

**Charles County Public Library  
Board of Library Trustees  
Minutes  
Thursday, December 4, 2008  
9:15 a. m. --- La Plata Branch**

***In Attendance:***

**Henry Scharles, President**                      **Emily Ferren, Director**  
**Christopher Iekel, Vice-President**      **Mary Tomlinson, Br Mgr-Waldorf**  
**Jason Faherty**  
**Miriam Kimball**  
**George Harrington**

***Excused:***

**Candice Quinn Kelly and Stephanie Possehl**

***Guest Presenters:***

**Mr. Joseph L. Gardiner, Jr., CKU, CLTC, Financial Advisor**  
**Mr. Tim Murphy, Managing Partner, *Murphy & Murphy, CPA, LLC***  
**Mrs. Kelly Plater, CPA, *Murphy & Murphy, CPA, LLC***  
**Mrs. Monica Kempson, Accountant, *Murphy & Murphy, CPA, LLC***

1. **Call to order:** President Henry Scharles called the meeting to order at 9:15 a. m. in the Director's office at the La Plata Branch Library.
  
2. **Approval of Minutes-October 2008:** Mr. Scharles asked for comments, corrections, or questions from the Board members with regard to the October 2008 minutes. Mr. Harrington moved to accept the minutes as reported. Mr. Iekel seconded the motion. The motion carried. *(See documentation in the Board notebook.)*
  
3. **Financial Audit FY2008:** Mrs. Ferren introduced the auditors from *Murphy & Murphy, CPA, LLC*. Mr. Tim Murphy, Managing Partner, reported that the audit was conducted in accordance with Generally Accepted Accounting Standards and Governmental Standards. He stated, "As a result of that audit we found the books to be in good condition. It enabled us to express a clean opinion. There are three standards (*assigned to audit opinions*) adverse, qualified and unqualified. The library received the highest standard there is, the unqualified opinion. We also evaluated internal controls as part of the audit, and at the end of my presentation Mrs. Plater will give a brief presentation on the findings." He then reviewed the FY2008 Financial Statement and Audit Report with the Board members.  
**Internal Controls:** Mrs. Plater, CPA, *Murphy & Murphy, CPA, LLC*, expressed an accounting opinion on four items: document retention of payroll records, cash disbursement signature controls, credit card authorizations for purchases and application for grant fund reimbursements. The auditors closed the presentation and excused themselves from the meeting.  
**Corrective Procedures for Internal Controls:** Because of the internal controls report, a discussion between the Board members and the Director resulted in the following:
  1. The bookkeeper will no longer sign emergency checks. A system of checks and balances is now in place to safeguard library funds.
  2. The Branch managers must sign off on all credit card receipts before the

receipts are forwarded to the bookkeeper for processing. Mrs. Ferren authorizes all invoices for payment except her own. Board members will authorize the Director's reimbursements/purchases.

3. The payroll files are to be audited annually for completeness.
4. Grant management duties are to be delegated. Mr. Iekel moved to appoint an individual to oversee all grant expenditures and report to the Director. Mr. Harrington seconded the motion. The motion carried.

**Credit Card for Library Director:** Because of the auditor's discussion about internal control issues, the Board members became aware that Mrs. Ferren does not have a company credit card to use when conducting library business. A corporate credit card would eliminate weekly reimbursement checks. Mr. Harrington moved to authorize issuance of a credit card in the name of Charles County Public Library with the Director as the only authorized signature. Mr. Iekel seconded the motion. The motion carried.

**4. 403B - Joseph L. Gardiner, Jr., CLU, CLTC, and Financial Services**

**-Exclusivity with American Funds and Library Representation:** Mr. Gardiner presented a summary document explaining his affiliation with the library since 2000 as a 403B vendor representing American Funds. *(See documentation in the Board notebook.)* He is the only remaining 403B vendor, and all of the employees investing in a 403B Retirement Plan are signed up with American Funds and represented by him. If exclusivity were assigned to American Funds, all participating employees would benefit through a reduction in sales charges. *Example: If all employees together have \$100,000 invested, each employee would pay a sales charge of 4.5% instead of 5.75% for Class A Shares, and if the total investment pool were over \$250,000 the sales charge would then drop to 3.5%, etc. The dollar levels are referred to as "break points".*

Nationwide Insurance notified the library in July 2008 that they would no longer offer 403B retirement options due to the information-sharing restriction to be enforced by the IRS effective January 2009. A discussion followed. It was determined that the Board may rescind this agreement at any time if circumstances warranted that action.

Mr. Harrington moved to appoint Mr. Joseph L. Gardiner, Jr. as the exclusive 403B vendor representing American Funds. Mr. Faherty seconded the motion. The motion carried.

**5. Director's Report:** Mrs. Ferren provided the Board members with a written Director's Report. *(See documentation in the Board notebook.)* In addition to the written report she commented on the following:

- a. **Overdue Notification:** ~~Tabled.No discussion.~~
- b. **Certification Hours:** ~~Tabled.No discussion.~~
- c. **Budget Revision for FY09:** She reviewed the mandatory reduction of 3% or \$69,600 requested by the Charles County Commissioners for the FY2009 Budget. Sunday hours at the La Plata and Potomac branches will be suspended for the remainder of FY09 effective January. The P. D. Brown Memorial branch will remain open. Other line items were also reduced. *(See documentation in the Board notebook.)* A discussion followed. Mr. Faherty moved to adopt the FY2009 Budget Revision as presented. Mr. Iekel seconded the motion. The motion carried.
- d. **Proposed FY2010 Budget:** She reviewed the proposed Budget for FY2010. She reported that the budget does not request any increase in funding.

She reported that the fourth library building is still in progress. She reported that a Request for Proposal (*RFP*) would be issued to encompass the scope of services needed to build the fourth branch in West Waldorf. She and the project manager from Capital Projects have been attending training sessions on green communities. Mr. Faherty moved to approve the proposed Budget FY2010 as presented. Mr. Harrington seconded the motion. The motion carried.

- e. **C4CCPL:Non-Profit of the Year:** The Citizens won the Non-Profit of the Year Award for 2008.

6. **SMRLA Report:** None.

7. **Comments from Trustees:** None.

8. **Public Comments:** None.

**Executive Session:** Mrs. Ferren requested a motion to go into executive session to discuss the appointment of a new Board member. Mr. Harrington moved to go into executive session at 10:45 a.m. Mrs. Kimball seconded the motion. The motion carried.

Mr. Samuel C. Worsley, Jr. has been appointed by the Charles County Commissioners to serve as a member of the Board of Trustees effective January 2009

**Adjourned:** The public meeting was adjourned at 11:00 a.m.

**Date of the next meeting:** The next Board meeting is scheduled for Thursday, January 22, 2009 at 9:15 a. m. in the Director's Office of the La Plata Branch Library.

Respectfully Submitted,

**Sharon P. Bowie**

Approved as corrected.

Sharon P. Bowie

Board Secretary

**Henry Scharles**

President

1/22/2009