

Romeo District Library
Board Meeting
Graubner Library 7:00 P.M.
November 9, 2011

APPROVED MINUTES

		VOTE						
		Treasurer	President	Trustee	Secretary	Trustee	Vice President	
Agenda Item		Motion/Discussion	Beauvais	Collins	Fortuna	Lenaway	Meloeny	Miller
I	Call to Order	Meeting called to order at 7:06 P.M. Members Present: Beauvais, Collins, Lenaway, Meloeny, Miller Members Absent: Fortuna Staff Present: Custer, Schultz						
II	Pledge of Allegiance							
III	Introductions	Collins introduced new director, Kristen Valyi-Hax who was present in the audience. Custer introduced Pam Hill and Austen Michaels from Plante Moran. Custer explained the purpose of an annual audit is not only to be in compliance with state law, but also to inform the board of the financial operation of the library.						
IV	Approval of the Agenda	Meloeny moved and Lenaway supported motion to approve the agenda of the regular board meeting of November 9, 2011. MOTION CARRIED	Aye	Aye	Absent	Support	Motion	Aye
V	Audit - Presentation by Pam Hill, Plante Moran a. Discussion of Audit b. Response from Management to Findings	<p>Pam Hill, Plante Moran, began by stating that Plante Moran spent over 300 hours or approximately seven weeks on RDL's audit due to the quality of the records. Although they found no instances of illegal activities, they did find a substantial amount of material weaknesses, such as incorrect reporting of year end accruals, lack of internal controls of money handling and lack of segregation of duties, lack of capital assets ledger and lack of proper library policy as related to donations. To a lesser degree, she noted incorrect guarding of passwords during the accounting process. Pam spoke to the difficulty in maintaining control of accounting processes and regular communications due to the current set up of accounting practices.</p> <p>During discussions, the board agreed the audit findings were unacceptable and remedies needed to be developed. When asked by the board if she would work with staff throughout the year as we established new practices, controls and policies to be sure that we are implementing appropriate changes, she indicated she would.</p> <p>Jillynn Keppler, Business Manager, responded to the audit findings and detailed her plan to introduce new practices of internal control. She spoke to the difficulty of being responsible for the quality of the financial records but having little control over their production and of the need to bring the accounting practices back in house. Keppler and Custer noted they had begun the search for fund accounting software earlier in the year, when it became apparent what the audit results would be and in anticipation that the board would want to make changes. While there are a number of fund accounting software packages on the market, they could only find one that was developed specially for libraries with all the necessary modules and GASB compliant. The program LAP (Library Accounting Program) is lower priced than packages developed for schools, towns and townships.</p>						

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b. Response from Management to Findings Cont.	<p>Custer noted the current contract with Bruce expires at the end of January. It would be logical to bring the accounting back in house at that time. No action would be needed in regards to terminating that contract. The timing would work well to install new software a.s.a.p., get training on system, enter data and be prepared to go online with new accounting package the first of January. This would allow for one month of dual record keeping thus ensuring accuracy. Keppler stated she believes that she and Schultz could handle that time line and get the library up and running.</p> <p>Custer gave an overview of Computrain LAP software that is a fully integrated package for payroll, human resources, investments and accounts payable. One real advantage is that they offer a cloud solution which is desirable because the library does not have the server capacity to operate an accounting program. She then passed financial information which showed the cost differential between the cloud solution and buying the software outright. There was approximately \$1,000 difference, far below the cost of installing and maintaining a server.</p> <p>Custer recommended that the library accept as single source the proposal for LAP accounting software from Computrain for the cloud computing option.</p>							
c. Motion	<p>There was much discussion from the audience and interplay with the board as to how to make this transition work. President Collins called for one of her fellow board members to make the motion to approve the cloud solution for a one year contract with a review after six months and a three year option. Debra Beauvais so moved supported by Lenaway for the cloud option of a one year contract with a review after six months and a possible extension of a three year contract. Custer is to investigate the possibility of the six month review option since that was not in the original proposal.</p> <p>MOTION CARRIED</p>	Motion	Aye	Absent	Support	Aye	Aye	
VI Closed Session	Closed session delayed until arrival of Malcolm Brown, RDL attorney.							
VII Approval of the Minutes	<p>Beauvais moved and Lenaway supported motion to approve the minutes of the October 12, October 14 and October 15, 2011 board meetings.</p> <p>MOTION CARRIED</p>	Motion	Aye	Absent	Support	Aye	Aye	
VIII Financial Issues and Reports Cont.								
1. Report By The Director Concerning Library Finances	<p>Keppler reviewed the format of financial reporting. She stated each month she will provide a report showing actuals to budget data. Keppler recommended that the accounts from Fifth Third and Huntington Bank be combined.</p>							
2. Approval of Vouchers	<p>Meloeny moved and Beauvais supported motion to approve vouchers in the amount of \$93,129.58</p> <p>MOTION CARRIED</p>	Support	Aye	Absent	Aye	Motion	Aye	
3. Approval of Receipts	<p>Beauvais moved and Lenaway supported motion to approve receipts in the amount of \$8,660.91.</p> <p>MOTION CARRIED</p>	Motion	Aye	Absent	Support	Aye	Aye	

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IX	Report of the Board President	No report this month.								
X	Report From Friends of the Library	Donna Folland reviewed their schedule of events. Friends is kicking off a membership campaign. She passed out membership renewal form and solicited the board for ideas to increase membership. Friends are developing protocols for handling donations. They are also developing training for their volunteers.								
XI	Director's Report 1. Department Reports 2. Demo of New Web Site 3. Samaritan House - Sharing Tree Christmas Project	Nothing in addition to what is in the board packet. William Blevins gave a live overview of the new web site he developed. The board was very enthusiastic about the new appearance and agreed it was a significant improvement over RDL's current web site. Site will be up and running by end of the year. Kim Dunn and Ed Risch, Samaritan House, gave an overview of the current type of work being done by their organization. They went on to request permission to utilize the library with their Sharing Tree Christmas project. The board agreed to allow Samaritan House to put up a Sharing Tree for RDL employees and patrons to contribute Christmas gifts to needy families and individuals within the community.								
XII	Old Business 1. Parking Lot - Update On Work 2. Policies - Discussion Item	Carlo Construction will begin work on parking lot in the next couple of days. Board members were given a hard copy of recommended policy revisions. Custer requested that they review and be prepared to discuss at December board meeting.								
	Return to Agenda Item VI: Closed Session	At 9:22 P.M., Beauvais moved to go into closed session on recommendation of Malcolm Brown, library attorney for client-attorney privileged communication in regards to PA 152, public employee health care and collective bargaining in accord with MCL act 267 of 1976, 15.268. ROLL CALL VOTE: Ayes: Miller, Collins, Meloeny, Beauvais, Lenaway		Motion	Aye	Absent	Aye	Aye	Aye	
	Reconvene	At 9:55 P.M., meeting reconvened as a public meeting.								
XIII	New Business 1. COLA Adoption 2. Cola Adoption	Miller moved and Beauvais supported motion for the Board of Directors of the Romeo District Library in accordance with MERS Plan Document of 1996, adopts Benefit E, COLA increase for Division 01 and agrees to pay the full cost of adoption due to low funding of program calculated at \$7,341. MOTION CARRIED Meloeny moved and Miller supported motion for the Board of Directors of the Romeo District Library in accordance with MERS Plan Document of 1996, adopts Benefit E, COLA increase for Division 07 and agrees to pay the full cost of adoption due to low funding of program calculated at \$17,129. MOTION CARRIED		Support Aye	Aye Aye	Absent Absent	Aye Aye	Aye Motion	Motion Support	

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XIII	New Business Cont.									
	3. HVAC System and Contract	Custer suggested that the HVAC systems contract be rebid.								
	4. Snow Removal	Lenaway moved and Beauvais supported motion to approve for a two year period, November 1, 2011 thru October 31, 2012, seasonal snow removal contract with R. White Services for an annual cost of \$3,420 Graubner and \$630 Kezar for a total cost of \$4,050. MOTION CARRIED	Support	Aye	Absent	Motion	Aye	Aye		
	5. Youth Table and Chairs	Lenaway moved and Beauvais supported motion to approve the library purchase two tables and eight chairs from Library Design for the youth room at a total cost of \$3,725. \$1,805 per set and \$125 shipping funds to be transferred from designated fund into operating. MOTION CARRIED	Support	Aye	Absent	Motion	Aye	Aye		
	6. Budget Transfer	Beauvais moved and Meloeny supported motion to increase the budget by \$30,470 for the purpose of parking lot repair 790.265.934.1, \$6,000 and COLA adoption through MERS 710.861.710.28 of \$24,470 reducing fund balance same amount. MOTION CARRIED	Motion	Aye	Absent	Aye	Support	Aye		
XIV	Public Participation	None								
XV	Adjournment	Miller moved and Beauvais supported motion to adjourn at 10:13 P.M. MOTION CARRIED	Support	Aye	Absent	Aye	Aye	Motion		