because they are only allowed to spend 4% of their federal funds on administrative costs. They've always been able to do that, because they've always had money from the state, but now the state money is gone. They reported on 2008 in December of 2009, and it turned out that

their administrative costs were over 4%. They have had a lot of interactions with IMLS, and they have paid back the overspending from FY2008 – almost \$85,000. For 2009, they are projecting closer to \$100,000. Because of the 2008 issue, and the problems DLDS is having giving grants for staff development and other needs, we have been named a high risk state by IMLS. This means they are doing a full audit on 2008, 2009 and 2010. DLDS is working hard to pull this information. They are only high risk for six months.

Future meeting dates: October 27, 2010 and December 15, 2010.

Mr. Thomas moved to adjourn the meeting. Ms. Del Sordo seconded the motion. The meeting was adjourned.