



Auburn Hills Public Library

**APPROVED
AUBURN HILLS PUBLIC LIBRARY
MINUTES FOR September 27, 2011**

Location: Large Meeting Room, Auburn Hills Public Library
3400 E. Seyburn Drive
Auburn Hills, Michigan 48326

1. **Call to Order:** President Ben Sebrowski called the meeting to order at 3:59 pm.
2. **Roll Call:** Present: Ben Sebrowski, Mary Do Demeulemeester, Paul Landsberg, Nick Shone and Toni Whitley. Also present: Stephanie McCoy, Library Director and Jean Smiley, Administrative Assistant. Also present: John Gandolfi, Risk Manager of John Gandolfi Agency Inc. and Nancy Buschmohle, City of Auburn Hills Treasurer
Absent: Veronica Mitchell (excused)

3. **Adoption of the Agenda:**

B. Sebrowski asked if there were any additions to the agenda. There were no additions.

Motion by N. Shone to adopt the agenda as presented.

Supported by P. Landsberg.

Vote: Yes: Sebrowski, Demeulemeester, Landsberg, Shone and Whitley
No: None Motion carried (5-0)

4. **Approval of Board meeting minutes:**

M. Demeulemeester corrected the minutes under Financial Officers Report.
“...as of June 30, 2011” should read “...as of July 31, 2011”

Motion by P. Landsberg to accept the minutes from August 23, 2011 with the above correction. Supported by M. Demeulemeester

Vote: Yes: Sebrowski, Demeulemeester, Landsberg, Shone and Whitley
No: None Motion carried (5-0)

5. **Financial Officer's Report:**

Financial Officer M. Demeulemeester reported that as of August 31, 2011 Total assets are \$1,329,747. Total liabilities are \$300,253. Total liabilities and fund balance is \$1,329,747. Total revenues YTD are \$1,180,227. Total expenditures YTD are \$835,552. Fund balance YTD is \$1,029,494.

(a) Investment Policy update by ~~Nance~~ Nancy Buschmohle, City of Auburn Hills Treasurer

Ms. Buschmohle gave copies of the Investment Policy to Library Board members. The policy was adopted by Auburn Hills City Counsel in September 2009. The Auburn Hills Public Library adopted the policy in June 2010. The policy guides the City in making investments. The Library's portion is \$500,000 or 1.25% of total investment. The policy outlines for the investment managers what type of investments can be made. An independent investment firm monitors the investment managers. The treasurer's department keeps track of what goes in and out of the accounts. A record of investment purchases is available at the treasurer's office. A monthly report is sent by the investment managers to the finance department. A quarterly report is submitted by the investment firm to City Council. The Library has no short term investments. All Library monies are in the pool account that can be gotten to same day if needed. The Library investment funds are very liquid.

(b) John Gandolfi, John Gandolfi Agency, presented the Library Board with the Library Insurance Policy Summary.

- The Library insurance program is with the Michigan Township Participating Plan, est. in 1985.
- The Library pays only the deductible.
- Previous Library Boards chose the liability limits.
- Program changes will occur in November when a renewal takes place.
- The Library carries a \$1,000,000 limit with a "no policy period aggregate".
- M. Demeulemeester asked if the coverage was for each individual on the Board or the Library Board as a whole. Mr. Gandolfi stated that the \$1,000,000 is applicable either individually or collectively for current or past Board members.
- A non-monetary suit is if an individual does not want money but wants a by-law changed. Page 3, #16 addresses legal bills up to \$25,000.
- Wrongful Acts Liability for Board Directors and Officers would be for example if an individual sued based on whether literature on the shelves was appropriate or not.
- P. Landsberg referred to page 3, #15, Sewer Backup Coverage and asked for an explanation. Mr. Gandolfi stated that the Library has \$25,000 first party coverage.
- Non Owned and Hired Auto Liability—if on the way to and/or from the Library and home and one is involved in a car accident that results in a law suit which exhausts personal coverage, the insurance policy will pick up the rest.
- The building is insured by the City of Auburn Hills. The Library has \$2,425,000 on contents in the Library except for computers which have separate coverage. Mr. Gandolfi recommended an inventory be done if it hasn't been done recently.
- Coverage for valuable papers will change from \$100,000 to \$250,000 in November. An additional \$500,000 coverage is available in the case that the Library has to temporarily relocate in order to do business.

- Currently there is no earthquake or flood coverage; however, in November earthquake coverage will be \$1,000,000 and flood coverage will be \$100,000.
- Mr. Gandolfi pointed out The New Hybrid Michigan Township Participating Plan. This new program provides enhanced coverage and dividend plan.
- Mr. Gandolfi lastly pointed out the Risk Reduction Grant Program
- P. Landsberg asked if all Board Trustees are covered under the policy. Mr. Gandolfi stated that the definition of insured is employees, Board members, commissions and volunteers.

(c) Monthly Statistics

President, B. Sebrowski asked for a motion to remove the discussion on Monthly Statistics from the table.

Motion by T. Whitley to remove the discussion on Monthly Statistics tabled from the last meeting. Supported by N. Shone

Vote: Yes: Sebrowski, Demeulemeester, Landsberg, Shone and Whitley
 No: None Motion carried (5-0)

In reviewing the previous monthly statistics, M. Demeulemeester thinks it would be helpful to see patrons and inventory as a percentage similar to what is shown for circulation.

- M. Demeulemeester asked what “row 2, Patrons” refers to. S. McCoy said it refers to the number of new Library cards that are given out. S. McCoy stated that she would ask C. DeCovich to make the headings more clear.
- M. Demeulemeester noticed that total inventory is up approximately 10% each month from last year. Ms. Demeulemeester asked if this included new items. S. McCoy stated that it does include new items
- M. Demeulemeester noted that items loaned out through TLN were 42.5% higher than what is requested through TLN. B. Sebrowski stated that AHPL is part of a shared system through TLN.

6. **Public Comments:** None

7. **Library Director’s Report:** Library Director, Stephanie McCoy asked if there were any questions or comments concerning her written report.
- N. Shone commented that the report was well done.
 - M. Demeulemeester asked for clarification on page 1, bullet point 2 regarding the personal property tax repeal. S. McCoy stated that this has not been passed as of yet. Ms. Demeulemeester expressed her concern for the large impact on the Library budget
 - M. Demeulemeester commented on the check the Library received from the Kroger Community Rewards Program. J. Smiley explained the program and stated that the Library is not allowed to “advertise” the program outside of the Library; however, the program is explained in the e-newsletter and posted around the Library.
 - M. Demeulemeester suggested that donors to the summer reading program be recognized for their contribution. S. McCoy stated that thank you notes are sent to the donors and they are recognized in the e-newsletter.

- M. Demeulemeester asked for clarification on the Class IV Library Statistics. S. McCoy explained the comparison sheet.

8. **Ongoing Business:**

(a) 2012 Budget—second draft

- S. McCoy presented the Board with the latest version of the proposed budget for 2012. Ms. McCoy pointed out that the Library is short in meeting expenses for 2012 and will be short for meeting expenses for 2011.
- Ms. McCoy stated that she has taken as much as possible from all areas in the proposed 2012 budget such as cutting the Library program fund by 50% based on gifts and grants that may be received and cutting the book fund by \$25,000.
- N. Shone asked if a decision on balancing the budget could be made in October. Could the Board wait to hear responses regarding the early retirement offer? S. McCoy stated that the Board could wait but then a decision would have to be made quickly because the budget is due to the City by ~~November 1~~ **December 1**.
- The Board discussed personnel budget options
- N. Shone suggested that the Board wait until the October 18, 2011 Board meeting to see if anyone takes the early retirement offer and the Board make a decision on October 18, 2011.
- S. McCoy stated that she is not comfortable using any more of the fund balance. It may be necessary to fix the major leak repair or at worst in the case that the Library closes, there would need to be available funds to shut the Library down and pay vendors.
- B. Sebrowski stated that he thought the building lease between the Library and the City did not state whether the Library is responsible for a major repair to eliminate the current leak.
- M. Demeulemeester asked if the lease has been renewed. S. McCoy is looking into this matter.

N. Shone asked President, B. Sebrowski to please excuse him from the meeting at this time due to his granddaughter being in the hospital.

- The Board asked for clarification on ownership of the building and rental of the land.
- M. Demeulemeester asked S. McCoy to inquire with the Assistant City Manager as whether an insurance claim can be filled to fix the water leak.
- B. Sebrowski asked S. McCoy to present a budget plan to the Board on October 18 in the case that no one accepts the early retirement offer.
- M. Demeulemeester asked S. McCoy to inquire about legal requirements for lay-off notices
- M. Demeulemeester asked S. McCoy to inquire about legal notification for pay cuts and if they have to be across the board.
- B. Sebrowski stated that his understanding was that lay-offs alone would not be enough.

9. **New Business:**

(a) Budget Hearing

The Board will call for a special budget meeting pending S. McCoy's fact finding.

10. **Adjournment:**

Motion by P. Landsberg to adjourn the meeting. Supported by M. Demeulemeester.

Vote: Yes: Sebrowski, Demeulemeester, Landsberg and Whitley
No: None Motion carried (4-0)

There being no objections, the meeting was adjourned at 5:48 pm.

Submitted by:
J. Smiley, Administrative Assistant
For P. Landsberg, Secretary