

Fayetteville Public Library
Board of Trustees Regular Meeting
December 17, 2012, 4 pm
Minutes
Prepared by S. Daniel, Office Manager

Board members present: K. Agee, B. Boudreaux, S. Clark, S. Graham, E. Jordan, and M. Rice. Board members absent: D. Ferritor.
Staff present: D. Johnson, S. Davis, and S. Daniel.

- I. The Board of Trustees meeting was called to order at 4:01 pm by S. Clark.
- II. Minutes
 - A. Minutes of October 15, 2012: **B. Boudreaux moved to approve; M. Rice seconded. All voted AYE.**
- III. Reports
 - A. Management reports
 1. Key upcoming events: D. Johnson noted children's programming will take a 2 week break from December 31, 2012 through January 13, 2013. Holiday events include the Brian and Terri Kinder Christmas Concert. Teen programming includes Atari to xBox, Free Flix before Six and Silent Library.
 2. October - November Strategic Plan progress: D. Johnson noted the successful Gala. Kudos to M. Burdette for coordinating 133 volunteers who donated over 1000 hours to the event. The partnership with AETN is going well; film showings and the panel discussions that follow have been well received. Food for fees was a success. The Friends have purchased a one-year license for Freegal, a download music service sold to libraries for free use by their cardholders (\$11,000). Outreach efforts include Upward Bound, Lifestyles, Lending Hands, and Butterfield Trail. Attendees at the PUG conference chaired by L. Yandell called it the best one ever. FPL was voted best library by Citiscapes and NWA Times readers. In 2013, we will partner with First Thursdays and book children's acts for these evenings.
 3. October-November Performance Measures: D. Johnson noted that while circulation of all print materials is up, digital downloads have skyrocketed 69% over last year. Our problem is keeping up with demand because eBooks circ only one at a time. The digital collection has grown by 95%, but we need even more. A decline in eFPL usage is typical for this time of year.
 - B. Financial reports
 1. Balance Sheet as of November 2012: S. Davis noted the market is volatile with the fiscal cliff looming.
 2. Budget to Actual through November 30: Between all revenue sources, FPL will end up with approximately \$11,921 more than we budgeted. In the personnel line, we are ahead by \$140,000 due to various position vacancies during the year. Predicted annual revenue stands at \$3,790,415 and predicted annual expenses are \$3,591,750 for a difference of almost \$200,000.
- IV. Old business
 - A. PTO and Sick Accruals: The 2011 audit noted there are several employees with an excessive amount of PTO and ESL. Should all of these employees leave at the same time, the library would face a financial hardship. Staff researched PTO and ESL policies in place at other entities and developed a number of options to mediate the risk, as listed in the memo. There are 12 employees above 320 PTO hours and 6 above 500. If everyone cashed out their excess PTO hours or rolled them into their retirement fund, approximately \$50,000 would be required. It was also noted that ¾ time employees accrue PTO at only ½ the rate of full-time employees. **M. Rice moved to approve recommendation 1 which increases monthly PTO and ESL accrual for Group 2 employees to ¾ of the accruals of Group 1 employees; B. Boudreaux seconded. All voted AYE. M. Rice moved to implement a new maximum PTO balance of 320 hours; B. Boudreaux seconded. All voted AYE. B. Boudreaux moved to approve recommendations 2a, 2b and 2c which list the options available to employees for reducing excess PTO. M. Rice seconded. All voted AYE. Historically, few employees opted to cash out their PTO because the value was set at only 50%. B. Boudreaux moved to approved recommendation 3 raising the buyout to 100%; M. Rice seconded. All voted AYE. M. Rice moved to approve recommendation 4 requiring Group 1 and Group 2 employees to take a full work week off on an annual basis; B. Boudreaux seconded. All voted AYE.**
 - B. Gala update: D. Johnson stated we are doing final payment negotiations with VISTA, and will then be able to issue a full report, including financials. There has been lots of praise for the event which resonated with the community. At public viewings of the DVD, we have had to turn people away at the door for lack of capacity. The DVDs are selling very well. Kudos to S. Foley for her vision and all her efforts to create this memorable event.

- C. Resolution of Appreciation: **M. Rice moved to approve the Resolution of Appreciation for the firm of Davis, Clark, Butt, Carithers & Taylor; K. Agee seconded. All voted AYE.**
- D. Space Needs Analysis Update. D. Johnson noted that the deadline for submitting statements of qualifications is noon on 12/18/2012. The submittals will be graded by a selection committee that will recommend the top 3 to the Board of Trustees.

V. New business

- A. Cafeteria Plan (DataPath) payment card: S. Davis explained that currently employees must submit receipts and be reimbursed. We are submitting paperwork to set up debit cards as a convenience to employees.
- B. 2012 Budget Adjustment Approval: **B. Boudreaux moved to approve the reallocation in the schedule of proposed budget adjustments; M. Rice seconded. All voted AYE.**
- C. 2013 Budget approval: S. Davis noted the FINRA grant for \$28,835. This is the amount budgeted for 2013 from a larger grant of almost \$100,000 to be spread over 27 months. There is a good chance of going over \$4 million in total revenue in 2013 due to additional grants received during the year. We are budgeting \$2.4 million for personnel, including \$78,000 for merit-based raises. Management is revamping the evaluation process. Evaluations will take place in February; raises will be established in April. Library materials and programming are budgeted at \$701,000. Freegal, paid for this year by the Friends, may be budgeted by the library in 2014. Volunteer and outreach programming will be more aggressive. Transfers from designated funds will pay for replacing \$30,000 worth of furniture nearing the end of its 7-10 year useful life. The 2013 budget shows a deficit of \$108,000 but a management position will likely remain unfilled. In 2012, we had a deficit of approximately \$100,000 but are ending with a surplus of at least \$150,000. In 2013, we will likely have a \$50,000 surplus if we don't use the salary savings. The real estate market is strengthening. **M. Rice moved to adopt the proposed budget; S. Graham seconded. All voted AYE.**
- D. Audit contract approval: Five firms responded to our request for qualifications. A committee selected BKD. Their fee is \$17,900 which is a little less than for the 2011 audit. Had we gone with Grant Thornton, the city's choice, their fees were considerably higher. **M. Rice moved to approve BKD as the library's auditor for the next 5 years; B. Boudreaux seconded. All voted AYE.** The foundation will vote independently about their choice of auditor. S. Davis noted he has been in contact with the inspector general's office for NEH about the need for a single audit. Because we received bridge funding, that reduced the amount of the grant, we are not subject to a single audit - unless we get additional federal money that puts us over \$500,000 in federal funding. Future federal grants should be in the library's name.
- E. Engagement Letter for Library: No further action required.
- F. Engagement Letter for Foundation: No further action required.

VI. Adjournment: **K. Agee moved to adjourn; M. Rice seconded. All voted AYE.** Meeting adjourned at 5:14 pm.

