

**Daniel Boone Regional Library
Minutes, Meeting of February 12, 2009**

Call to Order, Roll Call, and Determination of Quorum

Higgins called the meeting to order at 7:00 p.m. Board members present were Terry Higgins, President; Sue Breyfogle; Terri Brunner, Warrant Officer; Rosie Gerding, Vice President/Secretary; Lynn Hostetler; Tiff Lauffer; Jim Loveless; Michael Luebbert; David McDonald; Patricia Powell; Tom Richards; Jessica Robinson; MaryEllen Sievert; and David Webber. Mary Ann Beahon, Linda Dellsperger, and Mary Fennel were absent.

Also present were Melissa Carr, Director; and Elinor Barrett, Diana Buckner, Connie Bush, Betsy Collins, Melanie Henry, Pat Kopp, Marilyn McLeod, Karen Neely, Greg Reeves, Jim Smith, and Lauren Williams, DBRL staff; Bob Higgins, Benefit Plans Plus; and Skip DuCharme, Lakota Coffee.

Public Comment

There was no public comment.

Approval of Minutes

Luebbert moved, Sievert seconded, approval of the minutes from January 15, 2009. The motion passed.

Monthly Reports

Financial Reports – In response to a question, Smith stated that the increase in current assets over last year is typical. He said that this increase occurs because the library continues to add to its fund balance. Smith added that the library receives most of its property tax revenues in December and January. In response to a question, Smith verified that fixed assets are not depreciated in this report but are depreciated on the library's financial statements.

Service Report – Carr made a correction to the web site hits statistic on the service report, saying that the number should actually be 185,291, which is a 15.7% increase over the same month last year. She explained that the number originally reported did not include hits on the new teen blog, and there was also an error in an excel spreadsheet that was caught and fixed after the board packet was sent. Richards commented on the increase in a number of usage statistics, and Carr said that staff is hearing patrons report that they are cutting expenses by using the library's high-speed Internet access instead of paying for access at home. Others are checking out books and other materials from the library instead of buying them or renting them as they might have done in the past. Carr noted recent media stories covering the library's new and existing services that are of particular benefit to patrons in the current economic climate.

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Director's Report – Carr distributed an ALA publication featuring a picture of the Columbia Public Library as a “cool space . . . defining public space for the information age.”

Carr thanked Sievert, Brunner, and Luebbert for attending the Missouri Library Association's (MLA) Advocacy Day. She said that board members and staff had the opportunity to speak with almost all of our legislators.

Carr invited interested board members to attend the next legislative update videoconference conducted by the State Library on Thursday, March 12 at 1:00 p.m. in the Virginia Young Room.

Carr said she had forms available for trustees interested in joining MLA this year. She said that this October's MLA Annual Conference will be held in Columbia and that she will provide more information about the conference's programs as it becomes available.

New Downloadable Audiobook Service Demonstration – Carr introduced Betsy Collins, Collection Development Librarian, who gave a brief demonstration of the library's new downloadable audiobook service from OverDrive. Collins showed the board how to browse and search the collection, place holds, check out items, listen to books using the media console and transfer books to an MP3 player. She explained that the one copy per user restriction for the majority of titles is because of OverDrive's agreements with the publishers. She explained that the library is watching the holds lists and adding additional copies of the most popular titles as appropriate. In response to a question, she said that in the next few months OverDrive plans to implement a variable check-out period so that users can choose to have materials out for a shorter amount of time than the current 14-day check-out period. Collins said that beginning Monday, February 16 a download station will be available at the information desk in Columbia so patrons can download titles directly to portable devices. In response to a question, Collins said that the cost per audiobook ranges between \$20 and \$110, with the more popular items costing \$55 and up. She explained that this is comparable to the price of books on CD, but the downloadable audiobooks have several benefits including guaranteed return, no staff time required for processing or shelving, and being immune to damage. Robinson commented on the recent media coverage of the web site and the downloadable audiobooks, and Carr confirmed that the PR department has issued press releases about these and other services. Higgins thanked Collins for her presentation.

District Board Reports

Columbia Board – Richards reported that at their brief meeting earlier in the evening the Columbia Board approved the warrant for debt service.

Committee Reports

Long Range Planning Team – Gerding said that the team has finished the written strategic plan and is preparing a presentation for the DBRL Board meeting on March 12.

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Risk Management Committee: 401(k) Retirement Plan Recommendations – Breyfogle called the board's attention to the memo distributed in the board packet. She reported that the committee met on January 21 to discuss the possibility of a defined benefit plan versus a defined contribution plan. The committee decided the library should remain with the 401(k) retirement plan but to recommend the changes outlined in the memo to encourage participation and to improve employee benefits.

Robinson asked about the reasoning behind increasing the employer match to 6%, and Gerding said that staff and Mr. Higgins did a thorough investigation of what other entities offered and the preferences of the staff. Smith explained that most other local governmental entities and peer libraries offer their employees defined benefit plans, which are more costly and provide a guaranteed benefit upon retirement. Increasing our match brings our retirement offerings more in line with these other entities. Carr added that when comparing our plan to the defined benefit plans of the city, county, schools and other political subdivisions, we found that these other organizations were contributing more than 6% of their employees' salaries, so this proposed change is in some ways an effort to catch up with other entities in our area. Smith explained that most governmental entities are not allowed to offer employees a 401(k) plan, but since DBRL established its plan in the 80s, it was grandfathered in and not affected when the law changed. Remaining with the 401(k) plan and increasing the match is a more cost-effective way of providing employees with the opportunity for a greater benefit upon retirement without committing the library to a very expensive defined benefit plan. Mr. Higgins explained his investigative process that included surveying the board and staff, and after analysis, both he and staff felt that matching along a range from 1% to 6% was doable and not unreasonable. Smith confirmed that the 401(k) plan is the only retirement benefit the library offers. Mr. Higgins pointed out that once an employer joins the MO LAGERS defined benefit plan, the employer is committed and cannot leave the plan. With a 401(k) plan, the match rate and other plan aspects can be changed in the future if circumstances warrant such adjustments.

Mr. Higgins said that the goals of the staff and the board as communicated to him through the surveys and meetings are to increase participation and to help employees build bigger retirement funds. The proposed changes will help the library meet these goals.

In response to a question, Smith said that his best guess at an annual cost for the 401(k) plan with the recommended changes would be approximately \$150,000. He confirmed that the most expensive part of the change is the addition of the automatic enrollment and not the increase of the employer match to 6%. Richards asked if the committee considered phasing in some of these changes, and Smith replied that they felt it was better to make all of the changes at one time because changing plan documents is a complicated process, and a series of changes is more confusing for employees than introducing them all at once. Richards asked about the benefit of automatic enrollment from an employer standpoint, and Smith said that it helps show that we are meeting our fiduciary responsibility. Because employees must sign a form to opt out, this provides evidence that they were given the

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opportunity to participate and protects the board. Breyfogle and other committee members confirmed that the committee discussed this topic at length.

Smith verified that employees working 20 hours or more are eligible to participate in the plan. Henry explained that employees also have to work a full year before they are eligible to participate.

ACTION: The Risk Management Committee recommends that the DBRL Board adopt the following changes to the DBRL 401(k) retirement plan:

- Change the matching contribution to 100% of employee deferrals from 1% to 6% depending on what the employee wants to invest.
- Add a provision for automatic enrollment at 2%. All eligible employees will be enrolled into the 401(k) Retirement Plan at a 2% deferral rate. (Note that employees may opt out or choose to participate contributing just 1%.)
- Add a designated ROTH account option to the 401(k) Retirement Plan.
- Change the account balance requirement for payouts to former employees from \$1,000 to \$5,000. All employees who leave employment with balances of less than \$5,000 can be required to move their account to reduce the costs to the plan.
- Select only providers who will act as an investment fiduciary for the plan.
- Select providers who are willing to offer “fiduciary adviser” services to the participants.
- Select a Qualified Default Investment Alternative (QDIA) for those plan participants unable or unwilling to select an investment fund.

The motion passed with twelve voting in favor of the motion and one voting against.

Mr. Higgins explained that the next step is to begin the retirement plan provider selection process. He said that more than 25 firms expressed interest in working with the library, so a Request for Qualifications (RFQ) was sent to these firms and advertised in the local media and on the library’s web site. Between 12 and 13 firms responded, and Higgins explained the process of narrowing this list to six firms he recommends inviting to bid to be the library’s retirement plan provider. The firms were evaluated and the final six were selected based on a number of parameters, including cost, their willingness to act as a co-fiduciary, the presence of local contacts and willingness to meet individually with employees. The six recommended firms are ABG Services, Central Trust, First National Bank, LaBrunerie Financial, Nicklas Financial, and UBS/Great-West/Alerus. Mr. Higgins confirmed that in the bidding process all firms will be required to disclose all relationships and revenue they earn from any relationship with the plan offered. Richards reminded the board that he is an officer of First National Bank and said that he hasn’t taken part in the RFQ or bidding process. He said he would abstain from voting on this motion.

ACTION: The Risk Management Committee recommends that the DBRL Board of Trustees accept the firms proposed by Benefit Plans Plus to include in the Request for Proposal (RFP) process for selecting a new retirement plan provider. The motion passed with Richards abstaining.

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Old Business

There was no old business to discuss.

New Business

Lakota Contract – As outlined in the memo in board members' packets, Barrett explained the reasons for providing coffee kiosk services to our patrons and staff. She said that the kiosk is a popular and important service for our patrons but not a source of revenue to support the library. DuCharme thanked the board for the opportunity to speak and explained that the library kiosk is the kiosk he is most proud of but finds the most difficult to run. He acknowledged customer service problems and the lack of a functioning espresso machine, and he explained recent personal difficulties that have prevented him from adequately dealing with these issues. He said that he will be purchasing a new espresso machine and adding new menu items including sandwiches. He explained that he has hired a new employee with the responsibility of managing all of Lakota's kiosks, and this new manager will visit the library kiosk at least once a day to monitor performance and service. The board thanked DuCharme for his time, and Ducharme left the meeting.

Barrett said that the staff requests continuing the coffee cart service contract with Lakota at the reduced monthly rent of \$700 for the 2009 contract period. She verified that the contract was year-to-year. She said that since she and Smith last met with DuCharme, customer service at the kiosk has improved, and she and Smith plan on regular discussions with DuCharme regarding the kiosk. She expressed the opinion that the economy is also negatively impacting Lakota's business. The board discussed the library's options if service does not improve, and Smith stated that he thought that the contract had a 30-day termination clause. He explained that Lakota owns all of the equipment and the counter, so if the contract were terminated, these items would be removed and not replaced until a new vendor was found. In response to a question, Smith said he did not believe that changing the terms of Lakota's contract obligated the library to notify the other original coffee kiosk service bidders. He explained that during the bidding process, price was just one consideration for vendor selection. Richards said that he supports Lakota as a local business and is willing to support the reduction in rent, but he suggested that the board consider putting the service out to bid at the end of this contract year. Other board members said that they recognized this service as a valuable one for patrons and staff and were willing to support this reduction in rent for a trial period.

ACTION: Robinson moved, Brunner seconded, to continue the coffee cart service contract with Lakota at \$700 per month, retroactive to January 1, 2009. Loveless offered a friendly amendment to the motion to include evaluation of the service and contract after six months. Robinson accepted the amendment. The motion passed unanimously.

Family and Medical Leave of Absence Policy – Henry explained that the Family and Medical Leave Act (FMLA) was amended January 16, and she drafted changes to the library's policy to incorporate these changes. She said that most of the changes address

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military leave and changes to notification periods for the employee and employer. The library's attorney has reviewed these changes.

ACTION: Powell moved approval of the revised Family Medical Leave of Absence Policy as presented. Sievert seconded the motion. The motion passed unanimously.

Public Comment

There was no public comment.

Staff Comments/Announcements

There were no staff comments or announcements.

Board Comments/Announcements

Robinson reminded the board of the monthly trustee activity for February, which is to attend a non-board library program. The activity for March is to bring a guest to a board or committee meeting.

Luebbert shared his experience of attending MLA's Advocacy Day and reported that the majority of our legislators were supportive of library services and familiar with MOREnet and the important services that organization provides. Brunner encouraged other trustees to attend next year, saying that it is a great way to build relationships and contacts as well as advocate for libraries.

Higgins reported that at ALA Midwinter she attended the leadership meeting for ALTAFF (Association of Library Trustees, Advocates, Friends and Foundations) and led the meeting in the committee chair's absence. She said that at the ALA Annual conference this group is planning a leadership development exercise for committee chairpersons and encouraged trustees to attend the conference in July.

Adjournment

McDonald moved, Hostetler seconded, to adjourn. Higgins adjourned the meeting at 8:25 p.m.

Minutes recorded by Lauren Williams, DBRL staff

Board Secretary