Present: Ms. Butts, Mr. Seifullah, Ms. Rodriguez, Mr. Hairston, Ms. Washington, Mr. Parker

Absent: Mr. Corrigan

Mr. Seifullah called the Joint Finance & Human Resources Committee Meeting to order at 12:06 p.m.

FINANCE COMMITTEE MEETING (Mr. Seifullah, Chair)
Alan Seifullah, Chair, Anthony Parker, John Hairston
Thomas D. Corrigan, Vice Chair (absent)

Resolution to Accept Gift from the Julius W. Zajac Trust

Carrie Krenicky, Chief Financial Officer, stated that the Library received notice from McDonald Hopkins law firm including a check in the amount of $241,238 from the Julius W. Zajac 2nd Restatement of Trust. These funds are to be earmarked in equal parts to the Main Library downtown and the Jefferson Branch in the neighborhood where Julius Zajac was raised.

Ms. Krenicky stated that Mr. Zajac was raised in Tremont, worked his way through school, graduated with a mechanical engineering degree from Rensselaer Polytechnic Institute, and used his education and talents to start three companies with his brother, including one that merged into another and eventually became part of Parker Hannifin Corporation.

Timothy Diamond, Chief Knowledge Officer, stated that Mr. Zajac passed in 2013.

After expressing gratitude and appreciation on behalf of the Library Board of Trustees for this gift, Mr. Seifullah motioned that this item would go to the full Board for consideration. Mr. Parker seconded the motion, which passed unanimously by roll call vote.

Resolution Regarding December 31, 2015 General Fund Balance

Carrie Krenicky, Chief Financial Officer, stated that as of December 31, 2015, the General fund had an unencumbered balance of $24,445,829.34; when the advances to the Special Revenue MyCom fund are returned, the Carryover balance available for appropriation in 2016 totals $24,554,989.34. A transfer of $1,500,000.00 is being requested into the Building and Repair
fund in order to fund the capital projects, technology, and other assets and for other repairs, improvements and maintenance of library facilities. After the Main Library Phase II and the Safe, Warm and Dry construction projects have been completed, the Building and Repair fund will have approximately a $2.7 million unencumbered balance. Replenishing that fund with an additional $1.5 million from the General fund will give it approximately $4.2 million which we will need to begin work on South Branch.

As the year closed, the General fund had an increase in the unencumbered balance of $1.5 million from last year. This is why we are requesting the $1.5 million transfer.

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

First Amendment to the Year 2016 Appropriation

Carrie Krenicky, Chief Financial Officer, stated that this amendment brings forward the actual unencumbered balances as we closed the year. It also reflects an increase in Other Sources-Special Revenue by $241,238 and Other Sources-Capital Projects to reflect the resolutions to accept the Zajac bequest and the transfer of funds into the Building & Repair fund.

Ms. Krenicky also noted the Certificate of Estimated Resources that is being requested from the Budget Commission reflects a decrease in property tax from the original projection and is $23,766,763.56; the PLF is certified at $22,003,404.59. Property tax was decreased by approximately $2.5 million from our original projection. The Public Library Fund has increased by $228,000.00. The Budget Commission explains that the reason for the property tax decrease was that the hospitals went from taxable status to exempt status. We are hopeful that this change will have a positive effect and will cause our collection rate to increase. They are sitting in our delinquent numbers right now, which is over $20 million, and is so inflated due to the pending exemption. Once hospital exemptions are removed from our delinquent number, it should improve our collection rate for next year.

Ms. Butts asked for clarification on the change in taxable status for hospitals.

Joyce Dodrill, Chief Legal Officer, stated that she believed that the hospitals successfully challenged that their office medical centers should be tax exempt.

Ms. Krenicky stated that these numbers had a negative impact on our collection rate as the budget is based on the previous year’s collection.

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

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

Carrie Krenicky, Chief Financial Officer, stated that the Board of Trustees of the Friends of the Cleveland Public Library approved the 2016 budget for Programs for the Cleveland Public Library.
Library in the amount of $29,500. This resolution requests that General Fund advance cash in the amount of $29,500 to the Friends Fund as a desirable method of resolving cash flow problems without the necessity of incurring additional interest expense for short-term loans and to provide the necessary “seed” for grants that are allocated on a reimbursement basis.

Ms. Washington asked for additional clarification on this resolution.

Ms. Krenicky explained that as the Library begins to spend monies for these programs, the Friends is unable to reimburse the Library immediately. However, as the Library initiates programming, the Friends provide installments to replenish those funds as the year progresses. At the end of the year, that Special Revenue fund returns those funds.

Mr. Seifullah asked if the Friends partially fund the Library’s Annual Martin Luther King, Jr. Commemorative program.

Ms. Krenicky stated that this year restricted donations were used to fund the program.

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

Resolution to Authorize Annual Expenditure for 2016 with Republic Services, Inc.

Carrie Krenicky, Chief Financial Officer, stated that the Library had a 3-year contract with Republic Services, Inc. to provide waste material services for the Main Library, the Lake Shore Facility and the Woodland Garage that expired on December 31, 2015 and automatically renewed for a successive 12 month term.

Although last year, the Board approved the expenditure not to exceed $31,000; the actual amount expended for 2015 was $29,581.78. This year, we are requesting an annual amount not to exceed $35,000 assuming that the price increase in February 2016 will not exceed 16%. In February, 2014, the basic monthly service cost increased 16.5% and in February 2015, the cost increased 15.5%.

Ms. Rodriguez expressed concern about the yearly rate increase and asked if that increase was at a comparable rate.

Timothy Murdock, Assistant Director of Property Management, stated that with a one year agreement, the Library would not have secured as good a rate. In addition, Property Management has cleaned out the several library facilities include the Memorial Nottingham warehouse, Carnegie West and the others resulting in the increase use of dumpsters.

Ms. Krenicky stated that this is an annual increase to the basic service. Yearly notices are sent in February informing the Library of the increase. The two increases that the Library received in 2014 and 2015 were received while the Library was under contract with Republic Services, Inc. who had the authority to increase the rate. This year’s increase may even be more than $16,000. The increase will not be certain until the notice has been received.
Mr. Seifullah asked if the rate were increased at 20%, would the Library remain in contract with Republic Services, Inc.

Ms. Krenicky stated that the Library would continue to be in contract with Republic Services, Inc. for another 12 month term. Written notice must be given 60 days prior to terminating the contract before it automatically renews.

Ms. Rodriguez continued to express concern about the annual increases and asked if it would be worthwhile to investigate alternative service providers who are offering more competitive rates.

Mr. Murdock explained that part of the dilemma is that there are not many companies who have trucks that fit in the loading dock at Main Library.

Mr. Hairston asked if Main was the only building that would require that specific type of vehicle.

Mr. Murdock stated that a different type of truck services Lake Shore and Woodland. Main is the only building that requires a specific truck that fits in the loading dock.

Ms. Butts suggested that with the yearly rate increases, it may be appropriate for Republic Services, Inc. to only pick up from Main.

Ms. Washington asked what plan the staff was prepared to implement if the rate increases become unsustainable.

Mr. Murdock stated that Property Management would continue to identify other companies who would come downtown to provide those services.

Ms. Butts stated that perhaps the Library would not be charged as much if Republic Services just picked up from Main. Another company could be utilized to pick up from the remaining facilities at a cheaper rate.

Mr. Murdock stated that placing dumpsters at other branch location could present additional staff and patron parking issues during library hours of operation. Currently, delivery trucks are sent to various locations to pick up waste materials and bring them back to Main, Lake Shore Facility or Woodland garage.

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

Resolution to Authorize Annual Expenditure for 2016 for Maintenance on the Multi-Function Devices with Xerox Corporation

Carrie Krenicky, Chief Financial Officer, stated that the Library’s current Service Agreement with Xerox Corporation for the maintenance for (50) multi-function devices expires on May 1, 2017. This year, we are requesting authorization for an amount not to exceed $70,000 based on the number of prints that have been increasing since the time of installation in 2012. Last year,
the number of color prints exceeded 476,000 and black and white prints exceeded 2,083,000, which is an increase of 14% and 6% respectively from 2014. Based on these increases, we are estimating the maintenance to be approximately $70,000 this year. In addition, this is for the color and print copies for all facilities for staff and patron use.

Ms. Rodriguez asked for an update on printing that patrons and students could do remotely from their respective homes to the library.

Ms. Krenicky stated that although the system is working, she is unable to gauge the amount of patron usage.

In response to Ms. Rodriguez’ inquiry about printing fees for students who are being tutored at the library, Ms. Krenicky confirmed that these are able to print free of charge.

Ms. Butts asked for clarification on the agreement with Xerox.

Ms. Krenicky stated that when the agreement with Xerox began, the Library had no concept of what the printing volume would be. As a result, it was initially estimated at a very low amount. When we first started we thought it would cost $30,000 per year. Then we installed MFD’s and it cost us $60,000 in 2014. In 2015, it continued to increase. The maintenance is for black and white prints at $0.012 per print and color prints at $0.08 per print, which rate is under contract through May 1, 2017. Over the 5 year plan, it is estimated that the Library will collect approximately $ 729,000 in revenues from patrons. Maintenance for the patrons is estimated at $859,000. The MFD’s will have an estimated cost of $130,000 for patron usage. This does not include staff usage.

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

Resolution to Enter Into An Agreement with Business Smarts for Hardware Maintenance

Carrie Krenicky, Chief Financial Officer, stated that the effective date of termination of the current hardware maintenance agreement with Business Smarts for the Library’s Hewlett Packard printers, desktop stations and servers is January 31, 2016. This resolution authorizes the Library to enter into a Maintenance Agreement with Business Smarts for the period February 1, 2016 through January 31, 2017, at a cost not to exceed $63,133.71.

Ms. Krenicky stated that this reflects a net decrease as many smaller separate printers have been taken off line and are no longer required to be carried on a maintenance agreement, but more PCs were added.

Mr. Seifullah motioned that this item would go to the full Board for consideration. Mr. Parker seconded the motion, which passed unanimously by roll call vote.
Resolution Approving Change Order #009 Rescinding Change Order #008 and Approving Change Order #010 for the Cleveland Digital Public Library Project

Joyce Dodrill, Chief Legal Officer, stated that this resolution amends the contract that the Library has with R.L. Hill Management for the Cleveland Digital Public Library Project, to take out the following two portions of the project that have not been completed: (1) deduct from contract money for access control system and fire alarm wiring relay work and (2) installation of a protective acrylic picture frame cover and handrail for the protection of the Coltman painting.

Staff has been in a dispute with R.L. Hill Management that has been ongoing for months as to the responsibility for certain portions of the cost of those items. R.L. Hill Management claims that wrong information was given to them by the Library. Because staff no longer has confidence that R.L. Hill Management can satisfactorily complete this work, it has been decided to remove these items from the contract and the Library will perform the work. The contract with R.L. Hill Management Group will decrease in the amount of $19,308.46.

The project budget still has a balance of $15,308, leaving a deficiency of $3,500 that R.L. Hill will pay the Library with a certified check so that the project can be completed. Contractors are lined up to perform the work.

Change Order #008 is for the purchase and installation of a protective acrylic picture frame cover and handrail for the protection of the Coltman painting. Change Order #009 will rescind Change Order #008. Change Order #010 will remove the access control system portion from the contract.

Mr. Seifullah asked if the Library staff would now complete the work.

Ms. Dodrill stated that the Library would hire Simplex and IPS to do the access control and fire alarm wiring. House of Plastics will do the installation of a protective acrylic picture frame cover.

Ms. Butts asked how much they will be charging the Library to perform this work.

Ms. Dodrill explained that $8,308.30 will be deducted from the R.L. Hill Management contract that included the cost plus fees for installation of the protective acrylic painting cover. Although staff does not have an estimate, the cost should be cheaper.

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

Resolution Authorizing Agreement with Cleveland Neighborhood Progress, Inc. for Financial Consulting Services through its Community Financial Centers Program

Joyce Dodrill, Chief Legal Officer, stated that this resolution authorizes another agreement with Cleveland Neighborhood Progress, Inc. for their financial consulting services through its Community Financial Centers Program.
Ms. Dodrill noted that this program has been available for staff at the Library for the last year for financial literacy counseling. Since the program has proven successful, we would like to renew it and expand the scope to Cleveland Public Library patrons who would like to take advantage of these counseling services up to 200 people at no cost. Last year 75 employees participated.

Mr. Seifullah asked for clarification on the 200 participants.

Ms. Dodrill stated that sum of 200 participants includes the total of library employees and patrons.

Ms. Washington stated that although she is familiar with this program, she requested a presentation from representatives of Community Financial Centers Program regarding the collaboration with the Library.

Madeline Corchado, Director of Human Resources, stated that representatives will be in attendance at the upcoming Board Meeting.

Ms. Butts asked how patrons would be informed of this service.

Ms. Corchado stated that although those arrangements have not been confirmed, it will be a partnership between the Human Resources and Outreach Programming Services Departments.

After some discussion about employee participation, completion and recruitment efforts, Mr. Seifullah motioned that this item would go to the full Board for consideration. Mr. Hairston seconded the motion, which passed unanimously by roll call vote.

**HUMAN RESOURCES COMMITTEE MEETING** (Mr. Hairston, Chair)
John Hairston, Chair, Alice G. Butts, Vice Chair, Anthony T. Parker
Thomas D. Corrigan (absent)

Resolution Amending Resolution for Special Closings and Holidays in 2016

Joyce Dodrill, Chief Legal Officer, stated that this resolution amends the Resolution adopted on December 17, 2015 to clarify that because Christmas falls on a Sunday, the Library will be closed on the Monday following Christmas, December 26, 2016.

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

Resolution to Revise the Human Resources Manual

Madeline Corchado, Director of Human Resources, stated that this revision ensures that the Library has a policy that is in alignment with the federal regulations. Although the Library in practice has been in compliance with federal regulation, the Human Resources Manual had not
been updated. As the Library transitions with CareWorks for FMLA management, effective February 1, 2016, all policies need to be in alignment.

The current policy did not reflect many of the components of the act, such as military leave. This revision will bring us to compliance.

Mr. Hairston asked when the Human Resources Manual was last revised.

Ms. Corchado explained that she has been employed with the Library for four years. The Human Resources Manual had not been revised during that time.

Joyce Dodrill, Chief Legal Officer, noted the change that sick time could now be used for FMLA leave for taking care of family members. Before, the policy required that vacation time had to be used before sick time could be used.

The Union has language that will require their members to exhaust vacation time and then up to 210 hours prior to going on an unpaid leave when the leave is to care for a family member. Therefore, this portion of the change will only affect non-union.

Mr. Hairston asked if this revision affects any Union negotiation.

Ms. Corchado stated that the union would bargain to obtain equal benefits for their membership.

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

Mr. Seifullah adjourned the meeting of the Joint Finance & Human Resources Committee at 12:50 p.m.