

**PLUM CREEK LIBRARY SYSTEM
GOVERNING BOARD**

TIME & PLACE:

The Plum Creek Governing Board met at the Murray County Courts Building, Slayton, MN on February 19th, 2014 at approximately 6:30 p.m. Chairperson Rose Schultz presided.

PRESENT:

Commissioner Jim Schmidt, Cottonwood County
Commissioner Rosemary Schultz, Jackson County
Commissioner Don Evers, Lincoln County
Commissioner Charles Sanow, Lyon County
Commissioner John Giese, Murray County Alternate
Commissioner Gene Metz, Nobles County
Commissioner Harold Miller, Pipestone County
Commissioner Sharon Hollatz, Redwood County
Commissioner Jody Reisch, Rock County
Cindy Albrecht, Jackson County (Jackson)
Reba Lipinski, Lincoln County (Ivanhoe)
Will Thomas, Lyon County (Marshall)
Tom Runholt, Lyon County (Marshall)
Marcia Kunze, Murray County (Slayton) Alternate
Jean Meester, Nobles County (Worthington)
Evan Schiller, Pipestone County (Pipestone)
Clara Friese, Redwood County (Redwood Falls)
Tom Ellig, Redwood County (Redwood Falls)
Patsy Amborn, Rock County (Luverne)

M. Ranum, C. Lang, C. Wicks, M. Salentiny, and J. Sasse were PCLS staff in attendance

ABSENT:

Anita Winkel, Cottonwood County - Windom
Susan Hansberger, Nobles County (Worthington)

1. CALL TO ORDER

Chair Rose Schultz called the February 19th meeting of the Governing Board to order at approximately 6:30p.m.

2. INTRODUCTIONS

Introductions were made.

3. TRUSTEE AND OFFICERS OATH OF OFFICE 2014 (documents in packet)

The Governing Board and Board Officers signed the Oath of Office document as legal appointees from a county to handle tax dollars.

4. PUBLIC COMMENT

PCLS welcomes comments from the public on agenda topics or other issues. However, no action will be taken by the Board on comments made. The public is encouraged to notify Plum Creek prior to the meeting if they are interested in making comments on a specific agenda topic or issue. Individual's comments will be limited to five (5) minutes. PCLS will allow a maximum of twenty (20) minutes for public comment during any one Board meeting.

5. AMENDMENTS TO THE AGENDA (e-mailed/mailed) (action)

Ranum requested the following addition to the February Governing Board Agenda:
Old Business C. Zinio Contract

M/S J. Schmidt/D. Evers to approve the Agenda of the February 19th meeting of the Governing Board as amended.

Motion passed by unanimous vote.

6. MINUTES

6A. Governing Board

6A1. Governing Board October 16, 2013

M/S J. Reisch /S. Hollatz to approve the Minutes of the October 16th 2013 meeting of the Governing Board as presented.

There was no further discussion.

Motion passed by unanimous vote.

6B. Advisory Council – Information documents

6B1. October 16, 2013

The October 16th Advisory Council Minutes were distributed prior to the meeting as an information document.

There were no questions or concerns.

7. REPORTS

7A. Financial Report (action) (email/mailed)

7A1 Oct 2013 – Feb 2014 Checks issued (Feb packet and emailed)

7A2. December Financial Statement (Feb packet and emailed)

7A3. Balance Sheet (Feb packet and emailed)

7A4. Cash Flow (Feb packet and emailed)

Various financial documents were distributed prior to the meeting.

Ranum entertained questions or comments. Ranum noted that PCLS is "cash rich" at this point in the fiscal year.

In response to an inquiry by Sanow regarding disbursement of Ranum's compensation package, Ranum explained he had gotten a email question from Thomas that had been sent to last year's finance committee requesting information regarding his compensation package. In the past, Ranum's compensation package had been divided in equal payments throughout the year and followed the regular payroll cycle. However, after the state government shutdown and cash flow problems experienced by PCLS, Ranum's contract was adjusted to allow for cash flow flexibility in payment of this contract. For Ranum's personal tax purposes, the Board allowed for payments to be flexible depending on the time of the year. A larger portion of this compensation package was therefore paid out in December of 2013 to reduce his tax liability for 2013 and 2014. Thomas challenged this practice by stating that Ranum was being paid in advance. Ranum noted that his contract says that payment to the Director is based on cash flow and not equal payments. Also, Ranum's payments would be the first withheld if the organization was in financial difficulty, as has happened in the past.

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Ranum explained that the two library system director positions he holds are not his only source of income. He reiterated that he is NOT paid in advance as implied by Thomas, for his work at PCLS. Payments made to Ranum are based on his contract with PCLS and on the viability of PCLS cash flow at the time of disbursement.

Sanow asked if PCLS was on a calendar or fiscal year. Ranum replied that PCLS is on the State Fiscal year.

M/S J. Schmidt/G. Metz to approve the financial documents as presented.

Thomas clarified that the email he sent was to a "portion of the board" was in fact the finance committee regarding Ranum's compensation package, not the full board or by random selection.

It was noted that the Board Chair appoints an adhoc finance committee on an as-need basis. The ByLaws do not specify a finance committee.

There was no further discussion.

Motion passed by unanimous vote.

7B. Pledged securities document (packet and emailed)

Ranum made the Board aware that PCLS is required by law to have the securities pledged against all deposits. A document detailing the securities pledged by United Prairie Bank was provided to the Board members.

There was no action needed by the board.

7C Budget Adjustments (Outreach and LSTA Grant) (action)

Ranum made the Board aware that there are two budgets running simultaneously. One is the PCLS operational budget and the other is the Outreach Budget. The Outreach budget reflects revenues from and expenditure for the outreach stops supported by four participating counties (Cottonwood, Murray, Pipestone and Redwood). The budgets are run separately to ensure that no state funds or PCLS operations dollars are used to support the Outreach program. Adjustments to the Outreach budget were presented.

The LSTA Grant budget was also presented and adjusts identified. The LSTA Grant provides dollars to add the Fulda and Murray County schools to the database and includes costs for converting holds, telecommunication equipment and other equipment needs, supplies, etc.

M/S J. Reisch/C. Friese to approve the Outreach and LSTA Grant budget adjustments as presented.

There was no further discussion.

Motion carried by unanimous vote.

7D. SAMMIE update (if any)

Evers reported that Shelly Grace has been hired as SAMMIE Director and the SAMMIE Board is considering the hire of a part-time position.

Evers also reported that the SAMMIE Board reviewed the personnel policy and fiscal year budget.

Ranum noted that a member from the PCLS Board needs to be appointed to the SAMMIE Governing Board to replace Marcia Bork and called for a volunteer.

Hollatz volunteered to serve on the SAMMIE Board.

M/S D. Evers/J. Giese to appoint Commissioner Hollatz to the SAMMIE Governing Board.

The Board thanked Commissioner Hollatz for volunteering for the appointment.

There was no discussion.

Motion passed by unanimous vote.

7E. Annual Delivery Report of Usage 2013 (Feb packet [if available])

The 2013 Annual Delivery Report of Usage was distributed and reviewed. Ranum noted that the delivery report does NOT reflect only interlibrary materials moving between libraries but includes a count of all things delivered between libraries. A good example of this would be the rotation of cake pans on a quarterly basis. The cake pans are counted as items on the delivery, however are only reported on the Interlibrary Loan report when they are requested by a patrons. For this reason, the numbers reflected on the delivery and interlibrary reports will never match.

Delivery decreased by 8.45% over the previous year.

7F. Annual ILL Report of Usage 2013 (Feb packet)

The 2013 Interlibrary Loan Annual Report of Usage was distributed. It was noted that the Interlibrary Loan report is a compilation of the libraries' monthly reports and provides the Board with resource sharing comparisons between member libraries.

Interlibrary loan activities decreased overall by 12% from the previous calendar year.

Evers reported that Siverson Public Library (Hendricks) has expressed interest in becoming a member of Plum Creek. Ranum noted that he would contact the city and the library.

Runholt commented that the Redwood Falls Public Library experienced a significant increase in the number resource shared materials. Ranum noted that the Redwood Falls collection in particular is extremely well selected and supported by the community foundation and city funds.

Friese also noted that community members purchase materials as well under the "adopt a book" program.

7G. LSTA School Grant update

Ranum reported that the LSTA School grant was awarded. Ranum reiterated that the LSTA grant is a broad project which provides funding to add Fulda Elementary and High and Murray County Central School to the PCLS automated catalog. Funds provided by the grant will support data retro-conversion, library equipment needed at the schools to support the PCLS automated system, upgrades to the PCLS telecommunication equipment infrastructure, delivery equipment and supplies, item barcodes, etc.

PCLS staff salaries cannot be paid with Grant funds.

Ranum stated that the schools should be up and running on Koha by the late spring, and if not, then by September 30 of 2014 (the end of the LSTA grant funding year).

Ranum commented that having the schools included in PCLS provides an additional long-term income stream for PCLS.

7H. New Advisory Council members

A list of new Governing Board and Advisory Council members were provided to the board for information.

The New Governing Board members were introduced and welcomed to PCLS.

Ranum noted that individuals appointed to the Board as an "alternates" do not have to attend each meeting. However, they do have the same voting rights as the regular member appointed to the Board if attending the meeting in place of the regular voting member.

7I. Library Legislative Platform 2014

Ranum made the Board aware that the State Library will be revising the State Capital projects grant program including application materials. MLA is asking for \$3,000,000 in capital grant funds. The \$3,000,000 has been included in the House Capital budget, but not yet in the Senate's Capital budget nor the Governor's Budget.

If allocated, Libraries will be able to apply for these funds in the fall.

MLA is also asking for \$2.3 million in RLTA (Regional Library Telecommunication Aid) funds to expand Internet bandwidth access to public library.

The Legislative Platform was distributed to the Board for their information.

Ranum noted that there is national effort to investigate e-book pricing as it pertains to libraries. 'MLA and MEMO encourages the State of Minnesota to pursue an investigation of the wide variance of pricing in e-books for libraries as compared to individuals, and an exploration of possible remedies to this uneven and discriminatory sales model' as documented in the 2014 Legislative Platform.

7J. PCLS Building upgrades

Ranum made the Library Directors aware of several building upgrades made to the PCLS Headquarters. The upgrades include a new back door with new siding and insulation surrounding the door, and two new furnaces (one installed last year, the other will be installed this spring).

Ranum noted that ceiling lighting was replaced a couple of years ago and that a future project may be replacement of carpets and vinyl flooring.

Ranum noted that PCLS owns the building and has a responsibility to maintain it as an asset of the organization.

7K. Other

There were no other reports brought to the table.

8. OLD BUSINESS

8A. Director's Compensation Options (Feb packet and emailed)

8A1. Director Compensation – current Contract

8A2. Director Compensation – Contract (Employee version)

Ranum distributed two Director Compensation package drafts as requested. One is for Contract for Library Director services as a Contract employee and one as a Contract for Library Director services as an exempt employee of the organization with salary and benefits.

Ranum noted that the Compensation package of the Contract as an employee does not exceed the amount of compensation provided the Director as a Contract employee.

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Ranum explained that as a Contract employee PCLS Legacy funds can be used to offset his compensation. However, if he became a salaried employee, that amount could not be charged against Legacy funds.

Runholt commented on the variance in insurance cost under both Contracts. Ranum explained that the insurance costs are based on those provided by the insurance providers.

Sanow expressed concern over the fact that Ranum wrote his own contract for services. Ranum clarified that each year the Executive Committee does a performance evaluation and that the contract is developed as a result of the evaluation process and negotiations with him.

Ranum noted that he would have no objection to the Board writing his contract, although it has been an ongoing procedure and he has not heard of any constituent board member who has objected to the process.

Sanow noted that yes, a consultant contract would come from the consultant, and however an employee contract would come from the organization.

Miller stated that the Consultant Contract came about as a result of financially stressed times and evolved by the consensus of the Board. Miller continued by noted that had Ranum not agreed to the Contract process, PCLS would have gone bankrupt.

Ranum noted that the Board, at the time, had the Contract process reviewed by the State Library and auditors.

Hollatz asked if the Board is being asked to take action on either Contract.

Ranum replied that he was simply asked to prepare both contract situations for the Board.

Reisch stated that he does not recall either why this discussion is even taking place at this time.

Hollatz was of the opinion that if no action is required then Ranum's Contract would remain as it is and that the meeting continue.

8B. Marshall-Lyon County Library Intent to withdraw from Plum Creek Library System

Ranum provided Board with a timeline of events regarding the MLCL's intent to withdraw from the Plum Creek Library System, including information resulting from the meeting with then State Librarian Nancy Walton.

Ranum made the Board aware that the Assistant Commissioner of the Department of Education has requested that Lyon County provide a plan of how county dollars will be allocated with the withdrawal of the Marshall-Lyon County Library.

Thomas has requested a meeting with the State Librarian; however the meeting has not yet been scheduled.

Sanow commented that the Marshall-Lyon County Library does not have a real desire to leave Plum Creek nor tell other libraries how to manage their libraries. In consultation with other county commissioners, legislators, attorneys, etc., MLCL has been encouraged and is willing to negotiate issues of concern to MLCL with PCLS. Sanow noted that over \$9,000,000 community dollars have been invested in the library and along with that is accountability to the tax payers. Lyon County does NOT want to enter into any type of lawsuit.

Schmidt asked if MLCL finds it unusual that Marshall-Lyon is the only library that has issues with PCLS and has had since he was appointed to the Governing Board. Schmidt noted that as a county

commissioner, he would just as soon see Marshall withdraw because of the seemingly never-ending conversations and complaints. The same issues are brought up time and time again; the same questions answered. All the libraries are trying to get along except MLCL. He, personally, is sick of the discussions and hearing how MLCL are not getting what they want. The rest of the libraries are the ones that have had to deal with all this when all they want to do is provide the best library service as possible for their patrons.

Ranum pointed out documentation notes that were taken from the meeting with the Nancy Walton, the State Librarian at the time.

Ranum clarified that the Board has a Joint Powers Agreement (PCLS Agency Agreement) that has been signed by all parties that follow State Statute. The PCLS Board is not a party to the conflict or if there is a legal dispute brought about by MLCL with the State regarding State Statute and its meaning.

Ranum reiterated and reconfirmed that he is available at any time to talk to groups or individuals about this or any other library situation.

Ranum further stated that he represents the PCLS Board and all other nineteen partners of the Agency Agreement on issues such as what the Regional System is and how it operates; how policy decisions are made; what authority and responsibilities the parties to the Agency Agreement have, etc.

Thomas pointed out that the meeting in July with Nancy Walton was an informational meeting and not a meeting to negotiate policy.

Runholt added that the issue that most divided the group was over the Circulation Policy, and it is not an issue unique to MLCL according to an article in the West Central Tribune.

Meester shared an experience that materials that would leave the Nobles County Library went first to fill MLCL patron holds and didn't return for months. Yet other libraries' holds were not being filled by MLCL because of their internal policy of hold new materials. Runholt blamed the Koha system and the circulation policy for not returning materials to the owning library.

Miller called MLCL board members to the fact that MLCL borrows far more items than they lend and asked that those board member stop feeling like they are being short-changed.

Meester said it is time everyone follows the same rules.

Ranum noted that the idea of resource sharing is that all patrons system wide have open and free access to all materials and why system policies are developed – to ensure that access.

Sanow reiterated that in his opinion there is room for negotiation to solve the issues.

8C. Other - ZINIO Contract

Ranum explained the Zinio is a database of electronic magazine titles accessible through most mobile devices and personal computers. An unlimited number of patrons can access a magazine title at one time. And once a title is downloaded on a mobile device or personal computer, it remains there (no limited check out period).

The purchase of a Zinio Contract (which would include around 80 titles) is supported by the majority of library directors as a beneficial patron service. The Contract cost would be billed back to participating member libraries.

Ranum requested authorization to sign the Zinio Contract.

M/S R. Lipinski/J. Schmidt to authorize the Director to sign a contract with Zinio.

There was no further discussion.

Motion passed by unanimous vote.

9. NEW BUSINESS

9A. Outreach Service Agreements (approve for signature)

A sample Outreach Service Agreements for Cottonwood, Murray, Pipestone and Redwood Counties was distributed for the Board's information. The counties involved have signed the Agreements. Ranum requested approval of the Chair's signature on the Agreements.

M/S S. Hollatz/H. Miller to authorize the Chair to sign the Cottonwood, Murray, Pipestone and Redwood County Outreach Service Agreements as presented.

There was no further discussion.

Motion passed by unanimous vote.

9B. MN Book Award Author Event Grant (approve for signature)

A grant application to the MN Book Award was distributed and reviewed by the Board. If funded, this grant would support an author visit and book signing at the 2014 Camp Read-A-Lot event. Ranum asked for authorization to sign the Grant application.

M/S J. Giese/C. Friese to authorize the Chair's signature on the MN Book Award Author Event Grant application.

There were no further questions or discussion.

Motion passed by unanimous vote.

9C. Annual Report (approve for signature)

Ranum requested authorization to sign the Trustee Submission form and submit the PCLS State Annual Report upon its completion and as required by State Statute. He noted that the Annual Report submission is due prior to the next Board meeting.

M/S E. Schiller/T. Ellig to authorize the Chair and Director's signature on the PCLS Trustee submission form and submission of the Annual Report.

There were no further questions or discussion.

Motion passed by unanimous vote

9D. Ratify Executive Board action to submit the Pay Equity Report

The PCLS Pay Equity Report document was distributed for review and submitted to the State upon action of the Executive Committee.

Ranum requested the Board ratify the Executive Board's action to submit the Pay Equity Report.

M/S D. Evers/C. Albrecht to ratify action of the Executive Board to submit the Pay Equity Report.

There were no further questions or discussion.

Motion passed by unanimous vote

9E. Sealed bids for Audit Service

Ranum noted that the three-year contact for audit serves has expired and requested the Board authorize him to request seal bids for future audit services.

MS H. Miller/J Reisch to authorize the Director to distribute requests for sealed bids for audit services.

There were no further questions or discussion.

Motion passed by unanimous vote

9F. Other

There was no other New Business brought to the table.

10. DISCUSSION

There were no items brought to the table for discussion.

11. PERSONNEL REVIEW OPEN/CLOSED SESSION (if necessary)- None

12. CALENDAR OF EVENTS

12A. March 5 Library Legislative Day

13. PENDING AGENDA ITEMS

13A. MLCL meeting with State Library notification

13B. Director Evaluation

14. NEXT MEETING

14A. Date: April 16, 2014

14B. Location: Murray County Courts Building

14C. Time: 6:30

15. ADJOURNMENT

M/S H. Miller/D. Evers to adjourn the February 19th meeting of the Governing Board having completed the agenda.

Motion passed by unanimous vote