

**North Central Kansas Libraries System
Executive Committee Meeting
May 31, 2012**

Secretary/Treasurer Mary White called the May meeting of the Executive Committee of the North Central Kansas Libraries System to order at 10:10 a.m. in the NCKLS office.

Members present: Mary White, Janet Duncan, Gerald Meyers, Gwen Owens-Wilson, Robin Ottoson, Marilyn Hund, Janet Keller, Jamie Kelley, Susan Davis, and Wendy Mitchell

Absent: Susan Adamchak, Gail Daugherty

Guests: Janice Lyhane, Amanda VanKleeck

Proxies Sent: Eric Benson, and Susan Moyer

NCKLS staff present: Linda Knupp, Director; Carol Barta, Assistant Director; Marcia Allen, Collection Development and Processing Manager; Jennifer Lund, Business Manager; Richard Miller, Technology Consultant; LaDonna Clark, Technology Trainer; Megan Gunther, Assistant Technology Consultant; and Ann Pearce, Consultant

Secretary/Treasurer White moved the review of the 2011 audit to the beginning of the meeting to accommodate auditor, Amanda Vankleeck. Ms. Vankleeck from Varney & Associates presented the independent auditors' report for 2011. On page 1, it is the opinion of the auditors that the financial statements present fairly the financial position of the governmental activities. This is the best opinion to receive. There were no significant deficiencies or material weaknesses found. Page 4 and 5 is the management discussion and analysis. This is a requirement for governmental entities. One difference for 2011 is NCKLS had more cash on hand. On page 11, footnote 1 is always the summary of significant accounting policies. Footnote 2 talks about deposits and investments. On page 14, there is a paragraph concerning NCKLS' cash balance. The FDIC insurance insures up to \$250,000. As of December 31, 2011, NCKLS had a balance of \$346,711. This resulted in \$108,877 being uninsured. Government entities are required to have all deposits secured by FDIC. Administration will research this topic and bring recommendations to the board. There were audited adjustments. Each year, there are audited adjustments. There were no major issues. There was an issue with internal controls that has been addressed by administration. The same person should not be responsible for both receiving money and entering amounts in QuickBooks. The second recommendation is to reconcile cash balances by fund. Currently cash is held in a bank account. There are various funds and in the end, you want to know the beginning cash balance and the ending balance.

Jamie Kelley made a motion to approve the consent agenda. Gwen Owens-Wilson seconded the motion. Motion approved.

Business Manager Lund presented the financial statements for April and May 2012.

Period Ending 4-30-2012

Summary of Expenses

General Account	84,819.60
Employee Benefit Account	12,670.64
NCKLS State Aid Account	2,708.43
Talking Books Grant	2,059.72
Member Library (Local Funds Account)	2,116.97

Period Ending 5-29-2012

Summary of Expenses

General Account	80,737.97
Employee Benefit Account	12,670.64
NCKLS State Aid Account	8,989.55
Talking Books Grant	2,059.72
Member Library (Local Funds Account)	758.84

In April, state aid was quite a bit less than what we had budgeted. Expenditures are routine in nature. In May, there was not a lot of income. Insurance bill for the building was paid. The audit bill was also paid. Other expenditures were routine in nature. We set aside \$5,800 for downloadables from last year's budget that we encumbered at the end of the year. We have not spent all of the \$5,800 and that is why we have not started spending the \$4,000 allocated for downloadables for this year.

Susan Davis made a motion to approve the financial statements and authorize payment of all outstanding bills. Jamie Kelley seconded the motion. Motion approved.

Staff Reports

Carol Barta, Assistant Director

Assistant Director Barta spoke with Jerry Huff from Kan-Ed. The libraries who only have the T1 connection will be migrating to commercial internet between now and June 2013. Huff has money in his budget to cover expenses up to \$350 per month per library during the transition period. Everyone will transition onto a commercial internet. NOC (Network Operations Center) will still be available for scheduling ELMER rooms. They are preparing a training session on how to prepare an RFP (request for proposal.) The session will be delivered over Elluminate. They are conducting a needs analysis for all libraries. The needs analysis should identify the gap between the need and the availability of service. The Department of Commerce is conducting the needs analysis. Libraries should budget for everything over e-Rate. So, if your library's e-Rate is 60%, you should budget for 40% of the cost.

Executive Board Member Comments

Jamie Kelley is resigning her position at the Marysville Public Library. She brought Janice Lyhane to the meeting. Lyhane will take Kelley's place on the NCKLS Executive Board.

Unfinished Business

Barta received the draft of the final report from the Institute for Civic Discourse and Democracy. There was a participant from Manhattan that went to the House Agriculture committee and presented on how rural areas of Kansas lack broadband. There were other participants that contacted their legislators about the issue. One finding from the report is that people view broadband as a utility and people expect it to be available. The State Library is going to conduct a statewide town hall meeting on August 22. The location for NCKLS will be Dorothy Bramlage in Junction City.

New Business

2013 Budget

It is a relatively flat budget. The salary increase will match MPL and that figure will be known after the City Commission meeting. We want to remain competitive with the salary scales in our area, so we follow the city’s lead. We fell behind last year because we do not know the city provided a larger increase than MPL/NCKLS until after the budget was passed. This will allow for catch up. The line item for Paperbacks is a holdover from Mail-a-Book. These monies will be used to purchase downloadables. Central Resources is budgeted at \$10,500. Since 2006 there has been an agreement between MPL and NCKLS for resources. The auditor asked where the payment was listed for these resources. This has not been done in the past. The amount of \$10,500 was from the original agreement. The actual cost could be lower.

ESG grants will increase by the following amounts:

- Core - \$500
- Community - \$500
- Neighborhood - \$250

We are not in synch with the State Library standards. The consultants have reworked the standards, but the State Library has kept the designations of:

Gateway	Fewer than 500 people
Linking	500 – 1,000
Service Center	1,000 – 2,5000
Major Service Center I	2,500 – 10,000
Major Service Center II	10,000 – 25,000
Major Resource Center I	25,000 – 100,000
Major Resource Center II	more than 100,000

2013 System Goals

President Benson suggested that we put board training under continuing education. The numbers in parentheses correspond to the Unified Plan of Service that the State Library and the regional library system directors work out every year. The state plan does not provide for direct services.

2013 Unified Plan of Service

To clarify new goals from continuing goals, Assistant Director Barta will have new goals in red for the annual meeting.

Janet Keller made a motion to approve the technology grants for Clifton Public Library and Herington Public Library. Marilyn Hund seconded the motion. Motion approved.

Gwen Owens-Wilson made a motion to request administration to research the issue of the FDIC insurance for NCKLS' cash balance and internal control of receipts, and report back to the board. Robin Ottoson seconded the motion. Motion approved.

Training video was presented from the State Library of Pennsylvania – Board Basics.

Secretary/Treasurer White adjourned the meeting at 11:50.

The next meeting of the NCKLS Executive Board will be August 2, 2012 at 9:30 a.m. in the Manhattan Public Library auditorium.

Respectfully submitted,

Mary White, Secretary/Treasurer

Ann Pearce, Recording Secretary