MONROE COUNTY PUBLIC LIBRARY
BOARD OF TRUSTEES

WORK SESSION
Wednesday, August 11, 2010
Meeting Room 1B
5:45 p.m.

AGENDA

1. Call to Order – President Fred Risinger

2. 2011 Budget (page 1-12) – Bonnie Estell and Sara Laughlin

3. Recommendation to Select Benefits Broker (page 13-14) – Kyle Wickemeyer-Hardy

4. Recommendation to Select Payroll/Hr Information System/Time Management Software (page 15-16) – Kyle Wickemeyer-Hardy

5. Board-Director Linkage and Executive Limitations Policies (page 17-21) – Sara Laughlin

6. Public Comment

7. Adjournment

Monroe County Public Library: 2011 Budget Work Plan

Step	*State Requirement*	*MCPL Date*
State Library/DLGF workshop		6/3
Board work session		**6/16**
Board meeting		**6/23**
Input from managers		6/30
Board work session		**7/14**
Board meeting		**7/21**
AVGQ announced		7/15
Monroe County AV available		8/1
Board work session		**8/11**
Board meeting	**Approve budget for advertising;**	**8/18**
Submit budget to County Council for non-binding recommendation	Submit to County Council before 9/17 and 45 days before meeting	**8/19**
County Council review	By 10/15 and at least 15 days before Library Adoption	**8/24**
Advertise budget and appeal for first time	Before 9/2 and at least 10 days before public hearing	
Send to HT and ELL Journal		8/27
Confirm correct printing in both papers		9/1
Advertise budget and appeal for second time	Before 9/9 and at least 3 days before public hearing	
Confirm correct printing in both papers		9/8
Board work session		**9/8**
Library Public Hearing	**Before 10/22 and at least 10 days before board adoption**	**9/15**
Objection Petition filed by 10 or more taxpayers	No more than 7 days after public hearing	9/22
Board work session		**10/20**
Board meeting: Adopt budget	**Last day for Board to adopt 10/31 and at least 15 days after County Council's recommendation**	**10/27 4th Wed**

BUDGET COMPARISONS	2011 OPERATING	2011 LIRF	2011 RAINY DAY	2011 CAPITAL PROJECTS	2011 DEBT SERVICE	2011 TOTAL FUNDS
PERSONNEL SERVICES (1000'S)						
SALARIES						
1120 ADMINISTRATION	167,000					
1130 PROFESSIONAL/SUPERVISORS	495,000		50,000			
1140 PROFESSIONAL ASSISTANTS	1,351,000					
1150 SPECIALISTS & TECHNICIANS	814,000					
1160 CLERICAL ASSISTANTS	442,000					
1170 PAGES/MASTERCONTROLLERS	226,000					
1190 BUILDING MAINTENANCE	348,000					
TOTAL SALARIES	3,843,000		50,000		-	3,893,000
EMPLOYEE BENEFITS						
1210 EMPLOYER CONTRIBUTION/FICA	235,000		3,100			
1220 UNEMPLOYMENT COMPENSATION	-		10,000			
1230 EMPLOYER CONTRIBUTION/PERF	362,000		6,250			
1240 EMPLOYER CONT/INSURANCE	594,000		8,100			
1250 EMPLOYER CONT/MEDICARE	55,000		725			
TOTAL EMPLOYEE BENEFITS	1,246,000		28,175			1,274,175
OTHER WAGES						
1310 WORKSTUDY	1,000					
1320 TEMPORARY STAFF	-					
1350 STIPEND						
TOTAL OTHER WAGES	1,000					1,000
TOTAL PERSONNEL SERVICES (1000s)	**5,090,000**		**78,175**			**5,168,175**
SUPPLIES (2000s)						
OFFICE SUPPLIES						
2110 OFFICIAL RECORDS	1,000					
2120 STATIONERY & PRINTING	1,000					
2130 OFFICE SUPPLIES	15,000		50,000			
2140 DUPLICATING	15,000					
2150 PROMOTIONAL MATERIALS	-					
TOTAL OFFICE SUPPLIES	32,000		50,000			82,000

BUDGET COMPARISONS	2011 OPERATING	2011 LIRF	2011 RAINY DAY	2011 CAPITAL PROJECTS	2011 DEBT SERVICE	2011 TOTAL FUNDS
OPERATING SUPPLIES						
2210 CLEANING SUPPLIES	28,000		50,000			
2220 FUEL, OIL, & LUBRICANTS	8,500					
2230 CATALOGING SUPPLIES	5,500					
2240 AUDIO VISUAL SUPPLIES	10,000					
2250 CIRCULATION SUPPLIES	21,000		87,048			
2260 LIGHT BULBS	3,000					
2270 RECORDING MATERIALS - CATS	-					
2280 UNIFORMS	1,000					
2290 DISPLAY/EXHIBIT SUPPLIES	100					
TOTAL OPERATING SUPPLIES	77,100		137,048			214,148
REPAIR & MAINTENANCE SUPPLIES						
2300 IS SUPPLIES	5,000					
2310 BUILDING MATERIALS & SUPPLIES	8,500					
2320 PAINT & PAINTING SUPPLIES	200					
2340 OTHER REPAIR & BINDING	-					
2350 RECORDING EQUIP SUPPLIES - CATS	-					
TOTAL REPAIR & MAINTENANCE SUPPLIES	13,700					13,700
TOTAL SUPPLIES (2000s)	122,800		187,048			309,848
OTHER SERVICES/CHARGES (3000s)						
PROFESSIONAL SERVICES						
3110 CONSULTING SERVICES	3,000		50,000			
3120 ENGINEERING/ARCHITECTURAL	3,000	42,100				
3130 LEGAL SERVICES	14,000		12,000			
3140 BUILDING SERVICES	40,000					
3150 MAINTENANCE CONTRACTS	95,000					
3160 OCLC & COMPUTER SERVICES	50,000					
3170 ADMIN/ACCOUNTING SERVICES	47,000					
TOTAL PROFESSIONAL SERVICES	252,000	42,100	62,000			356,100

	2011	2011	2011	2011	2011	2011
BUDGET COMPARISONS				CAPITAL	DEBT	TOTAL
	OPERATING	LIRF	RAINY DAY	PROJECTS	SERVICE	FUNDS
OTHER SERVICES/CHARGES (3000s) CONTINUED						
COMMUNICATION & TRANSPORTATION						
3210 TELEPHONE	26,000					
3220 POSTAGE	30,000					
3230 TRAVEL EXPENSE	10,000					
3240 PROFESSIONAL MEETINGS	10,000					
3250 CONTINUING EDUCATION	10,000					
3260 FREIGHT & DELIVERY	1,000					
TOTAL COMMUNICATION & TRANSPORTATION	87,000					87,000
PRINTING & ADVERTISING						
3310 ADVERTISING & PUBLICATION	2,000					
3320 PRINTING	6,000					
TOTAL PRINTING & ADVERTISING	8,000					8,000
INSURANCE						
3410 OFFICIAL BOND	700					
3420 OTHER INSURANCE	54,000					
TOTAL INSURANCE	54,700					54,700
UTILITIES						
3510 GAS	5,600					
3520 ELECTRICITY	270,000					
3530 WATER	15,800					
TOTAL UTILITIES	291,400					291,400
REPAIR & MAINTENANCE						
3610 BUILDING REPAIR	22,000	21,458	78,794			
3630 OTHER REPAIR	70,000					
3640 VEHICLE REPAIR & MAINTENANCE	7,500					
3650 MATERIALS BINDING/REPAIR	3,000					
TOTAL REPAIR & MAINTENANCE	102,500	21,458	78,794			202,752
RENTALS						
3710 REAL ESTATE RENTAL	32,000				1,996,000	
3720 EQUIPMENT RENTAL	100					
TOTAL RENTALS	32,100				1,996,000	2,028,100

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BUDGET COMPARISONS	2011 OPERATING	2011 LIRF	2011 RAINY DAY	2011 CAPITAL PROJECTS	2011 DEBT SERVICE	2011 TOTAL FUNDS
OTHER SERVICES/CHARGES (3000s) CONTINUED						
OTHER CHARGES						
3910 DUES/INSTITUTIONAL	6,500					
3920 INTEREST/TEMPORARY LOAN	2,500					
3930 TAXES & ASSESSMENTS	-					
3940 TRANSFER TO LIRF	**200,000**					
3950 EDUCATIONAL LICENSING/SERVICES	6,500					
TOTAL OTHER CHARGES	215,500					215,500
TOTAL OTHER SERVICES/CHARGES (3000s)	1,043,200	63,558	140,794		1,996,000	3,243,552
CAPITAL OUTLAY (4000s)						
FURNITURE & EQUIPMENT						
4410 FURNITURE	-					
4420 AUDIO VISUAL EQUIPMENT	-					
4430 OTHER EQUIPMENT	8,000	83,374	29,825	279,000		
4440 BUILDING RENOVATION	-	150,000	149,000	-		
4450 LAND & BUILDINGS	-			-		
4460 IS EQUIPMENT	-			50,000		
4465 IS SOFTWARE	-			25,000		
4470 EQUIPMENT - CATS	-			45,000		
4475 SOFTWARE - CATS	-			5,000		
TOTAL FURNITURE & EQUIPMENT	8,000	233,374	178,825	404,000		824,199
OTHER CAPITAL OUTLAY						
4510 BOOKS	593,000					
4520 PERIODICIALS & NEWSPAPERS	48,000					
4530 NONPRINT MATERIALS	379,000					
4540 ELECTRONIC RESOURCES	69,000					
TOTAL OTHER CAPITAL OUTLAY	1,089,000					1,089,000
TOTAL CAPITAL OUTLAY	1,097,000	233,374	178,825	404,000		1,913,199
TOTAL EXPENDITURES 2011	7,353,000	296,932	584,842	404,000	1,996,000	10,634,774
2010 TOTAL BUDGET (less appeal funds)	7,260,494	364,000	206,488	508,076	1,996,000	10,335,058
Increase from 2010	1.27%	-18.43%	183.23%	-20.48%	0.00%	2.90%

Monroe County Public Library
2011 Budget
Updated August 6, 2010

Income Projections

Assessed Value Growth Quotient for 2011 - 2.9% - is limit for increase in maximum property tax levy.

COIT income projected to decrease approximately $400,000 (county number is known, but detailed information not yet available for each taxing unit).

Source	2010	2011
Property Tax	$4,286,819	$4,503,332
County Option Income Tax (COIT)	$2,217,128	$1,817,000
License Excise Tax	$306,000	$263,000
Commercial Vehicle Excise Tax	$34,070	$30.000
Financial Institutions Tax	$9.828	$8,500
Copiers	18,332	$15,700
Fines and Fees	$211,900	$160.000
Public Library Access Card	$10.000	$0
Lost and damaged items	$25,000	$0
TOTAL REVENUE	**$7,119,077**	**$6,797,532**

Expenditure Priorities

1. Continue to implement Strategic Plan 2009-2011, by providing full support to the extent allowed by resources available, including staff, collections, programming, and facility space for top community priorities:
   a. Education/literacy for children/adults
   b. Free information
   c. Quiet oasis for reading and study
   d. Resource for reading/listening/viewing pleasure

2. Continue to implement Salary Study recommendations.
   a. Complete 2-year effort to bring staff to new minimums recommended by Singer Group
      i. Second half of Singer Group recommendations = $38,000
   b. Begin 2-year effort to bring managers and leadership to levels recommended by Singer Group
      i. First half of Singer Group recommendations = $34,000
   c. 1% increment for managers and staff = $38,000

3. Continue to implement LR Financial Plan recommendations.
   a. Reduce operating expenses
   b. Align staffing with core priorities

    c.   Take advantage of technology to restrain increases in staffing while responding to growing use

        i.   Automated materials handling at Main and ELL

        ii.   Energy efficiency initiatives

    d.   Review benefits and align with market

    e.   Explore options to increasing fees for non-core services

    f.   In partnership with Friends, continue efforts to raise non-tax funds and build endowment

4. Invest in facilities.

    a.   Begin planning for Main Renovation Phase 3 in 2012.

    b.   Set aside increased LIRF funding for anticipated equipment replacement needs over next five years.

5. Complete strategic planning for 2012 – 2015.

Cost Containment Plans

Tier One – 2010

1. Begin strategic staff alignment, matching employee's strengths with operational goals and building on flexibilities.
2. Carefully review every open position to review and prioritize tasks. If tasks can be eliminated or absorbed, do not fill the position. If position is to be filled, delay start date for at least 2 weeks after former employee leaves payroll.
3. Cover public service desks by adjusting scheduling and increasing cross training within and among departments.
4. Shift or reduce positions after implementation of technology.
5. Reduce energy costs.
6. Increase fee recovery through implementation of collection agency.
7. Continue process improvement.

Tier Two – 2011

1. Library-wide participation in implementing administration-approved recommendations for improvement or discontinuance of low priority activities not aligned with strategic goals.
2. Hiring moratorium, with hiring/replacement for key operational positions only. No new employees or positions added. Tasks must be absorbed by existing employees or discontinued.
3. Cover public service desks by combining service points or reassigning staff, as necessary.
4. Shift or reduce positions after implementation of technology.
5. Reduce energy costs.
6. Increase fee recovery through addition of charges for meeting rooms and auditorium.
7. Create development office to focus on increasing private support.
8. Continue process improvement.

Tier Three – If Additional Savings Are Needed)

1. Hiring freeze. Core service tasks can no longer be absorbed by existing employees, even with library-wide reassignment.
2. Loss of staff necessitates reduction of library hours.
3. Increase private support.
4. Reduce collection budget, capturing lower losses as result of RFID implementation and recognizing lower total budget.

Budget Assumptions

Three elements are essential to providing quality library services:
- Knowledgeable, courteous, efficient **staff**, who meet performance expectations and certification requirements for their positions
- Safe, well-maintained **facilities**
- Current, attractive **collections**

Target percentages of Operating Fund to be expended for each are:

Budget Category	*2009*	*2010*	*2011*	*2012*
Personnel	71%	69%	68%	68%
Facilities/Equipment/Operations[1]	13%	16%	17%	17%
Collections[2]	16%	15%	15%	15%

1. Additional expenditures for technology and facilities are expected to be provided through the Library Capital Projects Fund and occasional bond issues.
2. To meet Indiana Public Library Standards at the enhanced level.

2011 Line Item Budget – Notes

OPERATING FUND

(Income for this fund comes from a property tax levy, County Option Income Tax (COIT), Financial Institutions Tax, License Excise Tax, Commercial Vehicle Excise Tax, and non-tax revenue from copiers, fines, fees, Public Library Access Card reimbursements.)

Line	*Comment*
1120-1350	Savings from Personnel Services lines of $140,000 needed to reduce budget.
1120	Includes salary for Associate Director. Position to be advertised internally. If filled, will not replace vacated position, which may necessitate reorganization.
1120-1190 + 1320	Salaries and wages for permanent and temporary employees held to 0.32% increase; total number of employees reduced by 4.2% (4.94 FTE). Employees in Pay Grades A-I receive second half of salary increases to bring them to salary study minimums, plus 1% increment. Managers receive first half of recommended salary increases, plus 1% increment.
1230	PERF rate remains the same. Library contributes 9.25% employer portion and 3.0% employee contribution. Percentage of staff qualifying increases slightly.
1240	Employer contribution to health insurance estimated to increase 16%. If increases are higher, employees will have to choose lower-cost options or make increased contributions.
2250	Circulation supplies. Abnormally large expenditure in 2010 includes RFID tags; 2011 is larger than 2009 to accommodate ongoing tag purchases.
2300-2310	Increased to account for actual 2010 expenditure levels.
3110	Does not include expense of 2012-2014 strategic planning process; consulting fees will be included in 2011 Rainy Day Fund budget.
3120	Architectural/engineering services for Phase 3 of Main Renovation.
3150	Maintenance contracts include estimated additional costs for support collection agency, RFID, and express check software.
3170	Administration/accounting services. Estimated increase for automating time and attendance and payroll provider and collection agency fees.
3220	Anticipated postage rate increase, partially offset by efforts to encourage patrons to use e-mail or telephony for notifications.
3420	Reduced cost of general liability insurance.

3640	Vehicle repair costs reduced after delivery of new Bookmobile.
3940	Increased transfer of $200,000 to Library Improvement Reserve Fund in anticipation of upcoming facility and equipment maintenance. No transfer to LIRF, delaying facility and equipment maintenance, and retaining $200,000 for operating expenses.
4510-4540	Materials expenditures equal 15% of Operating Fund budget to meet State Standards at enhanced level Materials expenditures reduced $60,000 to reflect total budget reduction; still equals 15%.

LIBRARY IMPROVEMENT RESERVE FUND (LIRF)
(This fund derives income from end-of-year transfers from the Operating Fund and can only be used for capital expenditures.)

3120	Funds to cover engineering and architectural costs related to Main Renovation phase 3, included in Library Capital Projects Fund Plan for 2012.
3610	Appropriated in case of emergency building repairs exceeding amount appropriated in Operating Fund.
4430	Appropriated in case of emergency equipment replacement expenditures exceeding amount appropriated in Operating Fund.
4440	Appropriated in case emergency building renovations are needed.

RAINY DAY FUND
(This fund derives income from unanticipated revenue from COIT and can be spent on any expenditures allowed by the Operating Fund.)

1130	Initial salary for new development director position.
1210-1230- 1240-1250	Employer contributions to FICA, PERF, insurance, and Medicare for development director.
1220	The library is self-insuring for unemployment insurance. This amount is appropriated to cover any claims during 2010.
2130	Appropriated in case Operating Funds are insufficient to cover office supply costs.

2210	Appropriated in case Operating Funds are insufficient to cover cleaning supply costs.
2250	appropriated in case Operating Funds are insufficient to cover circulation supply costs.
3110	To cover consultant costs for 2012-14 strategic planning.
3130	Appropriated in case Operating Funds are insufficient to cover legal costs.
3610	Appropriated to cover emergency building repairs exceeding amount appropriated in Operating Fund.
4440	Appropriated in case emergency building renovations are needed.

LIBRARY CAPITAL PROJECTS FUND

(This fund derives its income from a separate property tax levy, as well as *Financial Institutions Tax, License Excise Tax, Commercial Vehicle Excise Tax. Funds can only be spent on equipment, renovation or construction. The 2010 LCPF budget has already been approved by the Library Board and Monroe County Council; we await final approval from the Indiana Department of Local Government Finance [DLGF].)*

4430	Automated Materials Handling (AMH) system.
4460	Replace computers on regular replacement schedule.
4465	Maintain and upgrade software.
4470	CATS equipment
4475	CATS software

DEBT SERVICE FUND

(This fund derives its income from a separate property tax levy and can only be spent to pay off bond indebtedness.)

3710	$1,996,000 in 2011, exactly the same as in prior years. Last payment in mid 2012.

Benefits Broker Report

During the coming year our broker will need to take a proactive rather than reactive role, with changes on the horizon such as healthcare reform, the continued increase of healthcare costs, and our desire to improve our offerings to staff via optional insurance and other benefit relationships.

Here's the process we completed:

As for other insurance/service provider selection processes (i.e. liability, workers comp, COBRA, etc.), we performed a periodic review of our Insurance Broker Services. We developed an RFP and distributed it to five reputable local and regional providers. Kyle contacted at least three others and deemed they were not a match for our size and/or scale of needs (we're a small to mid-size group).

One firm declined (Ron Remak of BC Brown) and one (Benefit Associates of Indianapolis) did not respond. Kyle has since learned Benefit Associates was going through a merger at the time; they became FirstPerson Benefit Advisors.

The three broker groups responding to the RFP were RE Sutton, The Hylant Group, and JA Benefits. After thorough review of the responses by Kyle, Bonnie, and Sara and multiple reference checks with local employers, we determined that JA Benefits provided the best match for MCPL's strategic planning and immediate requirements for service provisioning (provider bids and selection, enrollments), wellness planning assistance and partnerships, healthcare cost control and guidance in choosing other voluntary insurance vendors for staff (short and long-term disability, cancer, eldercare and other options).

Broker services do not directly impact the library budget, as broker fees are paid by insurance carriers. Should the library consider other options and partnerships deemed to have a good potential for an appropriate return on investment, the library could negotiate additional consultant service with JA Benefits.

Every care was taken to carry-out the process in a fair and balanced manner. Final selection and notification to the three participants in the RFP process were completed on Thursday, July 22nd, so we were not able to include a report on the July 21st Board Meeting agenda. Kyle was anxious to proceed with notification of

the Broker of Record with our insurance carriers, and did not want the participants to learn of our decision via an alternate source, so sent letters immediately to those firms not selected.

We believe we have made a solid choice. Service provided between now and the end of the year will provide us with a rather swift assessment.

Recommendation to Select
New Payroll-HR Information System (HRIS)-Time Management Provider

We request Board approval to select Electronic Commerce, Inc., as the Library's provider of payroll, HR information system, and time management services.

Background
The library has used the ADP payroll system since 2004. Time keeping is processed on paper time sheets and entered individually for each payroll run. All compliance records, vacation and sick usage, and certifications/licenses are tracked by hand and entered on paper forms which are not integrated into the payroll/HR system. Our version of ADP software is PC based and is no longer being upgraded – becoming a legacy system. If the PC's hard drive crashes we cannot send payroll. Managers do not have access to employee's paid time off balances and employees find it difficult to login and use the current ADP portal. ADP has increased costs again; this year for approximately 3.5% effective July 1. Our goal is to improve efficiencies and effectiveness with tools that will support rather than continue to place barriers for each employee, supervisor, and manager and administration staff.

Process
HR executed a targeted search and selection process for Payroll, HRIS and Time Management Services. HR manager Kyle Wickemeyer-Hardy conducted preliminary interviews with providers serving a cross-section of clients within Indiana. Four of the seven researched were eliminated based on scale of needs, features, usability, and cost. We then developed an RFP and distributed it to the three remaining service providers – ADP (current payroll provider), SinglePoint, and Electronic Commerce, Inc. (ECI).

Kyle and HR Assistant Marla Gray arranged for on-site presentations with each service provider. Due to the complexity of the integrated modules, the initial demonstrations were followed by at least two additional demonstrations via web conferencing with each provider. The provider's technical staff were included in these hands-on events.

Usability and access to information via the Time Management portal were a key consideration in our desire to improve service to our internal customers. Each of the three providers presented their Time Management software to managers,

supervisors, and staff. The demonstrations included overviews of tools such as electronic logins for hours worked/paid time off tracking, self-serve features for employees and managers and "dashboard" modules for managers and HR. The resulting comments and assessments from staff and managers were very helpful and were included in our decision-making process.

Following the demonstrations, all three providers responded to the RFP request. Kyle, Marla, Bonnie, and Sara reviewed the responses and tentatively selected ECI. Kyle conducted multiple reference checks with current and former employers using ECI software.

The findings were clear: ECI offered the best match for MCPL's HR/payroll service provisioning:

- All references revealed ECI had a strong track record in project management during the implementation phase, consistent and superior customer service, and an unusually high usability factor for data management (data entry/access, employee record tracking, and reporting tools). Each company contacted indicated ECI's cost was a key factor in their selection process.
- ECI's pricing proposal was much lower (approximately $10,000 less annually) than that of our current provider and packaged in a way that will allow us future flexibilities to choose desired features in a more "a la carte" fashion. Implementations costs will be marginally higher than if we chose to stay with ADP, as data will be transferred from the old system to the new, with ample data scrubbing and updates due to historical "work arounds" experienced with ADP. One-time implementation costs will be spread out during the first year of service. Overall, choosing ECI appears to provide an excellent return on investment.

Once the Board has approved the selection, we will notify ECI and the unsuccessful bidders. Next steps include establishing project target dates, conducting assessments of initial and future data management requirements, setting expectations for the HR and ECI implementation teams, and reviewing and finalizing the contract agreement and pricing details. Our goal is to complete implementation by the end of the year.

08/06/2010

Policy Governance Framework

Governance Process

The Board's philosophy, accountability, and specifics of its own job.

At the Library…
Bylaws

Ends Policies

The Board defines human needs that are to be met, by whom, and at what cost. Written with a long-term perspective, these mission-related policies embody most of the Board's part of strategic planning.

At the Library…

Mission	Technology Plan
Vision	Annual Budget
Values	Compensation philosophy
Strategic Plan	Customer service statement

Board-Director Linkage

The Board clarifies the manner in which it delegates authority to staff as well as how it evaluates staff performance on provisions of the ends and executive limitations policies.

At the Library…

Executive Limitations

The Board establishes the boundaries of accountability within which staff methods and activities can responsibly be left to staff. These limiting policies, therefore, apply to staff means rather than to ends.

At the Library…

Access to public records policy	Internet and computer use policy
Art exhibit and display policy	Meeting room use policy
Behavioral rules	Personnel policy
Circulation policy	Photography, videotaping, and use of
Collection development policy	other recording policy
Community access television services guidelines	Privacy policy regarding web and e-mail communications
Customer service statement	Test proctoring policy
Gift policy	

Board-Director Linkage

The Board clarifies the manner in which it delegates authority to staff as well as how it evaluates staff performance on provisions of the ends and executive limitations policies.

Global Board-Director Connection

The Board's sole official connection to the operation of the Library, its achievements and conduct will be through the Director.

Unity of Control

Only officially passed motions of the Board are binding on the Director. Accordingly,

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the Director except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board members or committees requesting information or assistance without Board authorization, the Director can refuse such requests that require, in the Director's opinion, a material amount of staff time or funds or are disruptive.

Accountability of the Director

The Director is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Director. Accordingly:

1. The Board will never give instructions to persons who report directly or indirectly to the Director.
2. The Board will not evaluate, either formally or informally, any staff other than the Director.
3. The Board will view Director performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends and avoidance of Board proscribed means will be viewed as successful Director performance.

Delegation to the Director

The Board will instruct the Director through written policies which prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the Director to use any reasonable interpretations of these policies. Accordingly:

1. The Board will develop policies instructing the Director to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.
2. The Board will develop policies which limit the latitude the Director may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Director Limitations policies.
3. As long as the Director uses any reasonable interpretations of the Board's Ends and Director Limitations policies, the Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities. Such decisions of the Director shall have full force and authority as if decided by the Board.

4. The Board may change its Ends and Director Limitations policies, thereby shifting the boundary between Board and Director domains. By doing so, the Board changes the latitude of choice given to the Director. But as long as any particular delegation is in place, the Board will respect and support the Director's choices.

Monitoring Director Performance

Systematic and rigorous monitoring of Director job performance will be solely against the only expected Director job outputs: organizational accomplishments of Board policies on Ends and organizational operation within the boundaries established in Board policies on Director Limitations. Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Data which do not do this will not be considered to be monitoring data.
2. The Board will acquire monitoring data by one or more of three methods:
    a. by internal report, in which the Director discloses compliance information to the Board,
    b. by external report, in which an external, disinterested third party, selected by the Board, assesses compliance with Board policies, and
    c. by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall be any reasonable Director interpretation of the Board policy being monitored. The Board is final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by Board members or by the Board as a whole.
4. All policies which instruct the Director will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.
5. All policy violations will be noted, and, if there are no mitigating circumstances, will contribute to a negative appraisal of Director performance. The Board will, however, view violations of financial policies as especially serious.
6. The Board will decide each year at the July Board meeting on Director salary and benefits based on market conditions, performance as measured by monitoring, and the Library's financial ability.

Executive Limitations Policy

The Board clarifies the manner in which it delegates authority to staff as well as how it evaluates staff performance on provisions of the ends and executive limitations policies.

Global Director Constraint

The Director shall not cause or allow any practice, activity, decision, or organizational circumstance which is either unlawful, imprudent, or in violation of the highest standard of business and professional ethics and practice.

Emergency Director Succession

In order to protect the Board from sudden loss of director services, the Director may not have fewer than one other person familiar with Library and Director issues and processes.
The Director shall not leave without identifying a primary individual to execute his/her functions.

Actual Financial Conditions and Activities

The Director shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.
Without limiting the scope of the foregoing by enumeration, the Director shall not:
1. Expend more funds in the fiscal year to date than have actually been appropriated and received.
2. Fail to settle payroll and debts in a timely manner.
3. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
4. Make any expenditure wherein normally prudent protection has not been given against conflict of interest
5. Violate the public purchasing constraints outlined in State law.
6. Make public purchases in excess of the funds budgeted without gaining Board approval.
7. Acquire, encumber, or dispose of real property without Board approval.
8. Fail to aggressively pursue receivables after a reasonable grace period.

Financial Planning/Budgeting

Budget planning for any fiscal year shall meet constrains set by state law and policy and shall not deviate materially from the Board's Ends priorities or risk fiscal jeopardy. Without limiting the scope of the foregoing by this enumeration, the Director shall not plan in a manner that:
1. Risks the organization incurring situations or conditions described as unacceptable in the Board's Financial Condition and Activities policy.
2. Fails to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Includes an amount for Director salary and benefits until that amount has been determined by the Board.

Asset Protection

The Director shall not allow Library assets to be unprotected, inadequately maintained or unnecessarily risked.
Further, without limiting the scope of the foregoing of this enumeration, the Director shall not:

1. Fail to ensure against liability losses to Board members, staff, and the organization itself in an amount no less than the average for comparable organizations.
2. Allow unbonded personnel access to material amounts of funds.
3. Unnecessarily expose the organization, its Board or staff to claims of liability.
4. Fall to protect intellectual property, information, and files from loss or significant damage.
5. Receive, process, or disburse funds under controls which are insufficient to meet State Board of Accounts standards.
6. Invest or hold operating capital in insecure, high-risk, or non-conservative instruments.
7. Endanger the Library's public image or credibility, particularly in ways that would hinder in accomplishment of Ends.

Compensation

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the Director shall not cause or allow jeopardy to fiscal integrity or to public image. Accordingly, the Director will not:
1. Change the Director's own compensation and benefits, except as those benefits are consistent with a package for all other employees.
2. Promise or imply permanent or guaranteed employment.
3. Create obligations over a longer term than revenues can be safely projected.

Communication and Support to the Board

The Director shall not permit the Board to be uninformed or unsupported in its work.

Further, without limiting the scope of the foregoing by this enumeration, the Director shall not:
1. Neglect to submit monitoring data required by the Board (see policy on Monitoring Director Performance) in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored.
2. Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board.
3. Let the Board be unaware of relevant trends, anticipated media coverage, threatened or pending lawsuits, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
4. Fail to advise the Board if, in the Director's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Director Linkage, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and Director.
5. Fail to marshal for the Board as many staff and external points of view, issues, and opinions as the Board determines it needs for fully-informed choices.
6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types – monitoring, decision preparation, or other.
7. Fail to provide a mechanism for official Board, officer, or committee communications.
8. Fail to deal with the Board as a whole, except when a) fulfilling individual requests for information and b) responding to officers or committees duly charged by the Board.
9. Fail to supply for the consent agenda all items delegated to the Director yet required by law or contract to be Board-approved, along with the monitoring assurance pertaining thereto.