PLUM CREEK LIBRARY SYSTEM
GOVERNING BOARD MEETING

TIME & PLACE:
The Governing Board met at the Murray County Courts Building, Slayton, MN on June 20, 2012 at 6:30 p.m. Chairperson Mark Goodenow 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 Diane Thier, Nobles County
Commissioner Harold Miller, Pipestone County
Commissioner Jane Wildung-Lanphere, Rock County
Anita Winkel, Cottonwood County - Windom
Cindy Albrecht, Jackson County - Jackson
Marcia Kunze, Murray County Alternate - Slayton
Marcia Bork, Rock County – Beaver Creek
Pam Sukalski, Lyon County – Marshall

Two Library Directors and several PCLS staff observed.

ABSENT:
Commissioner Sharon Hollatz, Redwood County
Anita Hallum, Nobles County – Adrian
Anne Lichtsinn, Lincoln County – Lake Benton
Martha Jongetjes, Pipestone County – Edgerton
Jane Zimmerman, Redwood County – Lamberton

1. CALL TO ORDER
Chairperson Mark Goodenow called the June 20th meeting of the Governing Board to order at 6:30 p.m.

2. INTRODUCTIONS
Introductions were made.

3. PRESENTATIONS

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
Ranum requested the following amendments/corrections to the June 20th Governing Board meeting agenda:

- Correction: 8B. Ratify Executive Committee’s action to submit 2012 LSTA Final Report, not 2011 LSTA Final Report.
- Addition: Staff salary adjustment 8D1 following PCLS evaluation 8D.

Addition: 11A Director’s compensation request.

M/S B. Sauer/D. Thier to approve the Agenda of the June 20th meeting of the Governing Board as amended and corrected.

There were no questions or discussion.

Motion passed by unanimous vote.

6. MINUTES
6A. Governing Board
Ranum made the following correction on page 6 of the April 18th Minutes: The actual automation salary amount attributable to the LSTA Grant was $5,192 – which was not 50% of the total wage amount for that position.

M/S D. Evers/C. Albrecht to approve the April 18th Minutes of the Governing Board as corrected.

There was no discussion.

Motion passed by unanimous vote.

6A2. Executive Board May 23, 2012 (e-mailed/mailed packet) (action)
Ranum made a typographical correction on the bottom of page 1, last sentence: the word “electron” should be “electronic”.

M/S D. Thier/D. Evers to approved the May 23rd Executive Board Minutes as corrected.

There was no discussion.

Motion passed by unanimous vote.

Miller made a typographical correction on page 10 of the May 23rd Minutes, 4th line, first word – should read “what”, not “want”.

M/S H. Miller/B. Sauer to approve the Minutes of the May 23rd Special meeting of the PCLS Governing Board as corrected.

There was no discussion.

Motion passed by unanimous vote.

6B. Advisory Council – Information documents
6B1. May 16, 2012
The Minutes of the May 16th meeting of the Advisory Council of Library Directors was distributed via e-mail as an information document.

There were no questions or concerns.
7. REPORTS

7A. Director's Report

Ranum provided the Board with a report on his recent activities as follows:

- The Nobles County Library building project is moving forward. The Nobles County Commissioners approved funding for site planning, cost estimations, etc which Ranum has been directly involved with to ensure that continued planning includes space for PCLS offices. It was noted that the City of Worthington is participating in and supportive of the library's building initiative.

- The proposed change to Legacy funding formula which includes a “points of service” factor instead of an equalization factor has passed all regional library boards. The next step will be to make the proposal to the Legislature. If passed by the Legislature, a higher percentage of Legacy dollars will be allocated to PCLS for fiscal years 2013/2014.

- The e-book project will soft launch in the near future. Ranum pointed out that a committee of library directors and library staff has worked to develop a collection of fiction, nonfiction, children and young adult titles. Due to funding limitations, audio books will not be purchased immediately. However, the Jackson County Friends Group has solicited a funding challenge to all Friends Groups to donate dollars toward the e-book project. Those funds may be allocated for audio books. E-book purchases are ongoing. Once purchased, most publishers allow unlimited access so that titles do not have to be repurchased. There are exceptions to this in that some publishers may require repurchase after a given number of checkouts or time limit. Public domain titles have also been downloaded. Patrons will have unlimited access to those titles. Amazon has a program called WIN in which 10% of any purchase made by participants is applied to a PCLS account for additional e-book purchases. E-book PR templates were shared with the Board.

- A statewide initiative Ranum has been involved with is the Return on Investment study that shows that every dollar the public invests (tax dollars) in library service there is a $4.62 return in economic good. A presentation regarding the study is under development and will be available to cities and counties later this summer or early fall.

- MN Statute 134 which governs public libraries has not been reviewed in 22 years. Ranum is participating in a working group to review all sections of the statute.

7B. Financial Report

7B1. April Financial Statements

7B2. May Financial Statements

Ranum called the Board’s attention to the May Statement noting that the RLTA 3rd payment has yet to be received causing some budgetary concerns. However it is anticipated that those funds will be received before year end. Automation salaries have been adjusted to reflect actual amount credited to that account versus the estimated budgeted amount at 50% of the total. All expenses were routine in nature. A FY 2011/12 budget balance of approximately $11,000 is anticipated.

M/S J. Wildung/A. Winkel to approve the April and May 2012 Financial reports as presented.

There was no further discussion or questions.

Motion passed by unanimous vote.

7B3. Cash Flow Statement

Ranum provided the Board with an overview of the cash flow summary. He pointed out and explained how deferred revenue automation has been traditionally handled, noting that the board may want to revise the accounting procedure based on audit recommendations.
PCLS is in stable financial condition to carry through with positive cash flow until the next RLBSS payment is received.

Ranum pointed that Marshall-Lyon County Library is one of the four locations around the state that is hosting a Civil war program series. Line 60 of the Cash Flow summary reflects the MN Humanities Center grant. PCLS, as the fiscal agent for that grant is allowed $800 for administration and evaluation of the grant.

7C. SAMMIE Board Report (if available)
SAMMIE Board representatives reported that Teen Kits developed by the Teen Coop have been purchased and will be available to libraries for programming purposes in the near future. The kits will NOT be available to the general public at this time. Four kits are housed in Plum Creek and four are housed in Pioneerland and will rotate between systems on a quarterly basis.

The SAMMIE Governing Board is reviewing and developing the FY 2012/2013 Budget

The new office space at SMSU for SAMMIE employees appears to be working very well according to SAMMIE board representatives from PCLS.

7D. Other
There were no other reports brought to the table.

8. OLD BUSINESS
8A. Automation System policy related changes
Ranum noted that there are no automation system policy related changes at this time.

Discussion ensued regarding the fact that the meeting between Ranum and the Marshall-Lyon County Library Director that had not yet taken place. It was explained by MLCL representatives that their work schedules limited the dates available for the meeting and that they believed they were to be included in the meeting.

[Director's note: the meeting took place on July 24th at the Marshall-Lyon County Library with Ranum, Goodenow, Sukalski, Martin-Huffman and Lang in attendance]

8B. Ratify Executive Committee's action to submit 2011-2 LSTA Final Report
M/S P. Sukalski/D. Evers to approve the Executive Committee’s decision to submit the 2012 LSTA Final Report.

There was no discussion.

Motion passed by unanimous vote.

8C. Ratify Executive Committee’s action to submit 2012 LSTA MCC School Application
Ranum explained that the LSTA program typically starts with applications being submitted in the Fall and the awards announced in the Spring. This year, there were dollars left in the LSTA fund so the State elected to re-open the application process. Ranum had been contacted by the Murray County School district expressing interest in automating their school library. Jackson County school project has been temporarily put on hold awaiting the completion of the Koha migration. With only one school building to automate, Murray County Central will give PCLS an opportunity to see how easily a library can be added to the database before taking on the larger Jackson County Schools project.
If awarded the LSTA, the MCC school automation project could begin in September or October 2012. If that project is successful, PCLS could apply for the next round of LSTA funds for the Jackson School project.

Ranum noted that the grant does not financially support PCLS staff wage commitments. Staff wages will be an in-kind contribution.

Ranum made the Governing Board aware that if the LSTA grant is awarded, a contract will be sent to the Murray County School Board for approval and then to the GB for acceptance.

M/S M. Bork/B. Sauer to approve the Executive Committee’s decision to submit the 2012 LSTA MCC School application.

There was no discussion.

Motion carried by unanimous vote.

8D. PCLS Evaluation Review

PCLS Board members received and reviewed the evaluation summaries of the Board members’ evaluations and those of the Advisory Council of Library Directors. Goodenow noted that PCLS staff did not participate in the evaluation process.

The question was raised as to whether Goodenow had developed the evaluation form. Goodenow responded that he modified an evaluation form that Ranum had provided him based on Strategic Planning goals/topics.

Goodenow explained that individual comments on the evaluation summaries are separated from each other by bold type.

The Advisory Council of Library Directors will receive and review the evaluation summaries after the Governing Board completes their review at this meeting. However, Ranum reported that he did review the PCLS evaluation summary with the PCLS staff prior to the Governing Board meeting. Ranum noted that the staff were appreciative of the high average score ratings PCLS as an organization received from both the Advisory Council and the Governing Board members.

Goodenow noted that in his opinion, and from his interpretation of the Advisory Council evaluations, that library directors are aware and concerned about the cut backs in PCLS services.

Wildung-Lanphere commented that she understood the concerns about cuts in services. However, it is hard to operate at top level without adequate funding levels and staff. Wildung-Lanphere reminded the Board that very few county dollars go toward funding PCLS services.

Wildung-Lanphere suggested that as part of the strategic planning process, cities and counties should be encouraged to be advocates for the libraries and PCLS in terms of increased financial support so that current services can continue and new services can be considered.

Ranum noted that PCLS is one of two regional systems that do not receive direct county funding. PCLS does receive indirect funding from the cities and counties through local library fees for automation and delivery. Traverse des Sioux is the other system that does not get direct dollars from Counties and their service fees are substantially higher.

Goodenow commented that the PCLS evaluations will serve the Board and Library Directors well as a valuable tool during the strategic planning process.
8D1. PCLS Staff salary adjustments

Ranum made the Board aware that during the budget development process, he had incorporated a step increase for PCLS employee. PCLS staff have not received a pay increase for four years. What is not included in the proposed FY 2012/13 budget is any adjustment to the salary schedule. Therefore Ranum is proposing a 2% adjustment to the salary schedule as well. The cost of the 2% shift in the salary schedule is $5,000 and the cost of the step increase is well within the budgeted amounts of the current salary compensation lines.

M/S M. Bork/R. Schultz to approve the Directors proposed 2% salary schedule adjustment and step increase for each PCLS employee.

There was no further discussion.

Motion carried by unanimous vote.

8E. FY 2012/2013 Budget

Ranum pointed out that since PCLS is at the minimum of what it can receive in Basic System Support that any adjustments in RLBSS revenue would only be for the better. A projected FY 2013 end balance of $13,694 includes a step increase for all PCLS employees.

Ranum reviewed the proposed budget with the Board and explained various line items.

Revenue.

Ranum reported that initially, revenue from RLBSS was projected to be $387,033. However with the estimated state surplus, additional funds will be allocated to the education shift which could translate into increased dollars for PCLS in an amount up to possibly $406,000. Ranum noted that he is comfortable leaving the proposed budget revenue from RLBSS at $387,000 until the final state numbers are confirmed.

E-rate and RLTA funds are pass through funds.

Automation and delivery revenues reflect fees received from libraries and schools. Ranum shared a handout that documents the fees assessed to each library and the amount of state dollars allocated for automation and delivery services as requested by the Board. For example Nobles County Library pays $1,100 in delivery fees for Adrian where as PCLS state funds contribute $2,686 to subsidize that service. State dollars subsidize automation in the amount of $834 per library.

Goodenow pointed out since PCLS no longer pays a license fee per automation computer, the formula associated with the proposed “workstation” fees needs to be re-evaluated as well as the database maintenance fee which was established in the mid 1990’s. Ranum noted that he would work with the Advisory Council and Governing Board to re-evaluate how automation fees are assessed.

Ranum pointed out the small revenue line times such as Summer and Winter Reading program revenue, donations, copy machine revenue, interest income, MnLINK Gateway income which is the statewide interlibrary loan medium and rental income from the hair salon located in the PCLS office complex.

Total revenue is projected to be $558,450.
Expenses
Ranum reviewed and explained the various expense line items in detail.

Ranum reminded the Board that administrative wages expense includes the full-time fiscal administrator’s position and half time office administrator’s position. The balance of Lang’s position as Legacy Coordinator is funded through the Legacy program.

Ranum pointed out that the largest administrative expense increase is in facility repair and maintenance line item which includes funds to replace the furnace and to upgrade the lighting system.

Other administrative expenses remain constant with the previous year.

Total administrative expense is projected to be $228,835.

Cataloging and Interlibrary Loan program expenses includes salary increases. All other line item expense are routine with minimal if any change from the previous year. Total Cataloging and Interlibrary Loan expense is projected to be $112,130.

Automation program expenses also include wage and related expense increases. Telecommunication expense reflects the internet costs for each participating library and if off set by the e-rate and RLTA revenues. An increase in staff travel has been proposed due to support more onsite library visits by PCLS staff. Line 95 “Automation Vendor expense” reflects the amount payable to Overdrive. Total Automation program expense is projected to be $105,258.

Delivery. Total delivery expense is projected to be $98,533 Ranum noted that the new delivery driver Jim Kill is working out very well. Fuel costs are projected to be lower due to the change to a four-day delivery schedule and the fact that per gallon fuel costs did not go as high as expected.

Ranum noted budget line 112 which reflects the purchase of a new delivery vehicle.

Grand total expenses are projected to be $544,756; expected revenue is $558,450 for an overall fiscal year-end balance of $13,694.

Ranum called the Board’s attention to the bookmobile budget with revenue and expense of $65,792. It is hoped that a newer vehicle can be purchased this calendar year. The bookmobile program serves four counties: Cottonwood, Lincoln, Murray and Redwood and is totally funded by the participating counties.

The Legacy budget reflects dollars allocated to PCLS as well as those incorporated in from Pioneerland to sponsor joint programming initiatives such as the Laura Ingalls Wilder pageant bus tour.

Ranum called for questions from the Board regarding the proposed budget.

There were no questions.

M/S B. Sauer/D. Evers to approve the PCLS Fiscal year 2012/13 Budget as proposed.

There was no further discussion.

Motion carried by unanimous vote.
8F. Other
There was no other Old Business brought to the table.

9. NEW BUSINESS
Ranum explained that the next four agenda items are routine state reports and applications that require board approval and authorization to submit.

M/S D. Thier/J. Schmidt to approve the submission of all required state reports and applications identified under Agenda items 9A, 9B, 9C and 9D below.

9A. Authorization to submit 2012 Legacy Final Report
9B. Authorization to submit 2013 Legacy Application
9C. Authorization to submit 2013 RLBSS Application
9D. Authorization to submit 2013 Strategic Plan update form

Ranum explained the Strategic Plan update process for the benefit of the Board and in response to a question raised.

There were no further questions or discussion.

Motion carried by unanimous vote.

9E. Other
There was no other New Business brought to the table.

10. DISCUSSION
10A. Other
There were no topics brought to the table for discussion.

11. PERSONNEL REVIEW OPEN/CLOSED SESSION
Goodenow made the Board aware that the Director has requested his review be held in open session.

The Director’s evaluation summaries from the Library Directors and Governing Board members were reviewed by the Board.

Goodenow explained that the evaluation form was one used by the Marshall-Lyon County Library Board and is a standard form used by non-profit organizations. Goodenow noted that he did not write any of the questions.

Goodenow reported that the Executive Committee members reviewed the evaluations and summaries prior to the Board meeting.

A copy of the Director’s Evaluation form will be placed in a personnel file. Ranum noted that since the evaluation summary is being reviewed in open session, it is a public document available for review by all partners of the Joint powers agreement.

Goodenow reiterated that the bold type comments only indicate a separation of comments.

Ranum noted that overall he was pleased with the evaluation results and takes the few points of constructive criticism seriously. He was especially pleased that the Board and Library Directors recognize that he does take ownership and responsibility for the success of PCLS and that he is invested in the success of PCLS.
Wildung-Lanphere commented that the Board needs to formally receive the Director’s evaluation summary and instruct that it become part of Ranum’s personnel file.

Miller expressed the fact that he would be very disturbed if the Board instructed the Director’s evaluation be part of a personnel file with the personal negative comments that were made. In Miller’s opinion, even negative comments could be approached in a positive way for inclusion in a personnel file.

Wildung-Lanphere, in response to Miller, suggested that the Executive Committee construct a letter summarizing the Director’s evaluation process and reflecting the overall tone of the evaluations and that the letter be placed in a personnel file. Miller was comfortable with that approach.

M/S H. Miller/D. Thier to receive the Director’s evaluation documents and to instruct the Executive Committee to draft a letter that accurately summarizes the overall tone of the Director’s evaluation and that the letter be placed in part of the Director’s personnel file after it is reviewed by the full board.

There was no further discussion.

Motion carried by unanimous vote.

11A. Directors compensation request.
Ranum requested that the Board consider a one-time adjustment of $14,936 in his compensation package. The amount of the request is in direct relation to the additional amount to be received from the education shift and will not affect the budget’s bottom line. Ranum noted that he is not reimbursed for medical insurance, mileage, fuel or general liability costs.

M/S D. Thier/B. Sauer to approve the Director’s one-time compensation request of $14,936.

A comment was made regarding Ranum’s contract with Pioneerland and the suggestion made that since he also receives money from Pioneerland, that compensation should be considered when his request is considered.

Wildung-Lanphere asked if Ranum’s original contract with PCLS was exclusive and if it was not exclusive, then no other compensations paid to Ranum should be considered when determining what the PCLS Board pays him. Ranum explained that his contract was not exclusive.

M/S B. Sauer/D. Thier to call the question. Motion carried.

Motion to approve the Director’s request for a one-time compensation payment of $14,936 carried. Two nay votes are recorded.

Bork commended Ranum and the PCLS staff for sticking with PCLS during these tough economic times and for jobs well done.

Schmidt commended Goodenow on the work he did providing the comprehensive evaluation summaries.

12. REPORTS FROM THE BOARD MEMBERS
Reports from the Board members were heard.

13. CALENDAR OF EVENTS
Ranum announced that the Annual Meeting will be held at the Juniper Bar and Grill (formerly the Royal Loon) in Slayton on September 19th 2012 beginning with a social time at 5:30 p.m.
14. PENDING AGENDA ITEMS
14A. ByLaw review (after all Agency Agreement signatures are received)
14B. Strategic Plan Priorities
14C. Other

15. NEXT MEETING
15A. Date: Annual Meeting September 19, 2012
15B. Location: Juniper Bar and Grill Restaurant, Slayton
15C. Time: To be announced

16. ADJOURNMENT
M/S D. Evers/C. Albrecht to adjourn the June 20th meeting of the Governing Board having completed the Agenda.

Motion carried by unanimous vote.

Respectfully submitted

Chris Lang, Office Administrator