



BALDWIN PUBLIC LIBRARY
MINUTES, REGULAR MEETING
March 15, 2010

1. Call to Order and Roll Call

The meeting was called to order by President Ann Conigliaro at 7:31pm.

Library Board present: Sheila Brice, Ann Conigliaro, Michael Earl, Andrew Harris, Frank Pisano, David Underdown

Library Staff present: Doug Koschik, Director; Matt Church, Associate Director; Josh Rouan

Library Staff in audience: Connie Ilmer, Susan LaBelle

The meeting was held at the Baldwin Public Library, Rotary Tribute and Donor Rooms, 300 W. Merrill, Birmingham, MI 48009.

A quorum was established.

2. Consent Agenda

President Ann Conigliaro read each item on the consent agenda.

Brice asked that item A, approval of the February 15 minutes, be removed from the consent agenda.

Motion to approve the consent agenda.

1st Underdown

2nd Pisano

The motion was approved unanimously.

Yeas: Earl, Harris, Pisano, Brice, Underdown, Conigliaro

Nays: None

3. Financial Reports

Steve Pollack reported that expenses were below budget by 22% in February 2010. There were significant savings in personnel and collections. Patron use revenues were above budget. He then reviewed the open POs and one voucher in excess of \$6,000. The fund balance is currently at \$1,691,295. This will decrease as the Library continues to draw funds from the balance. Conigliaro asked about the credit card fee. Koschik stated that the Michigan Retailers Association charges us a percentage of each transaction.

4. President's Report

Conigliaro reported attending a meeting with Lee Peddie and Beverly Hills Village Manager Chris Wilson. ~~Part of the discussion centered on differences between the March Troy millage vote and the upcoming Beverly Hills millage vote.~~ Part of the discussion centered on differences between the recent Troy millage vote and the success of the Bloomfield Township millage vote. She stated that articulate communication to the public will be important. She emphasized that Baldwin staff and Board members support continuance of the contract. The only clear way to take in enough revenue in the future for Beverly Hills to continue the contract for Library services would be to pass the millage in Beverly Hills. Beverly Hills uses one general fund, and the Village Manager is exploring restructuring the fund. He wants to make sure this does not violate the contract with Baldwin.

5. Board Committee Reports

Finance Committee: Earl reported that the Finance Committee asked Koschik to look at how the Library's finances will be managed in the coming fiscal year given decreasing revenues and current expenses. Koschik has made recommendations that call for a reduction in personnel costs. These reductions decrease the budgeted personnel expenses by over \$200,000. Earl noted that as much as these cuts help, they do not completely eliminate the operating deficit. He said that the proposed 2010-11 budget contains a \$210,000 deficit, and in the 2011-12 budget, as it currently stands, there is a \$278,000 deficit. Should Beverly Hills not renew their contract, the projected deficit will be \$350,000. The alternative to approving the budget is to ask Koschik to cut back further. Conigliaro stated that it is significant to note that most cuts directly affect staff members. She inquired about the \$500,000 the City set aside in an escrow account when they lowered the Library's millage. Earl noted that even though there is a \$210,000 shortfall, the Library will have a fund balance of \$557,000 at the end of fiscal year 2010-11, which is slightly more than the recommended 15% fund balance.

Member of the public Dorothy Conrad asked if this would legally be considered a balanced budget since the Library would have a fund balance and if the City was holding \$500,000 of the Library's money. Conrad asked if this proposal is based on 1.1 mils. She stated that the question of legality is an important one. Koschik stated that it is a balanced budget in that the Library will cover the \$210,000 deficit with money from the fund balance. If there was no fund balance the budget could not be proposed and approved. Conrad asked if there was a legal requirement to maintain a fund balance. Koschik said he had run the proposed budget by Tom Markus and Sharon Ostin, both of whom indicated the budget was feasible.

Pisano reported that he had attended the most recent Retirement Board meeting to give the Library representation. Pisano will also begin to attend Investment meetings. Conigliaro asked what percentage of the City's retirement funds are dedicated to Library personnel. Harris asked about amending the charter to give the Library an official chair on the Board. Pisano recommended informally attending meetings for a year and then deciding whether to ask for a change to the City Charter.

Communication Committee: Conigliaro reported that the committee met on March 9 and reviewed a proposal from Lovio George, who proposed extending the Check It Out program as well as beginning a

public awareness campaign. The committee decided to table the proposal and revisit it in the future. Conigliaro said she thought the Library might be better served revisiting the idea of expanding it to neighboring communities. This would be a good way to demonstrate the value of having a library card. She suggested putting together a strategic plan and revisiting it at the next Board meeting. Brice suggested checking with Birmingham's Principal Shopping District about partnering with other stores in Birmingham.

6. Library report

Church reported that Melissa Mark finished evaluating the Library's meeting room usage and policies. She contacted groups that have booked rooms at Baldwin before. Some indicated that they would appreciate an earlier opening time, billing increments smaller than 4 hours, and increased food and beverage options. Usage and policy recommendations will be shared at the next Board meeting. The next step will be developing a marketing brochure and distributing it through the City's Principal Shopping District. Church also noted that the first floor entry carpet will be replaced this spring.

Koschik stated that the Library will be taking a grant to the Birmingham Area Cable Board for broadcasting Board meetings live. There had been a delay in getting a quote from Roscor. The grant might not be approved until July, which is the beginning of the cable board's fiscal year. Koschik then gave an update on strategic planning. There will be two meetings, one informational meeting and a second meeting that will solicit input on what the Library's goals should be over the next five years. Koschik asked the Board for opinions on dates and times. Brice said that being able to give at least one month's notice to invitees would be ideal. Pisano suggested that the time should be what works for the Board, Director, and staff. Earl asked about the possibility of conducting an online survey. Koschik said they would investigate this, and a list of possible invitees has been assembled.

Conrad recommended extending the closing time of meetings past 9:00 pm. Koschik reported that Melissa Mark mentioned allowing groups to use meeting rooms before the Library opens. Pisano asked if Mark compared Baldwin's fees to those of other libraries. Church stated that the library's fees compare favorably to those of other facilities. Harris suggested that we invite Senator Pappageorge and a representative of Congressman Gary Peters to participate in the strategic planning process.

7. Liaisons

Friends: Warren Spatz was not present. Koschik reported that the Friends' annual meeting will take place on April 25 at 2:00 pm. The book sale will begin on Friday, May 7.

Beverly Hills: Lee Peddie reported no updates at this time.

8. Miscellaneous and New Business

Koschik stated that the draft of the Beverly Hills talking points would be changed into two documents, one for the public and one for Baldwin staff members. Koschik said he was interested in making it clear to Beverly Hills residents that they would not be able to buy a library card from Baldwin, or buy one from another library and use it at Baldwin. Underdown suggested turning "can't" statements to "can"

ones. Koschik said he will contact area libraries and clarify what their policies on selling cards will be. Brice recommended providing residents with a concise sheet listing what they would gain by having a library card and what they would lose by not having one. She noted that there will be a Beverly Hills Save Our Services meeting on April 1st. She recommended having the Library give tours for those who may not have been in the Library for a long time. Harris stressed there was a fine line between informing the public and advocating for a “yes” vote on the millage.

Budget Hearing

Conigliaro gave a short overview of the nature of and procedures for a public hearing.

Koschik gave an overview of the Library’s operations, mission statement, and dedication to meeting the needs of the public. He then gave an overview Library programs and stated that these will necessarily decrease because of projected decreasing staff levels. The Library has also seen its first significant decrease in circulation numbers in recent years, due to the new policy of charging users to check out Hot Picks materials. He gave a brief history of the Library’s millage, which has decreased from 1.57 mils at its peak to the current level of 1.0 mil. During the last two years the Library has been able to maintain its high level of service by drawing down its fund balance by approximately \$500,000 per year. He stated that ideally the fund balance would be 15% of the operating budget, or around \$450,000. One year from now the balance will be below that target.

Koschik then reviewed various steps the Library has taken to save money, such as imposing fees for Hot Picks items, enacting a hiring freeze that has lowered the number of full time staff members, and rearranging job duties of existing staff. Nonetheless, the personnel budget must still be cut, as it is 65% of the total Library budget. Koschik recommended making the following changes: require staff to pay 20% of health care premiums, increase co-pays and deductibles, eliminate payments to employees who opt out of the City’s health insurance plan, require employees under the deferred benefit plan to contribute more of their salary, eliminate paid parking for staff, and establish nine furlough days where staff will not be paid and the Library will be closed. In addition, Koschik stated that it would still be necessary to move from 21 full time employees to 19 full time employees.

He then detailed other ways the Library has saved money, including moving to a new internet service provider, contracting with the City for landscape services, eliminating two expensive subscriptions, and no longer printing due date receipts automatically. The Library has also utilized two grants, one from the National Endowment of the Arts for the Soul of a People program, and another from the Broadband Technologies Opportunities Program, which will put more public access computers in the Library.

As of February 28, 2010 the Baldwin Library Trust’s value was \$903,884.95. The amount of money that can be spent in any given year is restricted, however. Expenditures in fiscal year 2008-09 came to \$87,265. The Trust investment policy was updated two months ago. The proposed Martin Street entrance has been put on hold. Placing RFID tags on Library items has also been placed on hold, as it would initially cost \$250,000. However, the Library will look at installing self check out machines. The Library’s Integrated Library System will also need to be replaced in several years. Koschik also discussed the possibility of sharing email and phone systems with the City as a cost savings for both parties. He

noted that there will be an item on the Beverly Hills ballot in November for a millage increase that would bring in \$436,709 in revenue for the Library in the 2011-12 fiscal year. Without this revenue from the contract with Beverly Hills, Baldwin will need to increase revenues or further reduce staff and services.

Koschik stated that the millage rate of 1.0 brought in just over \$2 million in revenue this year. Next year it would bring in less due to decreasing property values. Koschik is proposing a millage of 1.1. Koschik reported that revenues from State aid and penal fines are also down, as are contractual payments from Beverly Hills and Bingham Farms due to decreasing property values and a lower operating budget. Interest revenue is also likely due to decrease. Personnel costs were reduced by over \$200,000. He also recommended reducing the collections budget, and eliminating *Books and Beyond* at the end of 2010, which would save \$30,000 per year. This year the Library spent \$3.4 million, and next year will spend \$3.045 million. For fiscal year 2011-12 the Library will have to make further cuts. If the Board approves this budget, it will then go to the City Commission on April 24.

Brice asked if Koschik will give the same presentation at the April 24 City meeting. Koschik said that in the past the Board has presented the budget in a more concise format. Brice recommended submitting the budget narrative, and asked about staff comment on the proposed furlough days. Koschik reported he had met with staff, who were not happy but at the same time realized the deficit is large and cannot be reduced by making small changes. Earl reported hearing from staff that it was difficult news but that they were grateful for Doug's honesty. Conigliaro asked how these cuts compare to cuts at the City. Koschik reported that the City stopped filling full time positions as people left; their full time staff has gone from 200 to 150 over the last decade. The City will also have layoffs. Underdown commented that the Library and City are making cuts in different ways. Koschik said the Library was placing more emphasis on benefit cuts. Brice asked if the Library could send the budget presentation to the City so they would be up to date prior to the April 24 budget meeting. Earl stated that Koschik and Church have met with the City regularly during the budget drafting process. Conigliaro stated the Board would have to decide on the elimination of *Books and Beyond*, as well as which days will be unpaid furlough days. Koschik said the Board could vote to support the overall budget, and make future line item changes in the future as needed. Conigliaro asked if there was a way for the Library to save money by adjusting benefits for retirees. Koschik stated that the pensions retirees get are guaranteed by the City Charter and are hard to adjust.

Brice asked how many patrons subscribe to eNews. Church reported that around 350 patrons subscribe. Church indicated the Library is looking at changing the newsletter size for a cost savings. Pisano asked about combing our newsletter with another organization's newsletter.

9. Public Comment

Conrad said that *Books and Beyond* is a wonderful advertisement for the Library and that it would be a terrible mistake to eliminate it. She also asked why the amount of money the Library had collected from penal fines has gone down. Koschik stated that he was unsure but that the decrease from penal fines was relatively small compared to the drop in State aid.

Conigliaro noted that the presentation of the budget to the City has been done by Board members, and before that has been done by the director. She thought it would be appropriate for the Director to make a presentation at the City meeting, with a Board member there to officially present the budget. Harris asked if the Board needed a resolution on the future of *Books and Beyond*. Earl stated the Board should approve the budget and then modify individual line items in the future as necessary. Conigliaro reiterated the need to investigate the \$500,000 the City has been holding.

Conigliaro read the budget resolution as it appears on page 22 of the budget document:

Motion to approve the 2010-2011 budget as stated in the budget resolution on budget document page 22.

1st Earl

2nd Underdown

The motion was approved unanimously.

Yeas: Earl, Harris, Pisano, Brice, Underdown, Conigliaro

Nays: none

10. Items Removed from Consent Agenda

Brice requested that the February Board minutes be amended to include Brice's statement that she would go to the Beverly Hills Village Council meeting to announce the Library Board's budget hearing.

Motion to approve the February 2010 minutes as amended.

1st Underdown

2nd Earl

The motion was approved unanimously.

Conrad stated that the President's Council of Neighborhood Associations met last month at the Library and held a tax seminar that was very successful. Next year she will work with the Library to make it a joint effort.

11. Adjournment

Motion to adjourn the meeting.

1st Earl

2nd Harris

The motion was approved unanimously. The meeting was adjourned at 9:52 p.m.