

Governing Board
Minutes – approved June 18 2014
April 23 2014

**PLUM CREEK LIBRARY SYSTEM
GOVERNING BOARD**

TIME & PLACE:

The Plum Creek Governing Board met at the Murray County Courts Building, Slayton, MN on April 23rd, 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 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)
Anita Winkel, Cottonwood County - Windom
Dean McNeil, Murray County (Fulda) Alternate
Jean Meester, Nobles County (Worthington)
Evan Schiller, Pipestone County (Pipestone)
Clara Friese, 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
Gwen Sturrock Marshall-Lyon County Library alternate observed.

ABSENT:

Commissioner Gene Metz, Nobles County
Marcia Kunze, Murray County (Slayton)
Tom Ellig, Redwood County (Redwood Falls)
Susan Hansberger, Nobles County (Worthington)

1. CALL TO ORDER

Chair Rose Schultz called the April 23 2014 meeting of the Governing Board to or order at approximately 6:30p.m.

2. INTRODUCTIONS

Introductions were made.

3. PLACE HOLDER

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.

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

Ranum requested the following additions to the Agenda:
Reports: Item G. Cypress Resume Builder software
Reports: Item H. Zinio Electronic Magazine subscription

M/S D. Evers/C. Snow to approve the April 23rd meeting agenda as amended.

There was no further discussion.

Motion carried by unanimous vote.

6. MINUTES

6A. Governing Board

6A1. Governing Board February 19, 2014 (approval)

The following corrections were made to the February 19th 2014 Minutes:

Page 5 Item 7J paragraph 2... the word replace is corrected to read replaced

Page 5 Item 7K the word was is corrected to read were

M/S E. Schiller/ J. Reisch to approve the Minutes of the February 19th meeting of the Governing Board as corrected.

There were no other questions or discussion.

Motion carried by unanimous vote.

6B. Advisory Council – Information documents

6B1. February 16, 2014

6B2. March 19, 2014

6B3. April 16, 2014

The February, March and April Minutes of the Advisory Council of Library Directors were distributed for review and as information documents.

There were no questions or comments.

7. REPORTS

7A. Financial Report 7A1. February Balance sheet, Statement of Rev and Exp, Checks Issued

7A2. March 2014 Checks issued

7A3. Cash Flow

7A4. United Prairie Bank Directors Resolution Info document

The financial documents were distributed for review. Ranum noted that PCLS is in a strong cash position, which is typical for this time of year.

All expenditures were routine in nature. Ranum called for questions from the Board.

M/S D. Evers/H. Miller to approve the financial documents as listed and reviewed.

There was no discussion.

Motion carried by unanimous vote.

7B. MN Book Award Author Event Grant Awarded (speaker for Camp Read-A-Lot)

Ranum announced that PCLS is a recipient of a MN Book Award Author Event Grant. The grant will pay for costs associated with the Author presentation and book signing at Camp Read-A-Lot.

This grant was applied for by Chris Lang in her role as program coordinator for PCLS activities.

Ranum noted that the online registration form for Camp Read-A-Lot has been launched and within a few hours several registrations were received. Information about Camp Read-A-Lot is posted on the PCLS website.

7C. SAMMIE update

There was nothing to report. The SAMMIE GB had not met since the last PCLS Board meeting.

7D. LSTA School Grant update

Ranum reminded the Board that PCLS received an LSTA grant to implement automation at the Fulda and Slayton schools.

Equipment has been installed. Each school library has completed the weeding and barcoding process. Linking item to the PCLS online catalog has begun.

The four Murray County schools will be up and running by the beginning of the new school year. The school LSTA project runs through the end of September.

The LSTA budget has been modified and approved by the State Library. In lieu of hiring a Project Manager, Ranum is overseeing the project, freeing up dollars for local technology and resources.

7E. Legislative update

Ranum made the Board aware that the library community is still waiting for the Senate Bonding Bill, however there is a strong position for the 3M library construction grant program.

The House has a provision which will make donated materials for library construction or renovation projects tax free to libraries statewide.

The Jackson County Library renovation project in the amount of \$560,000 is in the House Bonding Bill.

Ranum encouraged the Board members to contact him if there are any questions on legislative issues pertaining to libraries.

7F. New income stream: Statewide hosting of Legacy Forms

Ranum made the Board aware that he has shared the PCLS model of tracking Legacy programs with other regional library systems. Several systems have expressed interest in having PCLS host and support their sites at a fee to be determined.

7G. Cypress Resume Builder software

Ranum reported that Clint Wolthuizen, Director of the Rock County Community Library introduced the library directors to the Cypress Resume Builder software and negotiated a system wide price of \$1,000. Several Libraries were interested in having the software available for their patrons. Patrons would have access to the Resume Builder using their library card.

SAMMIE has agreed to contribute \$500 toward the license fee with several libraries sharing the \$500 remaining cost.

Ranum reported that the Nobles County Library has been asked to be a part of an initiative through the St Paul Public Library and the St Paul Community Literacy Consortium. The initiative is aimed at teaching digital literacy to members of the community who are lacking the necessary skills to apply for jobs on line, engage in e-commerce and e-government, find library resources, participate in adult basic education and career readiness programs or take basic courses at community colleges. The program initiated by St Paul Public Library and St Paul Community Literacy Consortium is called the Northstar Digital Literacy Project which will be funded by an LSTA grant (Library Services and Technology Act).

Nobles County Library has been chosen along with Rochester, Duluth, St Cloud, and Moorhead to participate in this initiative.

Ranum noted that the availability of this Resume builder software will dovetail nicely with this Statewide Northstar Digital Literacy Initiative currently underway at Nobles County Library.

Ranum noted that this is an example of a cooperative effort put forth by the libraries.

7H. ZINIO magazine subscription

Ranum made the Board aware that the Zinio magazine subscription Contract has been signed. Zinio is an electronic magazine subscription in which library patrons can simultaneously access 71 titles on their electronic devices. Access to the electronic magazines is authenticated by library card.

Libraries share the cost of Zinio as they do with the e-book contract through Overdrive. Libraries have the option of purchasing an iPad or other electronic device, download the magazines available through Zinio and have the device available for patrons. Libraries could then reduce the number of magazine subscriptions needed at the library, resulting in a cost savings for libraries. Library patrons also have the opportunity to donate magazine subscriptions not on the list of Zinio titles. Those subscriptions would be available system wide.

8. OLD BUSINESS

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

Ranum made the Board aware that mediation sessions have begun between MLCL, the City of Marshall, Lyon County and representatives from several PCLS libraries and PCLS Board members to work through issues surrounding the MLCL withdrawal.

Ranum provided the Board with a print copy of the April 2nd email he had sent to the MLCL Board documenting issues that arose during the MLCL Board meeting. Ranum also shared a document (dated April 15th) outlining his suggestions for how PCLS could prevent an immediate withdrawal of the MLCL on July 1st. Ranum noted that the proposal was shared with the Advisory Council of Library Directors. The Advisory Council concurred that it was feasible to provide MLCL and the PCLS Board with options. Ranum noted that in his opinion, the document outlines a reasonable approach to extending the withdrawal timeline from PCLS's point of view to see if the MLCL withdrawal can be avoided and to ensure the Automation System continues to run smoothly if the withdrawal does not happen on July 1st.

Thomas stated that the Mediator's recommendation was to address these issues and an extension at the conclusion of the mediation process and not at this Board meeting.

Ranum explained that he is not necessarily asking for action from the Board, however, he felt it important to provide background and options for the Board to consider as the process moves forward. The Mediation is the best chance for the issues to be resolved and provides an opportunity for the MLCL Board to talk to the PCLS Board because time is very short.

Reisch asked the MLCL Board representatives if Lyon County still wants to be part of PCLS. Sanow explained that the County Board rescinded its motion to withdraw from PCLS and intends on remaining a member of Plum Creek. Sanow stated that that is the position of the County; the MLCL board will have to make its own decision. Thomas noted that the goal of MLCL and the City of Marshall is to remain part of PCLS.

Friese asked about the mediation meeting dates and timeline. It was noted that meetings are scheduled in May and early June.

Sanow explained for new members the decisions of the Lyon County Board and why the withdrawal was rescinded. The County cannot fund a library that is NOT a part of the regional system.

Sanow explained that since the MLCL would not have an automation system in place by July 1st, he had talked with Ranum about the possibility of an extension of six-month to give MLCL time to put an automation system in place if the mediation process did not work out.

In response to a question raised by Miller, Sanow explained that if MLCL withdraws from PCLS, then Lyon County could not fund the Library with tax dollars qualifying for the maintenance of effort requirement in state statutes.

Ranum explained that Lyon County collects taxes from Balaton and Cottonwood residents that those funds go to the Marshall-Lyon County Library to provide library service to those libraries. It is unclear what will happen to Cottonwood and Balaton at this point.

Lipinski commented that the issues addressed are very complicated and in her opinion, patrons are confused and that patrons need clarification.

Reisch would like clarification from MLCL on that exactly their issues are.

Thomas noted that it is his understanding that the mediation will be to come to some understanding as to which decisions are made by the member libraries in a federated system and which are made by the regional system board.

Friese asked that it be clarified that whatever is discussed in mediation, the final decisions on issues will be brought to the PCLS Governing Board. Ranum responded affirmatively.

Sanow explained that any agreement established through mediation will have to be approved by the MLCL and the PCLS Governing Board. Sanow noted that for that reason, it is important that PCLS Board members express their opinions to those who will represent PCLS at the mediation meetings.

Ranum noted that the PCLS Board Chair will make appointments to the mediation committee.

In response to a question about the extension proposal, Ranum noted that if the PCLS Board elected to make an offer to MLCL to not withdraw immediately but remain a member of PCLS to give the mediation process time to move forward,

Ranum reiterated for clarification the proposal he set forth as an option for the Board to make an offer to MLCL to not withdraw immediately but remain a member of Plum Creek until January so that the mediation can proceed. The Board does not have to take action. The proposal is to provide background and what it would take if an extension was granted and why PCLS as an organization needs protection and guarantees it would take if an extension is to be accepted. This proposal also protects the patrons of the City of Marshall and would ensure that as of July 1st, citizens of Marshall would continue to have full access to library services. The proposal also allows time for Lyon County to determine how services will be provided should the mediation process fail to keep MLCL a member of PCLS.

Thomas reiterated that the recommendation from the Mediator was to allow the automation system extension to be resolved at the conclusion of the mediation process rather than to try to predict what might happen.

Sanow noted that the bottom line is there will be no automation system available to MLCL if the mediation process is not concluded and action taken at the June MLCL Board and PCLS Governing Board meetings in June.

Sanow apologized to the PCLS Board for not taking the initiative to research options when Lyon County voted to withdrawal. Schiller, on behalf of the PCLS Board, accepted Sanow's apology.

Ranum clarified that at any time between this meeting and the 1st of July, the PCLS Board could offer the MLCL Board an extension or other option to their withdrawal or to give MLCL time to put another automation system in place. However, the Board is not obligated either way.

Runholt commented that mediation was the only means by which the MLCL Board felt it could resolve the resource sharing issue since the PCLS Board would not compromise on the current resource sharing policy. The MLCL wants resolution to the issues and more flexibility for all member libraries.

The Board elected to not take action on the proposal.

8B. Sealed bids for Audit Service

Ranum announced that PCLS received one Audit bid which was from the audit firm Conway, Deuth & Schmiesing, PLLP (PCLS's current audit firm). The three-year bid is as follows:

FY year end 2014: \$6,000

FY year end 2015: \$6,480

FY year end 2016: \$7,000

Ranum asked for acceptance of this bid.

M/S T. Runholt/C. Friese to accept the audit bid from the audit firm Conway, Deuth & Schmiesing, PLLP, as presented.

There were no questions or comments.

Motion carried by unanimous vote.

8C. Other

There was no other Old Business brought to the table.

9. NEW BUSINESS

9A. Director Evaluation process

Ranum made the Board aware that in the past, several different types of evaluation processes have taken place.

Ranum noted that once a year he is given the opportunity to discuss his compensation and Contract.

Ranum explained that two years ago, an extensive 360 review was conducted which involved the PCLS Board members, Advisory Council and PCLS staff.

Ranum stated that the process the Board has used in the past included survey questions based on the Strategic Plan and the accomplishments made by the System and himself. The Executive Committee would then meet prior to the June meeting to discuss with Ranum the results of the survey and contract adjustments if any were to be made.

M/S J. Reisch/E. Schiller to assign the Director's evaluation to the Executive Committee and present the results of the evaluation/review at the June meeting of the Governing Board.

There was no further discussion.

Motion carried by unanimous vote.

9B. Preliminary FY 2015 Budget review

Ranum provided the Board with a comprehensive overview of the proposed PCLS FY 2015 Budget categories.

Ranum explained that the FY 2015 proposed budget revenues and expenditure reflect and assume the withdrawal of MLCL. Other key issues which would affect the proposed budget are the addition of four schools and statewide hosting services.

Revenue:

RLBSS (Regional Library Basic System Support) income would decrease if MLCL withdraws from the System.

The estimated increase in E-rate and RLTA revenue is due to the instillation of broader bandwidth at member libraries and PCLS headquarters.

The decrease in automation and delivery revenue assumes the MLCL withdrawal.

All other revenue sources are routine and standard in that they are either pass-through income or small sources, such as rental income.

Expenses:

Ranum highlighted the expenses within the various program-type budget areas, e.g., administration, delivery, automation, etc.

Administration:

Administration expenses include Ranum's contract, and expenses association with the Financial and Office Administrators' positions. Other general office related expenses are reflected in the Administration category.

Ranum noted that a portion of his contract fee is reflected in this area of the operational budget. The balance of his contract amount is covered under the Legacy program. Ranum's total contract fee has been adjusted to reduce the overall administrative expense.

Administration expense are funded with State dollars.

Cataloging and Interlibrary Loan.

Cataloging and interlibrary loan expenses are fully funded with State dollars and reflect personnel costs association with the cataloging and interlibrary loan positions.

All expenses are routine with a minor increase due to insurance costs.

Automation.

Automation costs include the wage and related personnel expense of the Network Systems Administrator position

The telecommunication line item expense was highlighted. This cost reflects increased charges for higher bandwidth installations at member libraries.

Ranum pointed out that automation expenses are routine. The continuing education expense line reflects costs associated with Joel's participation in the National Koha Community automation group conference. This participation is key if member libraries want PCLS priorities for Koha development to continue.

Delivery.

Delivery expenses reflect the personnel cost of the delivery driver and other routine costs associated with the delivery system.

Delivery costs are covered by State dollars with contributions by member libraries.

Programs and services:

Ebook contract costs are pass-through transactions. Member libraries contributed to the Ebook program and all money received is expended on either the contract or content portions of the program.

Zinio and Cypress resume builder are included in the specialty services program expense.

Ranum noted that revenue to expenses reflects a deficit of \$26,000 however a \$14,000 surplus is projected in the FY 2014 budget year reducing the FY 2015 deficit to \$12,000. There is a bottom line reserve that can be used to balance the FY 2015 budget.

Outreach.

Ranum reminded the Board that the Outreach program is funded in total by the four participating counties. All income received from the four participating counties (Cottonwood, Murray, Pipestone and Redwood) are spent on the Outreach program with the balance sent on to the public libraries in those counties. None of the revenue from the participating counties is retained by the system. The Outreach program budget is estimated on a six-month basis because the contracts run on a calendar year and counties have the option of adjusting participating at the time contracts are signed.

Other revenue

Legacy: Plum Creek's Legacy allocation is \$137,000. In addition \$31,000 in Legacy dollars is received from Pioneerland to be spent on joint programming initiatives. Ranum explained that the \$137,000 of Legacy funds is split into three categories. A small amount goes toward statewide programming; a portion of the dollars is for programs hosted by PCLS member libraries, and a portion of the Legacy funds are used for PCLS/Pioneerland joint programming, such as the Book Club kits, bus tours, etc.

County Aid to Public Libraries is the amount of dollars that is sent back to the public libraries in the counties participating in the Outreach program as noted above.

Cooperative purchasing amount reflects those items purchased on behalf of the member libraries to reduce costs to all. These are pass-through expenses.

Hollatz questioned whether the proposed budget reflects wage increases for PCLS staff. Ranum noted that it does not, however, the final budget may reflect increases for staff. Hollatz expressed support for staff increases.

9C. Annual Meeting (location/speaker)

Ranum reported that the location of the annual meeting was discussed at the AC April meeting and by agreement, the library directors concurred that as a 40th Anniversary celebration it only fitting that the Annual meeting be held in Worthington. Nobles County Staff are willing to help plan and host the event.

Ranum suggested a literary based event open to the public.

M/S H. Miller/C. Albrecht that the PCLS 40th Anniversary Celebration be held in Worthington.

There was no discussion.

Motion carried by unanimous vote.

9D. Non-Resident Card Fee Policy review

Ranum made the Board aware that he is proposing an increase in the Non-Resident Card fee. This has to do significantly with the MLCL withdrawal. The Non-Resident fee is assessed to patrons of a city/county that are not affiliated with a regional public library system. Such is that case for residents of the city of Hendricks. Patrons who obtain Non-Resident cards have full access to library services provided by affiliated member libraries.

Ranum proposed that if the Non-Resident Card Fee were increased, that half of the dollars would be retained by the member library issuing the card, and half would become a revenue source for PCLS to compensate, in part, for the loss of revenue if MLCL withdraws from the system. Only Marshall City residents would be affected by the Non-Resident Card Fee policy.

Ranum noted that he is not asking for Board action at this meeting. However, the Board may want to consider an increase in the Non-Resident card fee increase at the June meeting whether or not the MLCL withdraws from the region.

Thomas expressed understanding that PCLS's non-resident fee is the lowest in the State and that it had not been increased or changed in several years, asked if the libraries had expressed concern that the current fee does not adequately cover costs associated with providing library service to non-residents.

Ranum responded that the library directors had a good discussion about the issue and noted that the \$25.00 Non-resident card fee is sufficient for the number of non-residents that they currently serve. However, the library directors are aware that if MLCL patrons become Non-residents, that there will be a significant increased burden on PCLS and member libraries. To member libraries in terms of services provided. The increased cost to PCLS is the complexity of dealing with more reciprocal borrowers. Reciprocal borrowers and Non-residents are dealt with a little differently when it comes to statewide databases, etc. PCLS Staff for example would have to work with authenticating barcodes. Increase costs of delivery to non-residents of Marshall would also be incurred.

9E. Other

There was no Other New Business brought to the table.

10. DISCUSSION

10A. Agency Agreement review

Ranum suggested that the Board may wish to review the PCLS Agency Agreement pending the outcome of the MLCL/PCLS mediation sessions. The Board members concurred. There was no further discussion.

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

12. CALENDAR OF EVENTS

12A. August 6th (2-5) Camp Read-A-Lot – Marshall.

Featuring Alison McGhee and Kathy Baxter

12B. August 7th (Early Lit) Camp Read-A-Lot – Marshall. Featuring Kimberly Faurot

12C. August 21st – ELM Training Slayton Public Library Computer Lab 1:00-4:00

12D. September 8 2014 Every Child Ready to Read – “Storytimes for Everyone” Workshop

9:00 – 5:00 Redwood Falls Public Library. Speaker: Saroj Ghoting Early Childhood Literacy Consultant

13. PENDING AGENDA ITEMS

13A. Director Review/Evaluation

13B. MLCL withdrawal

13C. Non-resident fee

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14. NEXT MEETING

- 14A. Date: June 18, 2014
- 14B. Location: Murray County Courts Building
- 14C. Time: 6:30

15. ADJOURNMENT:

M/S J. Meester/H. Miller to adjourn the April 23rd meeting of the Governing Board adjourned having completed the Agenda. **Motion carried** by unanimous vote.