

**MEDINA COUNTY DISTRICT LIBRARY  
MINUTES OF THE BOARD OF TRUSTEES MEETING**

June 16, 2003

The Medina County District Library Board of Trustees met in regular session at 7:30 p.m. on Monday, June 16, 2003 at the Lodi Community Library.

**Roll Call** was taken with the following members noted as present: Philip Duke, Michael Tefs, Dale Lynk, Patricia Walker and Karen Hammon. Also present were Library **Staff** members: Mike Harris, Director; Mike Dolansky, Business Manager; Betsy Gilder, Judy Scaife and Elaine Frankowski. Guest in attendance was Mrs. Lynk.

The **Agenda** was approved upon a motion made by Patricia Walker and seconded by Karen Hammon. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

Betsy Gilder, Lodi Manager, and staff were recognized and thanked for hosting the meeting this evening.

A motion was made by Michael Tefs and seconded by Patricia Walker to table the approval of the May 19, 2003 Board meeting **Minutes** until the July meeting. The reason being that there were not sufficient members present who were able to vote on the minutes. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

Mike Dolansky discussed the May 31, 2003 **Financial Report**. Mike referred to Page 11 of the financial report that shows that we have had healthy figures for two prior years, as well as currently. Expenditures are only slightly over last year. Page one of the report indicates the status of our investments. Dolansky indicated that we need to keep our money liquid due to the bonds and notes that will not be issued until fall. Dolansky also reported on a bill that is being addressed at the State Capitol. Three important issues include: official use of credit cards being approved, no caps on life insurance, and changing the limit from \$15,000 to \$25,000 as to when a public bid is needed. This last item will be important to MCDL as we go forward with our building process. Lastly, it looks like we may be spared for further state budget cuts for now and LLGSF will remain frozen for another two years. The Board was reminded that there will be no LLGSF allocation in July, so the numbers will look different. A motion was made by Karen Hammon and seconded by Michael Tefs to accept the April 30, 2003 Financial Report as distributed. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

**Director's Report** - In addition to the report submitted, Mike Harris thanked the Board for their participation in the Board Retreat. It was critical to our success and what we are to accomplish, and it certainly did get us off to a good start. The SRC kickoff was last Friday and for once we had beautiful weather, with over 1,600 people participating. Due to the SARS problem, only Mike Harris and Kym Lucas will represent MCDL at the ALA conference in Toronto. There were big changes in the material collection report this month due to the yearly

purging of missing and uncirculated items. Also, in January 2004, CLEVNET will be migrating from our current DRA to a new SIRSI Circulation System. Circulation staff will need to go through a training process. This will be a much better system and will give us new power that we have not had in the past.

Mike Harris and Betsy Gilder introduced Beth Shepherd, Lodi's newest Library Associate.

The **Personnel Report** was discussed. We have one vacancy for a Community Relations Coordinator and we already have 39 applicants. A motion was made by Patricia Walker and seconded by Dale Lynk to accept the Personnel Report as presented. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

**Finance Committee** - Chair, Karen Hammon asked Mike Dolansky to discuss the **Underwriter/Financial Advisor Review & Recommendation** that was recommended for approval at the Finance Committee meeting/interviews session held on June 2, 2003. The Board of County Commissioners serves as the taxing authority for the Medina County District Library and acts as the issuer of the Library's notes and bonds. As such, it has played an integral role in the entire bond issue process to date. This partnership has also included the spirited cooperation of Chris Jakab, Medina County Finance Director, in aiding MCDL through some of the initial steps with our bond counsel, Squire, Sanders & Dempsey, and most notably with the process of selecting a qualified underwriter/financial advisor.

The County goes through the process of issuing notes and/or bonds on almost an annual basis, and in doing so utilizes the services of an underwriter/financial advisor, and thus its experience and guidance in this area has been invaluable. Chris Jakab provided the following four well qualified firms: Seasongood & Mayer, LLC, Fifth Third Securities, Inc., A.G. Edwards & Sons, Inc., and Griffin, Kubik, Stephen, & Thompson, Inc. Mr. Jakab also provided an excellent set of interview questions to focus our attention on crucial decision factors for selection. Dolansky also distributed a letter from Al Baucco of A. G. Edwards & Sons, Inc. that outlined the benefits of incorporating a co-underwriter in the Bond Issuance process. Dolansky noted that a co-underwriter does not cost the Library anything and can improve the Bond interest rate, which helps the Library. Dolansky will work with the County on this matter. All the firms provided excellent presentation materials and certainly each firm had unique qualifications relative to their firm. After the interview process, it was decided that A.G. Edwards & Sons, Inc. had the best combination of experience, cost, qualifications and knowledge of Medina County. **RESOLUTION 03-26** Upon motion made by Karen Hammon, on behalf of the Finance Committee, it was: **RESOLVED:** . That the Medina County District Library Board of Trustees hereby recognizes that A.G. Edwards & Sons, Inc. is the most qualified firm to provide underwriting/financial advisory services in connection with the issuance of notes and /or bonds of the Medina County District Library pursuant to the authority granted by passage of the May 6, 2003 bond issue in the principal amount of \$42,300,000. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

The next item was **Building & Repair Fund (401) Re-Appropriation**. This recommended resolution would authorize the Business Manager to appropriate additional funds within the Building & Repair Fund (401) to meet the fiscal needs of the remainder of 2003. With the successful passage of the May 6, 2003 one mill bond issue for \$42,300,000, the Medina County District Library is proceeding with all due haste on relevant and necessary work that must precede future construction. Over the next several months the Board, bond counsel, architect, construction manager, bond underwriter and staff will be deeply involved in creating an appropriate funding structure for issuance of either short-term notes and/or long-term general obligation goals to meet project financing demands for the next three-and-a-half years. In the meantime, the varied expenditures that are required to keep this project moving forward until such time that this financial plan is initiated include such items as: architectural fees, environmental site assessment fees, title search fees, surveying fees, contractor fees for site condition investigations, etc. All of these "up front" costs shall be directly related to our bond issue purposes and can therefore be reimbursed from note or bond proceeds once they are secured.

A copy of Resolution 01-07 the Declaration of Official Intent, which the Board passed in 2001, was distributed. This document is required under U.S. Treasury Regulations for the purpose of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, which cover allowable reimbursements of expenditures related to proceeds from notes or bonds of the Library District. Jonathan Buchter of Squires, Sanders & Dempsey has reviewed this document previously and found it to be acceptable for our current purposes and needs.

The Finance Committee met on June 2, 2003 and recommended this appropriation. **RESOLUTION 03-27** Upon motion made by Karen Hammon, on behalf of the Finance Committee, it was: **RESOLVED:** . That the Medina County District Library Board of Trustees hereby authorizes the Business Manager to appropriate within the Building & Repair Fund (401) an additional \$470,000 in the Professional Services (401-000-5-3700) account for an amended total of \$500,00 to meet the fiscal needs of the remainder of 2003 and those costs related to the facility expansion project that may be reimbursed from note or bond proceeds at a future date. The roll call vote was as follows: Michael Tefs - aye, Dale Link - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

The last item from the Finance Committee is **Creation of New Funds – Debt Service Fund (301) & Facility Construction & New Renovation Fund (402)** - As a direct result of passing the May 6, 2003 bond issue for one mill for library facility construction and renovations, the Medina County District Library needs to establish two new funds to deal with the anticipated funding that will be forthcoming shortly. We are required by O.R.C. and Federal law to make financial record keeping accommodations to segregate these funds for the purposes of specifically tracking the disbursement of said public monies for the intended purposes as stated in the ballot language and future bond issuance documents.

The creation of two governmental funds is recommended. The Debt Service Fund (301) would account for the accumulation of resources and funding for and payment of general short-term and long-term debt principal and interest on bond anticipation notes and bonds, including receipts from the one mill tax levy. The Facility Construction & Renovation Fund (402) would account for financial resources specifically set aside for designated construction or land acquisition related to major capital facilities and appurtenances, including proceeds of "new money" bond anticipation note and/or bond issues. **RESOLUTION 03-28** Upon motion made by Karen Hammon, on behalf of the Finance Committee, it was: RESOLVED: That the Medina County District Library Board of Trustees hereby establishes the Debt Service Fund (301) and the Facility Construction and Renovation Fund (402) for the purposes of appropriately administering financial resources specifically related to the passage of the May 6, 2003 bond issue, which purpose was for constructing, furnishing, equipping and otherwise improving new library facilities; renovating, furnishing, equipping, and otherwise improving existing library facilities; and acquiring and improving new and existing library facility sites. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

**Personnel Committee – Deferred Compensation Plan Proposal** – Committee member, Patricia Walker and Judy Scaife explained the proposal. MCDL currently offers three voluntary pre-tax retirement savings plans to employees. Two of the plans are 403(b) plans offered by VALIC and American Funds. The third plan is a 457 plan through the Ohio Public Employees Deferred Compensation Plan. VALIC has proposed to add their own 457 plan as another option for their clients in addition to their 403(b) plan. They believe they can serve their clients better with both options available so that clients can take advantage of the differences of the plans. As MCDL is already administering a plan with VALIC, it would be very easy administratively to expand the plan. There would be no cost to the library, for there is no matching contribution from the library, and no administrative fees for these plans. **RESOLUTION 03-29** Upon motion made by Patricia Walker and seconded by Karen Hammon, it was: RESOLVED: That the Medina County District Library Board of Trustees hereby authorizes the library administration to enter into a contract with VALIC to establish a pre-tax voluntary IRS 457 Plan and adopt the necessary plan documents. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

**Planning Committee** – Michael Tefs, Chair, gave an update on building plans. The most crucial item now is a decision on the Lodi facility. Director Harris showed the Board Options A, B, C, D, and E for the Lodi site. Most were options from our first discussions two years ago that were revised and some newer options that were created. It was recommended that we narrow the options down to no more than three choices, with two being the ideal number. David Milling & Associates can then work with the two options and expand upon them with different ideas. This should be done very quickly so that we would be able to present them to the community immediately after our MCDL Board of Trustees meeting in July. After considerable discussion, the Board decided to narrow down the choices to Options C and D. This information will be given to the architects so that they can further work on the two plans and perhaps enhance them to be ready for the July Board meeting.

Patricia Walker, Committee Chair, indicated that the **Policy and By-Laws Committee** had no report.

**Communications** A recent article that appeared in the Gazette about a Father's Day program at Hinckley Library was shown.

There was no **Unfinished Business**.

**New Business:**

**Tax Advances Request – Second Half 2003** A recommended resolution was offered that would authorize the Business Manager to submit for an advance on property taxes collected by Medina County, and distributed by the Medina County Auditor to MCDL. This permits MCDL to receive a portion of the tax collections monthly, which allows for a steady cash flow and increased investment income. **RESOLUTION 03-30** Upon motion made by Patricia Walker and seconded by Karen Hammon, it was: **RESOLVED:** That the Medina County District Library Board of Trustees hereby authorizes the Business Manager to request on behalf of MCDL the advance payment of Real Estate Tax Collections from the Medina County Auditor for the second half of 2003. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

Upon motion made by Patricia Walker and seconded by Karen Hammon the following donations were accepted **with gratitude:**

- \$50 FROM DORI KOLE IN MEMORY OF STELLA BRYNS
- \$25 FROM JAMES & BONNIE AMODIO TO MEDINA COUNTY LIBRARY
- \$300 FROM FRIENDS OF THE MEDINA LIBRARY FOR 2003 LET'S TALK ABOUT IT BOOK DISCUSSION PROGRAM
- \$30 FROM BRIGITTE POPELARS IN MEMORY OF FRIEDA BUCHDRUCKER
- \$25 FROM MAX & GAYLA MAXFIELD IN MEMORY OF MAGGIE, FAITHFUL FRIEND OT JOHN WEISS
- \$25 FROM MEDINA COUNTY SHOW BIZ COMPANY IN MEMORY OF EVELYN ROACH
- \$1,500 FROM FRIENDS OF THE BRUNSWICK LIBRARY FOR THE 2003 SUMMER READING PROGRAM

The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

**Trustees' Comments** - The Board once again thanked Betsy Gilder and staff for hosting tonight's meeting.

At 8:30 p.m. upon a motion made by Patricia Walker and seconded by Karen Hammon, the Board moved to enter into **Executive Session** to discuss land acquisition. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

The Board came out of Executive Session at 8:45 p.m. upon motion made by Karen Hammon and seconded by Patricia Walker. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye. No action was taken.

The meeting was adjourned at 8:46 p.m. upon motion made by Patricia Walker and seconded by Dale Lynk. The roll call vote was as follows: Michael Tefs - aye, Dale Lynk - aye, Patricia Walker - aye, Karen Hammon - aye and Philip Duke - aye.

#### **NEXT BOARD MEETING**

**Monday, July 21, 2003, Seville Community Library, 7:30 p.m.**

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**Philip Duke**  
President

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**Dale Lynk**  
Secretary

