

MEETING MINUTES
Olean Public Library Board of Trustees
November 20, 2014
5:30 P.M. – Conference Room

The mission of the Olean Public Library is to provide equal access to materials in various formats, programs, services and professional staff to assist all people with their educational, informational, and leisure needs.

A Certificate of Compliance and Notice of Meeting Posted was signed, notarized and made a part of these minutes along with a copy of said notice.

Call to Order at 5:35 p.m. by Lanna Waterman. In attendance were trustees Wolfram, Kasperski, Wagner, Tenglund, Waterman, McElfresh, Assistant Director Mahar, and Director Chaffee.

1. Consent Agenda Items: A motion was made by Kasperski, seconded by Wagner, to approve the consent agenda items. Motion carried unanimously.

A. Waive the reading of the minutes of the previous meetings and approve as mailed.

B. Approval of Warrant Sheets for November:

Operating Fund: October #834 - \$219,830.16 (higher than usual due to the state retirement payment and three pay dates in the month)

Cafeteria 125 Fund: October #124-114 - \$225.91

Capital Fund: October #CF-250 - \$2,749.94

C. Correspondence: None

D. Director's Report: Nothing further was reported as everything was reported in Chaffee's written report. Other items were discussed under New Business.

2. Review of Financial Statements

Kasperski noted that we were in line with budget. It will be a tight year coming into the last couple of months. He asked why there was a negative variance on the clerical staffing line; the answer was that there were three payrolls in October and the variance was on the 10-month average. The library payroll is every two weeks.

Discussion ensued as to whether we should change the heading on the warrant sheets to indicate the specific dates. The warrant sheets run from the day after the last board meeting up to the next one, rather than by a calendar month.

There are still some monies due from the Council on the Arts.

3. Committee Reports:

Library System Board – McElfresh said that the system board has not met since the system dinner in October. The county legislature appropriated the same funds for the library system this year.

Library Exhibit – McElfresh said that he had not had a chance to think more about it, but the

issues are still how to secure things and how long to run it. The gallery is available from April 25 through June. McElfresh and Wolfram will continue to work on it. The theme they are planning now is collectors' collections. Additional ideas, such as finding an appraiser, were discussed.

4. Voice of the Public: None
5. Old Business: None
6. New Business:

A motion was made by Tenglund, seconded by McElfresh, to accept the quote from Buffamente Whipple Buttafaro, P.C. of \$6,700 for the audit of the Library's 2014 finances. Motion carried unanimously. [Last year the audit was \$6,600.]

Review and discuss Library Policies:

Vacation Accrual:

Last year we passed a motion to equalize the vacation accrual across staff. Some areas, such as the children's area, have restrictions as to when an employee can take the day off. Right now there is one person who is scrambling to use the time or lose it. Right now, only one day is in question. Chaffee suggested allowing, as a one-time fix, this person to roll over the additional day. Staff are kept informed of the vacation days that they have throughout the year. The vacation accrual policy is part of the employee manual. Some board members felt that this issue could be handled by the director, at his discretion. However, does this put the director on the spot? This situation this year was caused by the additional days that were given this year.

A motion was made by Wagner, seconded by McElfresh, to allow the director to exercise his discretion to grant an extension in this case only. Motion carried unanimously.

Materials Renewal Policy

The library allows one renewal of materials. There are some instances when people ask to extend it again. The library sometimes allows this, but it requires a password to be entered into the computer system for every single item. It can cause a bottleneck at the circulation desk. Some people abuse the renewal policy though. For example, teachers borrow books for their classrooms for an extended period of time, which means that the books are not available to other people (unless they put them on hold, but most people are browsers and will borrow only what they see on the shelves). They thought that it might be good to bump up the number of renewals to two, and then hold the line there. Chaffee was not sure if there were a lot of people doing this, but there were enough instances that staff members became concerned. There is no limit on the number of materials that one patron can check out at a time. In looking at what other system libraries allow, some allow only one renewal, while Jamestown allows up to four renewals.

Board members asked if it would be good to require that a book be on the shelf to be on the shelf for a certain time before the same borrower could borrow it. It did not seem that the library's circulation system would be able to effectively

handle this. One other system library requires that the book be put back on the shelf before a repeat borrower can borrow the item again. Our library tries to get materials back on the shelf within one day of return.

It seemed that there were not many people who were abusing the current policy. However, the concern was that people might not even know that the library had the particular book if it was always checked out.

It would be better customer service to allow a second renewal, since the patron is right in the library when making the request. These are usually responsible patrons, since they are seeking a renewal rather than letting it lapse into an overdue status.

A motion was made by Tenglund, seconded by McElfresh, to increase the number of allowable renewals to two. Motion carried unanimously.

Loan Period Policy

The library loans out AV type materials, such as television shows, for three days. Temporarily they were loaning these items out for 21 days to allow enough time for patrons to watch them. If another patron wants the item and puts it on hold, the item cannot be renewed. Otherwise, one renewal is allowed.

A motion was made by Kasperski, seconded by Tenglund, to extend the loan period for television series. Motion carried unanimously.

Food & Drink Policy

Times have changed regarding food and drink in the library. Chaffee said that they borrowed from other libraries' policies. Signs will be in place near the computers and microfilm readers, etc. indicating that no food or drink is allowed in this area.

A motion was made by Tenglund, seconded by Wolfram, to approve the food and drink policy. Motion carried unanimously.

Review the 2015 Proposed Library Budget

Chaffee said that these were ideas and options.

Depreciation: Kasperski said that it was part of generally accepted accounting practices. It is an allocation of the cost of the physical asset to the periods when the revenues are generated. It matches expense with revenue. Chaffee noted that if we were on a cash basis, that would not be considered. Kasperski said that you would then put capital expenditures in place of depreciation. Chaffee noted that we do not really expend the depreciation each year. Kasperski said that we needed to keep depreciation in. The alternative would be to borrow the depreciation from the fund balance.

Further discussion ensued about depreciation. You cannot deduct the cost of building or buying something, but it will wear out—at the end of its depreciated life, it is worthless. Depreciation helps us to save for the next expense, because ultimately you will need to spend that amount, such as a new computer. Depreciation is a real cost that comes every five years in the case of a new computer, or forty years in the case of furniture, etc.

Other ideas for reduction:

- Sunday hours. There is a fairly healthy circulation of materials on Sundays. What if we closed early one night a week? Going below a certain level could affect the charter as a public library.
- Health care insurance. In the last budget, additional money was included that came from the reimbursement that the library gets for paying a certain percentage of employees' health care benefits. We got slightly over \$5,200 through this. Small businesses and nonprofits are eligible for this.
- Workers compensation—a recent audit adjusted our rate
- Library materials, with a reduction of \$10,000, to keep it flat with the 2014 budget.
- Insurance policies on the building, bond/theft insurance, and officer's and director's insurance that covers the board, the library director, and the assistant director.
- Other operation and maintenance of the building. In previous years, we always made improvements to the building so that we do not have to make so many repairs.
- Library supplies: this line should not be reduced too much because the library will be cataloging more of their own books next year.
- Computer supplies
- Telephone—we still have a pay phone that we have to pay for and we do not make anything on it. With cell phones now, it is not needed as much
- Publicity and printing
- Travel and training
- Rental, repair, lease equipment. The library leased staff computer equipment; the lease ran out last year. The alternative is to purchase the computers and count it as a capital expense. It is an operating expense though, so maybe it should be leased in order to put that into the budget yearly.
- What about revenue enhancements? We need to find other ways to obtain revenue, such as the overdue notice fee, increased fee for referral to a collection agency, increase the fee for copies and printouts, rent out our meeting space to for-profit groups, or seek additional earnings on our investments (there are a lot of restrictions on what we are allowed to invest in, because these are public funds, but we need to investigate what we could do).
- Could we find benefactor who would donate money to the library?
- It was noted that retirement cost was \$54,000 in 2010, and in 2014 it is \$108,000.
- It was suggested that some of these issues can be brought up with the accountant when he makes his annual presentation.
- It might be best, in the future, to look at a reduction in staffing and/or benefits in order to bring the budget down without severely cutting into programming. The library's vacation and health care policies are generous. Should vacation time be reduced? The pension cost is a huge expense as well, but the library does not have control over this expense.
- We should look at what services can be cut without greatly affecting the overall purpose of the library. Then look at what employee hours are needed. The decision on staffing or benefits should follow the examination of which things we do here that are more expendable than others.
- We are not in a crisis now, but these ideas need to be part of a long-range plan

- Olean has fewer residents now than in the past. There is a lot of poverty in the city and we are asking these people to pay for these services. Our county is in the top ten of places that have the highest property taxes compared to property value. The property tax burden also lowers the value of the property.
- Do we want to have a library in 20 years? Yes. And that requires a shift in our long-range attitude.
- We need to vote on a budget in December.
- Fund balances can lull you into thinking that you do not have a problem, but at some point, it could be gone if we continue to spend out of it. On the other hand, we have a fund balance that we can use. Depreciation expense built the fund balance in the first place.
- Chaffee suggested that it was time for the board to allocate a portion of the fund balance to not be used except in case of emergency.
- The budget reduction list showed that some of the cuts would result in marginal savings.
- The board needs to decide whether or how it uses the fund balance. If we use it, we are living beyond our means. If we do not use it for operating budget expenses, then there will not need to be a radical change to operations since it will not run out in the next few years. We most likely can make a little bit more income on investing the fund balance as well.

7. Adjournment: A motion was made by McElfresh, seconded by Wolfram, at 7:40 p.m.

Reminders:

Next Board Meeting 5:30 p.m. on Thursday 12/18/2014 in the Conference Room

Copies of the library's financial statements and director's report are available upon request.

Respectfully submitted,

Ann M. Tenglund