

**Cumberland County Library System  
Board of Trustees  
Monthly Meeting Minutes  
May 18, 2009**

**Call to Order**

The regular meeting of the CCLS Board was called to order by President William Gould at 4:02 p.m. in the meeting room of the Cumberland County Library System, Carlisle.

**Members Present**

Nancy Besch, Jane Graham, William Gould, Elizabeth Stone, and Marcey Whiteside.

**Others Present**

Jonelle Darr, Sue Erdman, Linda Rice, Kevin Stouffer (auditor) Denise White and Craig Witmer (auditor).

**Minutes & Treasurer's Report**

**Previous Minutes**

*The minutes from the April 20, 2009 board meeting were approved as submitted.*

**Treasurer's Report**

Due to errors on the April Treasurer's Report action was deferred until a revised copy could be reviewed at the June 2009 meeting.

The Board Treasurer reviewed and initialed April's bank statements, cancelled check records and reconciliation reports for the system's general, LSTA and foundation accounts. The Executive Director's expense check for April 2009 was also signed.

**2008 Audit Review**

Craig Witmer and Kevin Stouffer, CPAs, Smith Elliott, Kearns & Company, LLC, reviewed the Library System's 2008 audit. The auditors' management letter reports that the Library System Board should consider additional internal controls to improve its accounting practices whenever possible. These include recording interest to the system's certificate of deposits on a monthly basis and changing year-end procedures so that checks are not backdated and purchase orders are recognized as an expenditure when the items or services have received.

The auditors' also reported that in its 2009 audit, the library system will need to include a GASB 45 – post-employment benefits report. Mr. Witmer stated that the purpose of GASB 45 is to require the accrual of liabilities of post-employment benefits over the working career of plan members rather than on a pay-as-you-go basis. Post-employment retirement benefits may include health, dental, vision or other health related benefits such as life insurance, disability. While the library system does not have any direct out-of-pocket expenses for post-employment benefits (retired employees must reimburse the system for direct costs), the system still incurs indirect

administrative costs. Plus, the system's benefit costs are higher because retired employees' health insurance needs are included when determining what the costs for employee benefits rates will be.

Based on an actuarial evaluation provided by the county controller's office, the library system's portion of this liability for 2009 is \$6,978. If the library system elects not to fund these benefits in an irrevocable trust, the recorded liability will continue to grow. The library system board has several options. First, it needs to determine what the county's policy will be. Will the county create an irrevocable trust and require reimbursement from the library system? If the county decides not to create an irrevocable trust, will the library system wish to do so on its own? Or, does the board wish to simply report the liability and not fund it. As a first step to determining its actions, the board directed Mrs. Darr to contact the county controller's office to determine if the county has any plans to create an irrevocable trust to fund these benefits. Mr. Witmer stated that most of his clients are not forming an irrevocable trust to fund these benefits.

## Reports

### Executive Director's Report

#### Resource Acquisition

##### ***Educational Income Tax Credit Organization***

The CCLS Foundation Board has authorized an application from the foundation to become an Educational Income Tax Credit Organization in Pennsylvania. If approved and funding is received, EITC funds would be used to support the county wide summer reading program and a homework support database service in 2009-2010. Statewide, about a dozen libraries or library systems participate in this program. (Bosler and Shippensburg both participate). The funding available from the program varies each year, but libraries report receiving as little as several thousand dollars to well over \$100,000 annually in support of innovative educational programs for children up to grade three.

##### ***Verizon 'Check Into Literacy' Program***

Verizon has invited the Cumberland County Library System Foundation to apply for \$5000 its 'Check into Literacy' program. The application was due May 15, 2009. The Foundation submitted an application for summer reading program support.

##### ***Erate Funding Announced***

To date, the system has been awarded up to \$51,277.56 in federal e-rate reimbursement funds for 2009-2010. Applications from Amelia, Fredricksen, New Cumberland and Simpson libraries have not yet been approved.

Library	Amount
Bosler Memorial Library	\$ 1,518.00
Cumberland County Library Sys	\$ 47,930.40
John Graham Public Library	\$ 648.96
Shippensburg Public Library	\$ 1,180.20
<b>TOTAL</b>	<b>\$ 51,277.56</b>

## **Energy Costs**

The library system is a member of the Central Pennsylvania Energy Consortium. ([www.centralpaenergy.com](http://www.centralpaenergy.com)). CPEC held its annual meeting last week. Libraries will want to review this information regarding energy discounts as soon as possible:

- **Fuel Oil:** CPEC's fossil fuel oil program continues. John Graham and the administrative office have saved significant funds over the past 10 years of its operation.
- **Natural Gas Discounts:** Significant natural gas discounts are available for facilities that use at least 1000 mcf per year, per meter head. To determine if your library is eligible, and/or to determine if your library has been placed in the correct rate class, send 12 months of bills to CPEC (Ph: 920-8420) for review. Since the system is a member of CPEC, this review will be done at no cost.
- **Electricity Discounts:** PPL's tariff rates expire January 1, 2010. At that time, it's expected that rates will go up at least 30%. CPEC is working to obtain discounted pricing for its members' electricity accounts with PACE, an internationally recognized energy management firm. (Pace already handles CPEC's natural gas discount contracts.)

To participate in the program, each library must sign an agreement with CPEC to participate in its request for proposal process by June 2009. This summer CPEC will issue an RFP, evaluate bids and determine a provider by October 2009. If a provider is selected from the bid process, then PACE will bill each electrical account a one-time set up fee of \$100 and a volume charge of \$.0025/kwh. The \$100 fee and volume charge will be paid over 10 months by the library to PACE.

PACE officials have indicated that contracts that its group has recently negotiated were in the 7 to 8 cents/kwh range. They fully expect CPEC's contract to be similar.

County officials highly recommend that each library participate in this program. CPEC's program has a good track record (the organization was formed in 1997 and has provided significant fossil fuel oil and natural gas discounts), has engaged an expert company in the field to issue the RFP, analyze responses and manage the program, plus CPEC provides full disclosure of its costs and methods of obtaining services.

However, since obtaining this information about CPEC's program with PACE, libraries will need to first review any agreements that they may have already entered into with Richards Energy Group, the company that CPEC had originally chosen a year or so ago. Before Mrs. Darr signs any agreements, she will be discussing the conflicting agreement proposals with Gerald Wilkes, Chair of CPEC (and director of information technology for the county) and Paul Ziegler, CPEC's Executive Director.

## Customer Services

### Online Services

#### **Web Site Goes Live**

The website is now live. Its new address is <http://CumberlandCountyLibraries.org>. Mrs. Darr reported that within the first day of the site being live, 4 people signed up for a library card online. Board members would like to have an orientation to the new site at the board's next meeting.

## Processes and Evaluation

### Efficient, Cost-Effective Processes

#### **New Office Space**

The county continues its negotiations for office space for the library system office and other county operations.

## Statistical Reports

The Library System Board received the 2009 first quarter statistical reports for the member libraries and from the system administrative office. Mrs. Darr reported that statistics reported earlier needed to be corrected. Specifically, she made a mistake in reporting that there was a 24% increase in library card registrations from last year. Unfortunately, she reversed the numbers for the first quarters of 2008 and 2009. This means that when you look at the raw numbers, it appears as if there is a decline. This decline is due to the fact that the system purged 41,000 borrowers in June 2008 after not having made regular purges of inactive borrowers since 2004.

Because of this record purge, it's not possible to compare the two numbers for the first quarters of 2008 and 2009 with one another. To make the numbers more comparable, one approach might be to decrease the first quarter of 2008 by the amount of borrowers that were purged. If that is done, the numbers indicate a 13% increase from 2008.

However, a more accurate measure would be to compare the number of new library cards issued in the first quarter of this year, compared to the first quarter of last year. In that area there is actually a 47% increase.

The numbers have been corrected on the website, and have been shared with library directors.

	<b>1<sup>st</sup> Qtr 2009</b>	<b>1<sup>st</sup> Qtr 2008</b>	<b>% Change</b>
Library Catalog Search Sessions	3,087,668	1,112,707	177% Increase
People Using Internet Computers	45,867	34,436	33% Increase
Library Card Holders	130,008	98,249	24% Increase
<b>Library Card Holders</b>	<b>100,557</b>	<b>89,001</b>	<b>13% Increase</b>
<b>New Library Cards Issued</b>	<b>3,259</b>	<b>2,220</b>	<b>47% Increase</b>
Materials Borrowed	683,817	653,127	5% Increase

## **Trustee Training Night Evaluation**

An orientation for library trustees was held on April 30, 2009. Twenty-one people attended the orientation. Of these, 13 were trustees, 7 library directors and 1 district consultant. Comments were very favorable. Trustees especially liked the packet of materials provided that night.

## **Unfinished Business**

### **Library Advocacy**

The board recommended that if personal letters have already been sent to state legislators, that additional letters not be sent at this time. The board wants to wait and see what the House members' response to the Senate Republicans' plan will be.

## **New Business**

### **Web Site and Social Networking Policy**

*The system board unanimously approved the Web Site and Social Networking Policy.*

## **News from Member Libraries**

News from member libraries was shared.

## **Recognition of Visitors & Visitors Concerns**

There were no visitor concerns.

## **Adjournment**

The meeting adjourned at 5:45 p.m. The next meeting of the Cumberland County Library System will be held on Monday, June 15, 2009 at the Cumberland County Library System administrative office at 4:00 p.m.