



Board of Trustees - Meeting Minutes March 22, 2022

Roll Call

Board Chair Cynthia Cheney called the meeting to order at approximately 5:40 pm. Board members Bob Coughlin, Pamela Knowles, Martha Sellers, and Chrysti Smith attended. Library Director Gale Bacon attended, and Circulation Specialist Kathleen Godfrey was present to take minutes. Scott Mullen attended as a guest. City Manager Neil Cardwell presented at the beginning of the meeting.

Introductions and Public Input

None

Trustee Training

Trustee Competencies

The Board postponed the trustee training, due to time constraints.

New Business

City Manager: Contracts and Purchase Orders

Neil was challenged by the City Council to review policies and procedures to ensure that they are correct.

The City Charter states that the Library Board is responsible for recommending a budget and setting library policies.

Contracts/Purchasing can be handled by the City Finance Department, just like any other City Department. There is no need for the Library Board to review and approve purchase orders and contracts. The yearly contract for funding from Gallatin County has been addressed to the Library board, but the Board doesn't actually have contractual authority; it needs to go to the City. Other contracts also need to go to the City.

Budget: Neil emphasized that Gale and the Library staff do wonderful work and deserve the maximum compensation, and the Library serves an amazing function to the City. The Library Board's role is to make recommendations to Gale and the staff programmatically. The Director will then work with the Finance Department on budgeting. The Board should not set Director salary, according to the City Charter. The City Manager must review salaries for all department heads. Staff salary information is public information. Neil has been working with the Finance Department on compensation. He hopes to set more competitive wages. If the City was ever challenged about the contract with Gallatin County, it would be discovered that the Library did not actually have authority to enter the contract.

Board Chair Cynthia Cheney remarked that it appears that the City Charter was written one way, but the Board has operated in a way so that the Library has been extremely successful. How did all of this come about, when the Library has been so successful? These look like major changes. What is the ultimate goal? How does it affect the Library Director being the face of the Library to the community? How do we present this to the public and donors?

Neil mentioned that although he doesn't have the decade of experience to know all the backstory, he gained information from research and the past City Manager. Some information came to light during the permanent mill levy, with research done on how a permanent mill levy can happen in a charter city, and also when looking into building a new library. Through conversations with Ted Barkley, previous Belgrade City Manager, Neil learned that some of these things were on his agenda, but he did not get to them. It would be improper to allow a process that isn't above board to continue. There's no reason to discontinue a process that is working well, but he is bound to make sure the charter is

being followed. He recognizes that a lot of things are traditions that have continued. The Library was an entity before the City was a charter city. He would hate for something to come up during a state audit after building the new library, even if it's an unlikely scenario.

Cynthia asked where in the current vision to correct these things Neil sees the Library and the Board in the City?

Neil responded that the overall vision would be no different from today other than approving purchase orders and contracts. The normal budget recommendations will be continued. He heard from community members that the Board sets the Director's salary, but the Board actually makes the recommendation, and the City approves it. As for the vision for the Library, departments in smaller cities become islands, but Belgrade has passed that point and is becoming a larger organization. Neil is looking to the future and wants to have all City Departments working together. Each entity should have a community relations aspect, which, in the Library's case, would be the Board. The Board would continue to make recommendations to the Council, so that those closest to the problems would be bringing information to the Council.

Cynthia asked that since Gale, as a department head, will report to Neil, not the Board, how will her reviews work? Will it be under City Human Resources?

Neil stated that he will ask for the Board's feedback to complete his evaluation. The Board can still give input.

Chrysti Smith mentioned that Gale gives monthly updates on her goals and asked if Gale will still be able to do so?

Neil said yes; other boards also set goals for their department heads, and he encourages this.

Pam Knowles stated that Gale submits yearly goal proposals and asked if these will still come to the Board for approval? Does the Board have input?

Neil responded that he thinks this should continue. The goals of the Board are the goals of the Library. He would like to see the goals as well so that he can support Gale and see what she needs. If something is ever in conflict, he would hold a meeting to see what should change.

Pam observed that Library purchases would follow standard City procedures and asked if Gale can still purchase materials she needs without a lot of extra bureaucracy and delay?

Neil stated that the City procedures will actually eliminate a step, since the Board wouldn't have to approve the purchase orders. They are trying to empower the department heads to use their assigned budgets appropriately and stay within budget. Purchases over a certain amount will likely require approval by the City Finance Department or City Manager.

Pam asked if Gale will have as much input into the budget process of the Library as she currently does?

Neil stated that she absolutely will have as much input as before. Department heads meet with the City Finance Department to develop budgets before going to the City Manager for approval. Neil wants to have conversations with department heads about budgets, rather than just making a decision based on the numbers.

Pam asked how Neil's plan will affect Gale's ability to determine staffing needs.

Neil responded that first and foremost, every City department is being reviewed to try to improve. There have been raises and changes in the Library this year. More may be approved this next year. He's asked Gale to work on an organizational chart and maybe a five to ten year plan for staffing. He likes department heads to organize the staffing structure. This is normally a once/year process, along with the budget, to determine the number of employees necessary. Decisions on staffing fall in line with the budget process. Total FTEs for each department will be determined along with the budget. Salaries and compensation are the first thing built into the budget, including raises. Additional FTEs are usually in line with budget expenses. This would be a conversation between Neil and Gale (or any other department head). With the Library, it's very important to Neil to look at the donations. They never want to tie salaries to donations, in case they don't come through.

Pam asked if donations are still available to be used as in the past, outside of the budget itself.

Neil said that the short answer is yes, because they are dedicated to the library. The City puts those into the Library fund, which is restricted only to the Library. The money ends up in the City's financial account, but it is restricted to the Library. In the future, there may be an in-house IT department, and fleets and facilities department (all departments would contribute to this, just like IT, HR, etc.). Fleets and facilities wouldn't impact the bottom line. It would cover facilities costs, such as janitorial supplies. This is a standard of budgeting to help citizens understand how their money is being spent. It's better to see this in one big picture.

Cynthia asked how this affects grants? Would it result in the same level of budgeting from the City and allow the overflow to continue to be used by the Library?

Neil stated that there would be no need to reduce City budgeting for the Library. Other departments also receive grants. If there is a plan of what to do with them, those funds could be used over time.

Cynthia asked if funds would go to a capital expense fund, rather than being used by the Library?

Neil responded that it would depend on the purchase and the amount. Typically, the end of year balance is put into the capital fund. Each department is going to develop a capital plan, so that funds that come in can be used. The capital plan would be both a Library and a City fund.

Chrysti asked when Neil envisions all these changes actually taking place.

Neil stated that contracts have to change today, since there is no legal ability for the Board to make these decisions. Purchase orders will switch to a report provided to the City Council, but the Board may keep going the way it has been going until the end of the fiscal year. The budget process changes will take place this fiscal year. The City Finance Director should come to one of the Library Board meetings. Neil doesn't mind coming to another meeting if there are more questions about the budget, but Gale and Charity Wilson, the City Finance Director, will know a lot more details about the budget.

Pam mentioned that when Gale shares about the expenses it brings up good questions, so it's really nice to see the purchase orders.

Neil responded that by all means, if the Board wants to review them, it should do so.

Cynthia asked if Neil could clarify that the Library Board has no fiscal responsibility.

Neil stated that was correct.

Gale mentioned that Library reserves are high. They came about by staying close to budget; staff has been underpaid, and there is anticipation of more staffing in the future. The Library had a \$90,000 deficit in 2008. The Library worked very hard to pay this off and build reserves. Turning these reserves into capital would restrict them from being used for the original purpose:

Neil mentioned that he doesn't understand how the Library was in debt to the City, since you can't be in debt to yourself. He recognizes the work that went into these reserves. The goal is not to use the money for other departments. It also shouldn't be used for salaries. For what's in there now, he encourages leaving it alone for the most part until the cost of the new library is determined. It's the City Manager's responsibility to establish the budget with the Finance Department and have it approved by the City Council. If the City doesn't meet the budget in one area, it may transfer funds from another area to alleviate that, so that the City as a whole stays on budget.

Cynthia asked that if another department was behind on budget, could the Library reserves be used to balance it?

Neil responded that this would be the last choice. Money restricted to the Library can only be spent on the Library. The general City revenue offsets some of the Library funding, so only that portion could be transferred to another department. Levy funds designated to the Library must be restricted to the Library.

Cynthia and Pam observed that a lot of work has gone into these funds, to prepare for the future.

Neil stated that the City will keep the Board updated on these funds

Gale mentioned that her evaluation from the Board comes from the Montana State Library. She asked if the Board will keep this evaluation, and then will she also have another review from the City Manager (so that it would basically like having six bosses)?

Neil answered that the Director has one boss - the City Manager. However, the evaluation process can continue if she would like; it's still just one review, but with multiple components. If the Library Board gives the Director a review, this review will also come to the City Manager to possibly incorporate into his review.

Neil commended the recent fine free policy and used it as an example of decisions the Board should be making.

City Manager: Technology Contract

The Library had a different IT contractor than the rest of the City. It made upgrading the phone system difficult. The ultimate decision was to swap the contractor from the library for the city's IT contractor, which does all other city departments. They negotiated an exit strategy. The two biggest requests from City staff when Neil started were better compensation and the need for an IT department. Having all departments using the same tech contractor is the first step toward an IT department. The City is designing a new website. Neil commended the Library for its website and

used it as a positive example. Old email addresses will still work, but new emails will be used soon. The Library website will be linked to the City website.

The Library's technology budget will greatly increase. The City paid the equivalent of three more months to exit the contract, but it still saved money overall. Overages in IT this time will be paid from the City general fund.

Unfinished Business

Adopt Patron Behavior Policy and Update General Policies

This policy was tabled until the April Board Meeting, in the interest of time.

Collection Value/Insurance

The Library uses a formula from the Montana State Library to determine the value of the collection for insurance purposes. Currently, the collection value is \$601,537.59. Downloadable items are not insured. Total collection value (including downloadable items) is \$875,747.59. These numbers are given to the City Finance Department.

Library Overdue Notices

This item was tabled until the April Board Meeting.

Consent Agenda

Approval of Purchase Orders

Expenditure & Revenue Reports

Donations

Motion made by Chrysti Smith to approve the consent agenda, seconded by Pam Knowles, and passed unanimously.

Approve of 03.01.22 Board Meeting Minutes

The Board unanimously approved the March 1 Library Board meeting minutes.

Director's Report

Overview of Monthly Programs

Gale shared a summary of the One Book Belgrade (OBB) program. 257 people attended tie-in programs. There were 172 drawing entries in the adult OBB program. Staff asked organizations for some of the prizes, while others were purchased, in order to support local businesses.

Examples of Playaways

Gale showed examples of Playaways, which the Library is currently adding to the collection. Playaways are self-contained, battery operated audiobooks, which only require the use of headphones. The Library received a grant to purchase these. Patrons often place holds on these from other libraries.

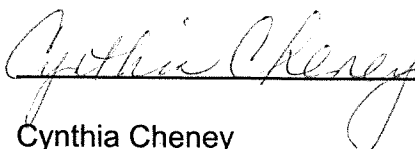
Future Meetings

BCL Foundation Meeting: April 12 at 6:30 p.m.

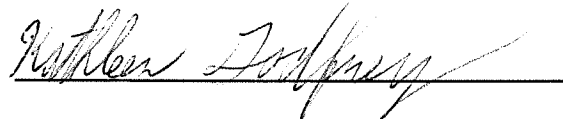
Library Board Meeting: April 26 at 5:30 p.m.

Adjournment

Motion made by Martha Sellers to adjourn the meeting at 6:59 p.m., seconded by Pam Knowles, and passed unanimously.



Cynthia Cheney
Belgrade Community Library
Board Chair



Kathleen Godfrey
Belgrade Community Library
Circulation Specialist