

CLEVELAND PUBLIC LIBRARY
Finance Committee Meeting
September 13, 2016
Trustees Room Louis Stokes Wing
12:00 Noon

Present: Ms. Butts, Mr. Seifullah, Ms. Rodriguez, Mr. Hairston, Mr. Parker,
 Ms. Washington (arrived, 12:09 p.m.), Mr. Corrigan (arrived, 12:17 p.m.)

Absent: None

Mr. Seifullah called the Finance Committee Meeting to order at 12:04 p.m.

FINANCE COMMITTEE MEETING (Mr. Seifullah, Chair)

Present: Alan Seifullah, Chair, Thomas D. Corrigan, Vice Chair, John Hairston,
 Anthony Parker

Absent: None

Seventh Amendment to the Year 2016 Appropriation

Carrie Krenicky, Chief Financial Officer, stated that we increased our Certified Revenue because we are receiving an additional \$3.5 million in Property Tax and we are decreasing our Public Library Fund by \$333,000.00, which gives us a net increase in our General Fund Revenue by \$3.6 million. With this amendment, we will only be appropriating \$22,403 of that because currently our operating appropriation is exceeding our current certified revenue by \$2.9 million. Our General Fund appropriation is at \$54.9 million and the new certified General Fund Revenue is at \$52 million.

The certified revenue for Special Revenue funds reflects an increase of \$101,385.50 relating to \$60,000 to be paid from the grant received from the Saint Luke's Foundation through the Friends of the CPL; \$8,000 relating to "The Hosting of a Chinese Corner" by China Hanban; \$385.50 relating to the Brody Trust; \$3,500 relating to Ohio Arts Council's Poetry Out Loud contest; \$4,500 relating to PPG Industries Foundation for STEM programming at Rockport Branch, for which will be appropriated. The MyCom Fund reflects an increase in Other Sources to reflect the cash advance cash from the General Fund in the amount of \$25,000 for which repayment is to be made within a year.

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 Ratify and Approve the Purchase of Insurance Coverage for Policies Effective August 1, 2016 and September 18, 2016

Carrie Krenicky, Chief Financial Officer, stated that the majority of our insurance policies expired on August 1, 2016. This resolution asks the Board to ratify the next year's premium and also approve the policy for the Public Officials Liability and Employment Practices Liability insurance which is effective September 18, 2016. This encompasses our property insurance which is through the carrier Fireman's Fund Insurance Company and the agent is Hylant.

McGowan is the agent for the remainder of our policies which are: General Liability, Automotive Coverage, Umbrella Liability, Crime, Cyber and Public Officials. A representative from McGowan was present to answer any questions the Board may have had. The renewal increases have remained flat from the expiring policies.

Ms. Butts asked if the Cyber policy increased.

Ms. Krenicky acknowledged that there was a small increase and stated that that the Board authorized the Library to enter into that policy in January. The annual premium for Cyber is \$16,710.00.

In response to Mr. Hairston's inquiry, Ms. Carrie stated the following deductible amounts: Property is \$100,000; Automotive Liability is \$0; Automotive Damage is \$500; Crime is \$10,000, Cyber is \$5,000; General Liability is \$100,000; Public Officials \$50,000. The Employment Practice is \$100,000 and the Library would have to pay those costs before the insurance policy kicked in.

Ms. Krenicky stated that the Cyber policy is the only new policy added since 2016.

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 to Amend the Resolution to Accept Grant Funds from the Child Care Resource Center of Cuyahoga County, Inc. DBA Starting Point for MyCom Out-of-School Time Transitions Programs

Carrie Krenicky, Chief Financial Officer, stated that the resolution that the Board approved in June stated that the kindergarten clubs would be held at the Collinwood and Carnegie West branches. Prior to the start of the kindergarten club program, the Library's Outreach and Programming Services department recommended a change to Rockport and Mt. Pleasant branches.

Ms. Rodriguez asked for the reason for the location change.

Aaron Mason, Assistant Director, Outreach and Programming Services, stated that Mt. Pleasant is a target neighborhood for Starting Point and Rockport has a higher demand for kindergarten services.

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 Bravo Wellness LLC for Wellness Incentive Program Services and Amending Agreement with Arthur J. Gallagher & Co.

Joyce Dodrill, Chief Legal Officer, stated that this resolution requests the Board to extend the agreement with Bravo Wellness for another year.

Ms. Dodrill stated that BRAVO has agreed to provide the Wellness Incentive Program under the same terms and at the same price for 2017 as for 2016. The price for 2015 was approximately \$70,000, and is estimated to be the same for 2017, subject to variances depending upon employee participation in the health screenings and in the Wellness Initiative Program; and

Ms. Dodrill noted that the Library's agreement with Arthur J. Gallagher & Co. will expire on December 31, 2016, and the Library would like to renew the agreement for an additional year under the same terms and at the same price as in 2016. Gallagher has again agreed to contribute the amount of commission it receives from Medical Mutual and apply it towards the Library's contract with BRAVO, which through the end of calendar year 2017 is estimated to be approximately \$72,000, depending upon Cleveland Public Library employee participation in Medical Mutual health insurance plan.

Mr. Hairston asked for an update on staff participation in the Wellness Incentive Program.

Carrie Krenicky, Chief Legal Officer, stated that the last report to the Board was in January. A total of 436 employees participate in the health screenings provided by BRAVO and a total of 450 on Medical Mutual Insurance which is a part of the BRAVO program.

Ms. Butts asked if the Library still has the fitness band competitions.

Ms. Krenicky stated that although the band challenge has concluded, the Library's Wellness Committee holds a variety of monthly challenges for staff.

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 to Engage L.A.N.D. STUDIO Inc. to Organize 2017 and 2018 Visual Arts Programs

Joyce Dodrill, Chief Legal Officer, stated that this resolution requests authorization for the Library to enter into an agreement with L.A.N.D. STUDIO Inc. to Organize 2017 and 2018 Visual Arts Programs. The See Also program is the temporary art installation in the Eastman Reading Garden,

L.A.N.D. Studio, Inc. has presented a proposal for both the spring of 2017 and spring of 2018 *See Also* programs, at a total cost not-to-exceed \$120,000, of which \$61,750 is allocated for the

2017 program and \$58,250 is allocated for the 2018 program. The 2018 program is conditioned on the Library receiving grant funds from the Cleveland Foundation

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 to Authorize Director to Negotiate and Enter Into Gas Contract to Take Effect After Expiration of Current Contract

Carrie Krenicky, Chief Financial Officer, stated that our current contract with Interstate Gas Supply, Inc. (IGS) expires in October 2016 and we must provide a 60-day notice to terminate that contract. Our current rate \$3.14 per Mcf.

Ms. Krenicky stated that on the advice of North Shore Energy Consulting, LLC, the Library has notified IGS of its intent not to renew the agreement for another year in order to take advantage of lower pricing announced by the leading gas suppliers starting November 2016. The anticipated rates are estimated to be as low as \$3.080 per Mcf for a 12-month agreement and \$3.130 per Mcf for a 24-month agreement.

Ms. Krenicky stated that this resolution requests authorization from the Board to negotiate a new natural gas rate that is lower than the current rate of \$3.14 per Mcf either directly with the gas suppliers or through a broker and to enter into a new agreement commencing November 2016.

Joyce Dodrill, Chief Legal Officer, stated that we are asking the Board to authorize the Library to negotiate a contract provided the rates do not exceed the rates currently being paid by the Library for gas.

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 Renewal of the Lease for the Temporary South Branch of the Cleveland Public Library

Joyce Dodrill, Chief Legal Officer, stated that the current lease for the Temporary South Branch of the Cleveland Public Library, located at 2704 Clark Avenue, expires January 14, 2017. Our lease agreement requires a 6 month notice to renew for another year. We have one more year available to us at the current rate of \$2,550 per month. Therefore, we have exercised our option to renew for an additional term of one year from January 15, 2017 through January 14, 2018 for an annual estimated rental of \$30,600.00.

Ms. Dodrill stated that we cannot guarantee that the renovations to the original South Branch will have been completed within one year.

Ms. Butts asked for a status of the original South Branch.

Ms. Dodrill stated that we are currently in the project design phase.

In response to Ms. Butts' inquiry, Eric Herman, Capital Projects Manager, stated that construction is currently scheduled to break ground in December.

Mr. Seifullah 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 Amendment to Agreement with HBM Architects, LLC for Architectural Design Services for the South Branch of the Cleveland Public Library

Carrie Krenicky, Chief Financial Officer, stated that this resolution seeks to amend the Agreement with HBM Architects, LLC for Architectural Design Services for the South Branch of the Cleveland Public Library.

Ms. Dodrill stated that on April 19, 2016, the Board authorized the Library to enter into an agreement with HBM Architects, Inc. in an amount not-to-exceed \$310,000, and on May 13, 2016, the Library entered into an agreement with HBM for the provision of professional architectural services prior to the selection by the Library of a construction manager. Those fees did not include reimbursement for expenses incurred by HBM.

Ms. Dodrill requested that the Board authorize the Library to enter into an amendment to the Library's current agreement with HBM to include reimbursement of expenses in an amount not-to-exceed \$7,500, bringing the total cost of the agreement between the Library and HBM to \$317,500.

Ms. Butts asked what was the expected total cost of the project.

Eric Herman, Capital Projects Manager, stated that total cost of the project is approximately \$3.3 million. The most recent construction estimate provided that include all of the soft costs currently total approximately \$3.2 million but does not include the estimate for the environmental abatement which may be around \$150,000.

Ms. Butts asked if this includes back entrance accessibility for handicapped .

Mr. Herman confirmed that the cost includes back entrance accessibility, new restrooms, additional meeting room space which are all in the current layout. Final approval of the initial concept must be granted from the Landmark Commission before moving forward. Schematic designs will be submitted in late September.

Mr. Seifullah 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 Agreement with Osborn Engineering Company for Professional Architectural and Engineering Services for the Safe, Warm and Dry Project

Joyce Dodrill, Chief Legal Officer, stated that on June 14, 2016, the Board of Trustees approved the selection of The Osborn Engineering Company as the top-rated, most qualified firm to

provide professional architectural and engineering services for the Safe, Warm, and Dry improvement project.

Ms. Dodrill stated that Osborn has submitted a proposal for a total cost of \$474,930 of which predesign services account for \$58,310, base design services for \$335,500, and the additional services which are not included in the base fee include roof asbestos testing, project oversight for abatement services, Landmark Commission and City Planning Review, ADA Variances, and providing CAD floorplans totaling \$81,120. The total contract amount is \$474,930.

Ms. Dodrill introduced Brian Kane from Osborn who was available to answer any questions the Board may have had regarding their services.

Mr. Hairston asked how work is prioritized inside the 10 branches designated under the Safe, Warm, and Dry project.

Eric Herman, Capital Projects Manager, stated that after the initial review of the Westlake Reed Leskosky report, the first priority is to address any issue that results in continuing damages such as leaks in walls or roofs; second priority would be to address ongoing issues such as problems with boilers or air conditioning depending on the current season. Finally, political decisions that require the consideration for community and population served will be brought to the Board to provide direction.

Mr. Corrigan asked for an update on the assessment of Westlake, Reed, Leskosky.

Ms. Dodrill stated that updating the Westlake assessment is part of the predesign phase is a total of \$58,310.

Mr. Kanestated that a portion of the predesign work is updating and reverification of the Westlake report. Many items in the Westlake report were not costed. Costs will need to be assigned to those items.

Mr. Seifullah asked if it was still expected that construction would begin next summer.

Mr. King stated that the schedule requires that work will begin on one branch on the east and west sides with a completion date of November 2017.

Mr. Herman noted that repairs on some buildings may not require them to close.

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 Engage Improve Consulting and Training Group, LLC to Provide Consulting and Support Services for the Technical Services Department

Cindy Lombardo, Deputy Director, stated that this is a part of a continuation of work that Improve Consulting has done for the Technical Services Department.

The first piece of Improve Consulting's work provided process improvement/Lean training for Technical Services managers and extensive assistance with mapping several existing processes that were identified by managers and the department director as needing to be refined.

The next phase will include researching best practices in use by peer libraries. These will provide a possible template against which existing CPL Technical Services can be compared. There will also be opportunities for bargaining unit staff members to provide input and suggestions on how to make the department both more efficient and more effective.

Mr. Seifullah 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 Extend Agreement with Balestra, Harr & Schere, CPAs, Inc. to Perform the Regularly Scheduled Audits of the Cleveland Public Library for the Fiscal Periods from January 1, 2016 through December 31, 2019

Carrie Krenicky, Chief Financial Officer, stated that our current contract that we had with Balestra, Harr & Scherer, CPAs, Inc. expired on December 31, 2015. The Library is eligible to extend the contract with Balestra, Harr & Scherer, CPAs, Inc. without utilizing the bidding process for an additional four years providing that both parties agree to do so.

Ms. Krenicky stated that the cost for the period January 1, 2016 through December 31, 2019 is \$79,200.00, or \$19,800 per fiscal year. We were being charged \$22,000 per year because of a federal audit. We no longer expect to receive enough federal awards so that would require a single audit, since the threshold was modified to \$750,000.

Ms. Krenicky stated that, in addition, the Auditor of State's costs for preparing the Extension Agreement, monitoring the work of the IPA and reviewing the audit reports are estimated to be \$2,500 over the 4 periods.

This resolution asks the Board to authorize the Library to extend the agreement that will be sent to the Auditor of State for review and final approval.

Mr. Seifullah 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 for Second Amendment to Agreement with Family Connections of Northeast Ohio

Aaron Mason, Assistant Director, Assistant Director, Outreach and Programming Services, stated that on May 17, 2016, the Board authorized the Library to amend the agreement to extend the early literacy playroom program for another year and to increase the number of sessions per week from two to three. Since the program has been successful and is popular with Library patrons, the Library would like to again amend the agreement to include additional early literacy programs, a babysitting class, and materials for the current term of the agreement.

Mr. Mason stated that the cost for the additional programming and materials will be \$5,185.73, bringing the total price of the agreement to \$42,231.73.

Carrie Krenicky, Chief Financial Officer, stated that this will be paid from the grant received from the Saint Luke's Foundation, through the Friends of the Cleveland Public Library that the Board accepted on October 15, 2015.

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 the Increase in Price to the Current Agreement with KONE, Inc. to Provide Maintenance for Elevators in Main Building and Louis Stokes Wing

Joyce Dodrill, Chief Legal Officer, stated that this resolution requests authority to pay KONE, Inc. to provide maintenance for elevators in Main Building and Louis Stokes Wing. The five year agreement expires June 30, 2019. Every year in July, the rate is increased by a certain percentage. In June 2015, there was a 3.25% price increase, increasing KONE's fee to \$4,488.28 per month or \$53,859.36.

Ms. Dodrill stated that KONE Inc. is required to provide the Library with notice of any annual price adjustment no later than forty-five (45) days before July 1 of each year. On August 9, 2016, the Library received notice that, effective July 1, 2016, KONE Inc. would be increasing the Library's price by 3.45%. However, since KONE failed to provide the Library 45 days' notice prior to July 1st as required by the agreement, KONE agreed to delay the increase until October 1, 2016.

Ms. Dodrill stated that this resolution requests authority to pay the increase in price of 3.45% effective October 1, 2016 for full maintenance services for the elevators in the Main Library and the Louis Stokes Wing, in a total amount not to exceed \$55,252.94 for the period from June 1, 2016 through June 30, 2017. In addition, this resolution requests that the Board authorize an increase in price, if any, for the remaining two years of the agreement, effective on July 1st of 2017 and 2018, provided the increase from the then current year is not greater than one half of one percent (.5%).

Ms. Rodriguez asked if rates were requested from competitors.

Ms. Dodrill explained that all of the equipment is provided by KONE causing a proprietary lock. This agreement continues through 2019. If there are other options that become available at that time, we will investigate those options.

Mr. Corrigan stated that part of the problem is that there are no longer American elevator companies.

Mr. Corrigan recommended that an annual satisfaction report be forwarded to KONE documenting the Library's overall contentment with their services.

Cindy Lombardo, Deputy Director, stated that although response times seem pretty good, elevators are often in need of maintenance and repair.

Mr. Corrigan acknowledged that the elevators are now 20 years old.

In response to Mr. Corrigan's inquiry, Ms. Krenicky stated that we pay for parts separately.

Mr. Seifullah 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 for Installation of Raingardens and Storm Water Retention System at the Woodland Branch

Joyce Dodrill, Chief Legal Officer, stated that this resolution requests authorization for the Library to enter into an agreement with Burten, Bell, Carr Development, Inc. (BBC) for the installation of raingardens and storm water retention systems at the Woodland Branch.

Ms. Dodrill stated that BBC has been awarded a grant from the Northeast Ohio Regional Sewer District in the amount of \$125,202 for proposed green infrastructure improvements to be completed at the Woodland Branch. In addition, BBC is willing to subgrant all grant funds received from NEORSD to the Library to allow the Library, on a reimbursement basis, to construct the green infrastructure improvements. The total cost of the project is not expected to exceed the \$125,202 grant amount.

Eric Herman, Capital Projects Manager, showed a basic sketch of the proposed raingarden and storm water retention system to the Board.

Mr. Corrigan asked what was the difference between this proposed system than the one at Jefferson Branch.

Mr. Herman stated that although the concepts are fairly similar, the scope of the Woodland proposal is much larger as we are looking to divert more water. The idea is that each of the drain systems before they tie in would be holding in the storm water. Petroleum absorbers will be placed into the actual drains to draw the waste, and recharging the local ground water table rather than sending the water down to the lake which does us no good.

Mr. Hairston stated the City of Cleveland has provided vacant land to communities for local gardens and the collected water which can be beneficial.

Aaron Mason, Assistant Director, Outreach and Programming Services, indicated that a garden was located near the proposed raingarden at Woodland.

Mr. Herman confirmed that this water will benefit this garden.

In response to Ms. Rodriguez' inquiry, Mr. Herman stated that this project will be complete by October 2017.

Mr. Seifullah 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 Maintenance Agreement with Tyler Technologies, Inc. for Support of the MUNIS ERP System

Carrie Krenicky, Chief Financial Officer, stated the Library currently has an existing agreement with Tyler Technologies for maintenance of the Library's MUNIS ERP system, and we are implementing modules to improve efficiency. We are currently adding another module to the MUNIS system called Tyler Content Manager SE, and the Library needs to add maintenance support of this module to the existing maintenance agreement. As a result, the maintenance agreement will be increased by the sum of \$3,969.00 in order to include maintenance of the new module. With the increase, the annual total cost would be \$60,192.77.

Ms. Krenicky stated that the effective date of termination of the existing maintenance agreement with Tyler Technologies, Inc. for support and maintenance of the Library's MUNIS ERP system is May 16, 2017.

Mr. Seifullah 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 Amendment to Agreement with the Chilcote Law Firm, LLP for Legal Services

Joyce Dodrill, Chief Legal Officer, stated that this resolution requests authorization to amend the Agreement with the Chilcote Law Firm, LLP for Legal Services in regards to their services to negotiate a development agreement with University Circle City Center LLC ("UC3") for the relocation and construction of a new Martin Luther King Jr. library branch as a part of UC3's overall development project in University Circle.

Ms. Dodrill stated that the Board previously authorized \$50,322.50, in order to negotiate a development agreement. Due to the complexity of the development deal the Chilcote Law Firm, the fees for the law firm's services through September 1, 2016 exceeded the prior authority of this Board by approximately \$8,400.00.

Ms. Dodrill stated the hourly rate is \$275 per hour and it is anticipated that the Library will need additional services from the law firm in the future to negotiate an escrow agreement demanded by the City of Cleveland, and possible changes to the Development Agreement once the agreement between the City of Cleveland and UC3 has been finalized. It is estimated that the additional legal services plus the outstanding balance for services already rendered will cost an additional \$25,000.

Ms. Dodrill stated that this amendment is reasonable, particularly in light of the discounts already provided to the Library by the Chilcote Law Firm in excess of \$18,000. With the additional amount of \$25,000.00, the total contract amount will not-to-exceed \$75,322.50.

Ms. Rodriguez stated that she has appreciated the services provided by Chilcote Law Firm and expressed gratitude for their hard work on negotiating the development agreement.

Mr. Corrigan stated that although the hourly rate is high, that rate is less expensive than others.

Ms. Washington asked that since Chilcote Law Firm will be working with UC3, do we have an understanding on what the City is requiring from the Library relative to the escrow issues.

Ms. Dodrill stated she understood that Tracy Nichols, City of Cleveland Development Director, indicated that she wanted the Library to put the agreement into escrow for 60 days because was not sure if the City would approve a change UC3 has proposed with regard to the order of construction. Originally, the Mayor required UC3 to build on the area where the Police Station is and the greenspace across Stokes Blvd. second. UC3 now wants to be on the green space first so that they can begin to rent out apartments and bring in revenue. Ms. Nichols needs approval from the Mayor first in case the City retracts its approval.

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 meeting of the Finance Committee at 12:52 p.m.