**SMYTH COUNTY PUBLIC LIBRARY**

**BOARD OF TRUSTEES MEETING**

**Thursday, February 20, 2020**

**5:30 p.m., Chilhowie Public Library**

**Chilhowie, VA 24319**

**CALL TO ORDER:**

The regular meeting of the Smyth County Library Board of Trustees was held on Thursday, February 20th, 2020, at 5:30 pm at the Chilhowie Public Library. All trustees were present Deanie Dimick, Jane Tate, Iris Worley and Carole Greer. Robb Farmer, Library Director, was also present. Helen Conley, Secretary, was absent and Heather Carter, Branch Supervisor of Chilhowie Library recorded the meeting minutes.

**WELCOME/INTRODUCTION:**

The meeting was called to order by Deanie Dimick at 5:30 pm and she welcomed everyone to the meeting and thanked them for coming out on a snowy afternoon. At that time, Deanie suggested not covering the entire agenda by not including items that were not as pertinent to this month such as the audit, annual report, and board training because of the possibility of icy roads.

**AGENDA CHANGES:**

Jane Tate requested to discuss a recent request submitted by the Board of Supervisors. Robb Farmer stated that would be covered under item VIII of the agenda.

A motion was made by Iris Worley, to change the agenda and push the discussion of the annual report and audit to the upcoming March meeting, as well as add the discussion of a request received from the Smyth County Board of Supervisors with a second by Carol Greer.

The motion PASSED unanimously by the following vote:

AYES: Jane Tate, Iris Worley, Carol Greer, and Deanie Dimick.

NAYS: None.

ABSTAINERS: None.

ABSENT: None

**PUBLIC/GUEST REMARKS:**

Deanie opened the floor for public comment. At that time, she gave the option for employees from the Accounting Department to speak or wait until later in the agenda when disbursements would be discussed.

Teresa Tuggle representing Albano and Associates, PLC, a contractor for the library, spoke about the library’s January financial statements and the changes since December. She noted that the cash was up $43,000 as compared to December 2019. The quarterly state payment was received which contributed to this increase. The pre-paid book credits through Baker & Taylor were being used instead of cash to purchase materials. As those credits are being used, the pre-paid amounts were down $11,000. The library was net positive $32,000 this month as compared to the prior month. She also stated if the library stayed in the positive there should not be a cash flow problem through the end of the year.

Jane Tate asked for more explanation about the pre-paid credits. Deanie asked if there were discounts for paying in advance. Robb explained that these were credits that had been purchased in the past through various vendors such as Baker & Taylor, Midwest Tape, and Ingram when there was money left over at the ends of fiscal years. No discount was given for these and the auditors have stated this was not appropriate and not a practice that the library could continue in the future.

Teresa continued the discussion of the revenues for the month and noted that an annual payment of $6,307 from the Akers-Greer Trust had been received. Jane and Deanie both asked where this was accounted for in the budget. Teresa explained it was listed under miscellaneous income and the amount varies each year depending on how the investments do in the trust. Tereasa then discussed the state expenditures and stated that $74,000 had been spent through this period She noted that 25% of Robb’s salaries can be paid from state funds. Jane Tate asked how much had been paid out of Robb’s salary from state funds thus far. Teresa said approximately $10,000 had been paid to date.

Jane Tate asked about the negative $22,000 under state expenditures and Teresa explained that amount fell under total operating expenses and that was the amount that was currently unobligated in the budget at this point. Deanie asked about how the state money was received. Teresa explained that these were quarterly payments. She also stated that in the upcoming year they wanted to recognize this in the accounting statements so that it wouldn’t create such a variation in the statements.

Jane asked about the budgeted amount under contractual services and the portion that had been used by state funds. She questioned that $14,344.25 had been budgeted and we had spent $25,026.07. Teresa noted that $39,000 had been spent and it was more than was budgeted but that was due to the changes in the budget that the accounting department had made as far as what falls under contractual services and how it is coded in the accounting system. Jane requested that the board members receive a list of the specific contractors and noted that they had asked about this previously. Anne Lowe explained that $14,000 was budgeted for 7 months and Teresa explained that by looking at the bottom line it shows that the library is actually under budget $22,000. Jane questioned the amount of contractual services listed under the general fund through January. Anne explained that $62,000 had been budgeted and $60,000 had been spent to date. Teresa explained that this amount was to date and more funds would be coming in in the next 5 months and the majority of the big budget items had been paid for the year. At that point Jane asked if they could have this information presented as a percentage of the total budget spent for the year and that this information had been previously requested. Teresa explained that she would have to reformat a report to supply this information.

All the board members expressed that they would like to see a report of the percentages spent of the annual budget reported each month as opposed to a period budget to have a better overall picture of the finances.

Jane commented under the general fund expense under FICA that $16,702 and $21,970 had been spent, they were also over on workers compensation expenditures, hybrid plan disability, etc. Iris Worley commented that money could be adjusted from different parts of the budget. Teresa said that the general ledger is in so much detail it was hard to break those big numbers down and budget accurately as compared to the small numbers and line items. So, some sections could be underestimated, but over all on the salaries of library employees are still in budget. Carol Greer asked if what was currently budgeted would carry the library to the end of the year. Teresa said yes. All board members noted that this is another reason they would like to see the total budget with the expenditures to date listed because it would be easier to understand. Anne Lowe asked if this was a report that could be created because the current financial system that the library has cannot produce this information. Teresa said that a report would have to be formatted to show the 12-month period and percentages spent to date. Deannie reiterated that would like to see a report of contractual services with the percentages spent for the year. All board members expressed that they would like to see this type of report with percentages and year-to-date information at the next meeting as well as a list of the contractual services for the year.

Robb asked Teresa to explain the change in ownership of the accounting firm to the board. Teresa explained that Albano & Associates was bought out on January 16th by Longhorn CPA Group, which is based in Knoxville, TN. She stated not much had changed, they have the same personnel, just new ownership. Iris asked what this new ownership brought to the table and Teresa explained that they would be moving a lot of their software to the cloud so information would be readily accessible from everywhere. She also explained that this group encompasses an audit group in Augusta, Ga, a CPA firm in Jackson Hole, WY, and a CPA firm in North Carolina. They will be able to draw on the knowledge of this entire group of professionals. Iris asked about the current software that the library operates with and noted that it is cumbersome. She asked if it was owned by the library. Tereasa said that yes, it is owned by the library and she had discussed with Michael about taking the current software and transferring our information to a more up-to-date software such as QuickBooks where you could have access to the information at any time. She also stated that this would be far superior to what the library currently operates with because it is out of date and the type of information that the board is asking for would be easy to obtain with QuickBooks. Iris liked the idea of using QuickBooks and commented, it shouldn’t be that hard to get the type of report that the board is asking for from any software at this date and she questioned the age of the software that the library currently uses. Teresa suggested that this was something that needed to be addressed in the future and the board members agreed. Carol said she would like to see a cost analysis and Iris asked if we were still paying the software. Robb stated that we pay an annual maintenance fee but didn’t know the exact cost. Iris asked if they could have that information. Jane asked if that was considered a contractual service. Robb stated he would like to re-evaluate several contractual services in the future. Iris asked if there were as many problems with doing payroll with this software and Anne said it was not an issue. Teresa noted that she thought the accounts payable system in QuickBooks was also superior to the program the library currently uses.

Deanie asked since the time of the board meetings had been moved, was that adequate time to prepare the financial information for the board each month? She would like to see the information on Monday before the board meetings. Anne and Teresa both said that would be possible and Deanie said that this arrangement should work better going forward.

Jane asked logistically what Anne and Teresa do in their positions. Anne said that she does everything and Teresa reviews her work. Teresa commented that she reviews the prepaids, accounts payable, training with how to code items in the accounting system, or any other problems that Anne has she reviews them. Anne commented that the County Administrator reviews the payroll information.

Deanie thanked Teresa and Anne for their efforts. Anne asked if there were any other items, they needed or any other information they wanted. At that time Deanie reiterated they needed to see the year-to-date percentages in the budget, and a list of contractual services. Iris commented to prepare for next years budget they need a list of salaries. Jane asked for the amount spent for processing items last year. Anne said they don’t have the number for last year but from July until the present the cost had been approximately $7,800. Robb said that this was significantly less than it would be to pay a cataloger to do the work. There was a discussion about the cost of processing by the previous employees as compared to using the preprocessing service and Robb said that we are saving money with the current system. Jane asked specifically how much money was being saved. Robb said the two previous employees that worked in this department made over $100,000 including their benefits. Currently there are two part-time employees with no benefits, plus the processing fees. This adds up to a number that is much less than the previous cost of paying two full-time employees. Jane asked what percentage of materials were pre-processed as opposed to being cataloged in house. Robb stated 80%-90% of items were preprocessed and other items could not be cataloged that way such as local history books, items bought from amazon, etc. He also stated the turn around time is much faster to get items on the shelf now. Robb stated that the pre-processing fees vary but cost approximately 20% of the price of each book. Anne said the price ranges from $3.90 to $6.90 plus if the books are paperback, there is an additional cost of $1.69 to cover the books. She also said that she is working on a report that will show the percentages of what has been spent for materials. Robb commented these changes were implemented in the summer of 2018 at the time the entire technical services department retired.

As there were no other persons wishing to speak. Deanie closed the public comment time and thanked Teresa and Anne for attending.

**APPROVAL OF MINUTES:**

The January minutes were moved to be accepted as prepared.

Carol Greer moved to adopt the January minutes as prepared. Iris Worley seconded the motion.

The motion PASSED by the following vote:

AYES: Deanie Dimick, Jane Tate, Iris Worley, and Carol Greer.

NAYS: None.

ABSTAINERS: None.

ABSENT: none.

It is noted that some comments were made about still needing information about contractual services, miscellaneous expenses, pre-processing fees as opposed to in-house cost of processing, and the number of staff in each department as well as salary compensation of all staff members after making changes such as reducing the number of employees from 40 to 35. Robb said that he has that information on a spreadsheet but left it in his office and will scan that information to the board members.

**APPROVAL OF DISBURSEMENTS:**

A motion was made by Iris Worley to adopt the January Disbursements in the amount of $11,706.25 for state and $71,942.48 for general disbursements with a total of $83,648.73. Carol Greer seconded the motion.

The motion PASSED by the following vote:

AYES: Deanie Dimick, Jane Tate, Iris Worley, and Carol Greer.

NAYS: None.

ABSTAINERS: None.

ABSENT: None.

Jane Tate made a motion, with a second by Iris Worley to adopt the December Disbursements in the amount of $18,901.93 for state and $72,153.13 for general disbursements with a total of $91,055.06.

The motion PASSED by the following vote:

AYES: Deanie Dimick, Jane Tate, Iris Worley, and Carol Greer.

NAYS: None.

ABSTAINERS: None.

ABSENT: None.

It is noted that Jane commented these disbursements sounded high. Deanie said the numbers are going down each month and she had annualized the January numbers, and everything is still under budget for the year.

**DIRECTOR’S REPORT:**

Robb reported that Kris Sheet, Branch Supervisor of Saltville Library, has been awarded the Karl & Ruth Looney Humanitarian award through Emory & Henry College Alumni Association for her work at the Saltville Library. She will receive that award on March 26th of this year, and he will be attending the presentation.

Since the date of the board meetings were changed Robb attended the Chilhowie Town Council Meeting in February. He noted that Chilhowie Library is the best example of the library, town, and Friend’s group working together. Their Friend’s group has recently purchased and installed a new camera system.

Robb stated that he has submitted budget requests for the upcoming year to the town of Marion as well as the county. The budget requests for Saltville and Chilhowie are being prepared by the branch supervisors.

April 4th-5th Robb will be attending the spring Virginia Public Library Director’s Association meeting in Staunton, Va.

Tracey Reed, Kris Sheets and Heather Carter will be attending the quarterly MALiA Meeting March 20th in Christiansburg, VA

Chilhowie Library received a $500 book grant from the Chris Long Foundation to purchase books for children programs.

**BOARD OF SUPERVISOR’S REPORT:**

There is currently no representative from the Board of Supervisors on the Library Board. Deanie proceeded with a discussion about a recent request from the board. Robb stated that he has prepared the financial information that they are asking for and Jane Tate commented that she thought it would be helpful if they were given the same information that the Library Board is requesting. Deanie said they need to see the full budget, and year-to-date totals to show if we are on target or not because they are looking at the solvency of the library. All board members agreed. Robb agreed, he said that he was sending the same information such as the budget and the financials that he gives at the library board meetings. Jane asked if Anne could do a spread sheet showing this information before March 1st. Robb said they could provide this information.

Jane commented that in the draft Robb presented, the programing plans needed to be clearer. She also questioned the long-range plans for the library. Robb said there in not a current long-range plan that is accurate and a new one needs to be made. Jane said the was one created in 2018 and Robb said that was before he became director. He commented that he has created a committee of staff department heads that will be working on this task. Carol commented that this information needs to be supplied in the request. A discussion continued among the board member about how this information could be accounted for and communicated in Robbs letter to the Board of Supervisors.

**OPEN ISSUES:**

1. **Audit**

Discussion of the audit was moved to the upcoming meeting

1. **2019-2020 Budget**

Robb commented that the recent audit stated the library was functioning well and Jane said there in no cash reserve. Deanie commented that she had managed a manufacturing department in the past and they did not have a cash reserve, but they created a budget. She felt like that is what Robb is currently doing with the library. Jane commented that she was concerned that the net is negative $97,000 from last year’s audit and this year that number has changed to negative $163,000. She would like to have the audit explained at a future meeting along with the report.

Jane also asked why the computer usage was down and Robb explained that people have their own devices and come to the library to use the internet. They also don’t use the library computers as much; it’s mainly to print documents.

1. **Annual Report**

Discussion moved to upcoming meeting

**NEW BUSINESS:**

1. **Board Training**

Robb explained that Kim Armentrout has a new position. A new person has been hired in her place and will start March 25th. This person will be doing board training when it can be scheduled. Jane commented that they needed to ask the Board of Supervisors to appoint additional board members so they would have 7 members total. There was some discussion about this, and everyone present agreed this was necessary. Deanie stated she was going to send an email with the request.

Jane had additional questions about the specifics on the amazon purchases. She stated that she had previously asked about this. Robb asked if she wanted to see the statements. She also asked how many credit cards there are and who uses the credit cards. Robb said there are four, but they weren’t all checked out. He stated the cards were mostly used by him for gas purchases. Byron, Anne, Heather, and Kris also have Walmart cards.

Jane also asked how much the library had paid Albano & Associates this year as well as Anne Lowe’s salary. Anne makes approximately $15 per hour at 40 hours per week, plus benefits. Robb stated that as of this year Albano & Associates have been paid $18,450.

The FOIA request from Patton Graham’s office for the 2019-20 fiscal year was discussed. Robb asked if this information could be published on the library website to provide transparency. Jane suggested that it could be on view where books are checked out if anyone would like to look at the information. A discussion continued about the best way to do this.

**LOCATION/TIME OF NEXT MEETING:**

The next regular meeting will be held on March 19th at 5:30pm at the Saltville Town Hall.

**ADJOURNMENT:**

A motion was made by Jane Tate, with a second by Iris Worley, to adjourn the meeting.

The motion PASSED by the following vote:

AYES: Deanie Dimick, Iris Worley, Jane Tate, and Carol Greer.

NAYS: None.

ABSTAINERS: None.

ABSENT: None.