



**UMATILLA COUNTY
SPECIAL LIBRARY
DISTRICT**

Strengthening our community libraries

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Minutes

Board of Directors Meeting

January 17, 2019 at 5:15 pm
Pendleton Center for the Arts, Board Room
Pendleton, Oregon

ATTENDANCE BOARD:

Kara Davis
Michelle Munro, Vice President
John Thomas
Miriam Gilmer
Hilary Stoupa, President

ATTENDANCE STAFF:

Erin McCusker, District Director
Dea Nowell, Technical Services Manager (via GoToMeeting)

ATTENDANCE - VISITORS:

Mary Finney, Pendleton PL Director
Kristie Shasteen, Barnett & Moro CPA (District auditor)
Erin Wells, Milton-Freewater PL Director

CALL TO ORDER:

Board President Hilary Stoupa called the Board Meeting to order at 5:15 pm.

CALL THE ROLL & ESTABLISH QUORUM:

Erin McCusker noted there was a quorum with 4 Board Members – Kara Davis, Miriam Gilmer, Michelle Munro, and Hilary Stoupa – present at the time. John Thomas arrived shortly thereafter.

PUBLIC COMMENT:

Mary Finney thanked the Board for all they do, she noted that “you have come full circle.” She announced her retirement as of the last day of January. When she was asked if she was interested in running for a Board seat or being appointed as a Budget Committee member she said, “possibly in time.” The Board thanked Mary and wished her well in retirement.

MINUTES:

December 13, 2018 minutes – Miriam Gilmer moved to accept the December 13, 2018 minutes as presented. John Thomas seconded the motion. The motion passed with 4 Board Members approving the motion. Kara Davis abstained from the vote as she was not in attendance at the meeting.

AUDIT PRESENTATION AND APPROVAL OF CORRECTIVE ACTION PLAN:

Ms. Kristie Shasteen, CPA with Barnett & Moro, walked through the audit for fiscal year ending June 30, 2018 with the Board. The auditor’s report on pages 3-4 note that everything was fairly stated, and they have issued what is considered a clean report. Pages 6-10 are Erin McCusker’s comments on the year as an overview. Ms. Shasteen stated that if you read these 2 pieces you would have a fair projection of the audit. Pages 11-12 are the government balance sheets, followed by the actual statements on pages 13-16. The next pages (17-34) are notes to the financial statements. She stated the note on page 20 references the over expenditure, which she stated is very minor, as it occurs in the tax dollars being passed through to the

cities. She stated that doing a supplemental budget in the future is necessary to appropriate this expenditure. Erin asked about special payments versus general expenses. Ms. Shasteen stated you still have to appropriate the funds; however she is not sure on the other piece off the top of her head and asked Erin to email her regarding this question. Pages 43-44 is tother regulatory report required by State regulations. She stated that the Oregon legislature now requires a corrective action plan when there is an over-expenditure; Erin and Michelle have signed off on this plan, however the Board needs to formally accept the plan. Kara Davis moved to accept the correction plan as presented. Miriam Gilmer seconded the motion. The motion passed unanimously.

Ms. Shasteen asked if there were any questions. Erin McCusker asked for an example of what the term "material misstatement" might be. Kara Davis stated the legal definition would be something of significant size and willfully and knowingly done. Ms. Shasteen noted in auditing that it would be the omission of a material fact of financial statement or some sort of fraud, purposefully done. She further noted that having an outside accountant as the District does, it is something that is unlikely to occur.

[Ms. Shasteen excused herself following the presentation and question/answer time and left the meeting.]

CALENDAR UPDATE:

None at this time, though there will be something about the budget-related calendar later in the meeting. The Board went ahead and reviewed the budget calendar draft that Erin McCusker prepared. Erin noted that she is looking at the Budget Committee meeting sometime the week of April 8-12.

CORRESPONDENCE:

None out of the usual.

REPORTS:

FINANCIAL STATEMENTS NOVEMBER 2018 & DECEMBER 2018:

Erin McCusker stated that things are pretty much in line where we want them to be. We have already gone over on the tax distribution and community service fees expenditures. She noted that we got word about extra money for the Historical Grant, about \$500 more than anticipated, and that the unanticipated Pacific Power grant has been distributed. It was noted that we will have to do a supplemental budget resolution to address these areas. Erin also noted that the State Ready to Read funds are almost spent out - the expenditure was made by the end of December, but not all the checks have been cut yet.

Kara Davis moved to accept the November 2018 financial statement subject to audit. Miriam Gilmer seconded the motion. The motion passed unanimously. Kara Davis moved to accept the December 2018 financial statement subject to audit. Miriam Gilmer seconded the motion. The motion passed unanimously.

STAFF MONTHLY REPORTS:

Erin McCusker stated that Monica Hoffman is really busy, and Erin doesn't see much of her. She noted that the book box maintenance is almost caught up and most of the boxes are back in circulation. She noted that Monica has added the 2 classrooms at CayUmaWa on the reservation. Which reminded Erin she had received a piece of correspondence she wanted to share: she received a question from the CUJ editor asking if we served the reservation. After calling Mary Finney to confirm their patron

base and the County Assessor Paul Chalmers, she responded that we do, including the addition of the classrooms by the TakeOff program.

Erin noted that Dea Nowell has been adding District wide events to the website as we receive them, we currently have added events at Stanfield PL, Pendleton PL, and Hermiston PL. Dea also recently got access to the website analytics and it is interesting to see where we are getting traffic, more information will be coming on this as she figures it all out. Hilary Stoupa noted a webinar that Dea is signed up for that looked interesting (size doesn't matter: transforming big ideas into small library environments) and wondered if the library directors knew about it. Dea noted that they should as it was on the list that the State Library sends out. Erin noted that sometimes she will also send information on interesting looking things to the library directors, as well.

DIRECTOR REPORT:

Erin McCusker reviewed a few things on her report. She noted that the courier deliveries went really well and that the ESD staff came back on December 31st, so we only had to run 3 days. She is still working with LIOLA (Leadership Institute of Oregon Library Association). She is working with the curriculum and mentors subcommittees. She stated that we have, to date, received 4 agreements back from cities. She noted that the staff performance appraisals are up to date and things are going well. She also stated that Dolly Parton Imagination Library is up and running in Weston with 3 children registered; Altrusa has donated to Pendleton and Stanfield libraries; and that she has cleaned up the front office window and has a Dolly Parton Imagination Library display up. She stated that email and transferring is going well. Michelle Munro and John Thomas noted that having other Microsoft logins does cause some issues but both have found work-arounds. Everyone agreed that things overall seem to be going okay with the new system of email and sharing of documents.

Erin noted that upcoming she has budget training at the end of the month, the Board retreat on the 26th, and will be attending the SDAO conference February 7-10.

BOARD TRAINING - AUDIT REPORT:

Erin McCusker noted that next month's Board training will be on change, an exercise from the Center for Nonprofit Stewardship.

OLD BUSINESS:

COMMUNITY SERVICE FEES:

Erin McCusker walked through the spreadsheet she uses to cut Community Service Fees, formerly referred to as Windmill Income, checks for the libraries. The spreadsheet also includes the instructions and the population figures. 80% of the fees are distributed to the cities through the formula which is calculated with 50% distributed equally and 50% distributed based upon the service population for each library (with the exception of Hermiston PL, which only receives the amount based on the unincorporated area population). This is how it has been done for years. A check is cut for these fees when a check is received from the County. Population figures are updated in the spreadsheet based on Portland State University Population Research Center's estimated population numbers.

There was discussion regarding the unincorporated population and how other types of districts determine it. It was noted that Kara Davis and John Thomas felt this formula should be in the agreements for transparency sake. Erin noted that tax funds and community service fees are different funds, are determined in various

ways by the county/business agreements and are distributed differently by the County. Hilary Stoupa noted that having general language explaining the formula and the process in the agreements in the future would be helpful – if we get the money then we will cut a check. Miriam Gilmer moved to continue the current formulation for community service fees distribution to the city libraries. Michelle Munro seconded the motion. The motion passed unanimously.

BOARD RETREAT:

Erin McCusker stated the Board retreat will be Saturday, January 26, 2019 from 8:30am-noon. The place will be announced, though it will be somewhere where coffee will be available, possibly at Buckin' Bean, though not sure yet. Erin will be sharing information gathered from the libraries' staff and directors about the UCSLD vision and will do a quick overview of the budget process. Erin noted that she is hoping for a draft vision statement out of the retreat.

NEW BUSINESS:

THREE YEAR PLAN PROPOSAL FOR REVIEW OF THE TAX DISTRIBUTION FORMULA:

Erin McCusker reviewed the draft Proposal for Review of the Tax Distribution Process document with the Board. She noted that it calls for a process to start at the beginning of the next fiscal year and to be completed by the time of the next city/district agreement review in three years. The proposed plan calls for quarterly meetings in the first fiscal year, with the first and second meeting being information gathering with a professional facilitator. Erin stated she would like us to do this mindfully with forethought and with a chance for everyone who would like to offer information to have a chance to do that as there seems to be much lingering negative feelings from the previous distribution formula discussion. This affects a lot of libraries and is a big deal, so Erin wants someone guiding these meetings that is not sitting at this table. Kara Davis suggested it might be best to have a special committee reporting back to the Board for continuity in the process. Michelle Munro asked, "how are the members chosen?" Erin Wells and Mary Finney both noted that the ad hoc committee who was charged with this previously tried really hard; they met for 6 months and Erin W. noted they were trying not to gut any library or the District with their proposal. Kara Davis stated that the process proposal covers a long time period, maybe too long, with the information gathering sessions too far apart, which could cause a recency bias. Mary asked about why the information gathering was so long – 4 months? Erin responded that she wants everyone to have the chance to offer information. Erin was also thinking about all that goes on in the libraries between July and October and wanted to not add additional pressure on the libraries with this process. Hilary Stoupa suggested shortening the gathering time during a different time of year and then have some time for processing. Mary asked who you see as participants? Erin's response was the beginning meetings being open to anyone interested, so people have an opportunity to share. Erin W. asked, "Are you wanting to change the formula or just explore?" Erin M. responded explore and create a clear distribution formula. Hilary Stoupa noted the drafted document states, "... a review and possible adjustment of the tax distribution process..." Erin noted this is a draft and she will update it based on the feedback.

CALENDAR OF ELECTION FOR 3 BOARD POSITIONS:

Erin McCusker referencing the Secretary of State Elections Division 2019 Local Elections Calendar stated that the election is May 21st. The last day for county elections official to publish notice of district board of elections is February 9th. The last date for district candidates to file with the county elections official is March 21st, with March 25th being the last date to file a statement for inclusion in the county

voters' pamphlet. Erin distributed forms for filing to the Board Members and noted that they are also available online. [Erin Wells left the meeting.] It was noted that Miriam Gilmer is moving, Michelle Munro is not necessarily planning to run again, and Kara Davis is unsure at this time.

BUDGET COMMITTEE ORGANIZATION:

Erin McCusker stated that last year she went through the Budget Committee members roster and organized it as it had gotten a bit out of order. [Kara Davis had to leave the meeting.] Deborah Johns' (Athena) term expired June 30, 2018. Erin will contact her to see if she is still interested/willing to serve again and will also check with all the other Budget Committee members. The terms are 3-year, staggered terms based on Oregon Revised Statutes. Hillary Stoupa also suggested talking to former Board members. Erin reminded the Board to look at their calendars for the week of April 8-12 for possibility of the Budget Committee meeting.

GOOD OF THE ORDER:

Erin McCusker announced a retirement party for Mary Finney would be held Friday, February 1st, at the Prodigal Son from 6-8 pm as a thank you with Mary for her nearly 28 years with the City of Pendleton.

Mary Finney noted that the Library of Pendleton will be talking with your director regarding their upcoming retreat.

NEXT DISTRICT BOARD MEETING:

The next Board Meeting will be February 21, 2019 at 5:15 pm at the Pendleton Center for the Arts Board Room.

ADJOURN:

John Thomas moved to adjourn the meeting. Miriam Gilmer seconded the motion. The motion passed unanimously. Meeting was adjourned about 7:05 pm by Board President Hilary Stoupa.

Respectfully submitted by Dea Nowell