

Metropolitan Library Service Agency Joint Trustee Board Meeting Minutes

Thursday, March 14, 2024
Mississippi Library, Fridley
11:30am-1:30pm

Trustee Members Present:

Anoka:	not present	Ramsey:	Victoria Reinhardt
Carver:	Matt Udermann	Saint Paul:	Beth Burns
Dakota:	Laurie Halverson	Scott:	Jody Brennan
Hennepin:	not present	Washington:	Karla Bigham

Advisory Board Members/Representatives Present:

Anoka:	Colleen Haubner	Ramsey:	Pang Yang
Carver:	Patrick Jones (virtual)	Saint Paul:	Maureen Hartman (virtual)
Dakota:	Margaret Stone	Scott:	Jen Schultz
Hennepin:	Scott Duimstra	Washington:	Jacque Kramer

Staff Present: Abigail Dillon, Gina Goettl, Kathleen James, Sally Lederer, Mona Scott, and Scott Vrieze

I. Call to order

Chair Udermann called the meeting to order at 11:37am.

II. Introductions and Public Comment

III. Approval of Agenda

Motion to approve the agenda by Burns. Second by Brennan.

All in favor signified by saying aye.

ACL – not present	HCL - not present	SCL – aye
CCL - aye	RCL - aye	WCL – aye
DCL - aye	SPL - aye	

Motion carried.

IV. Consent Agenda

- a) Approval of meeting minutes (January 18th and 29th, 2024)
- b) Approval of bills and financial statements

Motion to approve the meeting minutes and the bills and financial statements by Brennan.
Second by Burns.

Adding to the January 29th agenda: Jody Brennan was present.

All in favor signified by saying aye.

ACL – not present	HCL - not present	SCL – aye
CCL - aye	RCL - aye	WCL – aye
DCL - aye	SPL - aye	

Motion carried.

V. Discussion/Action Items

- a) Requests for Phase Funds distributions by Carver and Dakota County Libraries

Requests for distribution of Phase Funds have been received from Carver and Dakota County libraries. Phase funds are set aside for technology expenditures for each member library system until they make a request to draw the funds.

At their March 8th, 2024 meeting, the MELSA Advisory Board voted to recommend the requests for distribution to Carver and Dakota County library systems, in the amounts outlined below. The letters describing the respective requests were distributed in the meeting packet.

Carver County \$114,009.02 Envisionware Hardware, Software
Dakota County \$71,590 Equipment, and Music Licenses

Motion to approve the requests for Phase Funds for Carver and Dakota County Libraries in the following amounts: Carver County \$114,009.02, Dakota County \$71,590. Motion by Udermann. Second by Reinhardt.

All in favor signified by saying aye.

ACL – not present	HCL - not present	SCL – aye
CCL - aye	RCL - aye	WCL – aye
DCL - aye	SPL - aye	

Motion carried.

- b) 2023 Annual Report to State Library Services

Each year all libraries in Minnesota, including regional library system administrative offices, are required to submit a state annual report to State Library Services by April 1. This report collects statistics and financial data related to facilities, services, programs, collections, staffing, hours of operation, and income and expenditures.

Because MELSA does not provide direct public services, many sections of the report are not applicable. Most of the programs and services provided by MELSA to the member library systems are included on the systems' state reports, not on MELSA's report. Approval by the Board of Trustees is required prior to submission.

Motion to authorize the submission of the 2023 MELSA Annual Report to State Library Services by Udermann. Second by Bigham.

All in favor signified by saying aye.

ACL – not present	HCL - not present	SCL – aye
CCL - aye	RCL - aye	WCL – aye
DCL - aye	SPL - aye	

Motion carried.

c) Approval of Process for Unspent, Expiring Legacy Funds

The Arts and Cultural Heritage Grant, also known as Legacy, provides funds – via application – to MELSA on an annual, fiscal year basis. MELSA then distributes those funds to the eight metro library systems, the allotment based on population. MELSA must report on the use of these funds to the state on a regular basis.

Due to the pandemic, MELSA and its members libraries were close to not fully spending the FY21 funds by its 2023 grant deadline. Some libraries had spent their allocations early, while others were struggling. Fortunately, we were able to meet the deadline and did not have to return any money to the state.

However, MELSA is looking at another spending deadline in 2025, in which two years' worth of funds (FY22 and FY23) must be spent. Furthermore, MELSA wishes to be prepared for other, external factors – like the pandemic – that may make future spending difficult.

MELSA is proposing a process that will enable transferring of allocated Legacy funds between library systems. This is only for if/when libraries are struggling to spend Legacy funding by a grant deadline. This will ensure that the funding is used to benefit metro libraries and keeps any unspent funds from impacting our future Legacy allocations from the state. This draft was distributed in the meeting packet and was approved by the Advisory Board on March 8, 2024.

Motion to approve the MELSA Process for Unspent, Expiring Legacy Funds by Halverson. Second by Reinhardt.

All in favor signified by saying aye.

ACL – not present	HCL - not present	SCL – aye
CCL - aye	RCL - aye	WCL – aye
DCL - aye	SPL - aye	

Motion carried.

d) Review of MELSA Promotions and Communications

MELSA provides promotions support in three areas: e-resources, metro wide events/programs, and general Twin Cities metro public library campaigns. These promotions activities fall into two categories: advertising and information/promotional materials such as bookmarks and posters.

A large part of promotions is digital advertising, which includes with the Star Tribune, La Voz Latina, and Sahan Journal.

The motivation for promotions is to highlight the library services, not the brand of MELSA. The promotions budget is \$100,000, but MELSA typically just spends \$60-\$65,000 of that budget every year. More detailed information was distributed in the meeting packet.

e) Finance Committee Report

(i) Consideration of Distribution Formula Recommendation

As directed by the Board of Trustees at our December 2023 meeting, the MELSA Finance Committee took up the question of revising the MELSA Distribution Formula. As you'll recall, the MELSA Advisory Board made a recommendation for a revised formula that was presented at the December meeting. At that meeting, the total amount of \$1.5 million + an additional \$25,000 was approved for distribution, but the Trustees did not make a decision about the new formula. The proposed \$1.5 million was an increase over the traditional \$1 million that MELSA has allocated for Formula. Additional state RLBSS funds allowed us to add to this fund.

At the February 16th meeting the Finance Committee discussed in great detail their options, appreciating the work done by both the Advisory Board and prior to that, the Formula subcommittee that developed new funding scenarios. The formula subcommittee members were present at the Finance Committee meeting to provide context and input on the recommendation. The Finance Committee recommended adopting the formula from scenario 1, with 2 percent annually removed from that total and made available to the governing body to be distributed at their discretion on an annual basis.

Motion to adopt the formula recommended in scenario 1 by the distribution formula committee to be established as the new formula, with 2% annually removed from that total and made available to the governing body to be distributed at their discretion on an annual basis and to allocate the discretionary 2% of the Formula total to Ramsey County this year. Motion by Udermann.
Second by Burns.

All in favor signified by saying aye.

ACL – not present	HCL - not present	SCL – aye
CCL - aye	RCL - aye	WCL – aye

DCL - aye SPL - aye
Motion carried.

(ii) Clarification of Formula Distribution Total in 2024 Budget

At the MELSA Board meeting in December, the board passed a budget that included a friendly amendment to add \$25,000 to the Formula Distribution line, which was originally proposed at \$1.5 million. The \$25,000 was added to potentially soften the landing for Ramsey County following a change in the distribution formula.

Given the February 16th recommendation from the Finance Committee to reserve 2% of the Formula total, and then have the Board distribute that amount to Ramsey County Library this year, the rationale for adding the \$25,000 to the total no longer exists.

At their March 11th, 2024 meeting the Finance Committee recommended the following action:

Motion to reduce the approved \$1.525M Formula total in the 2024 approved budget to \$1.5M.

Motion to amend the approved budget and reduce the adopted \$1.525M Formula Distribution total to \$1.5M. Motion by Burns. Second by Bigham.

All in favor signified by saying aye.

ACL – not present HCL - not present SCL – aye
CCL - aye RCL - aye WCL – aye
DCL - aye SPL - aye
Motion carried.

(iii) Fund Balance Assignments: Finance Committee Recommendation

Each year, following the completion of our auditor’s field work on the previous financial year, we call the MELSA Finance Committee to review the proposed Fund Balance Assignments. This year, that field work took place the week of February 26th.

While the audit fieldwork has concluded, there are a few issues yet to be resolved with MELSA’s audit. These may include classification changes on our entity wide financial statements for one of our archival databases and some content purchases for the shared e-collection, and a new accounting requirement for electronic subscriptions has generated some additional review. MELSA is gathering information for MMKR’s determination on these issues. These changes are not expected to impact the number used for the proposed assignments although there may be redistribution between the beginning fund balance number and the Reserved for Prepaids number.

Overview:

As indicated during our December 2023 Board meeting, our adopted 2024 budget

incorporates certain expenditures, for which we previously made fund balance assignments, into the regular MELSA budget. Accordingly, the following lines are now reduced to zero:

Line 18 Platform Fees/ Content (for Overdrive/Libby)

Line 27 Indie Author Project + Biblioboard

Line 34 SmARTpass project funds

As a result, additional money is freed up for other fund balance assignments. This is one of the benefits we are realizing from the additional RLBS state revenue.

Additions include the following:

Two separate assignments for additional e-content OverDrive

Line 21 \$150,000 released in March

Line 22 \$150,000 released in September (To be approved by Advisory Board prior to release)

Line 37 \$65,324 Mobile App renewal funds from 2023 budget

The largest assignment in the program/projects piece is the following:

Line 40 Collaborative Initiatives \$900,000

This substantial amount is left undefined in this proposal. We are recommending that this large assignment stay in the “Collaborative Initiatives” line pending additional conversations.

- The MELSA Advisory Board, made up of member library directors, has agreed that the region further explore the feasibility of a shared purchase of a Discovery Library Catalog for all eight systems. “Discovery Layers” are next generation library catalogs that enable searching across various types of resources, including electronic resources, traditional library catalogs of physical materials, e-reference resources and the like. They also provide better searchability and a better user experience. All our member libraries pay for some type of Discovery layer as their public interface. A MELSA shared purchase would not only save on local expenditures but would give all libraries equal access to a shared library experience, and an improved user experience. Initial support was received from the directors for MELSA to gather information to determine the feasibility of this type of purchase.

This exploration, review, and discussion with library staff and both MELSA boards will take several months so we are suggesting that we reserve these funds until this evaluation process can be completed. Other collaborative initiatives may also be explored and recommended during this time.

- Secondly, given the upcoming change in the Executive Director role, it seems prudent to allow a new Executive Director to help develop potential spending with these funds. New leadership may recommend different priorities for this assignment, and we wanted to provide as much flexibility as possible with our recommendation.

Line 75 Remaining Fund Balance – Unassigned, Unrestricted

The Unassigned, Unrestricted balance is higher than last year for these placeholder assignments. Depending on continued conversations, MELSA may revisit it mid-year when it could be assigned as additional Phase, OverDrive content, etc., or moved to the earmarked funds for a potential collaborative purchase (such as a Discovery layer mentioned above, which would need as much funding as possible).

Motion to approve the recommended Fund Balance Assignments of the 12/31/23 Fund Balance by Udermann. Second by Reinhardt.

All in favor signified by saying aye.

ACL – not present HCL - not present SCL – aye

CCL - aye RCL - aye WCL – aye

DCL - aye SPL - aye

Motion carried.

f) Facilitated Discussion MELSA Future Planning

Notes for this discussion will be attached as a separate document from the Ramsey County facilitator.

VI. Reports

Executive Director/Staff Reports

a) Legislative update

Bill will be heard tonight to revise legislation around the MS/MLIS degree requirement for the executive director. This affects regional libraries systems around the state as well and there has been a lot of conversation. MELSA will be having a conversation about the possible effects of this legislation change with the MN Department of Education, along with the Dakota County Attorney's Office.

b) Per diem guidelines – distributed in meeting packet

c) MELSA member library benefits

d) Update on Executive Director search

A vendor has been found for the Executive Director search, and they will begin work soon.

e) Club Book year-end snapshot and program evaluation – distributed in meeting packet. Will be addressed at the next meeting.

Udermann adjourned the meeting at 1:45pm.