

**MINUTES OF THE BLOOMFIELD TOWNSHIP PUBLIC LIBRARY
BOARD OF TRUSTEES**

Bloomfield Township Public Library
Oakland County, Michigan
Tuesday, July 17, 2012

At 7:00 p.m. the Library Board of Trustees Meeting was called to order by President Judy Lindstrom.

Present: Trustees: Joseph Falik, Grant Gerhart, Judy Lindstrom, and Pam Williams

Unable to Attend: Margaret Cohen and Joan Luksik

Administration: Library Director, Karen Kotulis-Carter; Assistant Library Director, Carol Mueller; Finance Coordinator, Beth Sulek-LaHousse; Director's Secretary, Andrea Aragona

Guests: Walter G. Schwartz, Gregory Schwartz & Co, Inc; Matthew J. Whitty, Gregory J. Schwartz & Co., Inc.

Upon discussion, a motion was made by Joseph Falik, seconded by Grant Gerhart **TO APPROVE THE ORDER OF ITEMS FOR THE REGULAR AND CONSENT AGENDAS.**

A vote was taken for approval of the motion.

Ayes: Falik, Gerhart, Lindstrom, Williams

Nays: None

MOTION CARRIED

President's Verbal Report:

With all the hot weather in mind, Judy commended the staff as the Library was refuge to many during the power outages caused by the storms in early July. Judy came to the Library during that time and saw the parking lot full, yet staff was very welcoming to the patrons and she appreciated the fact that patrons could come to this beautiful place, enjoy the air conditioning, and have a good experience during a difficult time! Judy also commended staff for their work on the Annual Report. It was done well and very informative. She was especially pleased to see we had over 900,000 items borrowed during the past year and how much was accomplished during the year given all the budget constraints!

Director's Verbal Report:

Karen followed up on discussion from the June Board Meeting. A taxpayer in the audience questioned the availability of the study rooms at the June Board Meeting. Karen stated that we did statistic gathering during the week of June 25-July 1 and did a trial count. We realized school was not in session at that time and assume usage would be lower. The report showed that during that week, eighteen of our adult study rooms were in use 57% of the time, leaving availability 43% of the time. The two Youth Service study rooms were in use 36% of the time leaving them available 64% of the time during that week. We will add the study room usage to the collection gathering we do twice a year during our Performance Output Measures in April and October. School will be in session at that time. We are very happy the rooms are being used and want to make them available for people when they need them. Trustee, Grant Gerhart, felt it is good to gather these statistics and possibly incorporate a system of reserving rooms. Karen explained that this was done in the past and was very problematic. However, we are investigating software that may assist in this, but it is very costly and we need to make sure it will really improve the situation before further consideration.

Materials were given to the Trustees with the Bond Sale information from Stauder, BARCH & ASSOCIATES, Inc. Karen reminded the Trustees that Thursday, July 19, 2012 at 11:00 a.m. the Library Improvement Bonds being refunded will go up for sale.

Karen stated another record was broken at the Library as the Friends of the Library held their Christmas in July used book sale on July 14, 2012 and had sales in the amount of \$3,506.00! Karen congratulated Virginia Smith, coordinator of the Second Saturday Super Sales, along with the Friends for all their hard work.

This afternoon, Marian Rafal, Youth Services Department Head, reported to Karen that the 1000th child registered for the 2012 Summer Reading Club! BTPL has had 1000 children register before, but it had been many years ago.

The first edition of BTPL's first book, *My Library*, is completed! It has our very own ISBN number! It has been in the making for several years and started from a generous gift from the Friends of the Library. A copy of the book will be given to each child when they sign up for their very first library card at BTPL. Karen is very grateful and offered a great big Thank You to Carol Mueller, Assistant Library Director; Robin Lang, Administrative Clerk; Marian Rafal, Youth Services Department Head; Nancy Kolush, volunteer photographer, and author, Barbara Bloom for all their work on this project.

CONSENT AGENDA MOTION

After discussion, a motion was made by Pam Williams, seconded by Grant Gerhart **TO APPROVE THE ITEMS ON THE CONSENT AGENDA AS PRESENTED WITH THE EXCEPTIONS OF THE FOLLOWING: AUDIT**

A vote was taken for approval of the motion.

Ayes: Falik, Gerhart, Lindstrom, Williams

Nays: None

MOTION CARRIED

REGULAR AGENDA:

Call to the Public:

At this time, Judy thanked Beth Sulek-LaHousse, Finance Coordinator, for all the hard work she puts in. She does a fantastic job working on the audit, budget and all things regarding the Library's finances!

UNFINISHED BUSINESS:

No discussion at this time.

NEW BUSINESS:

The order of items was changed at this time and item 11c was discussed as Judy invited Matthew Whitty and Walter Schwartz from Gregory J. Schwartz & Co., to present. Items 11a and 11d were then discussed as they related sequentially. 11b was then placed as last item of New Business.

11c Investing Funds with Gregory Schwartz & Co.

The Finance Committee met with representatives from our investment firm of Gregory Schwartz & Co. to review our current investments. Matthew Whitty and Walter Schwartz provided a status report to the Trustees. The audit suggested that funds invested in banks are not fully covered by FDIC insurance and could be considered a custodial credit risk. FDIC coverage only extends to \$250,000 and some of our bank accounts are significantly higher despite our attempts to keep them spread as much as possible. Our key goal is preservation of principle. By investing in the vehicles that Schwartz & Co. can provide, the funds would be backed by the full faith of the U.S. Government. The portfolio includes investments and vehicles that are the highest investment grade AAA rated Securities issued by the United States Government. The average duration of these fixed income Securities is approximately 2.6 years. Our investments with Schwartz & Co., through the use of RBC Capital Markets, LLC (the "clearing Firm") are also covered by a \$5,000,000 insurance policy. The Finance Committee recommended we also invest the 8-month fund balance of the General Fund with Schwartz & Co. Matthew Whitty explained the compensatory cost to manage the portfolio would be 95 basis points which is divided between Gregory Schwartz & Co. and the managers at RBC Capital Markets who actively manage these funds. This cost is taken before the

current yield is figured on the portfolio.

The Trustees presented many questions to the Schwartz & Co. representatives including benchmarks used for fees and rate of return, liquidity needs and security of the investments proposed.

After discussion, a motion was made by Pam Williams, seconded by Grant Gerhart **FOR THE LIBRARY TO INVEST THE GENERAL FUND 8-MONTH FUND BALANCE WITH GREGORY SCHWARTZ & CO. THROUGH RBC CAPITAL MARKETS, LLC (THE "CLEARING FIRM") IN INSTRUMENTS THAT FOLLOW THE GUIDELINES SET FORTH IN THE BLOOMFIELD TOWNSHIP PUBLIC LIBRARY INVESTMENT AND DEPOSITORY DESIGNATION RESOLUTION.**

A vote was taken for approval of the motion.

Ayes: Falik, Gerhart, Lindstrom, Williams

Nays: None

MOTION CARRIED

11a Audit and Management Letter

At this time, Judy commended Karen Kotulis-Carter and Beth Sulek-LaHousse for their detailed work and careful management of our finances. Despite a reduced budget, once again we had a balanced budget and an unqualified opinion. Judy stated that we are thrilled to offer quality services despite having to cut the budget.

After discussion, a motion was made by Pam Williams, seconded by Grant Gerhart **TO ACCEPT THE AUDIT AS PRESENTED.**

A vote was taken for approval of the motion.

Ayes: Falik, Gerhart, Lindstrom, Williams

Nays: None

MOTION CARRIED

11d Combining Funds

Karen stated that GASB 54 requires that the combined fund balances for Library funds be repackaged according to specific new guidelines. Karen requested approval from the Board to physically merge our General Fund with the Improvement & Revolving Fund. Both funds are now reported as the "General Fund" by the auditors in our Financial Statements. The Finance Committee approved Karen's recommendation at their meeting on June 26, 2012. Combining the General Fund with the Improvement & Revolving Fund would result in terminating the I&R as a separate fund. A truer picture of our total operating costs would be presented to Trustees and the public along with simplifying our budgeting process if these funds are combined.

After discussion, a motion was made by Grant Gerhart, seconded by Pam Williams **TO COMBINE THE GENERAL FUND AND THE IMPROVEMENT & REVOLVING FUND INTO ONE FUND TITLED THE GENERAL FUND FOR THE CURRENT 2012-2013 FISCAL YEAR AND FOR ALL FUTURE FISCAL YEARS.**

A vote was taken for approval of the motion.

Ayes: Falik, Gerhart, Lindstrom, Williams

Nays: None

MOTION CARRIED

11b Annual Report

Karen reviewed the Annual Report with the Trustees. Once again, we have accomplished many things in the span of twelve months! Karen stated that despite our shrinking budget, our staff is never short on ideas, innovation or enthusiasm and she commended staff for their continued high level of service and dedication. Efforts to prioritize access to our taxpayers continue to be successful as our resident circulation grew to 86.12% of the total circulation, resulting in a decrease of our non-resident circulation to less than 15%. We had a record-breaking circulation of 908,115 items. The Annual Report is posted on our website.

After discussion, a motion was made by Joseph Falik, seconded by Pam Williams **TO ACCEPT THE LIBRARY ANNUAL REPORT AND ANNUAL INVESTMENT REPORT FOR THE 2011-2012 FISCAL YEAR.**

A vote was taken for approval of the motion.

Ayes: Falik, Gerhart, Lindstrom, Williams

Nays: None

MOTION CARRIED

DISCUSSION OF ITEMS REMOVED FROM THE CONSENT AGENDA:

A question was raised with regard to the amount of the Myers Scholarship Fund payout. Karen explained that the Myers Scholarship Fund has a payout every year. We accept the payout each year, because we want to provide a scholarship each year. CFSEM specifies the amount of the scholarship payout based on their investment yield for the year. Also, for many years Beth Sulek-LaHousse has contributed additional funds to the scholarship enhancing the amount awarded.

A motion was made by Pam Williams, seconded by Grant Gerhart **TO ACCEPT THE REPORTS AND RECOMMENDATIONS AS PRESENTED.**

A vote was taken for approval of the motion.

Ayes: Falik, Gerhart, Lindstrom, Williams

Nays: None

MOTION CARRIED

OTHER:

No discussion

Meeting adjourned at 8:38 p.m.

The next meeting of the Library Board of Trustees is Tuesday, August 21, 2012 at 7:00 p.m. in the Board Room.

Submitted by:

Joan Luksik, Secretary