

INDIANHEAD FEDERATED LIBRARY SYSTEM
Board of Trustees
May 27, 2015

MINUTES

The Board of Trustees of the Indianhead Federated Library System met on Wednesday, May 27, 2015 at Indianhead Federated Library System, 1538 Truax Boulevard, Eau Claire, Wisconsin. Mike Norman called the meeting to order at 12:36 pm.

**QUORUM AND CERTIFICATION OF COMPLIANCE
WITH OPEN MEETINGS LAW:**

Joanne Gardner established that a quorum was present and certified that the meeting had been properly noticed in compliance with the open meeting law.

BOARD MEMBERS PRESENT:

Judy Achterhof (St. Croix County); **Steve Anderson** (St. Croix County); **Mary Ellen Brue** (St. Croix County); **Jan Daus** (Eau Claire County); **Sue Duerkop** (Polk County); **Pat Eggert** (Dunn County); **Robert Fraser** (Eau Claire County); **Marilyn Holte** (Chippewa County); **Lyle Lieffring** (Rusk County); **Ron McLaughlin** (Price County); **Robert Mercord** (Pierce County); **Warren Nelson** (Polk County); **Mike Norman** (Pierce County); **Louie Okey** (Barron County); **Jackie Pavelski** (Eau Claire County); **Jean Schlieve** (Eau Claire County); **Linda Thompson** (Barron County); **Jim Tripp** (Dunn County).

BOARD MEMBERS ABSENT:

Gyneth Slygh (Pepin County); **Larry Willkom** (Chippewa County).

OTHERS PRESENT:

John Thompson (Director); **Juli Button** (Business Manager); **Joanne Gardner** (Administrative Associate/Recorder); **Kathy Larson** (G.E. Bleskacek Family Memorial Library-Bloomer, Advisory Council Representative for Chippewa County).

APPROVE AGENDA:

MOTION #31⁽¹⁵⁾: To approve the May 27, 2015 Agenda as amended with Kathy Larson to speak following Audit Report. McLaughlin/Brue
RESULT: Carried.

2014 AUDIT REPORT AND PRESENTATION:

Sheanne Hediger of Baker Tilly has worked on the IFLS audit for several years now. Jim Murray is normally present for the report, but not today as he is retiring in a few days.

A print copy of the 2014 I^FL^S Audit was handed out to all board members. Hediger went through the Financial Statements of the Audit (Doc. #024a-15).

Page i. is the **Independent Auditor's Report** and states they are reporting on the financial statements; management's responsibility for the financial statements, auditor's responsibility, opinions, other matters and reporting required by Government Auditing Standards.

The auditor's opinion is that the financial statements are fair presentation that are free from material misstatement, whether due to fraud or error. The financial statements of I^FL^S are materially correct and I^FL^S received an unmodified opinion. This is the highest opinion one can receive.

Page iv. begins the **Management's Discussion and Analysis**. Hediger suggested that board members read this section.

Page 1 provides a **Statement of Net Position** including assets, liabilities, deferred inflows of resources, and net position.

Page 2 is a **Statement of Activities** outlining the program revenues for library services and MORE.

Page 3 is the **Balance Sheet** showing long term assets and liabilities. Fund balances include amounts for non-spendable prepaid items, restricted for MORE consortium, and assigned fund balances. Assigned fund balances are amounts the board has decided to spend for future purposes, although Hediger noted that these funds are flexible. The recommendation is to have 3 to 6 months' worth of assigned reserves for next year's expenditures.

Page 5 contains the **Statement of Revenues, Expenditures, and Changes in Fund Balance**. Revenues exceeded expenditures resulting in a net change in the fund balance of \$27,114. It was noted that comparing the budget to actual (page 20), I^FL^S had budgeted for a loss, but actual was at the \$27,114.

Page 7 begins the **Notes to the Financial Statements**. Hediger pointed out that the long term obligation for the building loan has been paid off and I^FL^S has no outstanding long term debt. Other liabilities include licensing agreements and vested employee benefits.

Page 17 provides the detail of the **Assigned Fund Balance**.

Page 20 is the **Schedule of Revenues, Expenditures and Changes in Fund Balances – Budgets and Actual**.

The second piece of the Audit is **Communication to Those Charged With Governance and Management** (Doc. #024b-15). Hediger noted that this is required communication as part of the audit process.

Page 1 notes that the auditors do not express an opinion on the effectiveness of its internal control. The auditors do some tests to see if the design and implementation is there and things are working properly. A significant deficiency was noted on the Internal Control Environment.

Page 2 reviews in more detail over the key controls in the system's accounting processes including controls over accounts payable/disbursements; controls over payroll; and controls over monthly and year-end accounting. It was noted that given the small size of IFLS, it is not possible to add additional staffing for segregation of duties.

There are a number of reviews in the accounts payable disbursements with Thompson reviewing all invoices, the boards' oversight, and the tracking of check numbers on bank reconciliations and financial statements. It is great that the Board asks a lot of questions. It was noted by Hediger that all appears to be working properly.

It was noted that without adding additional staffing and resources, IFLS has put into place as much as we can related to controls over payroll.

IFLS does do what is possible related to segregation of duties related to controls over monthly and year-end accounting. Gardner reconciles the monthly bank accounts.

The auditors do recommend that the segregation of duties be reviewed. This would include a consideration of cost/benefit analysis. It has been determined it is not realistic to add more staff.

Page 3-4 contains the **Two Way Communication Regarding Your Audit**. Auditing requirements provide for two-way communication and are important in assisting the auditor and system with more information relevant to the audit.

If Board members or management come across something, they should be sure to contact the auditors. The auditors can tailor procedures to pick up risks.

Page 5 contains **Professional Standards Update/Information Points**.

Pages 6-8 contains **Required Communications by the Auditor to Those Charged With Governance**. The auditors did not encounter significant difficulties in dealing with management in performing the audit. There were no journal entries nor misstatements identified.

The last section includes **Management Representations** which has been signed by Thompson and Button.

MOTION #32⁽¹⁵⁾: To approve the 2014 Audit Report (Doc. #024-15). Daus/Brue
RESULT: Carried.

Button noted that the deficiency noted about the lack of segregation of duties has always appeared in the audit. There are simply not enough people. It was noted that IFLS takes every measure we can. Every audit we try to add additional controls based on questions we are asked.

IFLS encouraged trustees to continue to ask questions related to the financial statements and audit. No question is too small.

ADVISORY COUNCIL REPORT BY KATHY LARSON:

Kathy Larson, Director of the G.E. Bleskacek Family Memorial Library in Bloomer is the IFLS Advisory Council representative for Chippewa County.

The Advisory Council met in early May for their first meeting of 2015. John Stoneberg was elected as Chair and Hollis Helmecci as Vice Chair.

The Council discussed Library Legislation, COLAND/LEAN Study Update, Library Standards, IFLS Survey/Planning, IFLS staff reorganization, Update on the Director Evaluation process, and updates by members on activities in their respective counties.

Larson noted that most libraries are gearing up for the summer reading program. Bloomer has a partnership with Mayo Health System for yoga story time; a junior gardening program, and exercise bingo card for kids.

Bloomer is also working with the schools for a story walk. Participants can walk through the park to get through the story. It also utilizes the new nature trail at the elementary school.

Bloomer offers a range of daily activities for kids, adults, and teens. The library has a plot in the community garden. Patrons do an activity, walk to the garden plot to weed, water, and help pick produce once it is ready. They hold a party at the Maplewood Nursing Home and the leftover food is donated to the food pantry.

There was a round of applause for Larson.

CITIZEN COMMENTS:

There were no citizen comments.

ANNOUNCEMENTS/CORRESPONDENCE/INTRODUCTIONS:

Norman passed around the notification letter from the State with the acceptance of IFLS' annual report and release of the remainder of state aids for 2015.

Norman noted that River Falls held a mortgage burning celebration in May including fire dancers. The brochure was passed around.

The 2014 Annual Report of L.E. Phillips Memorial Public Library of Eau Claire was passed around. It was noted that it was a wonderfully complete report. The library serves as the Resource Library for the system.

Norman received a letter from Hollis Helmecci, the Director of the Rusk County Community Library in Ladysmith. Helmecci shared appreciation for the work done by the System's employees. A copy of the letter was circulated. Norman asked that this letter be put on record and shared among the IFLS staff.

MINUTES:

MOTION #33⁽¹⁵⁾: To approve the Board of Trustees minutes dated March 25, 2015 (Doc. #020-15). L. Thompson/Lieffring
RESULT: Carried.

MOTION #34⁽¹⁵⁾: To acknowledge receipt of the Director Evaluation Committee minutes dated March 25, 2015 (Doc. #019-15). Eggert/Brue
RESULT: Carried.

MOTION #35⁽¹⁵⁾: To acknowledge receipt of the Advisory Council of Librarian minutes dated May 4, 2015 (Doc. #021-15). Pavelski/Holte
RESULT: Carried.

FINANCIAL REPORTS:

MOTION #36⁽¹⁵⁾: To approve the March 2015 Check Register (Doc. #025-15). Daus/Okey
RESULT: Carried.

Nelson inquired why he did not receive print copies of all meeting documents. It was decided that documents would be sent electronically. Complex documents, such as the Audit Report, would be handed out at the meeting. The decision was based on saving time and money in mailings.

Questions were asked about conference registration for the MORE/IUG conference. It was noted that 19 MORE members and 4 MORE staff attended the conference. The conference was held in Minnesota where typically it is in California and why so many attended. Kathy Setter and Julie Woodruff were presenters at the conference.

Button noted that in reference to the financials and the audit, check numbers are verified on the bank reconciliations done by Gardner.

MOTION #37⁽¹⁵⁾: To approve the April 2015 Check Register (Doc. #026-15). Holte/Eggert
RESULT: Carried.

Questions were asked about the 1st Quarter Contracts payable to L.E. Phillips Memorial Public Library. It was noted that they serve as the Resource Library, backup interloan and reference. They also are the host site for the MORE server.

MOTION #38⁽¹⁵⁾: To approve the March/April 2015 Financial Reports (Doc. #027-15). Okey/Daus
RESULT: Carried.

Button noted that the Revenue and Expense Statement (pages 2-3) show January through April as compared to last year – 2014. The Profit & Loss Budget vs. Actual seems to be right on track.

Pages 6-7 contain the MORE financial statements. Their monies are kept separate.

A question was asked about Line 8630 of Expenses – Wisconsin Public Library Consortium Membership and why there was zero expense in 2014 followed by over \$5,000 in 2015. It was noted that in 2014 that expense was paid for via LSTA monies. The same is also true for Library Technology Projects (Line 8896) and the CINC Data Center (Line 8897).

**DIRECTOR'S REPORT OF MONTHLY ACTIVITIES
AND AGENDA ITEMS:**

There was no change to the Governor's budget regarding state library aids when approved by Joint Finance. The budget is still in the legislative process and awaiting the Governor's signature.

Once the bill for use of collection agencies by Wisconsin public libraries is out in draft form it will be shared with the libraries and the Board. The bill will assist public libraries in the recovery of unreturned materials or collecting reimbursement.

The library director position for Somerset has just been posted with a deadline of June 8th for applicants.

Thompson hasn't heard how the search for the Hudson director position is going.

The library director at Roberts plans to leave this summer and relocating with family to Iowa. The director has done a lot for the community of Roberts.

A committee has been reviewing the St. Croix County Library Plan and discussing the needs of the libraries within the county.

The community of Ridgeland is looking to create a library facility. Ridgeland is located in Dunn County and borders on Barron County. They have approached the libraries in Dunn and Barron County about the possibility of becoming a branch library. No formal relationship has been established yet. A neighboring town of Dallas has a reading room.

Ridgeland has a facility to house the library and has also acquired some furnishings. They have held a spaghetti fund-raiser and is led by a dedicated group of people.

REPORT FROM IFLS PERSONNEL COMMITTEE:

With input from the Director Evaluation Committee, the director evaluation forms were revised and transferred to Survey Monkey. This electronic survey will be sent to all IFLS board members, all IFLS staff, and all member public libraries. It is expected that more individuals will participate with the ease of use of Survey Monkey.

An advance notice of the survey will be sent to all participants on June 8th. Surveys will be sent electronically to the three groups (IFLS board, staff, and member libraries) on June 15th. A reminder to complete the survey is being sent on June 24th. The due date for survey submission will be midnight on June 30th.

The Personnel Committee will review the survey results with the Director and have a full board presentation at the July Board meeting.

The Personnel Committee approved the Director's job description.

(The Board took a break.)

IFLS SURVEY/PLANNING:

IFLS staff are currently working on a survey to send to member libraries to help in evaluating system services and library satisfaction with those services.

We will also be asking member libraries to share the importance of potential new services such as coordination of database purchases.

Survey results will help guide further service changes and enhancements.

COLAND/LEAN STUDY UPDATE:

The Division for Libraries and Technology in conjunction with COLAND and the Lean group will be creating a Steering Committee to focus on the system redesign process. Thompson is on this committee. Either the State Superintendent or his appointment will sign off on committee appointments. There is a list of volunteers to fill all the spots on the committee including representatives from the smallest to the largest libraries.

The committee will look into what services are better done statewide versus regionally. The Systems in Wisconsin vary greatly in size and membership and the range of services available to member libraries is also widely varied.

It is hoped to move forward with some things in 2016 and more as we move forward. Some state LSTA dollars were set aside in 2015. It is hoped there will be more LSTA funds in 2016. A project manager will likely be hired to facilitate the process.

A website was created to keep libraries, boards, system boards, and legislators informed about the process. Thompson provided the link to the website.

BOARD SUMMER MEETING:

The July meeting of the IFLS Board will be hosted by Balsam Lake Public Library on July 22, 2015. Lunch location is to be determined.

REPORTS:

IFLS In-depth Staff Report: Leah Langby, Library Development and Youth Services Coordinator, provided an update to the Board about her job responsibilities at IFLS.

Langby coordinates the youth services efforts for the libraries in our systems and help them feel better-equipped to serve youth and the under-served populations.

Langby also coordinates all the continuing education workshops and webinars. Langby also works with other systems to coordinate and help sponsor regional CE opportunities.

Langby recently took on the public library director validation of continuing education paperwork for directors to maintain the appropriate certification.

Last year and this year, Langby has been focusing on early literacy including what caregivers and family can do with very young children to prepare them. The goal is to help parents make sense of all the media and technology and sort through the many mixed messages regarding exposing children to technology and screens. Langby noted the digital divide among families with some have a lot of access and content and others not having any.

In terms of trainings and offerings, Langby is exploring how to make continuing education more effective.

Thompson and Langby are currently revamping the way we do the mentorship program. Currently, the mentorship sometimes works well and other times not. IFLS provides a match and encourages them to get together. The goal they are working towards is being more intentional about that and develop a cohort of new library directors to provide support for each other.

Langby has begun providing inservices at libraries. It allows all staffing of a library to be in the same room and available to delve into a topic more.

The Board showed appreciation for Langby’s report with a round of applause.

Board Reports: Schlieve encouraged board members to visit the L.E. Phillips Memorial Public Library in Eau Claire and see the new renovations in reading/seating areas that overlook the river. Pavelski noted that Children’s Services offers a lot of neat programming and featured works of her grandson.

L. Thompson attended the Wisconsin Association of Public Libraries conference. L. Thompson attend five sessions and felt they were good and worthwhile. Norman also attended the conference and as chair of WTLF, they sponsored 3 workshops.

Brue attended an art display at the River Falls Public Library and saw her granddaughters’ artwork on display.

The Wisconsin Historical Society has been offering a display and speakers as they travel around the State of Wisconsin. Featured authors include: Apps, Hildebrand, and Perry.

ADJOURNMENT:

Motion to adjourn at 2:45 pm by Okey/Mercord

Joanne Gardner, Recorder/Administrative Associate

These minutes of the Board of Trustees are approved:	<input type="checkbox"/> as printed.
	<input type="checkbox"/> with corrections noted.
_____ Presiding Officer	_____ Dated