

Board of Trustees

May 14, 2008

PRESENT: LouAnne Lundgren, Charles Diamond, Ronald Ginsburg, Brian Hartson, Mary Alice Molgard, Nancy Pieri, Lois Prenovost, Mary Muller, Erin Apostol, Paula Read, Richard Young

EXCUSED: Nikki Caruso, James Reilly, Cris Blanchard

VISITORS: Michael Zovistoski (UHY)

Meeting called to order at 4:30 PM by L. Lundgren, President

I. FINANCIAL REVIEW

L. Lundgren introduced Michael Zovistoski, CPA from UHY who summarized the findings of the annual Financial Review. He congratulated Joe Sherry and Heidi Fuge on the careful record-keeping and accounting.

Next, he explained that a Review is different from an Audit and he feels that a Review is all that is necessary for UHLS because we are in a sound financial situation with good accounting work being accomplished by the staff. He noted that the only qualification that they made on the report was the post-retirement health care costs. These are recognized in the UHLS budget as they occur rather than as a long-term liability. According to generally accepted accounting procedures, they should be classified as a liability and an annual actuarial report should be done. However, he thought that this was an unnecessary expenditure - an actuarial report would cost between \$8,000-\$10,000 per year and for an organization as small as UHLS was not really necessary.

Then, he reviewed the Balance Sheet which represented a snapshot of the organization's financial position as of December 31st of 2007 and 2006. He noted that UHLS has a very healthy balance sheet with high cash and cash equivalents and a low amount of liabilities. The major changes to the Balance Sheet are related to the deferred lease costs and commissions to the realtors which have been amortized over the life of the leases. He also noted that the Supplemental State Aid has been classified as deferred revenue and will be classified as income as it is spent. He noted that 2008 will be the first full year for all of the new lease income.

He explained that the written report he was presenting was a Draft in order to give the Trustees an opportunity to make any changes, amendments, corrections, etc.

MOTION: M. Molgard moved to accept the Draft version of the Annual Review as presented. E. Apostol seconded. Unanimous.

H. Fuge asked M. Zovistoski about the status of the 990 Tax Form. M. Zovistoski noted that it was not ready and UHY applied to the IRS for an extension for time to file.

II. MINUTES

MOTION: N. Pieri moved to accept the Minutes of the April 9, 2008 meeting as presented. M. Muller seconded. Unanimous.

III. EXECUTIVE DIRECTOR'S REPORT

P. Ritter highlighted features from his written report:

- the Big Read is finished for 2008. It is a lot of work for both J. Benedetti and the staff of the participating libraries. He will leave it up to the libraries as to whether they would like UHLS to apply for 2009 Big Read funds.
- the Riverway Storytelling Festival was very successful and had an increased attendance. Part of the increase was due to the additional school groups.
- all of the information regarding the Construction grant is on the DLD website. He has notified the libraries that July 11th is the deadline for the grants to be received at UHLS. The applications will be organized and summarized and the information sent to the UHLS Trustees prior to the August Board meeting.
- he distributed information regarding several programs:
 - the Karen Hyman workshop on June 11th at the Guilderland library
 - the New Yorkers for Better Libraries, a political action Committee
 - the Empire Friends Group
 - the 5-year Construction needs survey showing that the current construction plans in the member libraries total \$109,070,000.
- DLD has notified him that UHLS' 2007 Annual Report has been approved.

E. Apostol asked if it would be possible to recruit volunteers from the various Library Friends Groups to help with the Big Read or Riverway.

P. Ritter presented the budget for the Central Library Grant for 2008 totaling \$214,611. The expenditures were developed by Tim Burke, Interim Director at APL, with the assistance of the Central Library Advisory Council. The APL Board of Trustees has approved the grant application. T. Burke informed him that all of the 2007 Central Library Book Aid funds have been expended as required and budgeted.

MOTION: E. Apostol moved that the UHLS Board approve the 2008 Central Library Grant application. B. Hartson seconded. Unanimous.

C. Diamond reported that several Trustees at the Watervliet library had expressed an interest in being involved in the *Explore Your Shore* grant, but were told that only a library staff member could participate. P. Ritter will check with Mary Fellows, the grant coordinator, about this situation.

IV. TREASURER'S REPORT

Report by M. Molgard. She reviewed the Report for the period ending April 30, 2008 and noted that there was not anything unusual in the Report.

MOTION: N. Pieri moved to accept the April Treasurer's Report. M. Muller seconded. Unanimous.

V. COMMITTEE REPORTSFinance Committee

Report by M. Molgard, Chair. She reviewed the expenses in the April Purchase Journal and reported that the Finance Committee approved the Purchase Journal and Payroll totaling \$195,039.31.

She noted that the Finance Committee reviewed the proposals in response to the Courier Service RFP and recommend that the Board contract with A. L. Delivery.

MOTION: M. Molgard moved that the Board contract with A.L. Delivery, that P. Ritter should give Velocity Express the required 60-day notice for contract termination and that P. Ritter should negotiate a contract with A.L. Delivery to be signed by the UHLS Board President. E. Apostol seconded. Unanimous.

M. Molgard reported that the Committee reviewed the revised Investment Policy which was amended following consultations with the First Niagara Bank officers. The Policy states that all of the UHLS investments must be conducted in compliance with the guidelines established by the State Education Department.

MOTION: C. Diamond moved that the Board accept the revised Investment Policy. R. Ginsburg seconded. Unanimous.

MOTION: N. Pieri moved that the Board accept the Corporate Resolutions for the Operating Account and the Restricted Account proposed by First Niagara for the administration of the UHLS trust accounts. A section of the bank-written Resolution has been deleted because the investments are not in line with the UHLS Policy. A copy of the Investment Policy will be attached with the Resolutions and forwarded to the appropriate Bank official. (A copy of the Resolutions and the Policy are attached to the Minutes). E. Apostol seconded. Unanimous.

NEXT Finance Committee MEETING: Wednesday, August 8th at 4:00 PM

Administration Committee

Report by C. Diamond in the absence of J. Reilly, Chair. C. Diamond reported the following:

- the Committee is conducting an ongoing review of the UHLS By-Laws and will soon have a report with suggested amendments for Board consideration;
- the Committee is working on the development of an evaluation form for the Executive

Director's position. The Committee and P. Ritter have agreed on six Goals for 2009. P. Ritter will now work on producing the Objectives and Strategies to accomplish those Goals.

NEXT Administration Committee MEETING: Monday, August 6th at 4:00 PM

Services Committee

Report by E. Apostol, Chair. She noted that the Committee members reviewed the application for the Fit for Life grant and recommend Board approval. J. Benedetti has been assured that UHLS qualifies as an urban library system.

MOTION: E. Apostol moved that the Board authorize the President to sign the *Fit for Life* grant application which will be submitted by the June 1st deadline. B. Hartson seconded. Unanimous.

NEXT Services Committee MEETING: Wednesday, August 8th at 3:30 PM

Automated Services

P. Ritter asked if there were any questions regarding the Minutes from the April ASC meeting. No questions.

VI. TRUSTEE REPORTS

- L. Lundgren (**Poestenkill**) reported that the library received \$15,000 in legislative aid from Joe Bruno and Tim Gordon. The funds will be used to improve the library's automation technology.
- B. Hartson (**Guilderland**) reported that the library held public hearings regarding the re-design plans. The next step will be a series of community focus groups.
- M. Molgard (**Berne**) reported that the library received a \$4,000 member item as well as extensive individual donations. All of these funds will be put into the Building Endowment Fund. She also reported that she will be resigning from the Berne Board but will continue on the UHLS Board.
- C. Diamond (**Watervliet**) reported that the library received a member item from Ron Canestrari. The library will be holding Family Fun Movie Nights in June.
- R. Ginsburg (**Altamont**) reported that the library raised over \$1200 in a recent Garage and Book Sale. They sent out an RFP for contractors to repair the slate roof. Work will begin in the Summer.
- E. Apostol (**Albany**) reported that the library is moving ahead with renovating three library buildings and building two new ones. The Pine Hills and Howe Branches will be temporarily closed and the library will find alternate sites for their collections while the renovations are in progress. Jack McEneny gave the library a member item that will be used for stipends for students who work in the library and are interested in a library career.

VII. NEW BUSINESS

- L. Lundgren appointed E. Apostol to serve as Chair of the Nominating Committee for Trustees. She will develop a slate of Trustees to be voted on at the June Annual meeting. M. Muller offered to find two trustees from the TROY Board to serve as Committee members. E. Apostol will ask two trustees from the APLM Board to serve also.
- L. Lundgren appointed C. Diamond to serve as Chair of the Nominating Committee for Board Officers. Other Committee members are: M. Molgard, R. Young and E. Apostol. C. Diamond will present a slate at the August Board meeting.
- P. Read announced that she will be resigning from the BETH Board and from the UHLS Board. She noted that it has been a pleasure serving on the UHLS Board and that she enjoyed her association with all of the other UHLS Trustees.

MOTION: E. Apostol moved to adjourn the meeting. R. Ginsburg seconded. Unanimous. Meeting adjourned at 5:50 PM.

NEXT BOARD meeting: Wednesday, August 8th at 4:30 PM.

Heidi A. Fuge
5/19/08

CORPORATE RESOLUTION CERTIFICATION

OPERATING ACCOUNT

I. ACCOUNT INFORMATION

ACCOUNT TITLE: OPERATING ACCOUNT

ACCOUNT NUMBER: -

II. CERTIFICATION

I HEREBY CERTIFY that a meeting, duly called, of the Board of Directors of UPPER HUDSON LIBRARY SYSTEM, a corporation, which said meeting a quorum was present and acting throughout, the following preamble and resolution was adopted and ever since has been and now is in full force and effect.

WHEREAS this Corporation is duly authorized and permitted by its Charter and Bylaws

- (1) Engage in cash and margin transactions in any and all forms of securities including, but not limited to, stocks, options, stock options, stock index options, foreign currency options and debt instrument options, bond debentures, notes, scrips, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, chooses in action, evidences of indebtedness, commercial paper certificates or indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise, and margin transactions, including short sales.
- (2) Receive on behalf of the Corporation or deliver to the Corporation or third parties monies, stocks, bonds, and other securities. To sell, assign, and endorse for transfer, certificates representing stocks, bonds, or other securities now registered or hereafter registered in the name of the Corporation.
- (3) Establish and maintain an asset management account with debit card, check writing, and margin privileges, from which account funds are directly spent, the responsibility for which is entirely that of the Corporation, such that checkwriting and debit card privileges will be limited to the following persons designated by the Corporation:

HEIDI A. FUGE

JOSEPH T. SHERRY

NOW THEREFORE BE IT RESOLVED that this Corporation open an account or accounts in its name with FIRST NIAGARA and that LOUANNE LUNDGREN, President, MARY MULLER, Vice President,

MARY ALICE MOLGARD, Treasurer, or _____ or any one of them or their successors in office, may, on behalf of this Corporation or any one of them acting individually, be and they are hereby authorized to (1) give orders in the said account or accounts for the purchase, sale, or other disposition of stocks, bonds, and other securities, (2) deliver to and receive from Pershing LLC (Pershing), on behalf of this Corporation monies, stocks, bonds, and other securities, (3) sign acknowledgements of the correctness of all statements of accounts, and (4) make, execute, and deliver under the corporate seal any and all written endorsements and documents necessary or proper to effectuate the authority hereby conferred; the within authorization to each of said officers to

remain in full force and effect until written notice of the revocation thereof shall have been received by _____.

III. SIGNATURE

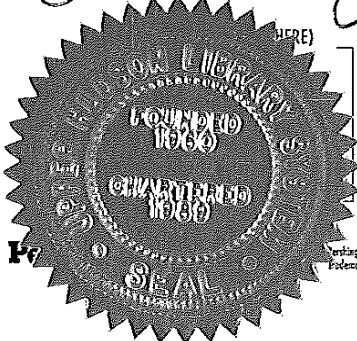
I FURTHER CERTIFY that the following are the signatures of the officers (or others) authorized by the foregoing resolution to act for this Corporation:

Heidi A. Fuge
Joseph T. Sherry

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this

14th day of May 2008
SECRETARY: Charles E. Hammond

NOTE: This certificate must be executed by an officer other than one of those authorized to act.



CORP

RESTRICTED ACCOUNT

CORPORATE RESOLUTION CERTIFICATION

I. ACCOUNT INFORMATION

ACCOUNT TITLE: RESTRICTED ACCOUNT

ACCOUNT NUMBER: -

II. CERTIFICATION

I HEREBY CERTIFY that a meeting, duly called, of the Board of Directors of UPPER HUDSON LIBRARY SYSTEM, a corporation, which said meeting a quorum was present and acting throughout, the following preamble and resolution was adopted and ever since has been and now is in full force and effect.

WHEREAS this Corporation is duly authorized and permitted by its Charter and Bylaws to

- ~~(1) Engage in cash and margin transactions in any and all forms of securities including, but not limited to, stocks, options, stock options, stock index options, foreign currency or derivatives, interest instrument options, bond debentures, notes, scrips, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, chooses in action, evidences of indebtedness, commercial paper certificates or indebtedness, certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise, and margin transactions, including short sales.~~
- (2) Receive on behalf of the Corporation or deliver to the Corporation or third parties monies, stocks, bonds, and other securities. To sell, assign, and endorse for transfer, certificates representing stocks, bonds, or other securities now registered or hereafter registered in the name of the Corporation.
- (3) Establish and maintain an asset management account with debit card, check writing, and margin privileges, from which account funds are directly spent, the responsibility for which is entirely that of the Corporation, such that checkwriting and debit card privileges will be limited to the following persons designated by the Corporation:

HEIDI A. FUGE

JOSEPH T. SHERRY

NOW THEREFORE BE IT RESOLVED that this Corporation open an account or accounts in its name with FIRST NIAGARA

and that LOUANNE LUNDGREN, President, MARY MULLER, Vice President,

MARY ALICE MOLGARD, Treasurer, or _____ or any one of them or their successors in office, may, on behalf of this Corporation or any one of them acting individually, be and they are hereby authorized to (1) give orders in the said account or accounts for the purchase, sale, or other disposition of stocks, bonds, and other securities, (2) deliver to and receive from Pershing LLC (Pershing), on behalf of this Corporation monies, stocks, bonds, and other securities, (3) sign acknowledgements of the correctness of all statements of accounts, and (4) make, execute, and deliver under the corporate seal any and all written endorsements and documents necessary or proper to effectuate the authority hereby conferred; the within authorization to each of said officers to

remain in full force and effect until written notice of the revocation thereof shall have been received by _____.

III. SIGNATURE

I FURTHER CERTIFY that the following are the signatures of the officers (or others) authorized by the foregoing resolution to act for this Corporation:

Heidi A. Fuge

Joseph T. Sherry

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this

14th day of May, 2008.

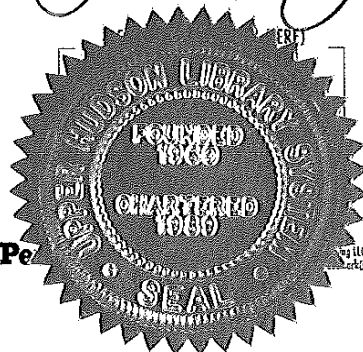
SECRETARY:

Charles E. Leamon

NOTE: This certificate must be executed by an officer other than one of those authorized to act.

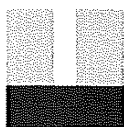


CORP



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a subsidiary of Pershing Securities LLC.



UPPER HUDSON LIBRARY SYSTEM

Together. For Better Libraries.

INVESTMENT POLICY

ALLOWABLE INVESTMENTS

The assets for which First Niagara provides advice to the Upper Hudson Library System are managed in compliance with the guidelines pursuant to Chapter 90, 6 (c)(19) of the Regulations of the Commissioner of Education, as follows:

"The Trustees may authorize the Treasurer to deposit or invest moneys not required for immediate disbursement in special time deposit accounts or certificates of deposit issued by a bank or trust company located and authorized to do business in this State, provided that such account or certificate of deposit shall be payable within the time the moneys shall be needed and provided further that such account or certificate of deposit shall be secured by a pledge of obligations of the United State of America or obligations of the State of New York. Investments may also be made in obligations of the United States of America or of the State of New York registered or inscribed, when possible, in the name of the System and payable or redeemable at the option of the System within such time as the proceeds shall be needed, but in any event not later than the end of the fiscal year."

Therefore, the UHLS funds should be invested in money market accounts backed by U.S. Treasuries or Agencies, in an investment account with an institution located or authorized to do business in New York State. These funds will be used to accommodate UHLS' income needs.

PROHIBITED INVESTMENTS

Investments shall not include derivatives, futures, options, stocks, mutual funds, bonds or real estate.

ACCOUNT DISTINCTIONS

Two investment accounts will be maintained: *Operating Account* and *Restricted Account*.

- The *Operating Account* will be used to meet operating expenses. UHLS Administrative and Financial staff will request transfers from this account to the checking accounts to meet weekly operating expenses and bi-weekly payroll.
- The *Restricted Account* will contain all of the Board-restricted accounts and may be used only upon Board approval. The Accounts included herein are: Automation, Building, Equipment, Unemployment, and Retirement. Although they are combined for the purposes of better interest rates, the Bank will supply a monthly statement that shows the balances in each of the individual accounts contained in the Restricted Account.

COMMUNICATION WITH THE UPPER HUDSON LIBRARY SYSTEM

First Niagara will provide UHLS with monthly statements on the activity of these accounts. In addition, a First Niagara representative, who is fully informed of all accounts and familiar with the bond market, will meet with the UHLS Administrative staff and/or UHLS Finance Committee at least once a year, at their request, to review the investment policy, report on the performance of the accounts, and make recommendations.

INVESTMENT PERFORMANCE

The UHLS budget anticipates an average income on investments in line with the U.S. Treasury rates on an annual basis.

UPPER HUDSON LIBRARY SYSTEM
EXECUTIVE DIRECTOR'S REPORT
For April 2008
May 14, 2008

The Big Read – A number of special programs and activities were held during April 2008 to celebrate the reading of ***The Age of Innocence*** by **Edith Wharton**. The kick-off event was a *Victorian Tea* on April 1st at the Women's Club of Albany with 60 people in attendance. The featured bus trip to Lenox, MA, with 44 people was held on April 26th and included a tour of Wharton's estate, *The Mount*, and the *Ventfort Hall Mansion and Gilded Age Museum*. Numerous other programs were held with attendance such as the 19 people who went on the *Aqua Ducks Tour of the Movie Set Sites* in Troy; the 53 who attended the *American Girl Tea Party*; the 160 who attended the *Selected Shorts* presentation; and the 300 who attended the *Film Screening: The Age of Innocence* by the NYS Writers Institute with commentary led by William Kennedy. While the final report is not yet available, all indications are that this was a successful and well-received programming effort.

Riverway Storytelling Festival 2008 – A record 31 events were held at this Festival during April 21-27. Total attendance this year was 2,232, up 62% from last year's attendance of 1,367. The major reason was the addition to the schedule of five visits to schools. Performances included 14 in-library free public performances, 5 free performances at senior centers, 5 free performances at schools, 6 in-library workshops, and one school day at the NYS Museum. The Festival was a model of collaboration this year, with 18 Planning Committee members (made up of story tellers as well as UHLS member library staff) and 20 volunteers managing 19 adult tellers and 20+ student tellers.

Summer Reading Program – Our member libraries are gearing up for their summer with plans to use books and card games on “buggy” topics that relate to the children's *Catch the Reading Bug* and the teen *Metamorphosis @ Your Library* themes. The mini-grant marketing challenge was well-received by the libraries, and they will begin new marketing activities to promote their summer program and earn them programming money from the grant.

2008-2011 Construction Program Applications Deadline – The State has set the deadline for submission of the construction grant applications to the Division of Library Development for **Friday, September 12, 2008**. In order for UHLS to obtain all the necessary application data and supporting documents, the deadline for submission to UHLS has been set as **Friday, July 11, 2008**. My plan is to have the grant application information ready for consideration by the UHLS Board at the August 13th meeting. If a decision cannot be made at that meeting, the Board must make a final decision at the September 10th meeting. All of the UHLS directors have been informed of the July 11th deadline, and I would expect everyone to obtain all the necessary approvals by their local boards by that date. When the State posts the grant application forms and information on the DLD website, all member library directors will be notified.

(Continued)

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Construction Needs 2008-2013 – At the request of the Division of Library Development, an informal survey was made of the UHLS member libraries and the branches in order to determine their needs for renovation and/or construction during the next five years. While 11 libraries had no plans at this time, 26 facilities had construction/renovation plans and/or needs at a total cost of **\$109,070,000**. This amount will be communicated to the Division of Library Development in hopes of securing additional construction grant money from the Legislature.

Courier Delivery – At the request of the Board, a formal *Request for Proposal* for daily courier delivery service within UHLS was prepared and sent out to 16 possible vendors. Five proposals from vendors were received by the deadline on April 11, 2008. These responses will be reviewed by the UHLS Management Team, the UHLS Directors Association, and Board's Administration, Services, and Finance Committees with an expectation that a decision regarding the future of courier delivery service within UHLS can be made at the May meeting of the Board of Trustees.

Customer Service Training Programs – Now that this LSTA-funded grant program has ended, we can report that we presented nine training sessions from May 2007 through March 2008. The Michael Stephens workshop (*Library 2.0*) had the most participants with 63, and the Jo Fenton presentation (*Dealing with THOSE People: Diversity and Disability Awareness*) had the fewest with 13. The average attendance was 40 people per workshop with a total of 358 participants. These programs were so well-received that UHLS has decided to offer additional classes on customer service on an ongoing basis.

Public Library Association Conference – Jo-Ann Benedetti was the UHLS representative at this biennial meeting, held during March 25-29 in Minneapolis, MN. In addition to meeting many vendors of interest, she attended programs on conflict management, the use of the bookstore model in public libraries, and the impact of the internet on public library usage. She found the entire experience to be informative and educational, and she met several people whom she would like to invite to conduct training activities for UHLS member library staff.

Explore Your Shore: Discovering Community History @ Your Library – An organizational meeting for this two-year invitational LSTA grant will be held on May 15th, and we will begin our partnership with the Albany County Convention and Visitor Bureau. We have purchased a life-size soft-sculpture Henry Hudson doll that will travel to local historic sites and to libraries to be photographed by kids.

Philip W. Ritter
Executive Director