Regular Monthly Meeting
Royal Oak Public Library Board of Trustees
Minutes of April 24, 2007

Trustees present: Nancy Hollyer, President; Dave Palmer, Secretary; and Trustees Christopher Ahn, Ronald Halstead, Joan Koelsch, Kenneth Rosen, Amy Schell, Vice President and Rick Wallace.

Trustees Absent with Notice: Art Makarewicz.

Also present: Director Metta T. Lansdale, Jr.; Tom Hoover, City Manager; Jim Ellison, Mayor of Royal Oak, Britt Winter, city Finance office and Scott Newman, city Information Systems office.

Guests Noted: Mary Karshner, Melissa Straub Eric Hayes, Marie Newcomb, Anna Vidal, Lori Boden and City Commissioner Miller.

Call to Order
President Nancy Hollyer called the meeting to order at 7:00 p.m.

I. Announcements/Communications
There were no announcements or other communications.

II. Public Comment
There was no public comment.

III. Agenda Approval
The Agenda was rearranged to provide cost allocation and budget discussion at the beginning of the meeting, for the benefit of presenters; otherwise, the agenda was accepted as distributed.

IV. Budget 2007-2008
Cost Allocation Resolution
City Manager Tom Hoover, Mayor Jim Ellison and city staff Britt Winter (finance) and Scott Newman (information systems) were on hand to discuss philosophy and methodology for construction of city overhead cost allocations to the library fund.

MOTION by C. Ahn to approve the Cost Allocation Resolution was Seconded by K. Rosen.

Library Trustees Halstead, Wallace, Koelsch, Palmer and Rosen each individually addressed their perspective on the need for the resolution. Primary concerns they addressed were that the library is paying fair rates considering services received by the city, the need for timely financial information from the city for library planning purposes, library trustees' accountability for library finances, the concern about mid-year "surprise" debits from the library fund affecting the library budget and fund balance, the frustration getting budget and methodology information from the city, and the understanding that the library board wishes to recognize and account for actual library expenses.

Citing the January 2007 *Cost Allocation Study,* Guests Ellison, Hoover, Winter and Newman each individually addressed the city methodology and rationale for the construction of the cost allocation model. [The Library received copies in late April.] City personnel stated the allocation model was not based strictly on use of city service but was intended as a proportional distribution of city services across all city departments. City Manager Hoover stated that his office would respond to inquiries for information from the Library Board. Mayor Ellison said he would want to personally hear of any problems passing information between the City Offices and the Board.

MOTION by R. Wallace was Seconded by K. Rosen to postpone action on the Cost Allocation Resolution and evaluate the revision of the allocation model forthcoming was PASSED Unanimously.

City Manager Hoover offered to meet with library trustees, at the end of the budget process, to the end that all parties are satisfied with the financial relationship between the library and the city. Trustees stated they were looking forward to the improved information flow.

Library Budget Resolution

MOTION by C. Ahn to approve the budget resolution was Seconded by K. Rosen.

MOTION by R. Wallace and Seconded by K. Rosen to amend the proposed Budget in the following lines:

- Account 79001 $138,333
- Account 92600 $102,527
- Account 92800 $ 10,300

The Motion PASSED Unanimously.

The budget proposed by the library board and which the library board instructed the director to transmit to the City Manager is as follows:

Account Classifications		Projected 2006-2007	Proposed 2007-2008
40200	PROPERTY TAX REVENUES	$2,043,539	$2,236,634
57403	STATE - AID TO LIBRARY	43,200	24,025
57405	STATE - LIBRARY PENAL FINES	93,950	90,000
58802	CONTRIBUTIONS - LOCAL MUNICIPALITIES	-	-
60800	VIDEO/AUDIO RENTAL REVENUE	954	-
64201	LIBRARY COPIER/PRINTER CHARGES	7,215	7,000
65701	LIBRARY SERVICE CHARGES & FINES	29,433	32,000
65702	LIBRARY REPL MATERIALS FEES	2,493	2,500
66500	INTEREST	45,077	40,000
67100	MISCELLANEOUS REVENUES	3,737	4,500
67101	Used Book Sale	5,000	12,000
67503	MEMORIAL BOOK FUND	5,760	7,500
69400	Cash over/short	291	-
69700	USE OF FUND BALANCE		5,000
69943	TRANSFER From CAPITAL PROJECTS	20,729	-
	TOTAL REVENUE	**2,301,377**	**2,461,159**

EXPENDITURES:			
70202	WAGES - APPOINTED	68,789	-
70203	WAGES - PERMANENT	511,411	602,495
	Added Sunday FT beginning in January ("ghost" projection)		83,313
70204	WAGES - TEMPORARY	211,872	200,752
70300	WAGES - OVERTIME	300	-
70401	LONGEVITY PAY	12,615	13,505
70402	SICK LEAVE PAY	16,635	6,783
70407	DUPLICATE HEALTH CARE BENEFITS PAY	2,400	-

70500	DEFERRED COMP - EMPLOYER CONTRIBUTION	1,598	1,776
70601	RETIREMENT CONTRIBUTIONS - GENERAL	106,986	112,420
70603	OPEB (post-employment benefits)	-	172,788
71101	FICA	66,076	64,375
	13% applied to additional PT (including Sunday hours)		26,098
	finance will add to FICA and other lines.		
71102	UNEMPLOYMENT COMPENSATION TAX	2,854	1,904
71201	GROUP MEDICAL INSURANCE	126,278	135,035
71203	GROUP DENTAL INSURANCE	11,121	10,722
71204	GROUP LIFE INSURANCE	2,463	2,702
71205	DISABILITY INSURANCE	805	-
71206	WORKERS COMPENSATION INSURANCE	3,729	3,606
72701	OFFICE SUPPLIES	3,650	3,500
72702	OFFICE EQUIP/FURNITURE (NON-CAPITALIZED)	1,000	500
72800	COMPUTER SUPPLIES & PARTS	3,000	4,500
73200	CLEANING & JANITORIAL SUPPLIES	2,500	2,500
73300	BUILDING REPAIR & MAINTENANCE SUPPLIES	500	500
73800	ELECTRICAL & LIGHTING SUPPLIES	500	500
79001	LIBRARY BOOKS	120,000	138,333
79002	LIBRARY VIDEO & AUDIO RESOURCES	50,000	50,000
79003	LIBRARY ELECTRONIC RESOURCES	40,000	63,702
79004	LIBRARY SUBSCRIPTIONS	12,500	13,000
79011	MEMORIAL BOOKS & RESOURCES	4,000	7,500
79012	REPLACEMENT BOOKS & RESOURCES	2,490	-
79102	RENTAL VIDEO AND AUDIO RESOURCES		-
79900	MISCELLANEOUS OPERATING SUPPLIES	8,903	9,000
80301	DATA PROCESSING SERVICES	20,500	29,800
80302	TELECOMMUNICATIONS SERVICES	8,000	9,500
80800	AUDIT SERVICES	1,096	1,671
80999	MISC FINANCIAL SERVICES	2,000	2,000
81201	PROPERTY & CASUALTY INSURANCE SERVICE	48,000	47,800
82500	MISCELLANEOUS CONTRACTED SERVICES	500	500
82701	COPIER REPAIR & MAINTENANCE SERVICES	1,088	2,520
82799	OFFICE EQUIP/FURN REPAIR & MAINT SERVICE	500	500
82801	COMPUTER EQUIP REPAIR & TECH SUP SERV	-	-
83200	CLEANING & JANITORIAL SERVICES	40,000	40,000
83301	HEATING/COOLING REPAIR & MAINT SERVICES	4,060	4,060
83302	PLUMBING REPAIR & MAINTENANCE SERVICES	2,000	1,000
83303	ELEVATOR REPAIR & MAINTENANCE SERVICES	6,000	6,000
83399	MISC BUILDING REPAIR & MAINT SERVICES	1,500	3,600
83500	EQUIPMENT REPAIR & MAINTENANCE SERVICES	-	-
85101	ELECTRIC	62,079	65,000
85103	GAS	18,924	22,000
85105	WATER	2,000	2,000
85107	TELEPHONE SERVICE	2,000	3,890
85200	TAXES	300	600
85300	BUILDING SECURITY SERVICES	2,376	2,500
85600	PRINTING & DOCUMENT DUPLICATING	8,000	12,000
85800	POSTAGE & MAILING SERVICE	800	1,500
86101	TRAINING & EDUCATION	3,000	7,000

86200	MEETING & CONFERENCE CHARGES	2,500	5,420
86300	TRAVEL COSTS	3,000	6,300
86500	DUES & MEMBERSHIPS	2,000	1,900
87501	ADVERTISING & LEGAL NOTICES	2,000	3,000
89271	LIBRARY FACILITY LEASE	288,763	284,113
89700	OFFICE EQUIP/FURNITURE LEASES & RENTALS	-	-
89800	COMPUTER/TELECOM EQUIP LEASES & RENTALS	-	-
89900	MISC EQUIPMENT LEASES & RENTALS	-	-
90200	RETIREE INSURANCE COST DISTRIBUTION	97,173	-
92600	ADMINISTRATIVE CHARGES	78,204	102,527
92800	INFORMATION SYSTEMS SERVICE CHARGES	30,000	10,300
96800	MISCELLANEOUS EXPENDITURES	2,000	3,500
97000	CAPITAL OUTLAY	162,663	5,000
	TOTAL EXPENSES	**2,298,000**	**2,419,309**
	Excess of Revenue over Expenses; reserved as set-aside for future capital purchases	**$ 3,377**	**$ 41,850**

On behalf of the Budget Committee, R. Wallace spoke in favor of the resolution with these points:

- The Fund Balance is favorable and needed for future capital purchases such as implementation of RFID technology
- Set-aside is reserved for routine equipment replacements
- Sunday Hours are incorporated to begin in January of 2008 and will need to be funded for twelve months in the next budget cycle.
- Collection expenses remain a smaller portion of the budget than desired.
- The Library share of allocated city services had represented less than market value in previous years but has now surpassed market value, in some cases, should the library be required to purchase services independently.

MOTION to approve the budget resolution PASSED Unanimously.

V. Minutes Approval

The minutes were accepted as distributed.

VI. Financial Statements

The financial statements were briefly discussed and accepted.

VII. Director's Report –

The director gave a brief overview of the loss of 50% of State Aid and its detrimental effect on library cooperatives and the book delivery system enjoyed by so many users.

VIII. Committee Reports

a. Acorn Foundation – no report.

b. Fundraising/Recognition Committee – there was no meeting. The plaque recognizing contributions by Margaret Hillert will be hung when the other plaque arrives recognizing the renovation.

c. Friends – A. Schell reported for J. Koelsch on the Friends of the Library meeting and the book sale.

d. Budget Committee – C. Ahn reported the Budget Committee report is represented by the budget under discussion at this meeting.

New Business

a) Approval for Capital Purchasing. A MOTION by A. Schell to adopt the Resolution for Capital Purchases FY 2006-2007 was Seconded by C. Ahn. A MOTION by R. Wallace to first use for these purchases money in Account #39670 and to add to the list of purchases on the resolution $1,000 to repair the Checkpoint gate location and $20,000 to improve the first floor restrooms was Seconded by D. Palmer. Amendment Carried unanimously. The original MOTION Carried unanimously.

b) Surplus Equipment Proposed for Sale. A MOTION by D. Palmer to adopt the Resolution for Technology Inventory to Sell was seconded by A. Schell. Director Lansdale added to the list a fax machine. The Resolution, as amended, was ADOPTED Unanimously.

c) Logo Design. Director Lansdale reviewed the process for developing a logo for the Library. The Friends of the Royal Oak Public Library will underwrite the process which should be completed at the June board meeting.

MOTION by Palmer to adjourn the meeting was Seconded by Rosen. PASSED Unanimously.

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David S. Palmer, Secretary