

CLEVELAND PUBLIC LIBRARY
Finance Committee Meeting
May 14, 2019
Trustees Room Louis Stokes Wing
12:00 Noon

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

Absent: Mr. Corrigan, Ms. Washington

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

Finance Committee (Mr. Seifullah, Chair)

Present: Alan Seifullah, John M. Hairston, Jr., Anthony T. Parker

Absent: Thomas D. Corrigan, Vice Chair

Year 2020 Tax Budget

Carrie Krenicky, Chief Financial Officer, stated that the tax budget begins our year 2020 budget. This year's Tax Budget will consist of \$63,400,000. \$41,000,000 will be from property taxes and \$22,400,000 will be from the Public Library Fund. As you know, from prior resolutions, the Ohio Revised Code requires the Board of Library Trustees to submit its Tax Budget for Fiscal Year 2020 to the Board of the Cleveland Metropolitan School District on or before June 1, 2019 so that it can go before the School Board and submitted to the Cuyahoga County Budget Commission on or before July 20, 2019

In response to Mr. Seifullah's inquiry, Ms. Krenicky stated that the Library's Tax Budget will be considered at the CMSD Board Work Session and Tues. June 11, 2019 and then voted on at the CMSD Board Business Meeting on Tues. June 25, 2019.

In response to Mr. Hairston's inquiry, Ms. Krenicky stated that she and Director Thomas yearly present the Tax Budget to the School Board.

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 Renew OCLC Cataloging, Worldshare ILL and Access Subscription Services

Carrie Krenicky, Chief Financial Officer, stated that the current subscription for OCLC Cataloging, Worldshare ILL and Access Subscription Services ends this year. This resolution recommends that the Board approve the subscription renewal for another year. This renewal is at a 3.8% increase at \$264,547.16.

In response to Ms. Rodriguez' inquiry, Ms. Krenicky stated that this increase has been normal in the past.

Jean Duncan McFarren, Collection Services Director, stated that the OCLC is where the Library and CLEVNET get catalog records. This is a library cooperative and there is a base rate based on usage. The percentage increase is decided by the OCLC board which sites that during the economic downturn in 2009 there was no percentage increase. However, they have decided that there will be an increase this year.

Ms. McFarren stated that she was asked to research if there were any alternative resources for these services and discovered that although some libraries utilize SkyRiver Technology Solutions, it does not encompass the breadth and depth that is needed at Cleveland Public Library. Additionally, SkyRiver is more Dewey based cataloging and OCLC offers more in Library of Congress.

Director Thomas stated that overwhelmingly the library field is controlled by OCLC.

Ms. McFarren stated that OCLC is a nonprofit, and they consider the situations that libraries can be in economically before making recommendations.

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 Approving Budget and Approving Competitive Bidding for Installation of Eastman Reading Garden Improvements

Jeremiah Swetel, Chief Operations Officer, stated that this Resolution seeks the approval for the overall budget for the Eastman Reading Garden Project in the amount of \$526,106 which includes the \$50,000 for CT Consultant's design fees previously approved by this Board. This Resolution also informs the Board that in the interests of time, the Library has already begun the process of advertising the bids, and bids are required to be submitted to the Library on May 28, 2019.

Mr. Swetel stated that the Project will include but is not limited to: replanting the original plantings from the original designs; lighting upgrades; addition of wireless access points; installation of a lap top bar by the cut out by the Louis Stokes Wing that will allow patrons and visitors to plug in electronic devices; addition of a small awning above the entrance/exit from Louis Stokes Wing; and refinishing gates and sculptures.

Ms. Rodriguez asked the possibility of including perennials that would bring color to the Eastman Reading Garden and suggested that neighbors and tenants could participate in planting them.

Director Thomas explained that the original garden consisted of plants rather than flowers. For the 150th Anniversary, our intent was to restore the garden close to its original design with healthy, low maintenance outdoor plants.

Mr. Swetel stated although the original had some less weather and shade resilient plants, we are identifying similar plants that can be extremely shade tolerant. The irrigation system will be replaced so that plants can be watered more easily.

In addition, Mr. Swetel stated that there may be opportunities to accent the garden by using other methods that will add highlights of color. The main part of the Project is to restore the original intent of the Eastman Reading Garden for the 150th Anniversary.

Mr. Hairston noted that \$100,000 of the Project's cost will come from the Beard Endowment and \$426,106 will be charged to the Building and Repair Fund and asked if that would detract from anything that the Library is doing in the community.

Mr. Swetel explained that including the \$100,000 from the Beard Endowment Fund and funds remaining from the following projects, the Eastman Reading Garden Project should be well supported:

\$158,000	Main Library Heat Conversion Project
\$195,000	Safe, Warm & Dry Project
\$ 91,000	South Branch Project

Finally, Mr. Swetel stated that although there has been money set aside for work in the branches from the 2019 budget, none of that work will be affected by the Eastman Reading Garden Project.

After additional discussion about the design, 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 Enter Into an Agreement with KONE Inc. for Repair Service to Elevator Drives in the Main Library and Louis Stokes Wing

Jeremiah Swetel, Chief Operations Officer, stated that this Resolution seeks the approval from the Board to update the elevator drives in Main Library and Louis Stokes Wing. After the approval of this Resolution, we should be complete with all of the elevator updates with the exception of one more set of drives to do next year. From there, we will have a large plan to update the doors and the installation of equipment that will help make predictive repair calls to KONE, Inc.

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 Additional Depository of Public Monies and Authorizing Commercial Card Account Agreement with Huntington National Bank

Carrie Krenicky, Chief Financial Officer, stated that this Resolution is two-fold. The Library seeks to designate Huntington as a depository within our designation period which the Board has already established for a five year period expiring in 2021 and authorize a commercial card

account agreement in order to implement a purchasing card program for which we would like to use Huntington. They are not currently a public depository of the Library.

Ms. Krenicky stated that in order to implement a purchasing card program, we also need to enter into a commercial card account agreement with Huntington. In order to do that, we need to open a checking account. Therefore, we would need to designate Huntington as a public depository within our designation period which expires in August, 2021. We would also like to enter into a commercial account agreement in order to utilize their purchasing card program. This will provide us with a more efficient and cost effective method of purchasing.

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 Agreement with Roetzel & Andress, LPA for Legal Services Related to the Martin Luther King, Jr. Branch of the Cleveland Public Library

Joyce Dodrill, Chief Legal Officer, stated that this Resolution seeks the Board's approval to engage Thomas Rosenberg of Roetzel & Andress to assist with the negotiation of the Architect Agreement, Construction Manager at Risk Agreements and the Cost Allocation Agreement for the Martin Luther King, Jr. Branch in the total amount of \$60,000.

Ms. Dodrill explained that she has already engaged Mr. Rosenberg close to the \$25,000 limit and he has done a great job in assisting us in with these very complicated agreements.

Mr. Seifullah asked for a status on the air rights.

Ms. Dodrill stated that because a 9-10 story apartment building is being constructed over our building, this has become a very complicated project. They have received some preliminary approvals from the Designer and the City. The Construction Manager Agreement must take into account the fact that there is interplay with the construction of the two buildings. The same holds true for the Architect Agreement.

Discussion continued about the complexity of this project and contracts for the Architect, Construction Manager and construction Agency Agreement and Ms. Dodrill stated that an agreement will have to be made with the Developer on how to share the costs of some of the interwoven components of the building structurally.

After Director Thomas stated that Chilcote is working on the Development Agreement, Ms. Dodrill stated that she anticipates that there will be as many as 8 or 9 agreements by the completion of this project.

Mr. Parker asked for a status on the parking situation.

In response, Ms. Dodrill stated that the Library has been asked to remove the requirement from our Development Agreement that they build a parking garage. We are preparing for a meeting to discuss that.

Jeremiah Swetel, Chief Operations Officer, stated that the Board will be updated as conversations and negotiation take place to ensure that there is a benefit for the Library. In addition to the design and construction, the legal aspects of this project have been extremely complicated because this is a private/public partnership. Our focus is to be good stewards of the funds and that we are spending them for the Library and ensuring that our due diligence is legally thorough, complete, and above reproach. This is why taking our time before getting further along in the design is very important.

Mr. Hairston stated that Martin Luther King, Jr. is important to the neighborhood, the City as well as “The Peoples University” and expressed his disappointment in the many changes that have been made since the initial proposal for a new branch was presented.

Director Thomas stated that we currently have a branch library. Even though the nearly \$200 million development that they are creating is very complicated, Ms. Dodrill has been fighting to ensure that we will have a branch regardless of the outcome. Initially, they offered a garage and then realized that they would not have enough for other parts of the development. Ms. Dodrill and Mr. Chilcote will meet with them to remind them of the initial agreement. We still have our branch with parking spaces.

After some discussion about branch and apartment residential entrances, Ms. Dodrill confirmed that the architects are working on that.

Mr. Swetel suggested that an update briefing on the Martin Luther King, Jr. Project be provided at a Capital Committee Work Session or during a Finance Committee Meeting in the near future. This will provide an opportunity to present a timeline, discuss challenges and other details about the Project such as entry points, parking garage plans, etc. Site development is scheduled for October/November of this year and build out is scheduled for 2020.

In conclusion, Mr. Swetel stated that although entry points are being discussed, there will be separate lobbies for the branch and apartment building. However, we welcome residents to come into the branch.

Mr. Hairston thanked Mr. Swetel for his update and stated that he looked forward to a more detailed update in the future.

Director Thomas stated that Ms. Dodrill has worked tremendously hard to protect the Library’s interest. The Developer was selected by the City and the Mayor and there is a big plan that can be a benefit to our community if it successfully works. If this does not work, the Library will come out of this in a better condition than what was originally planned.

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 Ranking and Selecting Managed Print Services Vendor and Authorizing Agreement

Carrie Krenicky, Chief Financial Officer, stated that this Resolution will allow the Library to select a vendor for our managed print services which needs to be replaced. We have a very old fleet of multifunction devices and printers that the Board last approved in 2011 and they are now approaching the end of their useful lives.

Ms. Krenicky stated that approximately a year ago, an Evaluation & Steering Committee was created. This committee consists of Carol Hubler, Procurement & Contract Coordinator, who serves as chair; as well as representatives from the following departments: Public Services, Legal, IT, Knowledge Office, Accounting, Graphics.

In addition to the 49 multifunction devices that we implemented in 2012 also included are the current printers, pay station and Graphic's production printers which include a black and white printer and a color printer. In November, we sent out Requests for Proposals to vendors for them to submit technical proposals to the Library. Requests were sent to eight firms and we received a total of six back. These six proposals were ranked to the most responsible top three proposals. Of the top three, we interviewed each at their respective sites. Based on those interviews, the firms are asked to submit pricing proposals.

Because this was a two-phase process, we wanted to see which vendor could best serve the Library without knowing how much they would charge us. After pricing proposals were received, we ranked the proposals.

In conclusion, the Committee would like the Board to approve the recommendation that we select Applied Laser Technologies as the vendor to supply all of our equipment, service and maintenance. Currently, we are not sure if we will purchase or enter into a lease agreement. However, according to the lease we have now, we feel that a cost not to exceed \$550,000 for either a purchase or a three-year lease and an annual service and maintenance to the Library's multifunction devices, desktop printers, and production printing equipment and pay stations for an annual cost not-to-exceed \$90,000.

Ms. Krenicky recognized members of the Evaluation & Steering Committee who were present and thanked them for their hard work. Members of the Evaluation & Steering Committee were available to answer any questions the Board may have had.

Mr. Hairston asked for details about the process relative to diversity.

Ms. Krenicky stated that Request For Proposals were sent to the eight vendors of which two were Female Business Enterprises and one was a veteran. We also consulted the City of Cleveland's Minority Business Enterprise list to see if others could be included.

In response to Mr. Seifullah's inquiry, Ms. Krenicky stated that the Library's current equipment was purchased in 2011 from Xerox and rolled out in 2012. Because the Library has experienced many problems with Xerox, Applied Laser Technologies supported the Library approximately 9 months ago and picked up the service that Xerox dropped. We have been working with Applied

Laser Technologies for the past year and they have been providing our service and maintenance for our multifunction devices and printers. That agreement expires on June 30, 2019.

Ms. Krenicky explained that this Resolution will give the Library the authority to negotiate an agreement with Applied Laser Technologies. We will bring this back to the Board for ratification at the subsequent Regular Board Meeting.

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 Enter into Agreement with Carrier Corporation to Replace Chiller at Lake Shore Facility

Jeremiah Swetel, Chief Operations Officer, stated that this chiller is for the book storage area of the Cleveland Public Library's Lake Shore Facility and is needed to maintain a consistent temperature in order to prevent mold and moisture damage to the books in storage.

Because the chiller is not functioning properly, Property Management has determined that, at this time, the best course of action is to replace the entire chiller. Carrier Corporation has submitted a proposal to replace the existing chiller with a new unit for a total cost of \$74,000 which includes the costs of freight and crane rental to remove the existing chiller and set the new chiller in place.

Mr. Swetel explained that under Revised Code 3375.41, the Library is permitted to repair library facilities without competitive bidding when necessary for the security and protection of Library property and recommends the replacement of the chiller is necessary to ensure the security and protection of Library property at the Lake Shore Facility. Because there have been some mold issues that we have been trying to resolve over the past year, this will help us until a decision is made about the Lake Shore Facility relative to the Master Plan.

In conclusion, Mr. Swetel stated that this Resolution authorizes the Library to enter into an Agreement with Carrier Corporation, subject to approval of the Chief Legal Officer, to replace the chiller for the Cleveland Public Library Lakeshore Facility in the amount of \$74,000.00.

Ms. Rodriguez asked if there were other vendors who provide this service.

Mr. Swetel stated that although there are other vendors, the chiller that is currently at Lake Shore Facility is provided by Carrier and recommends that we replace it with a similar unit to avoid spending additional funds on controls, piping and other equipment. In addition, we will realize a savings as our internal staff are doing a lot of piping connections to the unit.

Mr. Swetel stated that Ms. Winlock will be compiling a more thorough list of vendors for minority inclusion.

Ms. Winlock stated that neither the City, County nor the GCP have a complete list. We are going through a process of trying to combine the lists to ensure that we can include as many

minorities as possible. Ms. Winlock stated that Kent State University has done a good job at compiling this list and we are working with them 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 Designating Library Employees Who Provide Services to the Cleveland Public Library Foundation as Serving in Their Official Capacities

Joyce Dodrill, Chief Legal Officer, stated that this is a housekeeping and precautionary Resolution as the Library has an agreement with the Foundation whereby the Library essentially lends the services of two of our employees, the Director of Development and the Chief of External Development to the Foundation for certain services. The Foundation pays the Library in the amount equivalent to how much time they put in.

Ms. Dodrill explained that there are some Ohio Ethics Opinions and Attorney General Opinions that say when someone from a public entity serves on a board of directors or as an executive director of a non-profit that the public entity board should designate that the employees are serving in their official capacities as representatives of the public entity. This has been done in the case of Trustee Corrigan and Director Thomas serving on the Board of the Foundation.

The Board, through this Resolution declares that the employees are serving in their official capacities and instructs them to put the best interest of the Library at heart. Although this may not be absolutely necessary, as they are not serving as employees of the Foundation, but is a cautionary formality from an ethics perspective.

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.

Mr. Seifullah adjourned the Finance Committee Meeting at 12:48 p.m.