

CLEVELAND PUBLIC LIBRARY
Joint Finance & Human Resources Committee Meeting
February 13, 2024
Trustees Room Louis Stokes Wing
12:00 Noon

Present: Ms. Butts, Ms. Shakarian, Mr. Corrigan, Ms. Rodriguez, Mr. Parker

Absent: Mr. Hairston, Ms. Fryer

Mr. Corrigan called the Joint Finance & Human Resources Committee Meeting to order at 12:18 p.m.

Presentation: Endowment Portfolio: Glen Danahey, Senior Vice President, Senior Investment Advisor, PNC Institutional Asset Management

Mr. Danahey gave a detailed overview of the Library’s Endowment Portfolio Review as of December 31, 2023 that included but was not limited to the following:

- Taking Stock of the Markets
- Investment Policy Statement
- Portfolio Review
- Investment Performance

Mr. Danahey reviewed the U.S. Equity Market Performance and noted 2023 total returns:

- Magnificent 7 (weighted average) 90.6%
- Nasdaq Composite Index 44.7%
- S&P 500 Index 26.3%
- S&P 500 Equal Weight 13.9%
- Median S&P 500 stock return 9.7%

Mr. Danahey shared a chart depicting asset class from large cap, mid cap, small cap, fixed income, etc. In 2022, both equities and fixed income were down double-digit negatives. In 2023, it is the opposite as equities had a strong year with double-digit rates of return across the board.

Mr. Danahey referred the Board to Index Total Returns – Equity showing short and long-term performance in all of the asset classes.

Mr. Danahey spoke on the Library’s Investment Policy Statement and stated that from conversations with Carrie Krenicky, Chief Financial Officer, there are no changes for the time being indicating that PNC still has the flexibility to meeting the Library’s goals and objectives.,

As he reviewed the Asset Allocation page, Mr. Danahey stated that this was a snapshot at the end of 2023 on December 31. At that time, the Portfolio Allocations were very close to Policy Targets. PNC has been navigating and doing some risk management as equities have gotten above target and we have been decreasing equities back to the target of 65%. As the markets go up and down, we will continue to be mindful and try to take some gains and profits when the market is up and rebound accordingly.

Mr. Danahey stated that at the early part of January 2024, we had a cash withdrawal of about \$738,000 as a result cash has decreased by about \$828,000. This is one thing we do from time to time to make sure that we can meet the spending distribution.

As he continued, Mr. Danahey reviewed Total Portfolio Performance for Endowment Funds and noted that in the fourth quarter, the Endowment Portfolio had a return of almost 10%. For the calendar year of 2023, the Endowment Portfolio had a return of 16.2%. Compared to the policy benchmark, the Endowment Portfolio has outperformed for all periods for the 1, 3, 5 and 10 years.

Mr. Danahey was available to answer any questions that the Board may have had.

Mr. Corrigan thanked Mr. Danahey for attending today's Finance Committee Meeting to share this information.

Finance Committee Meeting (Mr. Corrigan, Chair)

Present: Melanie Shakarian, Thomas Corrigan, Anthony Parker

Absent: John Hairston

Resolution to Accept Gifts for the Month of January

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

Resolution Amending Resolution to Accept Grant from United Way of Greater Cleveland for Family Spaces Program

Carrie Krenicky, Chief Financial Officer, stated that in December 2023, the Board accepted a grant from United Way of Greater Cleveland in the amount of \$23,713.40 to provide supportive programming by implementing and administering the Family Space program during 2024 but we had some miscommunication with the United Way. Through subsequent discussions with United Way of Greater Cleveland, the Library learned that United Way had intended that the grant be in the amount of \$98,809.58, not the \$23,713.40 that was presented to this Board for acceptance.

Mr. Corrigan inquired about dedicated staff who support the Library's Family Spaces Program.

In response, Jacqueline Lamb, Director of Youth and Family Engagement, stated that there are two Family Spaces locations: (1) Carnegie West supported by Sandy Nosse, Family Engagement Specialist and (2) Hough supported by Keely Schulz, Family Space Assistant.

In addition, Ms. Lamb stated that the United Way is pleased that numbers are increasing. There is a plethora of events for the community to ensure that we support and wrap around them. This extra funding that we receive will enable us to transition the Family Space Assistant position from part-time to full-time causing us to be more impactful in those two communities.

In response to Ms. Shakarian's inquiry, Ms. Lamb explained that we had two part-time Family Space Assistants. Ms. Nosse, Family Engagement Specialist, was already a part of this work. To fully support our families, requires a full-time designated employee. Last year, we operated for 6 hours weekly per location. The additional funding not only supports the full-time position but enables us to operate at times to meet family needs. We are now operating at 12 hours weekly per location.

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

Resolution to Accept Grant from the Cleveland Public Library Foundation for the and Man Up, CLE and Girl Power Programs

Dr. Shenise Johnson Thomas, Chief of External Relations & Development, stated that this \$10,000 grant from Huntington is in sponsorship of the Library's ManUp and Girl Power programs in 2024.

Director Thomas explained that Erica Marks, Senior Director of Outreach and Programming Services, who oversees these programs will attend the upcoming Board Meeting to answer any questions and provide additional information about the ManUp and Girl Power programs.

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

Resolution to Accept Pass Through Grant from Cleveland Public Library Foundation for the Continuation of the Barbershop Books Program from the Urban Libraries Council

Mr. Corrigan stated that the Library has participated in the Barbershop Books Program since 2023. This grant from ULC will help continue the program.

Dr. Shenise Johnson Thomas, Chief of External Relations & Development, added that this program is designed to give young boys of color access to books as they wait for their haircuts. Not only can they read the books, but they may also keep them. This is an access program and literacy initiative.

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

Resolution to Accept Pass Through Grant from the Cleveland Public Library Foundation for Tech Revitalization at the Best Buy Teen Tech Center from the Best Buy Foundation and Clubhouse Network

Mr. Corrigan stated that this is a continuing program, and the grant amount is the same as last year.

Director Thomas recognized the Best Buy Teen Tech Center Manager, Jazmine Smith, and thanked her for joining today's Finance Committee Meeting.

Ms. Smith was available to answer any questions the Board may have had.

After some discussion about frequent updates to the Teen Tech Center, Mr. Corrigan motioned that this item would go to the full Board for approval. Mr. Parker seconded the motion, which passed unanimously by roll call vote.

Resolution to Ratify Agreement for Purchase of Natural Gas

Mr. Corrigan stated that with work progressing on the new Rockport branch, the Library asked North Shore Energy Consulting, LLC to obtain the best fixed rate from Infinite Energy, LLC as of June 22, 2022. Infinite Energy, LLC provided a quote that was acceptable to the Library.

Carrie Krenicky, Chief Financial Officer, stated that we entered into a 57-month agreement with Infinite Energy in June 2022 that expires at the end of August. At that time, the new Rockport branch was not included. By ratifying the Agreement, this is adding Rockport branch into our agreement for a 41-month term to end with our other branches in August.2027.

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

Resolution Amending Master Planning Agreement with Bialosky and Partners, Architects, Inc.

John Lang, Chief Operations Officer, stated that this will be a planning update for Group 2 of the Facilities Master Plan. As the Board is aware the Group 1 construction program is mostly complete, and Group 2 projects are planned to be accomplished during 2025-2030.

Library Administration finds that it is necessary to conduct a review and update of the Facilities Master Plan Group 2 projects, including a review and update of all Group 2 deferred maintenance backlogs; validating or modifying the scope of the capital improvements; developing new construction cost estimates; and prioritization and sequencing of all projects. Bialosky has proposed to complete the above services for a total negotiated fee of \$117,100, which includes a fixed pre-review fee of \$79,400, a budgeted post-review fee of \$37,200, and an allowance of up to \$500 for reimbursable expenses, which the Library Administration and this Board find to be fair and reasonable.

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

Resolution Amending Project Budget for the New Martin Luther King, Jr. Branch

John Lang, Chief Operations Officer, stated that we are over 60% complete construction and had a staff tour at the new MLK Branch.

The Board has already approved the Eighth Amendment to the Library's agreement with architect JKURTZ on December 21, 2023 and reallocated \$155,750 from the Furniture, Fixtures, and Equipment budget to the Architect and Engineering Fees budget in order to pay for the additional services with JKURTZ and this Resolution will restore that amount back into the Furniture, Fixtures, and Equipment budget.

After referencing "Exhibit A" noting contingency spending on the project, Mr. Lang stated that we are now requesting the budget increase to replenish the construction contingency account to enable the Library to respond to any unforeseen conditions by change order.

Mr. Corrigan noted that we will be approximately 5% over budget.

In response to Ms. Butts' inquiry, Mr. Lang stated that if approved, the total cost of the project is \$20.946 million less the \$5.2 million sale of our current property to the Developer.

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

Resolution Authorizing Agreement for the Relocation of the Louis Stokes Wing Staff Breakroom

Mr. Corrigan stated that the estimated construction cost of the new Main Library breakroom is \$1,123,576 and the maximum value of the contract that the Library may award to a bidder for this project is \$1,348,291.20. The sealed bids were received, and scope review discussions are ongoing with the three lowest apparent bidders. This resolution is to award the contract.

John Lang, Chief Operations Officer, gave an overview of this bid process and stated that the low bids were all below the Library's, so the final contract is expected to be well below the value of this resolution. We will return to the Board next month to ratify the contract and to present an overall project budget including Library contingency. It appears that we will be able to award a contract for several hundred thousand dollars below the Library's estimated cost.

Ms. Shakarian asked about the post COVID interest of bidders in this project.

Mr. Lang stated that there was a better turnout for the bid opening than for the pre-bid walk through. Six bids were received, and all were below the Library's cost estimate and within 20% of each other, which is indicative of a good competitive bid environment.

In response to Ms. Rodriguez inquiry regarding asbestos, Mr. Lang stated that although we did review old test reports, we are re-sampling all building materials within the impacted space before we start construction.

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

Resolution Selecting and Ranking Most Qualified Architect Firms and Authorizing Negotiation of Agreement with Top Ranked Firm for Main Library and Louis Stokes Wing Fire Alarm System Replacement Project

John Lang, Chief Operations Officer, stated that this will be a design-build project. This is one of the project execution methods authorized under Ohio Revised Code but will be a new approach for the Library. In this case we hire a criteria architect-engineer to develop criteria documents, which define the scope of the project but do not constitute a full design. The criteria documents are then turned over to a design-build team which will be selected by the best value process and subject to Board approval. The fees for the selected criteria engineer will be negotiated and presented to the Board for approval within the next two months. The tentative schedule is to complete criteria documents by fall 2024 and to complete the selection process for a design-build team by early 2025. The design and construction phase will likely span 2025 and 2026.

In response to Mr. Corrigan's inquiry, Mr. Lang stated that we are already working with TEC Inc. Engineering & Design on the MLK project.

Mr. Lang stated that although we had a better turn out during the walk through, these are the only 2 qualifications that we received.

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

Resolution to Enter into Agreements and/or Establish Funding Requests for Telecommunication Services for the E-Rate Funding Year 2024: 7/1/2024 through 6/30/2025

Carrie Krenicky, Chief Financial Officer, explained that it has been five years since bringing the resolution before the Board. This is for us to apply for telecommunication services only for our bandwidth circuits.

Ms. Krenicky stated that we filed an FCC Form 470 on January 22, 2024, and then began the 28 competitive bid process so that we can enter into a contract as early as February 19, 2024, for our bandwidth circuits. There are 29 of them from our branches to the SOCC in Columbus.

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

Second Amendment to the Year 2024 Appropriation

Carrie Krenicky, Chief Financial Officer, stated that this will appropriate all of the grants that were brought before the Finance Committee. The Founders fund for the grant from CPLF; the Tech Centers Fund for the Best Buy Teen Tech Center; the Early Literacy fund for the United Way Grant; and our Capital Projects fund for the Louis Stokes Wing staff break room and the MLK Project budget increase.

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

Human Resources Committee Meeting (Mr. Hairston, Chair)

Present: Alice Butts, Thomas Corrigan, Anthony Parker

Absent: John Hairston

In Mr. Hairston's absence, Ms. Shakarian presented the following report.

Regular Employment Report

After Ms. Shakarian gave a brief overview of the Employment Report, Lynn Sargi, Chief Talent Officer, added that the Report also included the Compensation Changes Report that incorporates SEIU and Local 860 contract raises that were effective on January 1, 2024.

Ms. Shakarian 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 Enter into an Agreement with ERC Services, Inc. for Human Resources Training

After Lynn Sargi, Chief Talent Officer, stated that ERC is an employer association and its membership consists of employers in Northeast Ohio, she referred the Board to the resolution that identifies the specific types of training.

Ms. Sargi provided the following additional information:

- Generating Results and Holding Others Accountable and Navigating Difficult Conversations are management only trainings. These topics were based on a survey by management staff.
- Unconscious Bias will be held in collaboration with the DEI department. All staff will receive this training conducted by Kastner, Westman and Wilkins.
- Harassment Prevention Training was implemented this year, and all new employees will receive it.
- Annual Employee Engagement Survey will be conducted late summer into early fall of this year.

Ms. Shakarian inquired if this also in compliance with any requirements with our insurance carrier or has caused us to be eligible for any risk management discounts.

Ms. Sargi stated that the Discrimination and Harassment Prevention we did in 2023 is important training that we need to document. Unconscious Bias probably falls into that category.

Bryan Szalewski, Director of Legal Affairs, stated that our employee practice liability insurance carrier is mostly concerned with discrimination.

Ms. Shakarian 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 Wage Increases for Substitutes and Pages

In response to Mr. Corrigan’s inquiry regarding hourly rates, Lynn Sargi, Chief Talent Officer, explained that we are keeping the new hire rates. New Page 1’s, when they come in, will remain at \$13 and new Page 2’s will remain at \$15.

Ms. Shakarian 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 the Human Resources Manual

Lynn Sargi, Chief Talent Officer, gave a brief overview of the following policies to be amended and their respective actions.

Policy	Action
111 – The Objectives of the Library	Replace with revised Policy 111 – The Library’s Strategic Framework
112 – The Organization of the Library	Revise policy
113 – The Human Resources Department	Revise policy
120 – Dissemination of HR Manual	Add new Policy 120 – Dissemination of HR Manual
122 – Application of the Manual	Rescind policy
123 – Distribution of the Manual	Rescind policy
124 – Definitions	Rescind policy
220 – Hiring, Selection, and Probationary Period	Revise policy
236 – Advancement within the Library	Rescind policy
354 – Acting Department Head, Branch Librarians or Division Heads	Rescind policy
411 – Staff Quarters	Replace with Policy 411 – Employee Only Areas, Storage and First Aid
412 – Lockers	Rescind policy
413 – First Aid	Rescind policy

Ms. Sargi was available for any questions the Board may have had.

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

Mr. Corrigan adjourned the Joint Finance & Human Resources Committee Meeting at 12:59 p.m.