

CLEVELAND PUBLIC LIBRARY  
Finance Committee Meeting  
September 19, 2017  
Trustees Room                      Louis Stokes Wing  
12:00 Noon

Present:        Ms. Butts, Mr. Seifullah, Ms. Rodriguez, Mr. Parker, Mr. Corrigan (arrived,  
12:08 p.m.)

Absent:        Mr. Hairston, Ms. Washington

Mr. Seifullah called the Finance Committee Meeting to order at 12:04 p.m.

**FINANCE COMMITTEE MEETING** (Mr. Seifullah, Chair)

Present:        Alan Seifullah, Thomas Corrigan, Anthony Parker

Absent:        John Hairston

**OATH OF OFFICE FOR REAPPOINTMENT OF ALAN SEIFULLAH**

Ms. Rodriguez administered the Oath of Office to Alan Seifullah. Mr. Seifullah was reappointed by the Cleveland Board of Education on June 27, 2017 to a third full term on the Library Board, commencing on July 2, 2017 expiring on July 2, 2024.

Mr. Seifullah expressed his gratitude to the Board of Trustees and Library Administration for the opportunity to serve for another term.

Because there was no initial quorum of Finance Committee Members, the following resolutions were presented for informational purposes only.

**Resolution to Ratify and Approve the Purchase of Insurance Coverage for Policies Effective August 1, 2017 and September 18, 2017**

Carrie Krenicky, Chief Financial Officer, stated that in June, 2017, the Board of Trustees authorized the Executive Director to make the final determination to accept the insurance package that best meets the objectives defined in the specifications, and directed that the coverage purchased be presented for ratification by the Board of Library Trustees at their next regularly scheduled meeting.

The Library hired Crain, Langner & Co. to prepare the RFQ for coverage. Three (3) insurance representatives submitted proposals that were analyzed and reviewed by Crain, Langner & Co. Carin, Langner & Co. recommended McGowan & Co., Inc. to provide all of the Library's insurance packages this year.

Ms. Krenicky introduced, Dan Buser, a representative of Crain, Langner & Co. , who gave background on the recommendation to select McGowan.

Mr. Buser stated that the recommendation was based upon the examination and comparison on what the Library does and the insurers familiarity with and experience insuring the types of operations, activities and holdings of the Library. The range of coverage includes Property, including Boiler & Machinery; General Liability, including Employee Benefits and Employers Liability and Abuse and Molestation; Automotive Coverage; Umbrella Liability; and Public Officials and Employment Practices Liability.

Mr. Buser gave a detailed overview and explanation of the criteria used to evaluate the proposals including the coverages that are afforded in relation to the scope of the Library's needs.

Ms. Krenicky stated that this year's package came in 4% lower than the expired premiums. We are receiving an extra million this year in coverage through our Public Officials Liability. We are also entering into a short term policy with our Public Officials Liability so that they all expire on the same date. Currently, the majority of them expire on August 1 and the Public Officials expires on September 18, 2017. This year, they will all expire on August 1, 2018.

In response to Ms. Butts' inquiry, Ms. Krenicky confirmed that the Library added cyber liability in 2015.

#### Seventh Amendment to the Year 2017 Appropriation

Carrie Krenicky, Chief Financial Officer, stated that the Certificate of Estimated Resources for the General Fund has been updated to reflect the increase in the Property tax by \$2,482,565.73; decrease in PLF by \$651,517.11 due to the Ohio Department of Taxation's update on 6/23/17; increase to Other Sources by \$320,619.75 in miscellaneous revenues, for a net increase of about \$2.2 million to the General Fund.

In the Special Revenue Funds, we updated our Certificate of Resources by \$213,473.55 and that will appropriate that same amount of money. However, in the General Fund we are decreasing our appropriation in our Salaries and Benefits by \$1,000,000. Our projections are showing that we are able to do that. We are increasing our revenues by \$2.2 and decreasing our appropriation as we are trying to close the gap between not having to use the unencumbered balance funds by the end of the year.

The increase in appropriations in the Special Revenue Funds are coming from grants that will be explained in the following resolutions:

- **Founders fund** - Increase in Other Sources by \$16,000 relating to \$10,000 from the Mozilla Foundation extension grant and \$6,000 relating to "The Hosting of a Chinese Corner" by China Hanban.
- **CLEVNET fund** - Increase in Other Sources by \$7,473.55 to reflect the BWC rebate for 2015 premium paid in 2016.

- ***Tech Centers fund*** - Increase in Other Sources by \$40,000 relating to the grant awarded from Best Buy.
- ***Early Literacy fund*** - Increase in Other Sources by \$150,000 relating to the grant awarded from the Bruening Foundation.

After Mr. Corrigan arrived at 12:25 pm and a quorum of Finance Committee members was confirmed, Mr. Seifullah motioned that the following items would go to the full Board for approval:

- Resolution to Ratify and Approve the Purchase of Insurance Coverage for Policies Effective August 1, 2017 and September 18, 2017
- Seventh Amendment to the Year 2017 Appropriation

Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution to Accept Best Buy Teen Tech Centers Grant to Build a Creative and Safe Learning Space that Provides After School Programming for Teens at Rockport Branch

Carrie Krenicky, Chief Financial Officer, stated that these grant funds for a new Teen Tech Center at Rockport Branch will provide up to \$180,000 in cash and donated equipment, including a \$50,000 Program grant (for staffing), \$50,000 in cash and in-kind donations of equipment, a \$30,000 furniture grant and a potential \$50,000 construction grant (provided on a 1:1 matching basis). This resolution will also authorize a transfer of those requiring matching funds from the General Fund in the amount up to \$50,000.

Tracy Martin, Grants & Development Coordinator, was available to answer any questions the Board may have had.

Ms. Rodriguez asked if the construction of the new Teen Tech Center would be coordinated with the Safe, Warm and Dry initiative identified for Rockport Branch.

Eric Herman, Capital Projects Manager, explained that with the exception of some circuitry, the Teen Tech Center and Safe, Warm and Dry are separate projects. Safe, Warm and Dry will be scheduled after the Teen Tech Center has been completed. The Teen Tech Center will be open for several months and the entire branch will be closed as the Safe, Warm and Dry project is being completed.

Ms. Butts asked how long the branch would be closed for construction.

Mr. Herman explained that the branch would be closed for 6 weeks plus 1 week in the front for prep work and 1 week in the back for opening work for a total of 8 weeks. The work for the grant will have been done prior to the Safe, Warm and Dry project.

Director Thomas stated that staff examined if everything could be coordinated so that both projects were completed and opened at the same time. Unfortunately, we needed to move forward with the Best Buy grant so that there is evidence that students are immediately using it.

In response to Ms. Butts' inquiry, Mr. Herman explained that Rockport is the last set of branches slated for Safe, Warm and Dry. An exact date for construction has not been identified at this point. We are making sure that we never close more than two branches at the same time. A delay on projects scheduled prior to Rockport would cause a delay for Rockport.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution to Accept Grant from the Eva L. and Joseph M. Bruening Foundation in Support of an Early Literacy Training Initiative

Carrie Krenicky, Chief Financial Officer, stated that Cleveland Public Library applied for and received a \$300,000 grant, to be distributed over two years, to train 200 Cleveland Public Library Public Services staff to provide them with tools to engage parents with babies aged 0-3 years around the Every Child Ready to Read strategies developed by the Public Library Association.

Ms. Krenicky stated that a special revenue fund, 258 –Early Literacy, will be established to account for this grant and possible other resources whose uses are committed to this purpose.

Director Thomas stated that when this initiative was proposed to the Bruening Foundation, we explained that this would change the mindset of staff as the Library moves from literature-based to a literacy-based philosophy for our youngest children. The Bruening Foundation was excited for this initiative to train every Public Services staff member.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Parker seconded the motion, which passed with two in favor and one abstention by Mr. Corrigan who explained his wife serves as a committee member of the Bruening Foundation.

Resolution to Accept Mozilla Foundation Extension Grant for the Employee Enrichment Center

Carrie Krenicky, Chief Financial Officer, stated that on June 16, 2016, the Cleveland Public Library Board of Trustees accepted a grant from The Mozilla Foundation, in the amount of \$10,000 for library staff to learn core web literacy skills and have the opportunity to become digital leaders, people committed to teaching others, and to shaping the future of the Web.

The Mozilla Foundation invited the Cleveland Public Library to apply for an extension grant to train additional staff and agreed to grant the Library an additional \$10,000 which will be used to purchase equipment and furniture for the Employee Enrichment Center to benefit future trainings.

This resolution recommends the Library accept the grant from The Mozilla Foundation, in the amount of \$10,000.

Director Thomas stated that the Library has adopted Mozilla's training methods relative to digital literacy. Library staff, led by CJ Lynce, TechCentral Manager and Forrest Lykins TechCentral Coordinator, have been working to train staff.

Director Thomas thanked Tracy Martin for her work securing the Mozilla Foundation Extension Grant and others grants that provide additional finances and resources that support Library programs.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution to Authorize Director to Negotiate and Enter Into Gas Contract to Take Effect After Expiration of Current Contract

Carrie Krenicky, Chief Financial Officer, stated that our current contract expires on October 31, 2016. Our current rate is \$2.95 per Mcf. North Shore Energy Consulting, LLC, has notified the Library that the lowest current gas rates on the market are estimated to be \$3.000 per Mcf for a 12-month agreement and \$3.300 per Mcf for a 24-month agreement.

This resolution authorizes the Director to negotiate a new natural gas rate that is lower than the rate of \$3.50 per Mcf either directly with the natural gas suppliers or through a broker and to enter into a new agreement commencing November 2017 for a 12- month, 24- month, or 32 to 36-month term.

Ms. Krenicky stated that we were told that we must enter into a contract by September 22, 2017 in order to switch over by October 31, 2017.

Director Thomas stated that the rates may increase as a result of this hurricane season.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution Authorizing Addendum to Agreement with BRAVO Wellness, LLC for Wellness Post Screening Health Services

Joyce Dodrill, Chief Legal Officer, stated that this resolution authorizes Library to amend the agreement with BRAVO Wellness LLC to add Personal Health Coaching services to eligible Cleveland Public Library employees. The cost is \$1,500 to set it up plus \$184 per participant. This service is offered to employees who may have failed parts of their wellness screening in an effort to help participants find alternative methods to pass the test.

Ms. Dodrill stated that it is anticipated that Gallagher, the Library's benefits advisor, would be able to pay the costs from the commission funds that they receive from Medical Mutual which they use to pay our BRAVO costs. In the event that they do not have sufficient funds to pay, then the Library would be responsible for the additional cost. We do not anticipate that over 30 library employees would be using this service.

Mr. Corrigan stated that the Wellness program has saved the Library tens of thousands of dollars already so these additional services may be beneficial.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution Accepting Bid and Awarding Contract for the Glenville Parking Lot Project

Joyce Dodrill, Chief Legal Officer, stated that this resolution authorizes a contract award of \$86,470.00 for the construction of the additional parking lot adjacent to the Glenville Branch to Chagrin Valley Paving, Inc. This lot the Library received from the County Land Bank at no cost on the condition that we improve the lot.

Ms. Dodrill stated that on May 18, 2017, the Board approved a project budget of \$90,000 for the construction of an additional parking lot. The only other bid received was from Infinity Paving Co. for \$135,600.00

Chagrin Valley Paving, Inc. has been determined to be the lowest and responsible bid.

Ms. Rodriguez asked if the Library had ever used Chagrin Valley Paving in the past.

Eric Herman, Capital Projects Manager, stated that Chagrin Valley Paving is one of the larger firms with projects such as major parking lots, roads, public construction, around \$8 million in active projects.

In response to Mr. Corrigan about the design of the parking lot and meeting City requirements, Mr. Herman stated that plans have already been submitted for a permit and we do not anticipate a problem.

Mr. Seifullah asked about signage for the parking lot once it has been completed.

Mr. Herman stated that currently, signage has not been included in the plans. We are going to wait until determinations are made about the proposed use for the apartment next door. However, there will be visible signs indicating that the lot is restricted to library patrons and guests only.

Mr. Corrigan asked if we are securing parking lots at night.

In response, Tim Murdock, Director of Property Management, stated that after hours of operation, we are securing parking lots at Lorain, Walz, Sterling and Martin Luther King, Jr. branches.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution Authorizing Second Amendment to Agreement with the Chilcote Law Firm LLP for Legal Services

Joyce Dodrill, Chief Legal Officer, stated that this resolution authorizes the Library to enter into an amendment to the agreement with the Chilcote Law Firm to provide additional legal services in connection with the Martin Luther King Jr. branch relocation project in an amount up to \$25,000.00, for a total contract amount not-to-exceed \$100,322.50.

The Chilcote Law Firm was the law firm that assisted the Library in negotiating the agreement with the UC3 developers of the Martin Luther King, Jr. branch area and the development area around it.

Ms. Dodrill stated that in light of the recent discovery that the Developers were going to be building over our library building and will cover over a portion of our building in the air rights that we agreed to grant them in our development agreement, we anticipate a supplemental agreement in conjunction with the development agreement that is going to coordinate the construction of the two buildings. We will have to define the air rights and coordinate the timing of construction. Therefore, we believe that we will need the assistance of Chilcote Law Firm.

Mr. Seifullah asked for clarification regarding the coordination of construction of the two buildings.

Ms. Dodrill stated that portions of both constructions will have to occur at the same time. There will be structural support beams that hold up their building in our building.

Eric Herman, Capital Projects Manager, stated that they do not have to build their apartment building but they must do the work in our space that will support their space.

Ms. Dodrill stated that we anticipate that we will be building both at the same time as there will be some savings to us in terms of the roof. Because their building will be on top of our building, we do not have to install the skin on the roof which provides us a savings. This is preliminary at this point in terms of the definition of the air space and exactly what they will put up above our building. All of that must be developed through negotiations and discussions.

Mr. Corrigan asked if this will interfere with the date of our design competition for our building.

Ms. Dodrill stated that she believes that this will be an ongoing project.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution Authorizing Amendment to Agreement with Albert M. Higley Co., LLC for the South Branch Renovation Project

Joyce Dodrill, Chief Legal Officer, stated that this resolution authorizes an amendment to the agreement the Library has with Higley Co. for the South Branch Renovation Project to allow

Higley to perform construction management services for the asbestos abatement and relocation of the utility pole on Clark Avenue in order to make way for handicap parking spaces that will ultimately be constructed.

Ms. Dodrill stated that this is a mini GMP. The full GMP for all of the construction for the building will come at a later date. Higley is in the process of calculating the results of their second bidding of construction work for the project. The outcome will determine when the actual GMP will be entered. This resolution will allow them to get started now on asbestos abatement.

Eric Herman, Capital Projects Manager, stated that the current anticipated start date for the asbestos work will be during the last week of October as they still have to file paperwork with the EPA.

Mr. Corrigan asked for the expected total of the GMP prices for all of the work at the branch.

Mr. Herman stated that the original project cost was \$3.5 million. The Director was able to identify other sources of funding, which bring the project to approximately \$2.4 million in construction costs.

Mr. Herman stated that because bids are coming in around \$3.5, the project is going back out for re-bid. Part of the problem is that contractors are not hungry because there is a lot of money that CMSD is spending on schools and there are a lot of delayed construction projects as a result of the RNC. Therefore, we are looking to move the start date of the construction from this fall to start in March. Hopefully, because construction back logs will be eliminated, we will get better prices. We are still waiting on two more contractors to get us final numbers for some options that we asked about and then we will have an idea of where we are. Certainly the numbers will come down, but not enough for us to make other determinations on other ways to cut costs.

Ms. Rodriguez stated that everyone is so busy with other construction work that they are reluctant to bid on other work.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

#### Resolution to Amend Agreement with Integrated Precision Systems, Inc. for Access Control Systems

Carrie Krenicky, Chief Financial Officer, stated that on June 5, 2017, the Library entered into an agreement with Integrated Precision Solutions, Inc. (“IPS”) for the purchase and installation of access control systems in the Main Library and Louis Stokes Wing for an agreement price of \$14,525.13. On June 19, 2017, the Library entered into an amendment to the Agreement with IPS for the purchase and installation of an access control system at the Mt. Pleasant branch for a price of \$4,849.49, bringing the total contract price to \$19,374.62.

Ms. Krenicky stated that Library has now determined that it is necessary to install access control systems at its E. 131<sup>st</sup> Street, Glenville, Hough, and Sterling branches for a total cost of \$16,455.92, bringing the total amount to \$35,830.54 for access control systems since January 1, 2017.

This resolution requests authorization for a total contract amount not to exceed \$50,000 to take into consideration any additional access control installations needed by the end of the year.

Ms. Rodriguez asked if the Library received any discounted prices for adding additional access control systems in other branch locations.

Ms. Krenicky stated that although she did not know of any discounted pricing, we are restricted to IPS. When we started with our Main contract, they gave us a very nice discount.

In response to Ms. Butts' inquiry, Ms. Krenicky stated that access control systems were installed in the following locations at Main: Superman Exhibit space; IT Department; Special Collections; and Digital Hub.

Tim Murdock, Director of Property Management, stated that in addition, access control systems were installed on the Main 5<sup>th</sup> floor, LSW 4<sup>th</sup> floor, warehouse for IT, TechCentral and CLEVNET.

Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Parker seconded the motion, which passed unanimously by roll call vote.

Mr. Seifullah adjourned the meeting of the Finance Committee at 12:55 p.m.