

Onondaga Free Library
Board of Trustees Minutes
June 28, 2017

Board Attendees: Dan Pautz; Casey Barduhn; Amy Kremenek, Gary Lucas; Briana Wright
Absent: Colleen Mahoney; Jen Frasier; Anne Andrianos (Friends of OFL)
Town of Onondaga: Mary Ryan
Staff: Susan Morgan, Alyssa Newton
Guests: Bonadio Group: Gail Kinsella, Heather Lessels

- I. Meeting was called to order at 6:05 p.m.
- II. Approval of minutes from the May meeting. Dan motion; Casey second. Bri abstained. All in favor.
- III. Treasurer's Report

Gary noted that the Medicare-Employer payroll tax question discussed at the May board meeting has been resolved and the P&L now reflects the accurate percentage – 20% of budget. Susan noted that Bonadio's invoice is reflected on line 403 of the P&L. She noted that there was an increase in copier costs (420.2) as the monthly OFL program guide is very popular – we have gone through 500 copies and it's only June (guide is a quarterly publication). Susan noted that the copier costs for this purpose may be shifted to line 406 (Promotion). The check register was presented with notes including that the OFL intern has been paid via the Friends of OFL support; Donna Butterfield (vendor) who presents music and face painting. Dan made a motion to accept the check register, seconded by Amy. All in favor.

Bonadio 2016 Audit Presentation:

Gail Kinsella and Heather Lessels of the Bonadio Group introduced themselves and noted that they had no difficulties with the audit or disagreements with management during the audit. Gail noted that the financial statements include estimates as Bonadio utilized previous form 990's as there are no previous audited statements with this being the first audit performed for OFL. She noted that the audit was developed on a modified cash basis, meaning that the statements are recorded when cash is received and checks written. This reflects activities and operations. The methodology is appropriate per the auditing firm. Gail further noted that it is an "unmodified opinion" meaning a clean audit with no material adjustments. The discussion included a review of the Financial Statements ending 12/31/16 and noted that Wilmington Trust Account was added to the assets. The Board asked a question regarding salaries and if one-third is typical – Gail noted that this is in range. Gail noted that books are not represented as an operating

expense. Rather this is recognized under property expenses and depreciated over 8 years.

Bonadio recommends that the audit be provided to all new OFL Board Members as a matter of Board Practice. She noted that there is a credit risk in that there is a balance of cash funds of approximately \$419,000 held in one bank. FDIC insured funds max out at \$250,000 per bank. Gary noted that this issue will be addressed tonight.

Regarding internal controls, Bonadio noted that there are various levels of findings. The first are material weaknesses which are efficiency or other common issues. Significant deficiencies include items like a lack of segregation of duties. While this is not uncommon in small organizations, this needs to be addressed and can be created by adding more controls and not adding additional staff. Bonadio noted that there were no frauds determined in journal entries.

Dan asked about moving funds to different banks and if the funds should be categorized, i.e. payroll and operating accounts separate from other funds. Bonadio replied that there are no requirements, but it is mostly what is useful. Additional discussion took place regarding the Non-Profit Revitalization Act and whether OFL is subject to its requirements. There was further discussion about the requirement of an annual audit as per the Non-Profit Revitalization Act and if a review is an option. Bri will look into our obligations. General agreement that this is a best practice regardless.

Dan made a motion to accept the findings of the Audit from the Bonadio Group, seconded by Casey. All in favor.

IV. Director's Report and Friends Update

Susan noted that checkouts are up 17% year to date compared to 2016. She attributed this to the OFL collections, inviting displays, excellent staff and increased hours of operation. She presented Chantal's Marketing Report and noted that Hoopla checkouts will be added to the Statistics Report. She noted that the Teen Volunteer Program is at capacity with 28 volunteers. There was no Friends of OFL report as Anne is traveling, but Susan noted that the Friends have been very supportive with additional e-books and Lucky Day titles that are very popular with patrons. She recognized a recent \$2,500 gift from the Friends as well as that a bike rack is in progress and potentially t-shirts for teen volunteers.

V. Committee Reports

Building: Susan noted that the elevator belt issue is fixed. The Board also approved an expenditure of \$3,000 for Schindler Elevator to add the elevator heat pump. This repair is expected to address the leveling issue. The board reviewed a quote of \$1,500 to repair concrete. There was further discussion about the installation of bollards directly

in front of the OFL window by the movie display. This would be a capital expense vs a building expense for the concrete repair. Susan noted that the driveway will be sealed and striped in mid-late July, weather permitting. She noted that a work order was submitted for the network, which is anticipated to be addressed very soon. Susan noted that there were no updates on interior digital signs; Friends of OFL may be open to funding them.

Personnel: Susan noted that 2 new pages started in July. Both are students at Westhill HS. She noted that there were 14 applicants for the Youth Services Librarian position and that she is interviewing 3 finalists. Susan will draft a library outreach policy to address the traveling issue discussed at the May board meeting.

VI. Old Business

Whistleblower/Conflict of Interest Policies: Bri to send new policy to all board members to sign.

Employee handbook review: Need to incorporate summer clerk positions. Dan will email for Board adoption.

Mission statement: Susan asked for the board to weigh in and to send any additional thoughts to Susan. Should be completed by email before the next board meeting, and the Board will plan to adopt at the next Board Meeting. Bri noted that the mission should be aligned with the OFL charter.

VII. New Business

Library Outreach, Interior Digital Signs, and Concrete Repair quotes discussed and noted above.

VII. Adjournment

With no further business, the Board adjourned at 7:41 p.m.