

**Cumberland County Library System
Board of Trustees
Monthly Meeting Minutes
October 26, 2009**

CALL TO ORDER

The regular meeting of the CCLS Board was called to order by President William Gould at 4:00 p.m. in the meeting room of the Cumberland County Library System, Carlisle.

Members Present

Nancy Besch, Nancy George, Jane Graham, William Gould, Alicia Stine (alternate), Elizabeth Stone, Kevin Stoner (temporary alternate) and Marcey Whiteside.

Others Present

Nan Cavanaugh, Jonelle Darr, Sue Erdman, Bonnie Goble, Dennis Marion, Linda Rice, Susan Sanders, and Cynthia Stratton Thompson.

MINUTES & TREASURER'S REPORT

Previous Minutes

The minutes of the September 21, 2009 board meeting were approved as submitted.

Treasurer's Report

The Library System Board unanimously moved to file the September 2009 Treasurer's Report for audit. Marcey Whiteside asked for an explanation of the term "total liabilities" and "equities" in the summary financial report. "Why was equity considered a liability?" Mrs. Darr replied that this was a standard Quicken software report that was generated and that she was unsure of the answer. She will research the question and get back to the board with an answer.

Mrs. Darr noted that the 2010 state aid payment (\$1,165,452.37) has been received much earlier than usual. The aid may not be spent until 2010, but it may earn interest. **Upon the Executive Director's recommendation, the Board approved transferring the full amount to the F & M money market account to earn a higher interest rate of 2.50% until January 2010. (Kevin Stoner, as an employee of F & M Bank, abstained.)**

UNFINISHED BUSINESS

Statewide Library Card Payment Action

The Executive Committee requested ratification of its emergency action to approve the Finance Committee's recommendation to pay \$145,301 to member

libraries out of the system's planned 2009 transfer to the Strategic Development Fund. (The Cumberland County Board of Commissioners consented to this action.) The Executive Committee took this action to ensure that member libraries received funds that each had budgeted to receive from the Statewide Library Card Program, (also known as Access Pennsylvania) in 2009. The August state payment was never received.

The Executive Committee directed that the amounts paid to each library on October 15, 2009 should be based on the amounts received for this program in August 2008. The Committee also agreed that if the state did make an Access Pennsylvania payment in 2009, this payment would be placed in the Strategic Development Fund. (However, it is now unlikely that the funds will be received from the state since the line item for this program was reduced in the final state budget by more than 70%).

October 15, 2009 Payments:	
AME	\$ 9,665
BOS	\$ 14,846
FRE	\$ 40,867
JGR	\$ 1,940
SIM	\$ 33,920
NCU	\$ 36,218
<u>SHP</u>	<u>\$ 7,845</u>
TOTAL	\$ 145,301

The CCLS Board unanimously approved this payment.

Further discussion of the Beatrice Kelley estate was deferred until the December meeting.

System Office Building Update

Dennis Marion reported that environmental tests on the Ritner Highway site have been sent for laboratory analysis. Settlement on the property has been deferred until December 2009.

The county has received energy block grant money through the federal stimulus package. It is anticipated that some of these funds will be used for HVAC and other green design so the building will be a pilot project.

Energy Stimulus Funds

The County is reviewing the energy conservation projects submitted by libraries and information regarding these projects should be available in about a week.

REPORTS

Executive Director's Report

State Budget Update

Mrs. Darr reported that Commonwealth Libraries has not yet finalized the details of program cuts. However, at this time, the system knows that the Public Library Subsidy will be cut 20.1% from the appropriation made a year ago for 2007-2008. This will mean a loss of \$306,048 in direct operating support for the library system as a whole.

The programs previously funded under the two line items (Library Access and Electronic Library Catalog) were cut 71.5% from a combined total of \$10,542,000 to \$3,000,000.

While it's not yet known how Commonwealth Libraries will deal with this cut 71.5%, it is likely that:

- The Statewide Library Card Reimbursement program will be eliminated
- Ask Her PA online reference will be eliminated and
- POWER Library reference databases will be cut 70%.

If the Statewide Library Card Reimbursement program is eliminated, this will be an additional loss for CCLS of nearly \$300,000.

In addition, statewide service cuts for things like POWER Library would cost CCLS \$20,000 to \$28,000 to replace locally. And, of course the system's district services (delivery, interlibrary loan, district library consultant, training, etc.) will be cut 20.1%, or more than \$110,000. This may make the system's delivery costs increase, or could eliminate some services, such as Interlibrary Loan. Discussions have not yet started regarding that budget.

Senator Vance also advised that CCLS may not be receiving the \$40,000 collection development grant she approved for the current year.

Finally, the Keystone Recreation, Park and Conservation funds allocated for public library capital projects have been diverted to the state's general fund for 2009-2010. Commonwealth Libraries is waiting for an interpretation of legislative intent to determine the actual impact on the applications already in process. (This does not affect CCLS at this time.)

In summary, if the Statewide Library Card reimbursement program is eliminated, CCLS's direct state funding loss will be close to \$600,000, plus whatever services are lost from the district and state-provided services.

Mrs. Darr contacted the office of Commonwealth Libraries asking if CCLS may charge a fee for out of county use. At this time, the answer seems to be "No",

that agreeing to serve out-of-service area users is a condition for receiving state aid. Library directors are meeting to consider options. Since forty-five percent of New Cumberland's use is from York County, the New Cumberland Library will suffer the greatest impact with the loss of the statewide library card reimbursement program.

Mrs. Darr reviewed several documents on finance, attachments G1 and D. Financial Projection Assumptions for 2009-2014 suggest that the strategic development fund will be depleted and a deficit will occur in 2012-2013.

There are three scenarios that the library system board, finance committee and directors need to consider:

1. Not using any county tax dollars or strategic development funds to cover the loss in state funds, and making drastic service adjustments in 2010.
2. Using county tax dollars and/or strategic development funds to cover the loss in Public Library Subsidy Funds. (\$306,048), and making modest service adjustments in 2010.
3. Using county tax dollars and/or strategic development funds to cover the loss in both Public Library Subsidy funds and the Statewide Library Card Reimbursement program. (\$600,000), and making minor service adjustments in 2010.

Mrs. Darr asked for questions and comments about these options from the CCLS Board and others attending. During the discussion, a number of key comments and concerns were expressed:

- Option # 1 would result in a drastic cutback in services. However, if the impact is cushioned by replacing all lost state funds with county funds, CCLS reaches financial crisis sooner and does not show the public any effect of the cutbacks.
- It was agreed that state funding is not likely to improve for the foreseeable future.
- It was agreed that county commissioners are not likely to be able to increase the county library tax for the foreseeable future. Dennis Marion advised the CCLS Board that it is best to craft a financial plan for 3 to 4 years.
- Mrs. Darr confirmed that if CCLS does not meet state standards, it will need to apply for a waiver from Commonwealth Libraries. Also, the county commissioners will need to approve of any drawing down of the strategic development fund.

Computer Services

Redevelopment Authority Security Breach

Nancy George alerted Mrs. Darr to the security breach at the Redevelopment Authority that allowed a significant amount of funds to be stolen. Mrs. Darr has

reviewed documentation regarding the incident, and discussed it with Chris Gulotta and Dennis Marion.

Mrs. Darr reported that the library system relies on the county's IMTO department to provide it with firewall services. The system has also installed and regularly updates virus protection software on all of its library computers. Mrs. Darr said that as a result of the security problems at the Redevelopment Authority (which is on an entirely separate network that is managed by the Authority), the county plans to conduct a security audit, in which the library system will participate.

Online Services

Horizon Catalog Server Replaced

As part of its planned upgrades, the library system office replaced its aging Horizon Information Portal (HIP) server. The system had experienced problems earlier this year with the server, which caused the library catalog to be unavailable for significant period of time. The server has now been upgraded, and the system now has a server backup ready to deploy should a similar situation occur again.

The system next plans to replace its aging Web Reporter server, and library directors will be receiving replacement laptops that will allow them to log into their office desktop computers from home or other remote locations. (The system's management staff laptops were nearly 10 years old and overdue for an update.)

Finance Committee Report

A summary of the September 29, 2009 CCLS Finance Committee was distributed to the board.

NEW BUSINESS

Board Nominations Needed

President Gould reminded board members that nominations are needed from the following member libraries by November 16, 2009.

1. Bosler Memorial Library
2. Fredricksen Library
3. John Graham Library (Jane Graham is being re-nominated)
4. Amelia Givin - Alternate
5. Simpson Library - Alternate

Nominating Committee

President William Gould appointed a 2010 officer nominating committee of Nancy Besch, Nancy George and Jane Graham. Nancy George will serve as chair. Nancy Besch, Treasurer will be rotating off the CCLS Board. President William Gould and Vice President Nancy George are eligible to serve for a final one year term.

Updates

News from member libraries was shared.

Recognition of Visitors and Visitor Concerns

Nan Cavanaugh reminded the CCLS Board and guests that the Legislative Breakfast will be held on Friday, November 13, 2009 at Foundation Hall, New Cumberland from 7:30 to 9 am.

Adjournment

The meeting adjourned at 5:45 p.m. The next meeting of the Cumberland County Library System will be held on Monday, November 16, 2009 at the Cumberland County Library System's administrative office at 4:00 p.m.