



Illinois Heartland Library System

Minutes of the Illinois Heartland Library System Board - DRAFT

January 27, 2015

Helen Matthes Public Library, Effingham, Illinois

Call to Order

President James Matthews called the meeting to order at 5:00 p.m.

Roll Call

Board Members

James Matthews

Attending:

Karen Bounds

Jacob Roskovensky

James Fenton

Board Members

Valerie Green

Attending by

Nancy Huntley

V-Tel:

Sarah Isaacs

Susan Justice

Susan Mendelsohn

Jacob Roskovensky

Leander Spearman

Sandra West

Lynda Clemmons

Board Members

NA

Attending by

Phone:

Board Members

Gary Denué

Absent:

George Trammell

Rachel Fuller

Others Present:

Champaign: Robert Brady, Janet Cler

Decatur Public Library: Bobbi Perryman, Rick Meyer

Du Quoin: Troy Brown, Ellen Popit

Edwardsville: Chris Dawdy, Rhonda Johnisee, Susan Palmer

Effingham: Leslie Bednar, Kimberly Townsend, Kathy Jackson,

Adrienne Elam

Gilman-Danforth: Sally Newbury

Illinois State Library: Cyndy Colletti, Robert Jones, Lawren Tucker

Morrison-Talbot Public Library: Elaine Steingrubey

Consent Agenda

The January 27, 2015 Consent Agenda included:

- Approval of November 25, 2014 Minutes
- Approval of January 9, 2015 Minutes
- Approval of bills November – December 2014

- Human Resources Report
- Operations Report
- Executive Committee Report
- Policy & Membership Committee Report
- Finance Committee Report
- Personnel Committee Report
- Staff Activities Report

Financial Audit – Attachment A

- James Matthews covered the audit first, he explained that the auditing firm was previously scheduled to attend the board meeting but after an exchange were uninvited by James Matthews. James Matthews and IHLS staff will handle any questions tonight with regards to the audit.
- Adrienne Elam, IHLS Chief Financial Officer presented the audit overview presentation - she presented a synopsis of the audit performed by Martin, Hood, Friese & Associates, based on their findings IHLS was issued an unmodified opinion. This is an acceptable result. She covered several points below:
 - The final audit statement for your review was sent out this morning.
 - Prepaid – includes SHARE fund, E-Read, and a sale of three parcels of land.
 - Statement of Revenues exchange and fund balances:
 - General fund this year FY14 increase of 49,000 over FY13. Due to additional allotment Illinois State Library used for E-books IL, personal expense decreased due to consolidation and CFO vacancy.
 - Cash outlay was due to deferring vehicles purchased 2015.
 - WebJunction Illinois grant ended the 1st quarter of FY14.
 - IMSA sub CMC fund grant was not presented in FY13 as major but was included in FY14 as major funding. Both were minor changes.
 - Growing Share was a new grant opened in the last quarter of 2014.
- Proprietary SHARE Fund – see a change in services rendered.
 - Applied \$230,000 in credits this year less than last year. New Revenue/New Members.
 - 2013 SHARE migration cleanup was presented 237,000, FY14 45,000,75,000 E-Books for IL.
- Schedule of finding presented by auditors found inefficiencies, keep in mind we were able to receive an unmodified audit opinion FY14 financial statement, even with the inefficiencies. Measures have been put in place to improve internal controls and enhance reporting to address the inefficiencies.
- Question – Susan Mendelsohn -- Can you share what happened with the Auditors? Jim Matthews - Answered: Auditors adamantly refused to assume any responsibility for the

delay in the completing audit this year. Impossible to explain everything that happened without assigning responsibility on both sides.

- Question – Susan Isaacs -- Is the Audit report fairly accurate? Adrienne Elam – Answered: Yes. We accepted and moved forward. We received an unmodified result which is what you want to receive.
- Question – Valerie Green – Can we address the question presented in the Finance Committee meeting report. Jim Fenton answered: The Questions was: In the documentation it states that government is the primary decision maker. Our financial statements...IHLS is running the board – IHLS is the primary government. We don't generate our own money.
- Question: Rachel Fuller - asked at the Financial Committee, if steps are being taken to address the concerns and findings in the audit. Answered: Leslie Bednar: these issues are addressed by the internal controls and processes that were mentioned and that are now in place. (See report for details).
- Question: On allowable costs segregation of duties that were not followed and required documents were not received or reviewed and approved. Adjusted journal entries were not approved. We covered this previously what happened? Leslie Bednar answered: in FY2014 bank reconciliations were not being processed, and no one was signing off on the bank transactions. Since there was no evidence we had completed bank transactions, we could not report it during the audit process.

No other questions regarding the audited were presented. Jim Matthews asked for a motion to move forward. Nancy Huntley made motion to move on, Karen Bounds seconded the motion. Nancy thanked the staff for the long process. **MOTION:** Approved (YES: Karen Bounds, Lynda Clemmons, James Fenton, Valerie Green, Nancy Huntley, Sarah Isaacs, Susan Justice, James Matthews, Leander Spearman, Sandra West - ABSTAINED: Susan Mendelsohn - NO: Jacob Roskovensky)

Consent Agenda:

- Karen Bounds indicated that there is a typo in Finance agenda, the date the meeting was held was on the 23rd not Sunday the 25th. Asked that we can change without pulling out of the consent agenda. Attachment B – Valerie Green attended at Decatur Public Library. Karen Bounds moved to accept with two tiny changes and approve the consent agenda. James Matthews seconded. **MOTION:** Approved Unanimously (YES: Karen Bounds, Lynda Clemmons, James Fenton, Valerie Green, Nancy Huntley, Sarah Isaacs, Susan Justice, James Matthews, Susan Mendelsohn, Leander Spearman, Sandra West, Jacob Roskovensky)



Freedom of Information request

No report

FOIA

No report

Public Comment

None

Communications

A thank you card from Bev Obert was shared with members attending in Effingham.

Staff Report:

Staff Update - Attachment L - we are in recruiting mode for a few positions and also working with reclassifications.

Susan Mendelsohn asked for the following:

- List of the prior rates for Kimberly Townsend, Chris Dawdy, Julia Pernicka, and others who show movement on the report.

MOTION submitted and moved by Karen Bounds and Seconded by Jim Fenton.

Approved (YES: Karen Bounds, Lynda Clemmons, James Fenton, Valerie Green, Nancy Huntley, Sarah Isaacs, Susan Justice, James Matthews, Leander Spearman, Sandra West, Susan Mendelsohn - NO: Jacob Roskovensky)

Secondary employment:

- No need to go into closed session per James Matthews. New employee works at Applebee's off hours and this does not present a conflict of interest. **MOTION** to accept moved by Jacob Roskovensky, Accepted by Valerie Green. Moved and approved.

Approved (YES: Karen Bounds, Lynda Clemmons, James Fenton, Valerie Green, Nancy Huntley, Sarah Isaacs, Susan Justice, James Matthews, Leander Spearman, Sandra West - ABSTAINED: Susan Mendelsohn, Jacob Roskovensky)

Illinois State Library Report:

- Lawren Tucker -- Second draft of Administrative Rules Changes will be released to public when completed and a second notice will be filed with any changes in the proposed rules. ISL will file with the Joint Committee on Administrative Rules in time for their meeting in March.



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- Cyndy Colletti -- In addition we do have an update on the certification numbers Thanks to IHLS staff in assistance with getting libraries certified. 61% of libraries have certified. We show that 328 Libraries have certified 212 have not certified.

SHARE/Dream grant report:

Chris Dawdy – provided a report of transitional SHARE members. Ready to start barcoding and training in Polaris with seventeen locations. We will be visiting more. Karen Bounds asked, how many total libraries are involved at this point? Answer: Total libraries = 57.

Committee Reports:

Facilities: - Nothing to report, did not meet.

Long Range Planning: Nothing to report, did not meet.

Unfinished Business:

The audit accepted we have all the components of the FY2014 Annual Report completed. We will submit all by the end of this week.

New Business:

- Smart Start meeting: Leslie B: There were 13 Board members who attended the 1/9/2015 Long Range Planning meeting. We have attached the draft version of the Mission Vision and Values statement. We will use in focus groups in early march. We are now developing list of focus group invitees (max 15 to 18 members). The consultants stressed no board or staff can attend.
- Question: James Fenton asked: Has process began to find new auditor? Answer = yes. (Leslie Bednar).
- Bylaws Article 6, Section 9 - Attendance rate of board members. This wording needs to be cleaned up. Question: Sarah Isaac: The last sentence; it should state board member not a director correct? Answered by Jacob Roskovensky: We are considered directors in the by-laws. Answered by James Matthews: Either is fine as long as consistent in the by-laws.
- Question – Nancy Huntley – If a board member misses a meeting will we send a letter? Answer: Jacob R – one member missed 6 excused and one excused absent. James Matthews: suggests a letter after the second miss as a warning.



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Comments or questions:

- Karen Bounds: Consistency for section 9 should possibly change to “attendance of members of board of directors” & “when a board member is absent FROM” not FOR a meeting. Karen agrees with receiving a letter on second absence. On third absence there should be an item included in agenda for discussion regarding losing position on the board.
- Board decided to bring to public comment. This will post for 30 days to receive suggested changes.

Public comment:

None

Announcements:

Friends of Morrison Talbot Public Library will hold its annual fundraiser: Murder in the Manor at the library on February 6, 2015.

Adjournment:

Motion to Adjourn moved by Karen Bounds, seconded by Jacob Roskovensky.

Accepted by all and approved.

Approved (YES: Karen Bounds, Lynda Clemmons, James Fenton, Valerie Green, Nancy Huntley, Sarah Isaacs, Susan Justice, James Matthews, Leander Spearman, Sandra West, Susan Mendelsohn, Jacob Roskovensky)

Adjourned @ 6:01 pm.