

BOARD OF TRUSTEES' MEETING  
LEXINGTON PUBLIC LIBRARY  
September 8, 2021

The regular meeting of the Board of Trustees of the Lexington Public Library was held in the Board Room of the Central Library on Wednesday, September 8, 2021, at 4:30 p.m. Lawrence T. Smith, Library Board Chair, called the meeting to order.

Board members present: Lynda Bebrowsky, Rania Belmadani, Mike Burke, Ralph Coldiron, Stephanie Nallia, and Lawrence T. Smith. Advisory Board members present: Keith Bohart, Kimberly Turner Brennen, Megan George, Casandra Hockenberry, Louetta Hurst, James Inman, Rebecca Self, and Yajaira West

Library staff present: AnnaMarie Cornett, Administrative Support Coordinator; Heather Dieffenbach, Executive Director; Anne Donworth, Director of Development; Tonya Head, Director of Access and Strategic Initiatives; Karen King, Finance Officer; Kelli Parmley, Community Relations Manager; Paige Smith, Development Manager; and Clarissa Thomas, Director of Education

Also present: Lori Meister, Friends of the Library; Cassidy Rosenthal, Stites and Harbison; and Debbie Smith, Mountjoy, Chilton, Medley

Mr. Smith called the meeting to order.

Mr. Coldiron moved for approval of the minutes from the August 11, 2021, Board Meeting. Ms. Nallia seconded and the motion carried unanimously.

Ms. Donworth presented the Development Report. She shared that the Friends are working on plans for an October book sale. Ms. Donworth highlighted the Library's application to the city's American Rescue Plan Fund. The three projects the Library submitted were for a teen gaming space at the Northside Branch, a letter of support for Parks and Recreation's redesign of Phoenix Park, and funding for the Village Branch. Ms. Donworth stated that she would send additional information to the Board Members and asked that they contact their councilmembers in support of these projects. The city is allocating \$122 million in ARP funds.

Debbie Smith from Mountjoy, Chilton, Medley presented the FY 2021 Audit Report. She commended Ms. King and the Business Office staff for being available throughout the audit and for providing all necessary documents on time. She stated that they are issuing an unmodified opinion, which is the highest level of opinion and means they believe that the financial statements are fairly presented in accordance with generally accepted accounting principles.

Ms. Smith presented a high level review of the FY21 audit, stating that there were no internal control matters and that they did not become aware of any fraud or material weaknesses. She also commended the Library on maintaining strong controls throughout the Covid-19 pandemic, stating that this is an additional area of review.

Ms. Smith stated that the audit also includes the Lexington Public Library Foundation, which is reported separately.

Ms. King presented the Financial Report for July. For the first month of FY22, the library had assets of \$16,969,000, liabilities of \$757,000 and a fund balance of \$16.7 million. Assets were up \$267,000 over the prior month and \$1.4 million over the prior year. The fund balance was up \$497,000 over the prior month and \$1.5 million over the prior year. In the general fund, revenues were \$1,289,000 and expenses were \$875,000 with a bottom line of \$413,000. This was \$285,000 better than budget, primarily driven by Personnel, which is under budget by \$142,000. Revenues were down slightly from the prior year by \$14,000. The decrease in revenue was due to high projections from the city early in FY20, which were reversed in the second half of the year.

In the materials fund, revenue was \$194,000 and expenditures were \$257,000 with spending \$63,000 more than revenue. This is typical for the month of July due to database renewal and the budget will catch up by the end of the year. The enterprise fund had revenue of \$18,000 in July and expenses of \$3,000 for a bottom line of \$15,000. The large revenue number was the annual percentage rent payment from Long John Silver's and not a normal month's revenue. The garage had revenue of \$29,000 and a bottom line of negative \$7,700. Investments were \$5,228,000, with no significant changes over last month and a slight increase over the year before. Debt in the general fund was \$4,441,000 and \$2,065,000 in the garage for total debt of \$6,506,000. There were no fund balance expenditures in July, but there will be significant expenditures for the Village Branch as the year progresses.

Ms. Dieffenbach presented the Director's Report. She invited everyone to visit the new Children's Section on the Central Library's 4<sup>th</sup> floor. There are multiple play areas, a storytime corner, and many projects for kids to enjoy. Hiring of more staff continues, with interviews for the Human Resources Director, Training Manager, and Marketing Manager taking place in the coming weeks.

Ms. Dieffenbach welcomed Ms. Thomas and Ms. Parmley who presented information about Destination Kindergarten.

Ms. Thomas reported that in-person Children's programming will begin as part of Destination Kindergarten, the Kindergarten readiness program and initiative that is funded by PNC and their Grow Up Great initiative. Each week, programs will be offered around the 5 building blocks to early literacy, which are Read, Talk, Play, Write, and

Sing. The behaviors will be modeled through the programming, and additional resources will be provided to the parents. The programs, which begin next week, will be offered outside whenever possible.

Ms. Parmley shared that there will be an area at each location devoted to Destination Kindergarten. Parents and caregivers will be able to pick up a bingo card and stamp with a variety of activities to do with their child, and children will receive a backpack. As they complete themed activities, they will receive a hang tag that can be attached to their backpack. Featured themes will be early literacy; science, art and music; math; language and communication; social and emotional development; and fine and gross motor skills. With each theme comes a checklist that parents and caregivers can use to monitor their child's progress. The next phase of the program will be a roll out to childcare centers, which will take place when library staff are allowed back into the facilities.

Mr. Smith presented the Chairman's Report. The next meeting will be October 13 at the Central Library Board Room. The Lexington Public Library plans to apply for public library facility construction funds from the Kentucky Department of Libraries Archives to assist with the construction of the new Village Branch library. Mr. Smith moves to authorize Heather Dieffenbach to file the application to KDLA on behalf of the Board of Trustees, provide additional information that may be required, and to serve as the library board's official representative to act in connection with this proposal. Mr. Burke seconded and the motion carried unanimously.

Mr. Burke presented the Budget and Finance Committee Report. He moved that the Board of Trustees accept the FY 2021 audit as performed by MCM and Advisors. Mr. Coldiron seconded and the motion carried unanimously.

The Budget and Finance Committee moved that the Board of Trustees accept the July 2021 financial report as presented by Ms. King. Ms. Nallia seconded and the motion carried unanimously.

Mr. Burke stated that he and Mr. Smith reviewed the August check and procurement card statements with no questions and no issues.

Mr. Burke updated the Board on the work the Budget and Finance Committee have been doing on the Investment policy. In 2019, the Kentucky Legislature revised KRS 66.480, which allows quasi-governmental institutions to broaden their investment policies to include slightly more risky investment opportunities. Prior to the KRS change, the Library could only invest in low risk areas, such as CDs and Money Market Accounts. The change allows more flexibility and for institutions to assume slightly more risk in search of a better return, with a number of safe guards built in.

The proposed change to the Library policy will match KRS 66.480 and includes a requirement that if the library wants to move in the direction of assuming more risk, the plan must be approved by the Board prior to the investment.

King presented additional information on the limitations built into KRS 66.480.

Mr. Smith stated that everyone will receive a copy of the Investment Policy, to be voted on next month.

There being no further business, the meeting was adjourned at 5:22pm.

Signed: \_\_\_\_\_

  
Susan Wright, Secretary