

CLEVELAND PUBLIC LIBRARY

Finance Committee Meeting

April 17, 2012

Trustees Room Louis Stokes Wing

12:00 Noon.

Present: Ms. Rodriguez, Ms. Butts, Mr. Corrigan, Mr. Seifullah, Mr. Werner, Mr. Parker
(arrived, 12:31 p.m.)

Absent: Mr. Hairston

Ms. Rodriguez called the meeting of the Finance Committee to order at 12:06 p.m.

Fiscal Review of the Cleveland Public Library and Scan of State & National Trends in Library Funding

Mr. Werner stated that during the strategic planning process in 2011, two ad hoc committees of the Board were formed to focus special attention on two key concerns: inclusion/community engagement and fiscal planning. To provide research support to the Fiscal Review ad hoc committee, the Board contracted with Cleveland State University's College of Urban Affairs to conduct a review of the financial condition of the library system from 1998-2010. The report in its entirety was emailed to the Trustees last week.

Mr. Werner introduced Claudette Robey from the Center for Public Management and Kevin O'Brien from Great Lakes Environmental Finance Center who presented an overview of their findings.

Third Amendment to the Year 2012 Appropriation

Carrie Krenicky, Chief Financial Officer, stated that this amendment reflects an update in Unencumbered Balances to reflect the cash advances outstanding at January 1, 2012, increasing the General Fund by \$210,000 and reducing the Special Revenue funds by the same to account for the repayments expected during 2012. Also reflected is a decrease in Other Sources-Revenue Special Revenue by \$9,752.55 relating to a decrease in MyCom fund of \$40,459.55, Judd fund of \$9,383 and Lockwood Thompson fund of \$4,705 and an increase in KIN fund of \$5,795, Friends fund of \$3,000, Library fund of \$500, Founders fund of \$35,000. Also reflected is an increase in Other Sources-Capital of \$30,700 relating to the donation funds from Tremont West Development Corporation for the construction of the improvements to the Jefferson Branch parking lot.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution to Advance Cash from the General Fund to the Friends Fund

Carrie Krenicky, Chief Financial Officer, stated this resolution will allow for the use of funds from the Special Revenue Friends fund directly as opposed to waiting for programming reimbursement from the Friends.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution to Award Contract for Multimedia for the Main Library Consolidation Project Phase I: Tech Central

Rick Ortmyer, Bostwick Design Partnership, gave a presentation on the Main Library Consolidation Project Phase I: Tech Central that included the current status; approved budget recap/current cost noting the \$1,296,200 budget with current costs totaling \$121,229.88, proposed additions that include Smartboard, 3D printer, vending machines, café tables and chairs; and schedule noting June 14, 2012 for the Opening Reception.

Joyce Dodrill, Chief Legal Officer, stated that this resolution requests the Board accept the recommendations of Bostwick Design Partnership and award a contract for multimedia for the Main Library Consolidation Project Phase 1: Tech Central to Audio Visual Communications, Inc. (as corrected, "Audio Visual Innovations, Inc.") for \$42,382.53. Ms. Dodrill gave background on the bid process.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution to Amend Agreement for Material and Cash Recovery Services with Unique Management Services, Inc

Joyce Dodrill, Chief Legal Officer, stated that Unique Management provides collection services at a cost of \$8.95 per account referred between January 1, 2012 and June 30, 2012 in a total amount not-to-exceed \$35,000. As a result of the 3,755 accounts referred to Unique at a total cost of \$33,607.25 and the contract amount of \$35,000 has almost been exhausted, the Library has suspended any further referrals to Unique at this time. At the Library's request, Unique is willing to increase the collection fee it adds to each referred account from \$10 to \$15 in hopes of collecting more fines on behalf of the Library. This resolution will amend the agreement with Unique, extending the term of the existing agreement to December 31, 2012, and shall increase the total contract amount not-to-exceed \$105,000. (As corrected, "shall increase the contract amendment by \$105,00 for a total contact amount of \$140,000.")

Mr. Werner requested that the Board be provided a report that includes the amount of materials and fines recovered by Unique.

After some discussion, Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing Agreement with Spectrum Energy Concepts, Inc. for Construction Representative Services for the Conversion and Lighting Retrofit Construction

Director Thomas stated that this project was originally budgeted based on incomplete information provided by staff.

Joyce Dodrill, Chief Legal Officer, stated that this resolution authorizes the library to enter into a contract with Spectrum Concepts Inc. for engineering services to oversee the heat conversion project and lighting retrofit construction. This resolution authorizes a contract of \$24,960 for Spectrum's engineering services in conjunction with competitive bidding and construction management. This resolution also authorizes the library to solicit bids for the following three packages: mechanical, ventilation control, and lighting retrofit.

Tim Janos, President, Spectrum Energy Concepts, Inc., was in attendance give an overview of the project that includes converting the existing electric heating system to purchased steam from Cleveland Thermal; ventilation system modifications; and lighting retrofit for Main library. He provided background information on First Energy eliminated "electric heating" rates; future electrical rate increase; "price certain" steam rates; and EPA Rules affecting electric utilities.

Mr. Janos reviewed the projected savings over a 10 year period totaling \$1,285,560. Construction project costs totaled \$801,904 without contingencies.

Mr. Janos reviewed additional projects discovered which included: the use of heating hot water from steam conversion to supply the heating needs of the fan coil units in the Main Library Building; pumping system control modifications; loading dock heating modifications. Additional opportunities include: upgrade facility automation system to avoid obsolescence in 2-3 years and humidification systems for AHU 5 & 6. These opportunities would yield over ten years a projected savings totaling \$129,500.

Total project cost total \$1,045,057. With the addition of contingencies, the cost totals \$1,156,653. The projected total updated savings would be \$ 1,415,060. The total budget allowance for this project is estimated at \$1,156,653.06

In response to Ms. Rodriguez's inquiry about the potential of the exposure of asbestos as a result of the lighting retrofit construction in the Main Library, Mr. Janos stated that the project has been developed that would not disturb existing fixtures as most of the work is in the stacks.

Myron Scruggs, Director of Property Management, stated that the lighting in the stacks needs to be brought up to code.

Director Thomas suggested that a professional assess the areas where construction would occur and be evaluated for potential asbestos exposure.

Ms. Rodriguez requested that this item would be tabled pending additional information and time to review it.

Resolution to Amend Design Services Agreement with Bostwick Design Partnership for Main Library Consolidation Project for Phase 1: Tech Central

Joyce Dodrill, Chief Legal Officer, stated the Library has requested Bostwick Design Partnership to provide additional design service outside the scope of work originally requested for Phase I: Tech Central for Multimedia in the amount of \$52,500, of which \$50,000 was included in the overall project budget of \$196,200 previously approved by the Board, and a transfer request of \$2,500 from the multimedia hard costs to cover design services, still not exceeding the approved budget amount of \$196, 200; plus an additional \$3,800 for the configuration and installation of vending machines in the southeast corner of the lower level of the Louis Stokes Wing and Tech Central. This resolution authorizes the Library to amend the contract with Bostwick Design Partnership to accommodate additional design costs for Phase I: Tech Central in a total amount not-to-exceed \$56,300.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Resolution Authorizing Cleveland Public Library to Amend An Agreement with Strategy Design Partners Consulting, LLC

Joyce Dodrill, Chief Legal Officer, stated that the Library has an agreement with Strategy Design Partners Consulting, LLC to supplement our Marketing and Communications Office by providing marketing and communications services that include a marketing plan, refreshing the Library's website, producing a marketing video. This agreement expires on June 30, 2012. This resolution will authorize the Library to amend the contract with Strategy Design Partners Consulting, LLC to extend the term of the agreement for an additional six-month period through December 31, 2012, and increase the amount of the Agreement by \$24,000, for a total contract amount not-to-exceed \$48,000.

Director Thomas stated that by extending the term of the Agreement, the Marketing and Communications Department will be supported until a new Marketing and Communications Director is hired.

Ms. Rodriguez stated that this item would go to the full Board for approval.

Ms. Rodriguez adjourned the meeting of the Finance Committee at 1:51 p.m.