

CLEVELAND PUBLIC LIBRARY
Finance Committee Meeting
November 17, 2015
Trustees Room Louis Stokes Wing
12:00 Noon

Present: Ms. Butts, Mr. Seifullah, Mr. Corrigan, Ms. Rodriguez, Mr. Hairston

Absent: Ms. Washington, Mr. Parker

Mr. Corrigan called the Finance Committee Meeting to order at 12:07 p.m.

FINANCE COMMITTEE MEETING (Mr. Seifullah, Chair)

Resolution Requesting Tax Advance

Carrie Krenicky, Chief Financial Officer, stated that this annual resolution must be considered for the Library to receive its tax advancement for 2016 in advance to that settlement.

Mr. Seifullah moved to forward this item to the full Board for consideration. Ms. Butts seconded the motion, which passed unanimously by roll call vote.

Resolution to Increase Agreement with Integrated Precision Systems, Inc. for Maintenance of People Counting Hardware, Software and Firmware

Carrie Krenicky, Chief Financial Officer, stated that the current maintenance agreement with the People Counting Hardware, Software and Firmware expires on November 15, 2015. The Board has authorized staff to proceed with the renewal for next year providing that it is within the 5% increase amount.

In July, 2014, two additional orbit people counters, server software modifications and back office kit for connection to the Library's network were installed on two front doors of the Louis Stokes Wing of the Cleveland Public Library. The Department of Information Technology recommends adding the two additional orbit people counters, server software modifications and back office kit to the maintenance agreement effective November 15, 2015 at an additional cost of \$1,837.50 according to the terms of the agreement.

In response to Mr. Corrigan's inquiry about the quality of equipment and the data collected, Larry Finnegan, Director of Information Technology, stated that he was pleased.

Mr. Seifullah moved to forward this item to the full Board for consideration. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution Authorizing the Upgrade of the People Counting Hardware, Software, and Firmware with Integrated Precisions Systems Inc.

Carrie Krenicky, Chief Financial Officer, stated that originally, the People Counting system was installed in September 2004. Last June, Shoppertrak hardware was upgraded for five (5) branches: Addison, Carnegie West, Garden Valley, Rice and South, for a total of \$17,008.12. This amount did not go before the Board as it was under \$25,000.

The Department of Information Technology recommends continuing to upgrade the hardware and has received a proposal from IPS to install Shoppertrak hardware was upgraded for eleven (11) branches: Brooklyn, Collinwood, East 131st Street, Eastman, Fleet, Fulton, Glenville, Harvard Lee, Hough, Jefferson and Langston Hughes, for a total of \$63,503.75.

Myron Scruggs, Director of Property Management, explained that because some branches have two entrances, two units were required to be installed.

Mr. Seifullah moved to forward this item to the full Board for consideration. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Authorizing Agreement with Integrated Precision Systems Inc. for Maintenance of Access Control System

Carrie Krenicky, Chief Financial Officer, stated that the current maintenance agreement for Access Control System expires December 31, 2015 at the current cost of \$34,992.98.

The Director of Property Management recommends that the Library renew its agreement with IPS for maintenance of the access control system and add the following additional facilities: Lorain, Rice, Brooklyn, Glenville, and Garden Valley for the period from January 1, 2016 through December 31, 2016 at the cost of \$40,549.74.

This resolution authorizes an agreement with Integrated Precision Systems Inc. for maintenance services for the Library's access control system, in the amount of \$40,549.74 for the period commencing January 1, 2016 through December 31, 2016.

Ms. Butts asked how much annual maintenance is required.

Myron Scruggs, Director of Property Management, stated that when maintenance is required, IPS has been available to assist.

Ms. Butts asked for an example of a maintenance concern that may occur.

Mr. Scruggs stated that on occasion, access cards are not properly read by the card readers.

Ms. Krenicky introduced Valerie Fink, a representative from IPS who was available to answer any questions the Board may have had.

Mr. Corrigan asked what was the most valuable service that IPS provides the Library.

Ms. Fink stated that when systems fail, employers and employees can become frustrated. IPS has a guaranteed response time within eight hours. IPS logs the call, provides phone support, and if needed, technicians are dispatched and usually on site within eight hours to resolve any problems.

Ms. Butts expressed concern that eight hours can be a long wait for the arrival of a technician.

Ms. Fink explained a phone call response is always provided. IPS technicians can identify if the problem is in the hardware and other times IPS can webex log in to the system and restart software for quick resolution.

Mr. Corrigan asked why installation has been delayed in remaining branches.

Mr. Scruggs explained that upgrades have not been made to those branches.

Mr. Corrigan inquired about the advantages of the IPS system.

Mr. Scruggs stated that some of the advantages include accurate recording keeping; the ability to grant or restrict access to certain areas; and the ability to provide visitors badges.

Mr. Corrigan stated that Library should realize savings in staff time with this computerized access system.

Mr. Seifullah moved to forward this item to the full Board for consideration. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution Approving Guaranteed Maximum Price Amendment to Agreement with Albert M. Higley Co. for Main Library Phase 2 Construction Project

Joyce Dodrill, Chief Legal Officer, stated that this resolution will allow the Library to enter into an amendment with Higley Construction, the Library's construction manager at risk, to actually start construction. Since the Board approved the hire of Higley in June 2015, Higley has completed: designs finished, cost estimates, gone out for bids, obtained a guaranteed maximum price proposal, selected sub-contractor's with a breakdown of minority business enterprise (27%), female business enterprise (14%) and small business enterprise (29%).

The guaranteed maximum price is \$3,356,248 which does not include furniture which the Library has decided to directly purchase. The estimated cost of furniture and guaranteed maximum price totals approximately \$535,000.

The difference between what the Board previously approved for the project budget in June is a little over \$1,000,000 which represents a significant savings to the Library.

Ms. Dodrill asked that of the \$1,000,000 savings, that the Board allow the Library to set up an owner's contingency of \$500,000, that will allow payment for changes made in the design since the project went for bid. The remainder of the funds can be returned to the Library's capital fund that could be used for exhibitory in Brett Hall.

Ms. Dodrill introduced Josh Herman, from A.M. Higley, who was available to answer any questions the Board may have had.

Mr. Corrigan commended that Higley has maintained the tradition of Higley while meeting the needs of diversity.

Myron Scruggs, Director of Property Management, stated that change orders for this project can be expected as details have been modified since the project went for bid.

Mr. Corrigan stated that he was comfortable because of the savings already realized and that change orders are appropriate for a project of this scope and magnitude.

Ms. Butts asked when construction would begin.

Ms. Dodrill stated that demolition will begin the first week in December.

Mr. Corrigan stated that during the recent Board Work Session, the architects were strongly advised to preserve the carpet in Brett Hall as it was specially designed for the space.

Mr. Herman, the Higley representative who was present, stated that the carpet would be protected during this process.

Mr. Seifullah moved to forward this item to the full Board for consideration. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution Authorizing an Extension of the Lease for Temporary South Branch of the Cleveland Public Library

Joyce Dodrill, Chief Legal Officer, stated that the space leased for the Temporary South Branch of the Cleveland Public Library will expire on January 14, 2016. Because we believe that the construction and rehabilitation of the original South Branch located on Scranton Road will take a couple of years, the Library has asked the landlord to renew the lease for one year with an option to renew for an additional year.

The owner of the building on Clark Avenue, Gerald E. Zahler, has offered to renew the lease of the space to the Library for up to two additional years at a rental rate of \$2,550.00 per month, gross, plus utilities and other related expenses, for a first year's estimated rental of \$30,600.00.

This resolution will give the authority to enter into this agreement for lease renewal.

Ms. Butts stated that a community meeting will be held to provide updates to patrons and neighborhood residents.

Mr. Seifullah moved to forward this item to the full Board for consideration. Mr. Hairston seconded the motion, which passed unanimously by roll call vote.

Resolution to Purchase Insurance Coverage for Cyber Liability

Carrie Krenicky, stated that this resolution will allow the addition of cyber liability coverage to the Library's current insurance package. This purchase of cyber liability insurance will protect the Library from claims of third parties, and the costs of restoring data and issuing legally mandated notifications in the event that the personal data of patrons or staff were to be stolen as a result of a data breach.

The annual premium is \$12,267.90. We would like to begin the coverage on December 1, 2015 and allow it to expire with our current insurance package which expires on August 1, 2016. Although we have not received confirmation that we are able to do that we are asking the Board to approve a maximum of one year coverage through December 1, 2016; if not, through August 1, 2016. Following, we would renew the cyber liability insurance for one, one-year renewal period commencing either on August 1, 2016 or December 1, 2016, depending upon whether the Library is successful at negotiating a policy that coincides with other insurance policies currently set to expire on August 1, 2016, and also provided terms and conditions remain comparable and the pricing is consistent with then current market conditions and the Library's history.

Mr. Corrigan asked for clarification on the deductible difference between Ironshore Specialty and Travelers Casualty.

Ms. Krenicky stated that the deductible for Ironshore is \$5,000 and the deductible for Travelers is \$10,000. Ironshore provides \$1,000,000 total coverage (1st party and 3rd party) and Travelers provides \$1,000,000 total coverage (\$500,000 1st party; \$1,000,000 3rd party).

Mr. Corrigan stated that it is apparent that Ironshore provides better protection for the Library for almost the same price with a lower deductible.

Mr. Seifullah moved to forward this item to the full Board for consideration. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Resolution to Engage Synchronicity Consulting, LLC for Strategic Plan Implementation Services

Timothy Diamond, Chief Knowledge Officer, stated that Sonya Pryor Jones, CEO, Synchronicity Consulting, LLC, is unable to attend the Finance Committee Meeting due to work commitments in California with a nonprofit organization involved in creating fab labs across the nation.

Mr. Diamond stated that as the Library is creating customized learning opportunity networks for the public through The People's University initiative, this will require a shift in library programming. Since the Outreach & Programming Services department will oversee The People's University, Synchronicity Consulting, LLC is being engaged to determine the capacity of that department to take the work on and recommend appropriate changes.

Synchronicity Consulting will also be working with the Library to establish the educational philosophy of the organization and make decisions about offerings based on that philosophy.

The external component of the consultant's work will be to foster relationships and partnerships, especially with the City of Cleveland and the School District, to make The People's University a success.

Director Thomas stated that as we advance The Peoples University initiative, he would like to work with Board and Synchronicity Consulting to consider the creation of a Chief Education Officer position.

Mr. Seifullah moved to forward this item to the full Board for consideration. Mr. Corrigan seconded the motion, which passed unanimously by roll call vote.

Mr. Seifullah adjourned the meeting of the Finance Committee at 12:33 p.m.