The Board met at the Main Branch in Room 126 at 10:30 a.m. Those present were Ms. Crystal Gates, Executive Director; Ms. Valerie McLean, President; Mr. Charley Baxter; Ms. Joyce Brewer; Ms. Esther Crawford; Ms. Kim Drake; Ms. Vicki Matthews; and Mr. Sonny Rhodes. Also present: Ms. Stacy Purdy, Ms. Karen Scott, and Mr. Richard Theilig. There were no public comments.

Motion Mr. Baxter, second Ms. Crawford to approve the Minutes of December 10, 2018 and January 14, 2019. Motion unanimously carried.

Ms. Karen Scott, Finance Director for the City of North Little Rock, reviewed and answered a list of questions provided to her regarding explanation of the Library’s 2017 audit and related questions regarding the financial reporting for the Library. During the discussion, Ms. Scott provided copies of the Library’s audits from 2013 through 2017; a copy of the Debt Service Schedule; and copies of the City’s Budgets for 2017-2019. She discussed the bond payment schedule including how the debt service schedule differs from the actual payment made each year, which is based upon interest accruing days for the year and trustee fee. The bond payment is made and clears in December of each year. Ms. Matthews requested information regarding the circumstances surrounding the last payment for the Main Branch bond, which was made in December of 2017, although it was the library’s initial understanding that the Main Branch bond was paid off in 2016. Ms. Matthews asked Ms. Scott about the bond payment in the amount of $247,872 not being included in the financials yet being included in the 2017 audit.

In considering how to alleviate future confusion regarding the updated financials each month, Ms. Drake suggested that board meetings be held later in the month in order to give library personnel time to provide financials for the immediate preceding month rather than two months prior. All library accounts are included in the audit, including service, endowment, and café accounts. In considering whether to include or switch service accounts funds with other internal revenues within the main operating budget, it is up to the board to decide if such a change should be made. The millage rate received by the library is 3 mils. A spreadsheet documenting each fund and the related revenues and expenditures was provided to show how the total audited figures were calculated. In order to spend less than what is generated each year, we can focus on spending only what is brought in during the current year and treat the fund balance as a savings account, which is not included in the available current revenues each year. In the event an emergency expenditure arises, the budget may be amended to reflect pulling money from the fund balance from prior years. When the auditors show a summary of the increases and decreases in line items, they are providing a highlight of the changes which stood out to them. The actual amount of received millage typically requires an adjusted entry to provide for the way taxes are collected and then distributed, which is why the reported number at the end of a year may differ from the final audited number. The library, as a quasi-city department, is considered a major component unit of the City of North Little Rock for its auditing purposes. The library participates in the city’s pension plan, and Ms. Scott
reviewed how that plan is administered. Ms. Gates explained that for budgeting purposes, the funds in each line are to be spent in the designated year and do not carry forward. In the event the entire budgeted amount is not expended, the remaining funds go into the fund balance/carry forward balance, which is considered savings. She also reviewed the employee changes made in 2014 and how those impacted the personnel expenses for 2015 and 2016.

Ms. Gates reviewed the statistical report. Motion Mr. Rhodes, second Ms. Crawford to approve the statistical report. Motion carried unanimously.

Ms. Gates presented the director’s report. Her PTO balance is 254.70 hours. She reviewed the provided bond schedule and a breakdown of the expenditures in Continuing Education, Training, and Travel during 2018. The Friends group is planning a general meeting in March of 2019. Ms. Gates provided a tour to the employees of the County Treasurer during the last week and provided copies of the comments submitted by those attending the tours. The Library has tickets for “Newsies” at Argenta Community Theater on March 7th. She requested that those interested in tickets contact her via email. The Chamber Banquet is scheduled for February 19th for those interested in attending. Ms. Gates is planning to attend a Lion’s Club exploratory meeting in Argenta in March. Ms. Gates, Ms. Purdy, and Ms. Campbell have created a board book which includes bylaws, financials, and related documents and a PR book which will include the PR and correspondence each month. A scanned copy of the PR and correspondence will also be included in the electronic board packet each month.

Ms. Gates reviewed the public relations information submitted to area media. The library will be closed on February 18, 2019. Upcoming events include Art Walk at Argenta on Friday, February 15th from 5-8 p.m; Annual Chamber meeting on February 19, 2019, ACT “Newsies” on March 7th, and the Staff In-House Conference on March 25-26, 2019. The next regular board meeting will be held on Monday, March 11, 2019, at 10:30 a.m.

Under Board comments, it was determined that the consideration of changing the regular meeting dates and how internal income and expenses may be reported within the budget will be discussed at the next meeting.

With no further business to discuss, motion Ms. Brewer, second by Mr. Rhodes to adjourn. Motion carried unanimously.

Crystal Gates, Secretary