

Metropolitan Library Service Agency
Joint Trustee Board Meeting Minutes
Thursday, May 20, 2021
Virtual Meeting via Zoom
12:00 pm – 2:00 pm

Trustee Members Present:

Anoka:	Robyn West	Ramsey:	Mary Jo McGuire
Carver:	Matt Udermann	Saint Paul:	Beth Burns
Dakota:	Laurie Halverson	Scott:	Barb Weckman Brekke
Hennepin:	Debbie Goettel (12:30)	Washington:	Wayne Johnson

Advisory Board Members/representatives Present:

Anoka:	Colleen Haubner	Ramsey:	Karen Saltis
Carver:	not present	Saint Paul:	Catherine Penkert
Dakota:	Jennifer Reichert Simpson	Scott:	Jake Grussing
Hennepin:	Janet Mills	Washington:	Amy Stenftenagel

Staff Present: Sarah Hawkins, Kathleen James, Mona Scott, and Scott Vrieze

Guest: Bill Lauer, MMKR (Malloy, Montague, Karnowski, Radosevich & Co)

I. CALL TO ORDER

Chair McGuire called the meeting to order at 12:06 pm.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

Motion to approve the agenda by West. Second by Udermann.

Vote was taken using verbal/gestured indicators:

ACL – aye	HCL – (not present)	SCL – aye
CCL – aye	RCL – aye	WCL – aye
DCL – aye	SPL – aye	

Motion carried.

IV. CONSENT AGENDA

- A. Approval of Meeting Minutes from the January 21, 2021 meeting
- B. Approval of Bills and Financial Statements

Motion to approve the consent agenda by Weckman Brekke. Second by Halverson and Burns.

Vote was taken using verbal/gestured indicators:

ACL – aye
CCL – aye
DCL – aye
Motion carried.

HCL – (not present)
RCL – aye
SPL – aye

SCL – aye
WCL – aye

V. DISCUSSION/ACTION ITEMS

A. 2020 MELSA Audit Presentation by Bill Lauer, MMKR

Lauer emphasized the increased fraud risk in Electronic Funds Transfers and the need for internal controls over EFTs and cybersecurity in general. (This has become an issue for many organizations.) Burns asked how much insurance we carry; Scott will report back to Burns.

MMKR issued an unmodified opinion (the most favorable) on MELSA's financials. Lauer noted two deficiencies shared by organizations of MELSA's size:

- 1) Due to the limited size of MELSA's office staff, MELSA has limited segregation of duties in some areas.
- 2) MELSA has MMKR prepare its annual financial statements. Although this may be the most practical and cost-effective method to complete this task, not having the internal resources available to prepare annual financial statements is considered a deficiency.

Lauer reviewed MELSA's cash balance and fund balance over the past five years, showing that MELSA remains in a strong position financially. Change in fund balance has remained very stable year to year. In 2020 transferred more of fund balance to phase distribution, so fund balance decreased accordingly.

McGuire asked Saltis to confirm that RCL is planning for a larger project to use its funds. Saltis (who is serving as interim director) confirmed that RCL has been going through an information technology consolidation that has pushed larger projects back, but they are will resume planning for those funds.

Upon conclusion of Lauer's presentation, Udermann asked whether MMKR does any other library audits; they do not. Udermann asks whether we're holding an unusually large fund balance. Lauer's view is that we're in a stronger than usual financial position.

McGuire asked how much of the fund balance is currently earmarked for projects. Lauer notes that the majority is earmarked.

West motioned that the Board of Trustees accept the 2020 audit and authorize its submission to the State Library Agency of the Minnesota Department of Education and the Office of the State Auditor. Burns seconded.

Weckman Brekke noted that over the past couple of years, particularly in her past year on Finance Committee, she's come to appreciate why MELSA keeps the level of fund balance it does.

Roll call vote:

ACL – aye

HCL – aye

SCL – aye

CCL – aye

RCL – aye

WCL – aye

DCL – aye

SPL – aye

Motion carried.

Vrieze and McGuire expressed gratitude to Scott for doing such a good job preparing for the audit and enabling it to go so smoothly each year.

VI. REPORTS

A. Executive Director/Staff Report

Vrieze summarized ongoing library legislation. Hawkins, in her role as MLA Legislative Chair, shared additional information on what's included in library bills (including Minitex, school libraries). Hawkins noted that we're waiting for Sam Walseth (lobbyist from Capitol Hill Associates) to let us know what we can do before the special session begins in June.

Burns added that the Minnesota Center for the Book is included in the house legacy bill but is not included in the senate bill, and she's concerned about that vulnerability. Vrieze said that the Regional Public Library System Directors meet next week, and Walseth will be at those meetings; they will address this.

McGuire would like Walseth to give the MELSA Board of Trustees an update periodically. Hawkins clarified that MELSA does not have a contract with Capitol Hill Associates (Walseth), nor do the Regional Public Libraries; MLA (Minnesota Library Association) has the contract with Capitol Hill Associates.

Burns pointed out that the lobbyist did attend MELSA Board of Trustees meetings periodically in the past.

Halverson asked about COVID relief funds. Vrieze noted that some of those funds have been made available to libraries through LSTA grants. Scott said that the eRate conversation is ongoing in the Tech Team (which she facilitates), as the Federal government clarifies rules.

Burns asked if we could hear from each of the commissioners regarding how cities/counties are thinking about library budgets and how state funding fits in. McGuire appreciated the suggestion to add that to a future meeting agenda.

The meeting was adjourned at approximately 1:25 pm.