

Library System of Lancaster County
Minutes of the Board of Directors Meeting
June 15, 2010

Attendance:

Board Members: John Havrilla, President; Virginia McGrath, Vice President; Diane Hastings, Secretary; Sandy Dinoff, Treasurer; Hugh MacMaster; Diane Rice; Kay Rohrer; Robert Sabatelli. Absent: Dudley Feltham; Kevin Service.

System Staff: Susan L. Hauer, Administrator; Donna J. Westerhoff, Internal Operations Manager; James D. Showalter, Financial Manager.

Guests: Lisa Greybill, Administrator, Columbia Public Library; Debra Rosser-Hogben, Director, Milanof-Schock Library; Joyce Sands, Deputy Director, Lancaster Public Library; Susan Tennant, Director, Lititz Public Library.

Call to Order The regular meeting of the Board of Directors of the Library System of Lancaster County was called to order by President Havrilla at 7:05 PM on Tuesday, June 15, 2010, at the Library System office. A quorum was present.

General Comment None.

Secretary's Report
Minutes

Approval

Diane Hastings, Secretary, referred to the minutes of the May 18, 2010, meeting, as included in the Board mailing. The minutes were approved as presented.

Treasurer's Report

Sandy Dinoff, Treasurer, referred to the May 2010 financial reports, as included in the Board mailing. She reported that the Finance Committee has reviewed the report, and there are no unexpected variances. After discussion, the following motion was made.

Motion

On motion by Sandy Dinoff, the System Board of Directors directed that the May 2010 Financial Report be filed for audit. Motion carried unanimously.

December 31,
2009 Library
System Audit

Dinoff introduced John Murr from Sager Swisher and Company, who conducted the December 31, 2009 Library System audited financial statement. He reported that the audit of the Library System resulted in an unqualified opinion, meaning that there are no findings or deficiencies to report.

He referred to the *Accounting and Financial Policies and Procedures Manual* in use by the System, and recommended annual review by the Board.

Murr reviewed the audit page-by-page. He complimented Jim Showalter for a clean audit.

Motion

On motion by Ginny McGrath, the System Board of Directors accepted the December 31, 2009, Library System as prepared by Sager Swisher and Company and presented by John Murr. Motion carried unanimously.

President's Report
Board Work
Session

President Havrilla reported that the topic of the June Work Session was the Internal Funding Formula which will be reported further later in the meeting.

July Meetings

Havrilla reported that in most years, the July System Board meeting is not held. It was felt by the Board members in attendance at the Work Session that the July Work Session and Board meetings are not needed. By a show of hands, there was unanimous agreement to cancel both July meetings.

It was noted that a meeting will be called if a topic arises that requires Board attention.

Administrator's
Report

In addition to her written report included in the Board mailing and sent electronically to Library Board Presidents and the News mail list, Susan Hauer distributed copies of her *In My View*, as posted on Lilly and the Library System website, and sent to the Task Force. The topic of the article was "To Tax or Not to Tax."

Directors' Council
Report

In addition to the approved May 2010 Directors' Council minutes included in the Board mailing and sent electronically to Library Board Presidents and the Directors2 mail list, Lisa Greybill, Directors' Council Liaison, introduced herself as the Administrator of the Columbia Library, and the new Council Vice Chair. She reported on the Council's decision to limit holds to five, and that the number can be overridden for children's summer reading, and other special circumstances.

Committees
Finance

Internal
Funding
Formula

Sandy Dinoff, Treasurer, distributed a list of categories rated for importance by Library Directors, and used to begin development of a funding formula. The top five, in order of importance were: 1) Circulation, 2) Equal Share, 3) Access PA, 4) Local Financial Effort, and 5) Population.

Dinoff reported the Committee ran the formula using 2009 figures, and generally, the larger libraries would receive substantially less than in prior years. Therefore, the Committee recommends that for 2011, distribution will be based on the old formula, using 2008 dollar figures. The new formula will be used in 2012, using 2010 numbers, thus giving libraries an extra one-half

year to prepare for the change in funding. It is anticipated that state funding will continue to decrease. Dinoff noted that one area in which libraries can improve their numbers is by increasing their Local Financial Effort.

Motion On motion by Diane Hastings, the Library System Board of Directors approved that the 2011 distribution of State Aid will use 2010 distribution numbers (2008 dollars), plus or minus a change in State Aid, and the old funding formula. Motion carried unanimously.

Designation of Unrestricted Funds Dinoff referred to the *Designation of Unrestricted Funds, 12/31/2009*, included in the Board mailing. The document reflects a designation of available cash reserves of \$916,130 as follows:

1. \$745,230 Operating Reserves.
2. \$100,000 Bookmobile replacement.
3. \$70,900 Future Capital expenditure.

After discussion, the following motion was made.

Motion On motion by John Havrilla, the Library System Board of Directors approved the designated allocation of Cash Reserves of \$916,130 as unrestricted funds, as presented. Motion carried unanimously.

Lancaster County Public Libraries Task Force Diane Rice, Task Force member, reported that a draft of the Task Force report was presented to the Commissioners. The report contains recommendations about funding, a strategic plan, and other topics. The Commissioners will decide how and when to release the report to the public.

After discussion, the Board asked Rice to relay a message to the Task Force that, if possible, the Board would appreciate seeing the report prior to its release to the public.

Other Business None.

4- Point Summary The Board decided on the following four points to include in the summary for reporting to their library boards:

1. The 2009 audit was approved, with no findings or deficiencies.
2. The July Work Session and Board meetings are cancelled.
3. The distribution of State Aid for 2011, using the old formula and 2008 dollar amounts, plus or minus a change in the State Aid figure. Explanatory documentation will be sent to each library (see General Comment below).
4. The draft of the Task Force report was presented to the Commissioners on June 15, 2010.

General Comment In response to a question about details of the funding formula, Sandy Dinoff reported that she will email a report on the formula to each library.

Next Meetings The next meeting of the Library System Board of Directors will be the Board Work Session, scheduled for Tuesday, August 10, 2010, 4:00 PM. The next regular meeting is scheduled for Tuesday, August 17, 2010, 7:00 PM. Both will be held at the Library System office.

Adjournment

Motion It was moved by Sandy Dinoff that the meeting be adjourned at 8:24 PM.
Motion carried unanimously.

Respectfully submitted,

Donna J. Westerhoff
Recording Secretary