

**SUN PRAIRIE PUBLIC LIBRARY FOUNDATION  
BOARD OF DIRECTORS MEETING**

8:00 am, Tuesday, January 21, 2014  
Library Conference Room

**MEETING NOTES:**

- 1) **Call to order:** Terry McIlroy called the meeting to order at 8:05 am.

**Roll call:**

**Present:** Barb Bailey, Kathleen Curran, Kim Koss, Terry McIlroy, Dan O'Brien, Errol Polenske, Harry Ripp, Michael Skornia, Barb Trimble, and Nicole Waerzeggers

**Absent:** Jeff Gauger, Heather Jones, Rebecca Renk, and Laura Stechschulte

**Also present:** Brent Benjamin, Tracy Herold, Paul Mestelle, and Cindy Stankey

- 2) **Approval of minutes:**

Motion to approve minutes from the October 15, 2013 meeting:

(1) Errol Polenske (2) Kathy Curran

Motion passed unanimously.

**Discussion:** 5G of the Strategic Planning minutes, the goal for 2014 Book'n It has been increased from \$25K to \$30K

Motion to approve minutes from the December 17, 2013 Strategic Planning meeting:

(1) Kim Koss (2) Barb Bailey

Motion passed unanimously.

- 3) **Nomination and election of directors:**

Barb Trimble from Hometown Newsgroup and Nicole Waerzeggers from Harms Insurance Group have submitted applications to serve on the Foundation Board and Directors.

Motion to approve nomination of Barb Trimble and Nicole Waerzeggers:

(1) Harry Ripp (2) Mike Skornia

Motion passed unanimously.

**Discussion:** This brings our membership to 16. We have three openings on the Board, including a treasurer. We need someone to do the financials and to file the taxes (due in May); Cindy will prepare monthly reports in the interim.

- 4) **Volunteer Orientation:**

Errol Polenske, Laura Stechschulte, Barb Trimble, and Nicole Waerzeggers have not received volunteer orientation from Debbie Bird. Orientation will be conducted separately from the bi-monthly board meeting.

- 5) **Tracking Volunteer Time:**

Track all Foundation Board activities and report your monthly total to Cindy via email. This includes time spent at home and at the office, not just meetings at the library. When it comes to budget time, it is vitally important for Tracy to know how much time is being donated and it is important that all of us track the time in a consistent manner. If you can break it out by committee that will help us to know how our energies are spent. The Foundation Board reported a total of 906 hours for 2013, which is fantastic, but it represents a mere fraction of the total time expended by the Board.

- 6) **Financials:**

**a) Check signers:** paperwork is being updated indicating who will be signing checks.

**b) Investment report:** Foundation's endowment portfolio currently stands at \$323,474.61. It is held in approximately 40% fixed CD's and annuities and 60% growth funds. Last year the fund's total rate of return was 17.65%.

Motion to approve Dan O'Brien's Investment report:

(1) Harry Ripp (2) Kim Koss

Motion passed unanimously; Dan O'Brien abstained.

**c) Treasurer's report:**

**Discussion:** The Foundation Board's contribution to the library appears at the end of the 2013 Profit/Loss report listed as *Investment Income Sharing Exp (Library Program Assistance)*. Note that the amount listed for 2013, \$3043.13, is based on 2012 investment income. The funds we give the library this year will appear on the 2014 Profit/Loss report, because the payment will be made in 2014, even though the funds were earned in 2013.

Motion to approve Treasurer's report:

(1) Kim Koss (2) Kathy Curran

Motion passed unanimously; Dan O'Brien abstained.

**d) Determine how much to allocate for the year-end technology fund:**

- 2013 investment earnings totaled \$10,524.60. Based on Section VIII of the Investment Policy, we can give the library 50% of those earnings, or \$5,262.30.
- 2013 net contributions totaled \$39,009.01. Based on Section II of the Investment Policy, we can give the library up to 20% of those earnings, or \$7801.80. (Net contributions consist of General Income plus Event Income minus Expenses; Investment Income and Planned Giving/Wills/Bequests are not included.)
- Therefore, the total we have available to give the library based on these two funds is \$13,064.10
- Tracy has budgeted, and is requesting, \$6,500 from the Foundation for digital materials, specifically Overdrive.
- All of the funds from the investment earnings portion will be given: \$5,262.30.
- \$1237.70 will be used from the \$7801.80; this is approximately 3.2% of the 2013 net contributions.
- The balance (\$6,564.10) will be reserved and, at the discretion of the Foundation Board, made available to the library if future needs arise during 2014; funds not used by the end of 2014 will be moved to the Endowment.

Motion to approve giving \$6,500 to the library, per Section II and Section VIII of our Investment Policy, as follows:

\$5,262.30, utilizing all the funds available from 50% of 2013 annual earnings on investment (Section VIII) plus \$1,237.70, utilizing a portion of the funds available from 20% of the 2013 net contributions (Section II).

The balance, \$6,564.10, will be held for possible use later in 2014 at the discretion of the Foundation Board.

(1) Dan O'Brien (2) Kim Koss

Motion passed unanimously

**d) Determine amount to move to Edward Jones accounts:** The Financial Committee has decided to move \$5K quarterly from the fixed part to the Edward Jones portfolio throughout the year; this will be reviewed annually.

**Discussion:**

- We have enough in checking to cover anticipated expenses and all funds in Edward Jones portfolio are liquid.
- *Cash and Life Insurance* is listed under *Investment Category* on the Portfolio report, but we don't hold any life insurance, the \$88K listed is held in checking accounts and CD's.
- A listing of our actual holdings was requested; copies were distributed to interested Board members.
- In 4C of the October 15, 2013 minutes, the 2<sup>nd</sup> to last line should be amended from 12% to 5%

Motion to amend 12% to 5% in 4C of the October 15, 2013 minutes:

(1) Barb Bailey (2) Errol Polenske

Motion passed unanimously; Dan O'Brien abstained.

**7) Investment Policy:** Policy to be reviewed and updated by the Finance Committee; we will address recommended changes at the March Foundation Board meeting.

**8) 2014 Foundation Board Budget:**

- *Fall Annual Appeal:* \$7,500. Income almost doubled from 2012 to 2013, likely due to increased visibility of the Foundation Board in the community. Our appeal was in the paper and the mailings went out earlier than in 2012. 70 donors responded to the 2013 Fall Appeal for a total of \$6,405, compared to 42 in 2012 for a total of \$3,465. Of those who donated both years, the total given increased by \$405. \$3,620 was from donors who had not given in the 2012 Fall Annual Appeal. \$1,085 was "lost" from donors who gave to the appeal in 2012, but did not respond in 2013; one of those donors sent their annual donation in April, so the amount "lost" was actually \$585.
- *Planned Giving Wills and Bequests:* \$73,675.62
- *Administrative Services:* \$5,220 Hoping to contract directly this year rather than through QTI.
- *Proposed Administrative Expenses:* \$8,915 This is just about double 2012 numbers and 40% more than 2013 due to increased activities of the Foundation Board and the costs associated with these activities.
- *Disbursements to Library:* As described above (6d), we could give approximately \$13K this year.
- Finance Committee decreased budgeted income from *Gala Art Sales* and *Gala Tickets* from \$10K to \$5K each.

**Discussion:** Liability insurance may be added to Book'n It and Gala if the City liability insurance doesn't cover us satisfactorily. We have operated under the City's insurance to date; however the City has a \$50K deductible per event. Tracy and Terry will ask the City Council to determine who will pay that deductible if an incident occurs. If the City will not to commit to covering the deductible, then we will look into purchasing event insurance, which is about \$250 per event, with no deductible, because our endowment is at risk if the Foundation is responsible for the \$50K. If we need to purchase event insurance, we will seek three quotes; care will be taken to insure quotes are for same levels of coverage including general aggregate limit. Other possible increases to the budget include police presence at Book'n It and the cost of route certification. Our budget is a working document and changes can be made throughout the year as needed, with Board approval.

Motion to approve the 2014 Foundation Board budget as drafted:

(1) Kathy Curran (2) Kim Koss

Motion passed unanimously.

**9) Raffle license:** Should we renew our raffle license or let it lapse?

**Discussion:** Although we do not have any raffles planned for 2014, we will renew the license which comes due in June. Being a fund raising organization, we may utilize it in the future; it is inexpensive to renew (\$15). Acquiring a new license requires a lot of paperwork and entails a 30 to 60 day lead time, whereas renewal process is simple, one sheet process. Cindy will prepare the paperwork for Terry's signature.

**10) Administrative Assistant Position:** Contract vs. QTI

Due to our increased activity, our need for administrative assistance exceeds current 5 hours per week allowed thru QTI. In order to grow our endowment, we want to limit our expenses as much as possible. Currently the Foundation pays QTI \$15 per hour of which Cindy receives about \$10. By contracting directly with Cindy, she will receive all of the funds the Foundation has budgeted for the Administrative Assistant position (\$5,220) and will not be limited to 5 hr/wk. Cindy will prepare all the tax paperwork associated with the position and the treasurer report until we get a treasurer. Proposed contract is based on an attorney prepared contract for a similar position. The contract is renewable yearly.

**Discussion:** Before proceeding we need to make certain that we are not violating any of the 11 essential steps for determining if someone is an employee or an independent contractor as this has IRS implications (with respect to withholding taxes); Kathy Curran will look at the contract again with this in mind. There is no buy-out with the QTI contract as we did not use them for recruiting purposes; we approached QTI with an employee in mind. After contract has been validated by Kathy, Terry will call for a vote via e-mail, rather than wait until the March Foundation meeting.

**11) Committee Reports:**

- **Planned Giving** – will be meeting soon to work on a new brochure to be rolled out at the Gala. Lots of options to discuss with the individuals on our contact list including listing the Foundation as a beneficiary, as Janice Lang did with her \$48K donation, and moving some planned donations forward, as with the \$25K received in November. Dan will send an email when the next Planned Giving meeting is scheduled; anyone interested in can attend.
- **Gala** – Gift Baskets are one area each of the Board members can help with. Send Heather and/or Bekkie an email indicating which basket you'd like to put together. Suggested themes were distributed, but other ideas are welcomed. The value of each basket needs to be \$100 or higher. Terry is going to put together a Weekend Getaway basket and Barb T. volunteered to put together a Golf Basket.
- **Book'n It** – We have 3 sponsors (\$500 - Bank of Sun Prairie, \$500 - Smart Motors, and \$250 - Service Specialists) and 3 registered runners. 2014 materials are being updated, including websites and race registration forms. Thank you letters are going out to sponsors indicating race forms will be sent to them in March.

**Discussion:**

- Sponsorship letters were mailed 1/10/14, so now is the time to contact your sponsors.
- Talking Points have been updated; they will be distributed to the Board and posted in Dropbox.
- We will make one contact with sponsors this year, rather than one for Gala and one for Book'n It.
- By offering two very different options to potential sponsors, we increase our likelihood of receiving funds.
- Kim will provide a description of our events (Gala and Book'n It) for use during sponsorship calls.
- Sponsor spreadsheet combines potential sponsors for both Book'n It and Gala.
- Sponsorship Committee indicated (by B or G) which event seems most appropriate for the sponsor.
- When you talk to your contact, please determine which event they would like to sponsor.
- Several sponsors gave raffle prizes for 2013 Book'n It; it might be more appropriate to use those types of items in Gala Baskets. This may mean some previous sponsors are diverted from Book'n It to Gala and we need to recognize that when we compare results at the end of the year.
- Mailing focused on Book'n It; if they want to be a Gala sponsor, ask them to indicate that on the paperwork.
- If this combined approach is effective, next year we will adjust our sponsorship paperwork accordingly.
- Electronic copies are needed for online submissions; .pdf files needed are 2013 Income Statement (2013 profit/loss), Balance Sheet, Tax Exempt Status, and Statement of Intent; let Cindy know if you want copies.

**12) Library Board update:** Tracy Herold

- Board approved the 2014 Trust Board Budget. Undesignated carryover funds went to Facility Replacement fund.
- Plan of Service, which addresses our goals of providing collection, services, and a facility for the community, was reviewed and will come up again at the February meeting. Goal is to update the document with what was done in 2013 and what is planned for 2014. It runs through 2015 and will be looked at in conjunction with space needs.
- In addition to Seed Folks, we have plenty of programming planned for 2014; several events are with Beyond the Page funds, including *Discovering Austin* and three collaborations with Children's Theater of Madison: *The Giver*, *Alexander and the Terrible, Horrible, No Good, Very Bad Day*, and *Fiddler on the Roof*. In October, Forward Theater Company has been commissioned to do a banned-books monologue festival.
- We now have a film license and will be showing films at the library (1 per month); so far we have shown Christmas Vacation in December, Grumpy Old Men in January, and will be showing Ground Hog Day in February.

**13) Friends update:** Paul Mestelle

- Planning an appearance by Jerry Apps in April; he will talk about his new book.
- Working on art exhibits for elementary school children.
- The Friends raise about \$15 - \$20 per member per year. Membership stable but not growing so we are planning a new membership drive for late March/April, which may include a table at the Gala promoting the Friends.

**14) Information Sharing:**

- Board roster updates: A copy was routed so update could be made; new roster will be routed to Board via email.
- Checking in at front desk: Circ staff has noticed a great improvement in the number of volunteers checking in and we greatly appreciate that. If you have any need to go into staff area, sign in and if staff is available, let them know you are a Foundation Board member and you have some business to take care of in back. Volunteer badges are available in the drawer under the sign-in clip board. It would be helpful to put one of those on so staff can easily see that you belong in the staff area. If you come into the back and see a staff member you have not met before, introduce yourself; we have a lot of new staff and it puts them at ease. We did have an unidentified intruder in November who very purposefully made his way into the library, entering through the staff door early in the morning. So staff has a heightened awareness regarding unauthorized personnel.
- Meeting time: Does 8:00 am work for everyone for the bi-monthly meetings? Would 7:30 am be better? Board agreed that 8:00 am works best for the majority of members.

**15) Adjournment:**

Motion to adjourn at 9:50 am:

(1) Harry Ripp (2) Barb Bailey

Motion passed unanimously.

**UPCOMING MEETINGS:**

**Foundation Board Meeting:**

Tuesday, March 18, 2014 at 8:00 am in the SPPL Conference Room