

**Branch District Library  
Finance Committee Minutes  
May 27, 2015  
9 am  
3<sup>rd</sup> Floor Meeting Room at Coldwater Branch**

**Recommendations Synopsis:**

1. Recommending Commercial Liability Insurance policy be prepared for \$2 million with an increase to \$2 million umbrella policy (up from \$1 million) to be presented to the full board at the special meeting on June 3. Directors and Officers Liability policy to be prepared for \$2 and \$3 million dollars for the board to decide. Boiler and Machinery coverage to stay the same. At this time do not qualify for Internet security portion but looking into further.
2. Update: Carpet bid BDL portion will be somewhere between \$576.84 and \$776.84 to be taken from Fisher Fund as approved by the BDL at the May meeting.
3. Recommend presenting bids for the elevator to the full board at the regular June meeting along with options for financing this project; with repayment to come from the Coldwater capital fund.
4. Recommend full board review finance purchasing policy.
5. Reminder to Branch Staff that any Capital Fund changes need to be submitted at June meeting for approval.

**Minutes:**

Erica Ewers called Finance Committee Meeting to order at 9:05 am with remaining committee members Dan Gordon and Ben Jewell present as well as Director Evette Atkin and John Rucker. Darlene Curtis, bookkeeper, excused.

The commercial insurance policy proposal was reviewed. The Inland Marine portion (takes into account the Electronic Data Processing Equipment) of the policy increased in value as a result of John including all the new computer and surveillance equipment purchased this year. The \$248,652 represents actual costs because the replacement costs are coming in under this amount due to technology costs decreasing each year. This figure also includes \$30,000 to rewire all the libraries if a disaster should hit.

The other amounts quoted were consistent with the previous policy with the exception of the Medical Payments each person at \$5000 (previously \$10,000). Thus having Evette check with Jeff Dean on why this changed and what it means.

The initial umbrella policy was for \$1million with the total annual premium of \$10,843 (which is an increase over last year of \$1,566). If we increase the umbrella policy to \$2 million then it adds \$500 to the premium. Thus the committee agreed to recommend a \$2 million umbrella making the quote \$11,343. Evette is going to give this information to Jeff Dean so that we can have a final policy ready for the special meeting scheduled for June 3.

As for the Directors and Liability coverage the cost for \$1 million last year was \$1537 and this year is \$1,673 if keep the same. The committee had Jeff bid out a \$2 million option which came in at \$2,576 and a \$5 million option at \$3,940. The committee was leaning toward \$2 million as the cost was minimal and the deductible stays at \$5,000; whereas the \$5 million goes to \$10,000 deductible and doubles the cost of coverage. In the end we asked Evette to have Jeff prepare an option for both \$2 million and \$3 million to let the board decide which option they want.

The Boiler & Machinery coverage is the same and the cost last year was \$472 and this year is up \$24 to \$496. We didn't recommend any changes to this. As for the Internet Coverage we were denied because while a lot of policies are in practice none of them are on paper or approved by the board. We asked John to work on getting them in writing as time allows and in the meantime asked Evette to get a ballpark cost of this coverage to see if the price exceeds the amount of time necessary to do the changes.

In follow up to the carpet and how it is to be financed, we have found that additional donation money was given to the BDL in the amount of \$214.60. This check had originally been written to Robin Cline and then voided due to problems with the initial work. So these funds are still available for the recarpeting of the stairs. It is also believed that there was another donation of \$200 made to this project but that is still being verified by the book keeper. If so our total cost could be as low as \$576.84 or as high as \$776.84. This expense was approved by the BDL at the May meeting to come from the Fisher fund.

The building committee forwarded the recommendation of upgrading/replacing the Elevator at a cost of \$68,500 minus the cost of the sensor we just purchased to the finance committee for possible funding options. The current bid is from Otis. A second bid had been requested from the other company in the area but have not heard back from them. Hope to have this bid by June meeting. The finance committee is recommending to take out a loan to cover this purchase and to look at a 4 or 5 year loan to do so; so as not to strap the Coldwater Capital fund as was done with the HVAC system. Current funds available for this project would be \$14,000 from Fisher and \$20,000 from Coldwater Capital and this is not enough to get us started. Staff is going to contact banks for rates and information to present to the full board at the June meeting.

In addition the staff spoke to the representatives of Otis on Tuesday and the monthly maintenance fee will go down and will include the cost of replacement parts; whereas now we pay a monthly fee and the cost of replacement parts. This is because the current elevator company is no longer in business and when Otis gets done upgrading to their components they will stand behind those parts. So the long term savings here will outweigh the cost of the interest on the loan to do the project now.

The committee discussed the status of the Fisher Funds that started out in March with \$28,236.96 and since we have approved expenses of \$3,265 for toilets; \$3,620.34 for dump waiter repairs; \$776.84 for carpet replacement on stairs; and \$4,624.40 for elevator sensor. Total expenses from this account are at \$12,286.58 leaving approximately \$15,950.38 depending on what happens with carpet financing. There is also a scheduled request of \$1,665 coming for replacement of door locks on the stair doors.

Health insurance question came up after building committee meeting and thus was revisited today and was determined more work needs to be done on this topic and then taken to personnel committee before coming back to finance committee.

The purchasing policy was also discussed and the committee recommended the full board needs to review this again so that we are all aware of what is in it.

Also a reminder to branch staff that any capital funds that they want changed around needs to be submitted to the full board for the June meeting for approval.

Meeting adjourned at 10:18 am.

Minutes prepared by:  
Erica Ewers