

MINUTES
Northern Lights Library Network
Governing Board Meeting
October 15, 2011
10:00 a.m. – 1 p.m.
Graystone Hotel (lower level)
119 Graystone Plaza
Detroit Lakes, MN

Present: Paul Bursik, Joyce Kalbakdalen, Chris McArthur, Gay Galles, Erika Rux, Erin Smith.

Also Present: Kathy Enger, Deb Keena, Renee Gavalin from Eide Bailly.

Absent: Lina Belar, Stan Iverson, Ruth Holmgren, Ruth Solie

1. The meeting was called to order by President Paul Bursik at 10:03 a.m.
2. The agenda was amended and adopted. Amended to include review of four policies: Fund Balance Policy, Document Retention and Destruction Policy, Conflict of Interest Policy, Whistleblower Policy.
3. Approval of the Minutes from August 20, 2011, as presented.
4. Audit report and Form IRS form 990: Renee Gavalin from EideBailly gave a summary report of the 2010 FY2011 audit, summarizing selected portions of the Financial Statements. Renee Gavalin also gave an explanation of the IRS Form 990 and suggestions for ways in which NLLN could improve transparency of operations to preserve good faith of IRS for tax-exempt status. NLLN's 990 is a public document available on the web at GuideStar.org, giving an idea of what the organization is doing. Renee also discussed The Conflict of Interest Policy, Whistleblower Policy, and the Document Retention and Destruction Policy that should be adopted by the Board by June 30, 2011. New guidelines for 501.c3 status include four different fund balance categories: restricted, unrestricted, committed, and assigned. In 2011, the 990 will assign anything that is unassigned. There was an explanation of the Fund Balance Policy and an example of a policy we could adopt. There was an explanation of fund shifts to accommodate late state grant payments. There was a motion made to approve the IRS Form 990 as prepared. Kalbakdalen/Smith MCU. There was a motion made to adopt policies for the organization; Kathy will edit the documents to final versions that will be signed by the Governing Board at the December meeting. Kalbakdalen/Smith MCU.
5. Approval of the Financial Reports from August and September, 2011. Galles/Rux MCU The deferred state operating grant of \$64,946.58 was received on September 8, 2011, and the first quarter state operating grant of \$43,363.76 was received on September 22, 2011. Two certificates of deposit #710 (\$25,770.32) and #766 (\$31,250.39) due September 3 and 5 respectively were reinvested at two CD's at \$25,000 each. The balance of the two (\$7,020.71) was transferred to the General Fund until the operating grant was received.
6. Old Business: Kathy quickly summarized items in old business, with reference to Ruth's reports and Kathy's Director's report. Erin reported on work of the Minnesota Library Futures Initiative. Kathy presented a letter for participation and board support of the Minnesota Council of Nonprofit's Performance

Management Leadership Institute. A motion was made to approve Kathy's participation. Kalbakdalen/Galles MCU. MCN requests board attendance at two sessions, March 13 and June 19. Board attendees for the March 13 meeting will be decided at the December board meeting. Presented updated Board Terms and current Board List. Board meeting schedule was presented and details as needed. Kathy has been working to identify Board Member from Kitchigami Region. Work on Ruth's retirement open house is continuing: December 10 at Minnesota State Community and Technical College, D.L., Room 101 Conference Center, West entrance. The reception will be an open house. Special projects are discussed in the Director's and Consultant's reports.

7. New Business:

- A. Mileage rate increase to .555 and budget implications discussed.
- B. Kathy provided an overview of the draft of the Legislative Platform and directed the Board to the MLA talking points for legislators available on the MLA website. There was a discussion of ongoing talk around the state about merging multitypes with regional libraries. There was also a discussion of a study to combine Northwest and Lake Agassiz Regional libraries, along with a discussion of funding challenges for regional library systems. Libraries should continue to receive support and public recognition for the work done in the state.
- C. NLLN has been approved for MN State Fleet & Surplus Services; the intention is to acquire furniture or office equipment. NLLN also applied for MN Cooperative Purchasing Venture to purchase software at reduced cost.
- D. Kathy would like to purchase Adobe Connect to facilitate web conferencing within the Region. The Board expressed support to continue investigation.
- E. Kathy shared the contract for the facility rental agreement for Ruth's retirement event.

8. Adjourned.

Erika Rux Secretary