

CLEVELAND PUBLIC LIBRARY  
Joint Finance & Human Resources Committee Meeting  
June 15, 2021  
Learning Commons                      Louis Stokes Wing  
12:00 Noon

Present:        Ms. Butts, Mr. Seifullah, Ms. Rodriguez, Mr. Hairston (departed, 1:01 p.m.),  
                    Mr. Parker (arrived 12:20 p.m.)

Absent:         Mr. Corrigan, Ms. Thomas

Mr. Seifullah called the Joint Finance & Human Resources Committee Meeting to order at 12:00 p.m.

**Finance Committee Members** (Mr. Seifullah, Chair)

Present:        Alan Seifullah, John Hairston, Anthony Parker (arrived, 12:20 p.m.)

Absent:         Thomas Corrigan

Because there was no quorum until Mr. Parker arrived at 12:20 p.m., the following items were discussed for informational purposes only.

**Resolution to Accept Gifts for the Month of May**

Carrie Krenicky, Chief Financial Officer, stated that this resolution is to accept the Gift Report for the month of May 2021. The Library received a total of \$139,108 in money gifts

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

**Sixth Amendment to the Year 2021 Appropriation**

Carrie Krenicky, Chief Financial Officer, stated that this amendment to Year 2021 Appropriation will appropriate \$116,787.14 in the Special Revenue fund with \$55,000 in the Founders fund; \$60,687.14 in the CLEVNET fund; \$100 in the Tech Centers fund; and \$1,000 in the Coronavirus Relief fund. In addition, \$10,476,607 in the Construction Tax Exempt fund for the GMP's for Jefferson, the Central Distribution Facility, West Park and some early construction recommendations for the Hough and Woodland Branches. Those resolutions will go before the Board this month.

Mr. Seifullah thanked Ms. Krenicky for sharing this information.

### Resolution Designating Depositories of Public Moneys

Carrie Krenicky, Chief Financial Officer, stated that our current depository agreements expire on August 23, 2021 and the designation period is for five years. We requested applications on May 6, 2021 and received responses from KeyBank, Huntington National Bank, PNC Bank, and Dollar Bank. These four banks have given us applications to serve as depositories for active moneys. With the exception of Huntington National Bank, these banks will also serve as depositories of interim funds. These applications will be effective for the period from August 23, 2021 to and including August 22, 2026. The

Mr. Seifullah thanked Ms. Krenicky for sharing this information.

### Resolution Regarding Library Insurance Renewals

Carrie Krenicky, Chief Financial Officer, explained that the Library's insurance policies for property, general liability, commercial auto, commercial crime, cyber liability, umbrella, excess liability, and public officials and employment practices liability coverage, expire on August 1, 2021. The expiring premiums for the Library's insurance policies total \$473,561.25, and McGowan Insurance, the Library's insurance broker, estimates that the cost of renewing the Library's insurance policies for one year will cost approximately \$590,000, an increase in the cost of between 10% and 15% over the current premium.

Ms. Krenicky stated that since the Board will not meet prior to the expiration in August, this resolution will seek authority from the Board to enter into the best coverage and the best package for the lowest price overall at a price not-to-exceed \$590,000.00. At the next Regular Board Meeting in September, we will ratify the packages chosen.

In response to Ms. Rodriguez' inquiry regarding the increase, Ms. Krenicky explained that the Library's insurance broker stated that this increase is in line with the marketplace which is due primarily to insurance carriers' response to the COVID-19 pandemic.

### Resolution to Accept the State Library of Ohio of Ohio Funding for the Ohio Library for the Blind and Physically Disabled (OLBPD)

Carrie Krenicky, Chief Financial Officer, stated that on May 20, 2021, the State Library Board approved the agreement to pay the Cleveland Public Library for expenses for the period of July 1, 2021 through June 30, 2022 to continue to administer statewide library services to blind and physically disabled residents in an amount not-to-exceed \$1,508,194.00 which is the same amount that we have received previously.

### Resolution Approving Guaranteed Maximum Price Amendments with Gilbane Construction Company for the Jefferson and West Park Branches and Central Distribution Facility

John Lang, Chief Operations Officer, stated that with the Boards approval, the Library and the Capital Projects team is to be moving forward with the Guaranteed Maximum Price (GMP) amendments with the Facilities Master Plan. Mr. Lang stated that he believed that

the \$10,000,000 investment in the GMP resolution may be the largest capital investment by itself for a Master Plan since the construction of the Louis Stokes Wing approximately 26 years ago.

In a review of the process, Mr. Lang explained that for the Facilities Master Plan Group 1A, the Library selected Gilbane as Construction Manager at Risk (CMR), which enabled the CMR and Architect (AE) to collaborate throughout the design process. Now, as we move into construction, the CMR establishes our guaranteed maximum price amendment. All of the contractor bidding, all of the cost of work is held in contracts between Gilbane and the subcontractors. The Library holds the contract with Gilbane.

Mr. Lang showed a PowerPoint slide depicting materials market data covering the recent six months and the result of market conditions, and which reflect substantial escalation in construction materials and labor costs. During COVID, production and distribution of various materials associated with the buildings trades slowed, and supply chains and prices have not yet stabilized. Now we are finding an inflated economy and a tight labor market with production not coming back on line as quickly as it could. Due to that tight labor market, we are seeing costs go up. There is a rapid escalation of costs almost unprecedented over the last 20 years.

Mr. Lang stated that we have taken smart approaches to manage our cost and we will be providing full budgets for all of the Group 1A projects at a future Board Meeting. We have worked hard on cost constraints with all of our design teams and with the Construction Manager to give us a range for our bidding for construction alternates and allowances.

Mr. Lang stated that there are three projects represented in this GMP: West Park, Jefferson and the Central Distribution Facility. These are the three large renovation projects in Group 1A. At the next Board Meeting, we will be showing Guaranteed Maximum Price amendments for the new construction: Hough and Woodland. Mr. Lang stated that the Library has established goals for diversity and inclusion both economic as well as workforce. Workforce data will be presented once it becomes available. However, we know from the subcontractor team that is being proposed in the amendments what the projected economic inclusion is.

Mr. Lang referenced a PowerPoint slide noting the Library's Economic Inclusion Enterprise Goals: MBE 20%; FBE 9%; and SBE 15%. We are exceeding that goals in each of the three projects that will be considered today as noted below:

	<b>MBE</b>	<b>FBE</b>	<b>SBE</b>
<b>West Park Branch</b>	35%	30%	50%
<b>Central Distribution Facility</b>	23%	38%	51%
<b>Jefferson Branch</b>	35%	51%	65%

In response to Ms. Rodriguez' inquiry regarding possible price fluctuation, Mr. Lang explained that the Guaranteed Maximum Price become a firm fixed price between the Library and the Construction Manager. The Construction Manager's firm fixed price contracts with their subcontractors. Even if the price of materials escalate, our partners have already locked in those advance orders as soon as contracts are approved and signed.

In response to Ms. Butts' inquiry, Mr. Lang stated that we will build what has been submitted in the scope of the bid documents. However, there is contingency money held by the Construction Manager and also by the Library. The Library's contingency money is to address different site conditions, errors in the document, or changed requirements by the owner which we do not plan to have. There is money built into the contract to allow us to address change orders should they arise. However, it is certainly not our intent to change the scope of these projects.

Director Thomas stated that Mr. Lang has been working hard to get these items to the Board in advance. Every day, costs have the opportunity to increase.

In response to Mr. Hairston's inquiry, Mr. Lang explained that if a project has been completed under budget, the contract stipulates that cost savings come back to the Library. If the contingency money that is held by the Construction Manager is not spent, it also comes back to the Library.

In response to Mr. Hairston's inquiry, Mr. Lang confirmed that there is a workforce issue. All of the subcontractors who are a part of this GMP amendment are committing to the project on our schedule. Therefore, it is their responsibility to produce the workforce and they factor the labor market into the bidding that they provided to the Construction Manager. This is a risk that they are managing.

Mr. Lang further explained that there has been a brewing crisis for years now. The building trades is an older workforce and there has been difficulty getting more people into the trades. Now, with a tight labor market and a lot of money going into the market at the same time, the situation has become increasingly exasperated.

Mr. Hairston stated that we are bidding for the same workforce in some instances and for many years there has been a lapse of getting people trained to get into the union.

Mr. Lang stated that everything the Library does is prevailing wage projects and in this case every single subcontractor in which we are proposing to work is a union contract.

In response to Mr. Hairston's inquiry, Mr. Lang stated that Regency and AKA have been selected by the Library as Construction Managers for the Group 1B Projects. Those projects are in design now. Three Group 1A projects are being presented to the Board today; two more Group 1A projects will be presented at the next Board Meeting; and the Walz Branch, which has been on a delayed schedule due to our partner Detroit Shoreway CDO has resumed design and will be ready for construction in 2022. The next wave of projects will be Brooklyn, Sterling, Rockport and Lorain will be coming to the Board later in 2021 and early 2022. Those GMP amendments will be prepared by the Regency AKA team.

Mr. Hairston asked for an update on the Walz project.

Mr. Lang stated that Detroit Shoreway CDO is our partner for a mixed-use building with Karam Senior Living subsidized housing and the Walz Branch. We were through schematic design and they were unsuccessful in their tax credit application in 2020 which put the project on hold. We promised to wait a year so that they could have another chance at the cycle. We just learned in late May 2021 that they were successful this year. Although we have been sitting on our budget through the bond issuance, they just got their budget because of the tax credits. We are trying to schedule a kick off meeting to get the design going again. This will probably be a 2022 construction project.

Ms. Rodriguez and Mr. Hairston thanked Mr. Lang for sharing this information.

Upon Mr. Parker's arrival at 12:20 p.m., a quorum was confirmed and the Finance Committee considered the following items for referral to the full Board for approval at the upcoming Regular Board Meeting.

Resolution to Accept Gifts for the Month of May

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

Sixth Amendment to the Year 2021 Appropriation

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

Resolution Designating Depositories of Public Moneys

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

Resolution Regarding Library Insurance Renewals

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

Resolution to Accept the State Library of Ohio of Ohio Funding for the Ohio Library for the Blind and Physically Disabled (OLBPD)

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

Resolution Approving Guaranteed Maximum Price Amendments with Gilbane Construction Company for the Jefferson and West Park Branches and Central Distribution Facility

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

## Resolution to Amend Agreement with Peter D. MacEwan, LLC for Consulting Services

John Lang, Chief Operations Officer, stated that the goal of this 90-day extension would be for Mr. MacEwan to help the Library through the establishment of the Guaranteed Maximum Price for the new Martin Luther King, Jr. Branch. The discussions and dialogues with the Developer regarding amended agreements and eventual construction starts continue. Mr. MacEwan's assistance in that effort are valuable.

Mr. Lang noted that Mr. MacEwan is down to 15 hours per week which is 50% less than what he was a year ago as we are gradually reducing the number of hours working with the Library and the associated expense. Mr. MacEwan is critical to the MLK project.

In response to Mr. Siefullah's inquiry, Mr. Lang reminded that Board that Midwest Development Partners is leading the Circle Square project which consists of a number of projects such as the Library Lofts, the new MLK Branch, and Artisan project which is the largest project. The Artisan, located directly across the street from our branch, has broken ground and is moving forward. We are working with contractors on ensuring that vehicle access to the library is not impeded. There is signage so that the branch remains prominent while construction is going on.

Mr. Lang stated that contractually, there is no relationship between the Artisan building and the Library Lofts and the MLK project.

Director Thomas stated that it would seem that if they were moving forward with Artisan they would want to move forward with the Library Lofts. However, they have made clear to us is that the Library Lofts is a project that has the least likelihood for receiving funding back at the level they want. Therefore, they continue to argue with us and say that they have a razor thin financial stake coming out of Library Lofts as compared to the other projects.

Director Thomas stated that we do have some leverage as the City supported them because that said that they would do the Library Lofts to support the Library. However, the many discussions we are having with them, they are neither recognizing nor understanding our leverage.

Ms. Butts stated that perhaps we should tell them we are happy to stay where we are currently located.

Director Thomas stated that we have put so much into this project that ultimately it is important for us to move forward.

Mr. Lang stated that there are two tracks of which our Library controls: (1) our work with our architect; and (2) our work to conform to our budget. That process has gone well. We have a design and we are confident that it is within the budget that was established. We are not in full control of our partnership with the Developer where the agreement is and how the legal arrangement works out. That is where we will continue to work.

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

Resolution Authorizing Amendment to Agreement with Bostwick Design Partnership, Inc. and Ubiquitous Design LTD for Design Services for the Woodland Branch and Distribution Facility

John Lang, Chief Operating Officer, stated that this item is also Facilities Master Plan associated. There are a couple of change site conditions and design options which are driving the contract amendment that we are seeking.

Mr. Lang explained that one change is a structural redesign of the roof decking system of the Woodland Branch. As we went to bid on the Woodland Branch, we had difficulty getting the steel contractors to bid. The only responsive bidder stipulated that they could not provide the joists decking for the building's roof and the roof pan within our schedule as we were looking at a 4-6 month delay. We thought it to be advantageous to reconsider the design with a system that does not require metal decking or the bar joists that could be provided on schedule. There was an associated cost with the redesign.

Mr. Lang stated that in his opinion, the extra cost in the redesign and the escalated cost for the material of the system we are now proposing is smaller than what would have been encumbered had we delayed the project for the 6 months which would have been required for the fabrication of the bar joists and the metal decking.

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

Resolution Authorizing Purchase of Automated Materials Handling System

John Lang, Chief Operating Officer, explained that the automated materials handling system is a building owner cost that the Library carries on a project but is not a part of the brick-and-mortar construction. This is budgeted through the bond issuance and is a part of the Facilities Master Plan. Although this is equipment that will go into the building, it is not a part of the building.

Mr. Lang stated that this is a niche market and we used our architectural design team to short list of the following firms and their initial costs:

Bibliotheca, LLC	\$ 308,052
Lyngsoe Systems, Inc.	\$ 350,000
TechLogic Corporation	\$1,200,000

Mr. Lang stated that the firms all made formal presentations to a design team that we empaneled within the Library including our consulting partners. After the presentations, they all followed up with cost proposals. Among the criteria, the team considered their initial cost, maintenance 10-year cost, and technical capabilities of the system. Although Lyngsoe Systems, Inc. was the middle lowest initial cost, it does become the low cost provider when the 10-year maintenance cost is factored in. The team found Lyngsoe to be capable in the present tense and more capable

to meet future materials handling needs than their competitors. Therefore, the team recommends Lyngsoe for the Library's automated materials handling system.

Jean McFerran, Director of Library Innovation, showed a video to the Board to the demonstrating the capabilities of the automated materials handling system including a competition between two libraries.

After showing the video, Ms. McFarren stated that our intention is to make our distribution system much more efficient. Library materials going from one place to the other within our system including the CLEVNET libraries will go through the Central Distribution Facility at Woodland. This automated materials handling system will add a lot of efficiency to this process.

Director Thomas stated that just before he left, an automated materials handling system was installed at Las Vegas-Clark County Library District. Patrons and visitors enjoyed watching library materials being processed for distribution. It would be good to create a way for people to view how the system is working.

Director Thomas stated that the Library moves millions of items every year. We have discussed the benefits of the automated materials handling system for some time. We are glad that this is coming into fruition. Creating the Central Distribution Facility is a part of finding ways to maneuver and moves library books and materials faster.

In response to Ms. Rodriguez' inquiry about the higher initial cost of the TechLogic system, Mr. Lang explained that although the system exceeded our requirements, their selling point was to fully automate which means a reduction in human staff. A reduction in staff was never a goal for the Library.

Ms. McFarren stated that as we looked into making this system more efficient, we discussed how to reinvest some staff time into higher value activities such as working with people or doing something transformational rather than transactional.

After additional discussion about the automated materials handling system, Mr. Seifullah motioned that this item would go to the full Board for approval. Mr. Hairston seconded the motion, which passed unanimously by roll call vote.

Resolution Authorizing Amendment to Agreement with Professional Service Industries, Inc. d/b/a Intertek-PSI for Surveying, Environmental, Geotechnical, and Ancillary Engineering Services

John Lang, Chief Operating Officer, stated that this item is also Facilities Master Plan related. For the first phase of the FMP, the Library selected Professional Service Industries, Inc. for surveying, environmental, geotechnical, and other ancillary engineering services.

Mr. Lang explained that as we go from preconstruction design into construction phase, there is another suite of services that we need in the construction phase for third party testing such as observation of concrete placement, compressive strength testing of concrete cylinders, inspection



of structural steel, welding inspections on the structural steel, and a number of others. These are always held separately by the building owner with the third party rather than by the construction manager to avoid conflict of interest. While this is an extra fee, as we move from the design phase to the construction phase, it was always anticipated and budgeted for, and we need to have access to this expanded portfolio of services.

In response to Ms. Rodriguez' inquiry, Bryan Szalewski, Director of Legal Affairs, stated that approximately one year ago, the Library selected Professional Service Industries, Inc. for the FMP.

Mr. Lang stated that the plan at the time was to select a single firm as an umbrella rather than having to track down a separate steel inspector for every project, we would find one firm for the entire Facilities Master Plan which we have found in PSI.

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.

Resolution Authorizing License Agreement with City of Cleveland for Access to City Property for the Rockport Branch Project of the Facilities Master Plan

Bryan Szalewski, Director of Legal Affairs, stated that this resolution seeks authority for the Library to enter into a license agreement with the City of Cleveland for access to City property for the Rockport Branch Project of the Facilities Master Plan. This property is located directly east of the existing Rockport Branch parking lot.

Mr. Szalewski stated that the plan for the Rockport Branch is to construct a new library directly south of the current location in the green space and install parking in the space where the existing branch is. We have identified, with the help of the local councilperson, this vacant parcel that is owned by the City Landbank that could be used for the potential expansion of parking or other uses that are yet to be determined. In order to access the property to conduct the final phases of our due diligence at this point, which would include subsurface testing for contaminants and geotechnical structural capabilities, we need to have a license agreement with the City.

Mr. Szalewski explained that this is a \$1 agreement and that the City will allow us and our contractors to enter onto the property for the next year. In the past, we have asked and been approved for these license agreements with the City for the Hough and Woodland Branches and those have been renewed in the last year as well.

Ms. Rodriguez mentioned that the property north of Rockport appeared abandoned and asked if that parcel could present a possible opportunity for the Library.

Mr. Szalewski stated that he would research to see if that parcel is owned by the City as well.

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

### Resolution to Accept Grant from FRONT Exhibition Company for Fellowship Position

Sadie Winlock, Chief Equity, Education, and Engagement Officer, stated that FRONT Exhibition Company is a non-profit organization that provides contemporary art commissions, performances, and film exhibitions throughout Northeast Ohio. FRONT received funding for a grant for a Fellow for the term of September 1, 2021 – October 2, 2021 in the amount of \$55,000.

Ms. Winlock explained that this funding would be for an independent contractor position for the design of community based educational programming in Library's branches and surrounding areas. The primary purpose of this position will be to develop content that exposes diverse populations to contemporary art in our libraries. While the emphasis of CPL's programming is focused primarily on children 15 years of age and younger, the programming design with this partnership will target that populations and also teens, adults and special interests.

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.

### Resolution Authorizing Amendment to Software Support Agreement with Integrated Precision Solutions, Inc.

John Lang, Chief Operating Officer, stated that the extent of repairs and maintenance needed for the Library's security cameras and access control systems has proven to be considerably greater than was initially estimated. A large reason for that is due to failure to update the software and servers for cameras and access controls during the last fiscal year. We differ to the date of the licenses and now we perform maintenance on security systems throughout the system, we are being compelled to update the licensing that drives the additional cost.

Mr. Lang stated that he was confident that if approved, this will allow us to do more critical work and cover the rest of the fiscal year as well as allow us to evaluate our options for the next fiscal year and beyond.

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

### Resolution Authorizing Negotiations for Renewal of OCLC Cataloging, Worldshare ILL, and Access Subscription Services

Timothy Diamond, Special Assistant to the Director, gave a brief overview on the evolution of cataloging from typewritten 3x5 cards to the electronic records of today. Whether a physical card or an electronic record, Mr. Diamond explained that it is essentially the same thing, and sometimes it is easier to think about our records as the Library having one card for every title owned in the system. The Library has over 2.6 million titles in our system and we pay OCLC each year to access those records and to pull them into our system so that people can look them up in our shared catalog.

In the past, when a new library would join CLEVNET, we would simply add a copy for everything they owned to the records that we already had, given that we were a much larger library and we already owned everything they did. Recently, OCLC has started saying that we should pay more when a new library joins CLEVNET, even if we are only adding their copies to our existing records. OCLC says that we should pay more as they are losing revenue when one of their customers joins CLEVNET.

Mr. Diamond stated that, although he believes that we do not owe OCLC more money, in good faith we need to hear them out and negotiate a contract that makes sense to both parties. This resolution seeks authority to negotiate a contract before the end of the month that will be fair to both the Cleveland Public Library and to OCLC.

In response to Mr. Seifullah's inquiry, Mr. Diamond stated that if OCLC is not reasonable and we do not have a contract by the end of the month, we must ask them if they would be willing to lose the Cleveland Public Library which is not only a customer but also contributes cataloging records to their vast database. We are not only a consumer but a supplier.

Director Thomas thanked Mr. Diamond for his explanation of this complicated issue as we are working to bring on the newest member of CLEVNET, Stow-Munroe Falls Public Library.

In response to Ms. Rodriguez' inquiry, Mr. Diamond stated that Stow-Munroe Falls Public Library currently pays OCLC about \$20,000 a year. OCLC wants half of that this year and every year going forward. This seems neither fair nor reasonable.

Mr. Diamond stated that he will be working with Bryan Szalewski, Director of Legal Affairs, to get this accomplished by the end of the month.

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

#### Resolution Authorizing Agreement for Early Construction Phase Services for the Woodland Branch

John Lang, Chief Operating Officer, stated that he will jointly address this item as well as the Resolution Authorizing Agreement for Early Construction Phase Services for the Hough Branch as it is important to lock in costs now rather than to wait as escalation in the market continues.

Mr. Lang explained that the Woodland and Hough projects will be bringing GMP amendments to the next Regular Board Meeting. There is some work that has already been paid a ready to be approved now for the Woodland project that includes the site work. By approving the site work now, we will be able to begin work immediately and the following trades will come on later. Prices are firm for the roof packages for both Hough and Woodland and the contractor has agreed to hold those prices for 30 days with the Construction Manager. However, if we wait until we establish our GMP amendment which will incorporate the roof prices, there will be a fair to large chance that the cost will increase. If we are able to lock in the roof prices now, we will be able to control costs.

This item as well as the Resolution Authorizing Agreement for Early Construction Phase Services for the Hough Branch seeks authority to enter into agreements for the site and roof for Woodland and only roof for Hough.

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

#### Resolution Authorizing Agreement for Early Construction Phase Services for the Hough Branch

Because John Lang, Chief Operating Officer, addressed this item with the previous item, 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.

#### **Human Resources Committee Members** (Mr. Hairston, Chair)

Present: John Hairston, Alice Butts, Anthony Parker

Absent: Thomas Corrigan

#### Regular Employment Report

After he gave a brief overview of the Regular Employment Report, Mr. Hairston 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 Revise the Human Resources Manual

Lynn Sargi, Chief Talent Officer, stated that this resolution was brought before the Board at the last Regular Board Meeting, and noted that because a word was inadvertently omitted it could be perceived to change the context of our intent. Therefore, this item is coming back to the Board with the correction.

Ms. Sargi explained that this policy just allows non-bargaining part-time regular employees access to benefits similar to those that bargaining unit employees have access to as regular part-time employees.

In response to Mr. Hairston's inquiry, Ms. Sargi stated that the word "bargaining" was was inadvertently omitted when this items was previously brought before the Board.

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

#### Retirement Recognition Citation

Mr. Hairston stated that the following retirees will be recognized at the upcoming Regular Board Meeting: Thomas Edwards, Joseph Parnell, Anarie Lanton, and Joanne Winters.

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

Presentation: Updating CPL's Employee Compensation Program

Lynn Sargi, Chief Talent Officer, gave the following PowerPoint presentation regarding the Library's Non-bargaining Employee Compensation Program. The Library has a compensation program for both bargaining and non-bargaining employees.

As it relates to the non-bargaining, the last comprehensive review of our non-bargaining compensation program occurred in 2007. Since that time, we have updated wage scales as necessary.

Ms. Sargi explained that the current program has 15 pay grades, and each pay grade has steps. CPL's non-bargaining compensation program has been similar to its bargaining unit program. Today it is uncommon to have steps for non-bargaining employees; pay grades with ranges is more common. The Library will be moving towards minimum, midpoint and maximum pay ranges.

Ms. Sargi stated that although the Board will not be requested to take action on recommendations at the upcoming Regular Board Meeting, she is providing background information on proposed program revision based on current best practices so the Board may consider formal program recommendations at a Special Board Meeting in July 2021. Ms. Sargi stated that as a reminder, when we were in negotiations with SEIU and Local 860, we did introduce the notion of market-based wage scales for the 2020-2022 SEIU contract. The same will be done for bargaining employees.

Ms. Sargi stated that in its most simplistic form, a compensation program must be:

- Fair
- Understandable
- Manageable

Ms. Sargi stated that the following steps were taken to update CPL's Compensation Program and explained each in detail:

- Philosophy and Policy
- Job Content
- Position Evaluation
- Market Data
- Pay Structure
- Implement and Communicate

**Philosophy and Policy**

- Philosophy and Policy - #351
- Objectives for compensation program
- Externally competitive
- Internally equitable

- Recognize and reward performance
- Comply with legal requirements

#### Strategy

- Attract and retain personnel from various markets
- Link individual merit to compensation

#### Competitive Markets

- Executive leadership, management, and specialized professional staff – in limited supply
- Administrative and technical – transferable skill sets

#### Total Compensation Components

- Base Pay
- Employee Benefits (average 33% of salary)

#### Administration

- Board approves policy
- HR Committee will make recommendations for Board action
- Administered by Chief Talent and Chief Financial Officers

### **Job Content and Position Evaluation**

#### Position Evaluation

Internal equity – The value of the job to the Library. Typically determined by looking at job content and its relative value based on skills, duties and responsibilities.

Typically, what employees focus on.

#### Position Evaluation:

- Systematic method of determining the relationship of positions within the Library.
- Focuses on the position; not the incumbent
- Consistently applied
- Designed to accommodate positions at all levels
- Uses factors

#### **Position Evaluation Factors**

- Knowledge and skill – extent to which knowledge, experience and skills are required.
- Problem solving and decision making – depth of problem solving, complexity and judgment required.
- Scope, impact and accountability – supervisory, organizational and financial
- Latitude of action – freedom to exercise judgement, make decision, and authority to take action
- Communication and influence – interactions with others inside and outside the Library.

## Market Data

The value of the job in the marketplace

- Typically, what employers focus on.
- Competitive markets – Comparable organizations

Compile and analyze data for benchmark positions to identify competitive rates in the various (local, regional, etc.) labor markets where the Library competes for and recruits employees.

- Benchmarked more than:
  - 20 non-bargaining unit and CLEVNET positions
  - 15 SEIU positions

## Pay Structure

Ideally a blend of both internal equity and external competitiveness.

Correlation of the internal position evaluation results with the external market data.

Consists of a series of grades and ranges that are internally equitable and externally competitive.

- Minimum, Midpoint (Market Rate), Maximum

## CLEVELAND PUBLIC LIBRARY PAY STRUCTURE 2021-2022

Grade	Minimum	Midpoint	Maximum	Pay Structure Job Title
1	\$30,800	\$38,475	\$46,175	Clerk
2	\$35,850	\$44,825	\$53,800	Assistant I; Coordinator I; Specialist I
3	\$41,775	\$52,225	\$62,675	Coordinator II; Specialist II; Supervisor I; Writer/Editor
4	\$48,675	\$60,850	\$73,000	Coordinator III; Specialist III; Supervisor II; Assistant Manager I; Paralegal
5	\$56,700	\$70,875	\$85,050	Coordinator IV; Specialist IV; Assistant Manager II; Manager I; Executive Assistant; Legal Officer; Lieutenant
6	\$65,775	\$82,225	\$98,675	Manager II; Analyst
7	\$76,300	\$95,375	\$114,450	Manager III; Solutions Architect
8	\$88,500	\$110,650	\$132,775	Senior Manager; Regional Director; Director; Lead Solutions Architect
9	\$106,225	\$132,775	\$159,325	Senior Director
10	\$127,450	\$159,325	\$191,175	Chief

## Implement and Communicate

Explain to and train employees

- Employees should believe the process was fair and the results are valid.

Implement the new pay structure by assuring that individual pay rates are within the assigned range.

- Assuming satisfactory performance, CPL will adjust pay rates of all employees whose current pay rate is below range minimum to range minimum.

### **Migrate to Pay for Performance**

Basing increases on cost of living (across-the-board) or performance alone ignores internal pay comparisons.

- Higher paid employees receive greater absolute increases, even though the percentage reward is the same.
- Perpetuates pay inequities that might exist; may reward long-tenured and/or higher paid employees disproportionately.

### **Pay for Performance**

- Alternative is to reward and calculate increases based on both performance and position in pay grade (comparatio).
  - Over time, inequities in salaries of employees in the same pay grade will be reduced as lower paid employees are accelerated toward midpoint and higher paid employees are “slowed down.”
- Reduced tendency to perpetuate tenure-based pay inequities.
- More likely to be deemed “fair” by employees because, over time, employees with similar performance in the same pay grade will tend to be paid comparably.
- Top performers receive bigger rewards with greater frequency, yielding significant increases due to the compounding effect.
- During times of tight budgets, limited merit \$ can be distributed to the highest performing employees rather than “spread” across all performance levels.

Adopt #351 policy

- Associated procedure has details re how to determine hiring rates, promotions, laterals, demotions, etc.

Below minimum pay adjustments

Begin employee education and training on merit/performance-based compensation increases.

- Retain across-the-board increases eff. 1/1/2022
- Implement performance-based adjustments eff. 2023.

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

In response to Ms. Rodriguez’ inquiry, Ms. Sargi explained that the migration to pay for performance would have to be negotiated to implement that for the bargaining unit employees. What is being currently proposed is for the non-bargaining unit employees. Perhaps someday discussions can be held with the different bargaining units to see if they are interested in moving to a pay for performance process.

Ms. Rodriguez requested information on employee notification.



Ms. Sargi stated that she has begun the education process with non-bargaining employees next week that is similar to what the Board is receiving today. At that time, they will have an opportunity to receive a similar presentation that goes into more detail. We are also planning communication to each impacted individual so that they will know where their position falls, how their pay compares to the pay grade, and if they are being impacted by the below adjustments. However, nothing will be communicated until the Board approves this in July.

After thanking Ms. Sargi for her presentation, Ms. Rodriguez moved to adjourn into Executive Session for the purpose of discussing the compensation of select public employees or officials. Mr. Seifullah seconded the motion, which passed unanimously by roll call vote.

Executive Session began at 1:22 p.m.

Ms. Rodriguez moved to return to Joint Finance & Human Resources Committee Meeting. Mr. Seifullah seconded the motion, which passed unanimously by roll call vote.

The Joint Finance & Human Resources Committee Meeting resumed at 2:25 p.m.

Ms. Rodriguez adjourned the Joint Finance & Human Resources Committee Meeting at 2:26 p.m.