

**Fontana Regional Library
Meeting of Board of Trustees
Nantahala EMS Building, Tipton
July 12, 2022
Minutes**

Board members present: Ellen Snodgrass, Debbie Tallent, Ed Trask, Wood Lovell, Stephanie Rodeck, Dennis Cox, Boyd Sossamon.

Board members absent: Cynthia Womble, Rebecca Bryson.

Staff members present: Karen Wallace, Tracy Fitzmaurice, Deb Lawley, Lynn Cody.

Agenda Items

I. Call to Order and Roll Call:

The meeting was called to order at 4:21 p.m. on Tuesday, July 12, 2022 by Chair Ellen Snodgrass.

II. Adjustments to and approval of the agenda

Motion to add discussion regarding Regional Director's position: Wood Lovell.

Seconded: Debbie Tallent.

III. Welcome to the Nantahala Community Library

The Board meeting was moved to the Nantahala EMS Building in Tipton due to a waterline break at NCL.

IV. Approval of Minutes of May 10, 2022 meeting

Motion to approve the minutes of the May 10.

Moved: Stephanie Rodeck.

Seconded: Wood Lovell.

Motion unanimously approved.

V. Review of communications and public comment (if needed)

No public comment.

VI. Director's Report

(See July 2022 Director's Report)

Karen shared and reviewed the NC Cardinal Resource Sharing Reports for FY2021-2022, and a handout showing FRL's eLibrary Digital Resource Usage FY 2021-2022

VII. Financial Reports

A. Finance Consultant Report

From Deb Lawley, Acting Finance Officer

Report:

At the meeting in May, I shared background information with the Board about the current funding model used by Fontana Regional Library and recommended that the Regional Board and executive staff explore alternative models for the overall financial operation of the library system. During that meeting the Board discussed the difficulties of recruiting a new Finance Officer, and suggested that modernizing the accounting software in use and outsourcing some of the finance functions would aid in the hiring process. The Board also discussed the approaching retirement and of the Regional Director. In this report I will address those issues as they impact the financial position of the library.

Current Accounting and Payroll Software

Operational excellence is one of the long-range goals of FRL, and has been for several years. However, when it comes to the software that powers financial operations the organization has cut corners for years. The result of this is archaic, paper-driven, labor-intensive processes that adversely impact staff at all levels in every library. The current accounting software in use by FRL is antiquated, unreliable, not user-friendly, and does not serve the Library's needs. It is built on an older version of Microsoft Access, which causes program errors several times a week, often requiring restores to back-up versions and lost data. The system runs on an FRL server which requires the IT staff to manually download and install updates to the server and the individual staff workstations, requiring IT time, intervention, and coordination. Documentation for the system is almost non-existent. Technical support is lacking; it is not unusual for them to say they don't know what caused an issue and they can't fix it. Their main programmer can't fix the problem with the payroll system not accepting input from the time tracking system, and will no longer take our calls.

The Banyon payroll package does not work with our time tracking system, cannot handle some of our benefits, and requires extensive manual intervention. The Finance Department staff must manually copy employee work hours from the time-tracking system to the payroll system. The reporting capability is limited. The data cannot be accessed for a prior period, the report printing cannot be aligned to match state forms, and the information needed to complete requires form is not readily available. There are no automated processes available to fill out and submit employment forms or verify employee eligibility, so onboarding all new employees is done in person at the HQ office. This requires travel for the new hire and the Regional Director, and scheduling conflicts may delay the process by days.

Banyon's general ledger/ fund accounting package also requires extensive manual intervention from staff in HQ and in each of the libraries. We are required by state law to track encumbrances, requiring the creation and tracking of purchase orders for all acquisitions. In Banyon these must be manually created and approved in the libraries, and invoices are manually reconciled against them, before being sent to HQ where they are manually entered into the account payable process. Staff mileage reimbursement requests not only have purchase orders associated with them, they are created on paper and passed around for manual approval before being sent to HQ in courier for payment. Use of credit cards requires two different manual forms – a purchase order to track the encumbrance in Banyon and a credit card log to verify that the use of the credit card was approved; because Banyon can't track that. Managers and administrative support staff cannot access their data directly so HQ staff must create, download, and print or email reports to them. However, since Banyon's reporting capability is limited, and often doesn't work properly the reports requested by staff or the auditors often aren't available and have to be manually created by HQ staff.

Therefore, in response to the Board's recommendation at the last meeting, I have been researching software products to modernize the Library's accounting and payroll systems and outsource the payroll process. After reviewing several different offerings, talking with vendors, and viewing presentations and demonstrations, I am recommending that FRL implement two products.

Recommended Replacement Payroll Processing

Proliant is a payroll, timekeeping, and onboarding product, to replace Banyon's payroll product. It will automate onboarding so that it can be done primarily on-line in the new-hire's home library. It interfaces with our insurance broker's system to enter employees into the benefits system, automatically reports to the state and federal new-hire websites, and enters the employees into the payroll and time tracking system. The time tracking system works similarly to the TimeForce system FRL has now. FRL would cancel that product. The time tracking system from Proliant will automatically load hours worked and time off into the payroll system. At the end of the pay period the payroll system will automatically create payroll vouchers for the finance department to review and approve. It will then upload the amount to the bank for direct deposit to employee accounts, prepare pay stubs for employees, file local and state taxes, and create a file to upload the data to the general ledger system. It will automatically create and file the quarterly and annual payroll tax forms, and automatically create the W-2 forms at the end of the year. The product has an employee portal where all staff can review their payroll information, download past pay stubs, check leave balances, and year-to-date totals. The product also provides confidential payroll verification services for employees 7 days a week.

Recommended Replacement Fund Accounting System

Financial Edge NXT from Blackbaud will replace Banyon as the primary accounting software for the library. Blackbaud has a long, proven history of working well with non-profits and includes several library systems in its customer base. This product will provide general ledger, accounts receivable, and account payable processing. It includes an automated online process to create and track purchase orders, reimbursement requests, and encumbrances. It connects to the bank to show credit card transactions and deposits on-demand, and automated the bank reconciliation process. It provides online budget tracking for all levels from the entire organization down to individual projects. It can automate grant management and tracking. It has online reporting capabilities that will allow managers to view their current revenues and expenditures, and even drill down into a specific line item to see individual transactions. It will allow managers and administrative support staff to directly view their accounting information real-time, online. The system includes unlimited online training for staff, as well as in-person opportunities and non-profit workshops.

Both of these products are cloud-based solutions, which is the preference of our IT staff. It means that FRL hardware will not be needed to run the system. IT staff will not need to be involved in updates to the system, and all changes and fixes to the system will be handled by the vendor and pushed out to all client stations at the same time.

Attached are additional product information and implementation proposals. It will, of course, cost more to implement and license these systems going forward. I recommend that the initial implementation costs and first and second-year licenses be paid from the non-recurring State

Aid FRL will receive this fiscal year. This will give the Board and staff time to develop the new funding model discussed at the previous Board meeting.

The total first year implementation and licensing of the new software will be \$25,255.

- Proliant will be \$6,255 and includes set-up, on-boarding, monthly timekeeping and payroll processing, quarterly tax filings, and year-end W-2 processing.
- Financial Edge will be \$19,000 and included implementation, training, general ledger import from the old system, and the annual licenses.
- Following the initial year the price will be \$19,000 annually.

FRL is currently paying \$6,365 per year. Prior to Banyon, we were paying approximately \$9,500 per year for a system that did far more than Banyon, but far less than the proposed new software.

Regional Director Succession Planning

Karen Wallace announced some months ago that she would be retiring in December of this year. To date, the Board has not made any plans to fill her position. This is problematic for budgeting, planning, and staff morale. In the past, the Board has appointed a current county librarian to serve as the interim Regional Director until a permanent appointment is made. When Steve Farlow left, it was over 8 months before Gail Findlay was hired, and during that time Beverly Means, the Swain County Librarian was the Interim Director. When Gail Findlay retired, Karen Wallace, the Macon County Librarian, was appointed as the Interim Director for a year while the Board decided whether to keep the new model of the position as a split position or return it to a stand-alone position. It is a requirement to receive State Aid funding that a library must appoint an Interim Regional Director when the director position is vacant. The following is an excerpt from the State Library's website:

What are the requirements for interim directors?

ANSWER: The procedures for interim directors are based upon eligibility requirement 07 NCAC 02I .0201 (3): "Employ a full-time library director having or eligible for North Carolina public librarian certification. Full-time means working a minimum of 35 hours per week." Selecting an interim director provides the opportunity to maintain state aid compliance:

- 1. An interim director should be named within 30 days after the current library director leaves.*
- 2. The interim director should be a staff member who is already familiar with managing day-to-day operations of the library system rather than a board member or a staff committee. This will ensure there is one named person who can sign any necessary paperwork with the State Library in such areas as NC Cardinal Memorandum of Agreement (MOA), scholarship grants, State Aid, etc.*
- 3. This individual should possess an MLS and it is recommended, but not required, they hold a North Carolina public librarian certification.*

The primary reference for interim director requirements are based upon General Statute § 125-7, Article 14 § 153A-267, and Administrative Code 07 NCAC 02I .0201.

As has been discussed at the last Board meeting, the Board and executive staff need to develop a sustainable funding model for FRL going forward. That is not something that will be done quickly or easily, but it needs to be begun. It is, however, an opportunity for the Regional Board to assess the model of the Regional Director position moving forward. If the Board wishes to return to the stand-alone model, it will need to determine how to fund that position, since the current funding model does not have enough money in the HQ budget to pay for a full-time Director. If the Board wishes to continue with a split position, it needs to decide who best to fulfill that role whether it be a county or branch librarian or another position in the system who meets the legal criteria of the position. If that person is already in the system they would bring their experience with the system and promotion from within is a morale builder for the staff. It would be much more problematic to ask an outside person to step into the role as both the Macon County Librarian and the Regional Director because this person would need to immediately step into the politics within the county, learn to manage the entire three-library county system, and simultaneously assume the role as leader of the entire region.

Whatever the Board decides, it is not a decision that should be made with undue haste. There are many ramifications to all options. However, while this decision is being made the system must continue to operate and continuity and stability need to be maintained, especially in face of all the other HQ staffing changes that have happened or are expected within the year. I recommend to the Board that they appoint Tracy Fitzmaurice as the Interim Regional Director until they have had time to examine all options and make a considered decision on the future of the Regional Director position. This will give Tracy time to work with Karen and the new Finance Officer before Karen leaves, will give the Board the chance to work through their decision-making process without the pressure of a looming vacancy for the Regional Director position, and will satisfy all the requirements of the State Library and North Carolina Administrative Code, so that the library system can continue to receive State Aid.

During the meeting Ms. Lawley also stated that this is the last fiscal year of the 3-year contract with the current auditors. After this year FRL will need to put out a bid for a new auditor. The current auditor has made repeated errors and Ms. Lawley suggests hiring a with a new company.

Mr. Cox asked FRL's new Finance Officer, Lynn Cody, if he is comfortable with switching to the new software. Mr. Cody responded that he has no problem and is comfortable with the recommendations.

B. Approval of Budget Amendments FY2022-23

See Budget Memo FY 2022-2023 07-12-22

Motion to approve the FY2022-2023 Budget Amendments: Debbie Tallent.

Seconded: Ed Trask.

Unanimously approved as presented.

C. Update on LSTA Grants

i. Planning for Sustainability

The final grant filings have been entered and FRL is waiting on the reimbursements.

ii. SLNC Adapts: Digital Seniors

This grant has a different filing period so the final step will be carried out at the end of July.

iii. Adapting Technology: Web Conferencing Solutions

The final grant filings have been entered and FRL is waiting on the reimbursements.

VIII. Unfinished Business

A. Long Range Plan Goals, Values, Vision

See handout: LRP 2022-2027.

Karen reviewed the long range plan handout with the Board.

The complete plan in September for the board to approve.

B. Update of Marianna Black Library/HQ Building Plans

Ellen Snodgrass reported that Swain County Commissioners approved the annual budget with \$500,000 included for excavation and improvement for the new MBL building project.

Commissioner Danny Burns asked for the money to be called out separately in the budget specifically for this project. A Memorandum of Agreement was signed with an anticipated start date in spring 2023. Representative Clampitt and Senator Corbin have been contacted with a request to support more funding for this project. The building project account is currently at \$410,000. The Swain County work crew will be doing much of the initial work and bids will be sent out for contractors on further construction.

C. Nantahala Community Library facility

Macon County Commissioners approved \$500,000 in the FY2022-2023 county budget for the NCL new building project. The initial architect, Keith Hargrove, withdrew from the project. County Manager Derek Roland indicated that the search for an architect includes McMillan Pazdan Smith and Padgett & Freeman Architects. Both firms have experience in the western North Carolina with library construction projects. The cost of bringing fiber to the new site is estimated at \$300,000 by Balsam West. Applications for eRate can start in early 2023 (the 2022 window was missed) so July 2023 would be earliest starting date for fiber installation. Mr. Cox asked about the possibility of using Starlink as it is being introduced in this area. Any internet access has to work with our current Wide Area Network (WAN) but Starlink could be a possibility.

IX. New Business

A. Election of FRL Board Officers

Chair: Ellen Snodgrass

Vice Chair: Ed Trask

Secretary: Debbie Tallent

Motion to approve the slate of officers: Wood Lovell

Seconded: Stephanie Rodeck

Motion unanimously approved.

B. Budget and Finance Policy revision

Revisions included:

- Adding the line item transfer wording that had already been approved by the Board in 2019.
- Editing the wording in the Fund Balance section.
- Adding a Form 990 explanation. This is not required by law but FRL has always done this for transparency.

The current policy already covers investments with wording taken directing from the statutes. Ms. Lawley recommended rescinding the newer investment policy as this information is already incorporated into the current Budget and Finance Policy.

Motion to approve the Budget and Finance Policy revision to include the existing wording on investments and rescind the additional Investment Policy: Stephanie Rodeck
Seconded: Wood Lovell
Motion unanimously approved.

- A. Circulation Policy revision, Personnel Policy revision, Safe Child Policy revision.
Motion to approve the revised Circulation Policy, Personnel Policy revision, Safe Child Policy revision: Wood Lovell.
Seconded: Debbie Tallent.
Motion unanimously approved.

- B. Conflict of Interest Policy
Disclosure Statements needed.
Karen Wallace gave each Board member a copy of the Conflict of Interest to sign and return for HQ to keep on file.

- X. Other Business
None.

XI. Executive Session

The Board started discussion and the Regional Director succession plan brought up by Deb Lawley's Finance Officer Report. It was decided that the meeting should be moved into a closed session at 6:10 p.m. Karen Wallace, Tracy Fitzmaurice, Deb Lawley, and Lynn Cody left the meeting.

Motion to go into closed session to consider the qualifications of a potential candidate for the Regional Director position: Debbie Tallent
Seconded: Wood Lovell
Motion unanimously approved.

Board Secretary Debbie Tallent took notes during the closed session. A general account of the closed session included the discussion of the qualifications for the position of Regional Director. Tracy's years of long experience with FRL and her education qualify her for the position and ensure a smooth transition. After discussion, the Board decided to forego using an interim director and plan to offer the position of Regional Director to Tracy Fitzmaurice after Karen Wallace's retirement.

Motion to end closed session: Stephanie Rodeck
Seconded: Boyd Sossamon
Motion unanimously approved.

The open session of the Board meeting resumed at 6:35. Karen Wallace and Tracy Fitzmaurice returned to the meeting. The Board announced their decision to offer the position of Regional Director to Tracy Fitzmaurice, to begin in January 2023 with Karen's retirement.

Motion to appoint Tracy Fitzmaurice to the position of Regional Director upon the retirement of Karen Wallace: Wood Lovell
Seconded: Stephanie Rodeck
Motion unanimously approved.

This offer of appointment was accepted and Tracy will start training alongside Karen immediately. Tracy also agreed that if she should reconsider taking the job she will inform the Trustees as soon as possible.

XII. Adjournment


There being no other business, the meeting was adjourned at 6:50 p.m. The next meeting is scheduled for September 13, 2022 at 4:00 p.m. at the Macon County Public Library.

Motion to adjourn: Wood Lovell.
Seconded: Ed Trask.

Respectfully submitted:



Ellen Snodgrass, Chairperson



Karen Wallace, Regional Director