

**PLUM CREEK LIBRARY SYSTEM
Governing Board
Regional Development Center, Slayton**

TIME & PLACE: The Plum Creek Library System Governing Board met at the Regional Development Center, Slayton on May 18, 2011 at 6:30 p.m. Chairperson Commissioner Don Evers presided.

PRESENT:

Commissioner Jim Schmidt, Cottonwood County
Commissioner Rosemary Schultz, Jackson County
Commissioner Don Evers, Lincoln County
Commissioner Mark Goodenow, Lyon County
Commissioner Bill Sauer, Murray County
Commissioner Harold Miller, Pipestone County
Commissioner Sharon Hollatz, Redwood County
Commissioner Jane Wildung-Lanphere, Rock County alternate
Commissioner Diane Thier, Nobles County
Pam Sukalski, Lyon County – Marshall
Martha Jongetjes, Pipestone County – Edgerton
Anne Lichtsinn, Lincoln County – Lake Benton
Marcia Bork, Rock County – Beaver Creek

Mark Ranum and Chris Lang were PCLS staff in attendance.
PCLS Staff members Cleo Wicks, Margie Salentiny, Anne Ouellette and Joel Sasse observed.

ABSENT:

Anita Hallum, Nobles County – Adrian
Citizen member - Murray County (vacant seat)
Citizen member – Cottonwood County (vacant seat)
Citizen member - Jackson County – (vacant seat)
Redwood County – Redwood Falls (vacant seat)

1. CALL TO ORDER

Chairperson Commissioner Don Evers called the May 18th meeting of the Governing Board to order at 6:30 p.m.

2. INTRODUCTIONS

Introductions were made for the benefit of newly appointed Commissioner from Redwood County Sharon Hollatz.

3. PRESENTATIONS - NONE

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 and in mailed packet) (action)

Hearing no amendments to the Agenda of the May 18th meeting of the Governing Board, it was declared approved.

6. MINUTES

6A. Governing Board – March 16, 2011 (e-mailed and in mailed packet) (action)

D. Evers noted a correction to the March 16th Minutes: Bill Sauer, not Commissioner Goodenow, seconded the motion to adjourn the meeting.

M/S D. Thier/M. Bork to approve the Minutes of the March 16th meeting of the Governing Board as corrected.

There was no further discussion

Motion carried by unanimous vote.

6B. Advisory Council – Information documents

6B1. March 16, 2011 (e-mailed and in mailed packet)

The Minutes of the March 16th meeting of the Advisory Council of Library Directors were distributed and viewed as an information document.

There were no questions.

6B2. April 20, 2011 (e-mailed and in mailed packet)

The Minutes of the April 20th meeting of the Advisory Council of Library Directors were distributed and viewed as an information document.

There were no questions.

7. REPORTS

7A. Director's Report

7A1. Written report (e-mailed and in mailed-packet)

7A1a. Legislative Session Update

Ranum reported that if there is a State shut down, PCLS services to libraries will continue uninterrupted, unless PCLS runs out of funds completely and no other funds are available.

7A1a1 RLBSS

Ranum made the Board aware that the current Education Bill does contain the full amount of Regional Basic System Support dollars. PCLS is expected to receive approximately 2.6% of the appropriation.

7A1a2. RLTA

The Legislature has approved RLTA (Regional Library Telecommunications Act) funding. Ranum noted that RLTA dollars support the Internet connectivity and access at all eligible PCLS libraries. Approximately 30% of the data line costs are paid for by RLTA dollars, the balance is paid for through the e-rate program.

7A3. Legacy

Ranum noted that the House version of the Legacy bill provides 3.455 million for each year of the biennium. The Senate version of the Legacy bill provides 3 million for each year of the biennium. At either level, PCLS would receive approximately \$75,000 for Legacy programming.

Ranum noted that the Senate version of the Legacy bill includes language that would allocate Legacy Dollars to the MN Arts Board and that funds would be distributed on a competitive grant basis which would be detrimental to libraries.

7A3b. Koha Grant and Koha Member Library Review

Ranum made the Board aware that the Koha LSTA Grant for \$67,726 has been approved by the Department of Education.

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Koha committee members and other library staff participated in a three-hour demonstration, review and testing of Koha features by following a 20-page feature/function checklist. One more demonstration session may take place before the next Board meeting.

Libraries attending the session received remote access login and passwords so that they could continue reviewing and testing Koha on their own.

Ranum made the Board aware that PCLS is not obligated to implement Koha if the Board accepts the LSTA grant. The Grant provides dollars for the testing and review process prior to implementation.

Ranum noted that if any one is interested in receiving a copy of the Koha demonstration session “Notes” they should contact him or Chris. Library Directors will receive a copy of the Notes.

7A3c. PCLS/Pioneerland Library System (PLS) administrative sharing

Ranum noted that he has had very little direct communication with the PLS Board however he is aware that members of their Ad Hoc Committee are making phone interviews with several PCLS Board members. At this point it will be up to the PLS Board whether they want to pursue a conversation with the PCLS Board about the potential for administrative sharing.

7A3d. Legacy Programs

Ranum made the Board aware that besides local library programs, PCLS/PLS joint programming initiatives include Theatre Bus tours to the Pipestone Performing Arts Theatre and the Barn Theatre in Willmar to see the productions of Annie and Don't Hug Me County Fair, respectively. Participants on the tours will have the opportunity to tour and learn the histories surrounding the theaters.

7A3e. Mary Rae Oxborrow Retirement Open House

Ranum announced the retirement celebration honoring Mary Rae Oxborrow, long time employee of PCLS. Board members should contact Chris if they wish to contribute toward Mary Rae's gift.

7B. Financial Report (action)

7B1. March, 2011 Statement of Rev. and Exp. Report (e-mailed and in mailed packet)

7B2. March, 2011 bills list (e-mailed and in mailed packet)

7B3. April 2011 bills list (e-mailed and in mailed packet)

7B4. Cash Flow statement (e-mailed and in mailed packet)

The March Statement of Revenue and Expenditures, Cash Flow statement and March and April bills lists were presented. Ranum noted that there were no unusual or unexpected expenditures to highlight.

M/S J. Wildung-Lanphere/R. Schultz to approve the financial documents as presented.

There was no discussion.

Motion carried by unanimous vote.

7C. SAMMIE Board Report

The next meeting of the SAMMIE Governing Board is scheduled for June 2nd. There was nothing to report at this time.

7D. Other

There were no other reports brought to the table.

8. OLD BUSINESS

8A. Audit follow-up by Director to low bidder

Ranum made the Board aware that he had made further inquiry of the audit firm Conway Deuth and Schmiesing as requested by the Board to ensure that all elements and requirements of the PCLS Audit proposal had been identified. Ranum distributed a document that clarified the changes to the language of the bid proposal as agreed upon by the Conway Deuth and Schmiesing Audit Firm. The language changes are:

1. On page 1 of the bid letter, CDS agrees to deliver and present a verbal audit presentation within 180 days of the fiscal year end (June 30 each year) to regularly scheduled PCLS Board meeting. Our latest regularly scheduled latest Board meeting within this time frame is typically the third Wednesday of October, although some years the Board may meet the third Wednesday in November. I have amended the proposal slightly to say:

CDS will deliver and present a verbal audit presentation at the regularly scheduled meeting of the PCLS Board in either October or November of each year, whichever month is mutually agreed to by both parties.

2. Related to the first item, I shortened the timeframe of the on-site audit from 90 days after the fiscal year end of each year to 60 days, with no change to the audit adjustments schedule to be completed within 30 days of the on-site audit

M/S B. Sauer/D. Thier to accept the Professional fee proposal for Professional Audit Services from Conway, Deuth & Schmiesing, PLLP as modified.

There was no further discussion.

Motion carried by unanimous vote.

8B. Agency Agreement – Marshall Concerns

Ranum identified the three issues of concern from the Marshall-Lyon County Library Board as follows:

Timeline for withdrawal: Original language was 6 months, the language in the revised Agreement calls for an 18th month withdrawal process. Ranum had consulted with the State Librarian and it was confirmed that it would take approximately 18 months to work through the withdrawal process. Commissioner Wildung-Lanphere noted that the Rock County Attorney had also requested the language be changed from 6 to 18 month to allow for enough time to re-establish MOE calculations, etc.

List of PCLS Services: Marshall-Lyon requested that the Agency Agreement identify specific PCLS services to libraries. Ranum clarified that Regional Library Services are in MN Statute. When partners come together to form a Regional Public Library System under a joint powers agreement, partners, by agreeing to accept state funds are agreeing to provide services as defined by MN Statute. Services provided above and beyond the core services vary according to funding and staffing levels, as well as with changing PCLS Board priorities. Because of that issue, the State recommends that services are NOT listed specifically into a joint powers agreement. Ranum noted that Plum Creek is not a signatory of the Joint Powers agreement, but rather it is the result of the Joint Powers agreement between cities, counties and library boards. Goodenow commented that the services section could, therefore, state, as required by MN Statute 134.34.

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Ranum noted that since PCLS is formed under 134.34 and by accepting state funds, PCLS is accepting the responsibility of providing the core services as outlined in 134.34 and further clarification would not be needed.

Legal Language “Parties of the First Part”; “Parties of the Second Part”. Ranum noted that the reason the language “Parties of the First Part and Parties of the Second Part” were incorporated into the Agency Agreement was because a few of the county attorneys who reviewed the Agency Agreement preferred the legal language.

Ranum asked Goodenow and Sukalski if his responses to the Marshall-Lyon County Library Board’s concerns would satisfy their Board so that the process of having the Agency Agreement signed would progress. Sukalski said they would bring Ranum’s comments back to the their Board and perhaps the Marshall Board will want him to also make a presentation at one of their upcoming meetings. Ranum reiterated that he would welcome an invitation to talk to the Marshall-Lyon County Library Board since the Marshall Board has had a change in board membership and a new director since the process of revising the Agency Agreement began eighteen months ago.

8C. Other

There was no other Old Business.

9. NEW BUSINESS

9A. United Prairie Bank Certificate of Adoption (acceptance)

Ranum made the Board aware that PCLS has received the United Prairie Bank certifying that that the bank has investments on reserve to cover PCLS funds. Ranum requested the Board accept the bank’s Certification of Adoption of Directors Resolution as presented.

M/S B. Sauer/M. Goodenow to accept the Certification of Adoption of Directors Resolution from United Prairie Bank as presented.

There was no further discussion.

Motion carried by unanimous vote.

9B. Other

There was no New Business brought to the table.

10. DISCUSSION

10A. Draft PCLS FY 2012 Budget (e-mailed and in mailed packet)

The proposed draft of the PCLS FY 2012 Budget was reviewed. Ranum pointed out that RLBSS revenue is expected to be approximately \$352,000 – a decrease of about \$22,000 from the previous year.

Administration.

Ranum explained that 100% of the Fiscal Administrator’s salary and 50% of the Office Administrator’s salary are declared under Administration expense, while 50% of the Office Administrator’s salary is declared as a regional and/or multi regional Legacy expense. The Administration Budget reflects no changes to Ranum’s contract.

Reference/Cataloging/Interlibrary Loan.

The Reference/Cataloging/Interlibrary Loan budget represents the salaries of the ILL Clerk and Cataloger’s positions. The salary and benefits line items are significantly lower from past years because of the retirement of Mary Rae Oxborrow.

Automation.

Ranum clarified that the income stream for Automation comes from two areas – SIRSI licenses and database maintenance fees paid by the libraries. If the Board elects to migrate to Koha Open Source for automation, the SIRSI license fee would be eliminated. The database maintenance fee structure may need to be adjusted once it is determined how much revenue is needed to run the new automation system efficiently.

Ranum noted that the automation salary and benefit expenses will be split between the PCLS budget and LSTA grant funds.

The decrease in automation salary and benefit expenses also reflects the fact that the ILS Administrator's position was eliminated with the shift in staff duties.

Delivery.

Ranum noted that the most significant expense associated with delivery service is the cost of fuel. Ranum noted that the budget reflects fuel costs at \$5.00 per gallon and asked the Board if they felt that would be sufficient. It was informally suggested that Ranum leave the cost at \$5.00 per gallon and adjust the budget if forecasts for gas prices drop significantly.

Ranum further noted that with 280,000 miles on the vehicle, it would need to be replaced during the next fiscal year. The question was raised as to whether the "box" is in good enough shape so that only the chassis would need to be replaced. Ranum noted that he would research that option.

Budget totals.

Ranum summarized the proposed operating budget by stating the total revenue as \$520,467 and total expenses as \$526,581 resulting in a \$6,114 deficit. Ranum noted that he would continue to revise the budget so that a balanced budget would be presented for approval at the June meeting of the Board.

Ranum noted that the budget is very lean and staff continue to be very conservative with all expenditures.

Ranum commented that perhaps each county could consider contributing \$3,000 toward the purchase of a delivery van, so that the bottom line operational costs could be decreased by \$27,000. This would be a capital expense and not subject to maintenance of effort.

Ranum noted that vehicle maintenance expense would not decrease substantially with the purchase of a new truck because the majority of the current expense is preventative maintenance.

Bookmobile Budget

The bookmobile budget was presented for the Board information. Ranum clarified that the participating four counties (Redwood, Pipestone, Cottonwood and Murray) pay bookmobile costs. There are no per stop cost increases reflected in the budget. It is evident that the service remains a viable service. Although staff continue to keep the bookmobile running in the most effective manner possible for a vehicle its age, the need for a replacement bookmobile may need to be considered in the future. Options for replacing the bookmobile such as applying for grant funds of some kind will be considered and researched.

There were no further questions or discussion regarding the PCLS 2012 draft budget.

10B. Strategic Plan Priorities

Ranum shared the responses to the survey that asked library directors and board members to identify their top three service priorities.

The three areas of most importance to respondents were: Technology support, staff training and financial stability of PCLS. The next step will be to break down each area and identify specific goals, objectives or priorities within those areas to ensure the Board has the information it needs to develop the Strategic Plan.

10C. Legacy Funding breakdown

Ranum provided the Board with the quarterly report of Legacy Fund expenditures as submitted to the State as well as a breakdown of all Legacy programs held by member libraries.

Ranum noted that the Governing Board has a fiduciary responsibility for all Legacy fund expenditures. The monthly financial reports approved by the Board reflect all Legacy income and expenditures.

10D. Resource sharing of new materials (requested by Marshall)

Goodenow expressed the concern of the Marshall-Lyon County Library Board and Director that the current resource sharing policy is not clear on the expectation of sharing of new materials. Goodenow explained the process of processing materials and filling holds, as he understood it. He noted that the current policy is that all materials including new materials are available to share. The question the Marshall-Lyon Board and Director has is whether there could be a classification for new materials that would make them not available to share for a period of three months. He noted that some of the libraries use the “in processing” procedure so that materials can remain in the owning library for a period of time. He was of the opinion that the rule for sharing materials should be either that all libraries share all new materials all the time, or they not shared new materials for a period of time (for example three months). He felt that the “in processing” procedure should not be used as a means of keeping new materials in a library for browsing purposes. Goodenow also felt that new books purchased with local dollars should be allowed to remain in that library for a designated period of time before they available for loan by other libraries’ patrons so that local patrons have access to those materials.

Goodenow commented that the main issue and question is, does the Governing Board establish a policy that new materials are shared from the moment they are processed or kept in the owning library for a period of time.

Ranum explained that he is confident that the majority of libraries share materials openly and immediately upon processing new materials. Goodenow disagreed and felt that libraries were telling Ranum that they were sharing because they are aware of his opinion on the subject. Ranum defended his position with information from the reports PCLS can generate that show that libraries are sharing their new materials.

Ranum explained that the Governing Board has a policy that states that libraries will resource share everything on their shelves. This is a requirement for being in the Regional System and is written in Statute that members of a regional library system agree to resource sharing. Because of the timing of when new materials are purchased and received, libraries have been told that when they add their holdings to the database (the in processing function) and the last step before it becomes available for checkout, that they could put the material on the shelf for browsing purposes by local patrons. The moment that book is taken off the shelf and checked out, it is removed from the “in processing” status and remains available for checkout and loan unless library staff manually place it back to “in processing”. And when a book is available for check out it is available for loan by all PCLS patrons. Ranum noted that when a hold is triggered on new materials, the automation system provides the option of canceling the hold by library staff. Ranum stated that he is aware that this may happen but he is confident that it does not happen as a widespread problem.

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Ranum summarized by reiterating that the policy is to share all materials right away. The procedure that is in place is that a library that has “browsing” patrons may choose to put new materials on display for a short period of time by keeping them in “in processing” status.

Another procedure that is in place to minimize the length of time a book is out on loan and away from the owning library is that libraries can monitor through the purchase alert report the number of patrons they have on a title in comparison to the number of titles available throughout the system. If a library owns one copy of a title and has a significant number of their patrons on hold for the title, the library should consider purchasing an additional copy.

Ranum explained that the goal of the proposal from Goodenow would be to serve the browsing patron. But he also stated that using this method only serves one browser at a time because once the title is checked out, it is no longer available for any other browser to see.

Ranum expressed his confusion over the change in attitude of the Marshall Board because the previous library director was the champion of open resource sharing to which the Marshall Board must have agreed.

Goodenow noted that the Marshall-Lyon County Library Board agrees to resource sharing, but disagrees with the assumed definition of resource sharing that it has to include immediate sharing of new materials. He proposed to revise the current Circulation policy for the Board’s review.

Wildung commented that this issue cannot be resolved at this point because it involves all local library boards and library directors and suggested that Goodenow present the Marshall library’s concerns and policy recommendations to be reviewed by local library staff and boards.

Ranum encouraged board members to talk to their local library directors and boards and discuss the issue at the local level.

10E. Hold list function (requested by Marshall)

Goodenow explained that the Marshall-Lyon County Library Board has established a policy that patrons of the Marshall-Lyon County Library can only place ten (10) active holds at a time in an attempt to help the holds on new materials issue.

10F. Search Criteria causing odd search results (requested by Marshall)

The concern was that, in some instances, when searching for a title on the database, the search results are too broad. When cataloging errors are found, they are corrected. However, cataloging methodology and standards are followed by PCLS to ensure the catalog meets the professional expectations of our users.

10G. Other

Ranum called the Board’s attention to the items included in the Board Agenda packet as requested by Board members: 1) Two documents from the MN Trustee Manual - one identifies the responsibility of a Governing Board and the other identifies the Governing Board and Director Separation of Duties and Authority. 2) Ranum’s contract.

11. EXECUTIVE SESSION - none

12. REPORTS FROM THE BOARD MEMBERS

Reports from the Board were heard.

13. CALENDAR OF EVENTS

- A. August 2 & 3 – Branch Out - St. Olaf College, Northfield
- B. August 11th Camp Read-A-Lot – Marshall
- C. October 12-14 MLA Conference - Duluth

14. PENDING AGENDA ITEMS

- A. ByLaw review (after all signatures on the Agency Agreement are received)
- B. Budget final proposal for approval
- C. RLBSS grant signature for approval
- D. Strategic Plan - ongoing

15. NEXT MEETING

- A. Date: June 15, 2011
- B. Location: Regional Development Center (RDC) Slayton
- C. Time: 6:30

16. ADJOURNMENT

M/S A. Lichtsinn/M. Jongetjes to adjourn the May 18th meeting of the PCLS Governing Board having completed the Agenda.

Motion carried by unanimous vote.

Respectfully submitted

Chris Lang, Office Administrator.