AGENDA

SPECIAL MEETING OF THE BOARD OF TRUSTEES
Wednesday, July 26, 2017
Banning Library Conference Room
21 W. Nicolet
Banning, CA 92220

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the administration office at (951) 849-3192. Notification 72 hours prior to the meeting will enable the library to make reasonable arrangements to ensure accessibility to this meeting.

1. **Closed Session** 3:30 P.M.
   1.1 Potential Litigation (Exposure to District) – Pursuant to Gov. Code sec. 54956.9(d)(2) Claim of Butler
   1.2 Potential Litigation (District Initiating) – Pursuant to Gov. Code sec. 54956.9(d)(4): One Matter

2. **Open Session – Call to Order** ≈ 4:00 P.M.  
   Victoria Hatch

3. **Pledge of Allegiance**

4. **Roll Call and Establishment of Quorum**

5. **Community Comment**

   A five minute limitation shall apply to each member of the public who wishes to address the Library Trustees on any matter under the subject jurisdiction of the Trustees. A thirty-minute limit is placed on this section. No member of the public shall be permitted to “Share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, or research, completion and/or future action by the trustees.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

6. **Minutes of the Board**

   Meetings of the Board on Wednesday, May 3, 2017, May 24, 2017, June 14, 2017 and June 28 to be read and approved on August 2, 2017
6. **Board Items – Discussion/Action**

6.1 **Proposal to Amend Board of Directors Policy Number 3030 – Fixed Asset Accounting Section 3030.3**

6.2 **Proposal to Adopt a Policy for a Reserve Account, Review Policies for Petty Cash Fund and Other Internal Fund Processes**

7. **Interim Director’s Report and Administration Comments**

   The Library Administration is encouraged to report on items of information to the Board, as well as provide information about conferences or meetings they have attended. Other items, which may be added to the agenda of a future meeting, may be presented at this time but cannot be commented upon or discussed at this meeting. *(Reference: The Ralph M. Brown Act)*

8. **Board Member Comments**

Board members are encouraged to report on items of information not requiring comment or discussion to the entire body at this time. *(Reference: The Ralph M. Brown Act)*

9. **Last Minute Action Items**

The Board may discuss an item, which was not previously placed on the agenda when the Board determines that there is a need for immediate action which cannot reasonably wait for the next regularly scheduled meeting. The determination must be made by two-thirds of the total Board or, if two-thirds of the Board is not present, by a unanimous vote of those remaining. *(Reference: the Ralph M. Brown Act)*

10. **Pending Items for Next Meeting**

   Review of Financial Reports including End of Year Fiscal Report
   Proposal for Library Maintenance Custodian Position
   Proposal for Salary and Range Scale for the District
   Discussion Regarding the TLC Automation System for Libraries
   Discussion Regarding Establishing of a “Weeding Policy”

11. **Next Three Month Scheduled Regular Board Meeting Calendar**
    
    Wednesday, August 2, 2017
    Wednesday, September 6, 2017
    Wednesday, October 4, 2017

12. **Adjournment**
REQUEST FOR BOARD ACTION

SUBJECT: PROPOSAL TO AMEND BOARD OF TRUSTEES POLICY NO. 3030: FIXED-ASSET ACCOUNTING, SECTION 3030.3.1 AND ADOPT THE AMOUNT OF $5,000 AS THE CAPITALIZATION THRESHOLD FOR FIXED ASSETS OF THE BANNING LIBRARY DISTRICT

RECOMMENDED MOTION:

I move that the Board of Trustees approve making an Amendment to Board Policy No. 3030: Fixed Asset Accounting, Section 3030.3.1 and approve the amount of $5,000 as the Capitalization Threshold for fixed assets of the Banning Library District.

DISCUSSION:

At the last meeting of the Board on July 12, Staff and Consultant presented a recommendation to change the current adopted threshold amount of $500 to $5,000 for inventory of the District for proper accounting and capitalization purposes. The basis for this recommendation is in terms of today’s purchases for certain products such as computers. The longevity of the computer compared to changing technologies may determine that the product value has diminished rapidly and may need to be replaced sooner than later. In essence, some institutions have classified the computer as a disposable item over a short period of time and may not necessarily be classified as a fixed asset with an annualized review for accounting purposes. This proposal would greatly simplify the maintenance of effort to the District’s inventoried items and to its annual year end closure of a Fiscal Year. Adoption of this proposed change would also comply with the IRS Tangible Capitalization Policies. Staff will make a brief presentation to Section 3030.5 regarding the maintenance of inventory records and practices.

ALTERNATIVES:

1. The Board may decide to not make an amendment at this time and that the item is returned to the Board Agenda at a later date.
2. The Board may deny making an amendment to the Policy.

ATTACHMENTS:

Board of Trustees Policy No. 3030: Fixed-Asset Accounting

Prepared by:

DAN RODRÍGUEZ
Interim Library Director

DR:dr
Banning Library District

POLICY MANUAL

POLICY TITLE: Fixed-Asset Accounting  
POLICY NUMBER: 3030

3030.1 The purpose of this policy is to ensure proper accounting control resulting in the maintaining of accurate financial reports of fixed assets.

3030.2 An accounting, or inventory, of all fixed assets will be conducted on an annual basis. After the conclusion of said inventory, the Library Director will certify its completeness and report the results thereof to the Board of Trustees at its regular meeting in September.

3030.3 Applicable purchases for inclusion in said accounting will be the following:

3030.3.1 Equipment and tools that individually have an original total cost of more than $250.00;

3030.3.2 All land and building acquisitions regardless of price; and,

3030.3.3 Additions or major improvements to the District's service infrastructure.

3030.4 Permanent inventory records will be maintained in both a paper file, electronic (computer data base) format and photo. Said records will be updated whenever a change in the status of a particular fixed asset occurs (e.g. original purchase, sale, destruction, loss, theft, etc.).

3030.5 Information to be maintained in said inventory records will include at least:

3030.5.1 Asset number;

3030.5.2 Description and photograph;

3030.5.3 Manufacturer's serial number;

3030.5.4 Storage location;

3030.5.5 Original cost;

3030.5.6 Acquisition date;

3030.5.7 Life expectancy; and,

3030.5.8 Classification code (e.g., office equipment, electronic, etc.)
REQUEST FOR BOARD ACTION

SUBJECT: FIRST READING OF PROPOSAL TO ESTABLISH A RESERVE ACCOUNT POLICY NUMBERED 3091 APPROVED BY THE BOARD OF TRUSTEES AND THAT THE NEW POLICY IS INCORPORATED WITHIN THE POLICY MANUAL OF THE BANNING LIBRARY DISTRICT

RECOMMENDED MOTION:

I move that the Board of Trustees approve the First Reading of the proposal to establish a Reserve Account Policy Numbered 3091 and that it be incorporated within the Policy Manual of the Banning Library District Board of Trustees.

DISCUSSION:

The purpose of this Reserve Policy for this District is to build and maintain an adequate level of unrestricted net assets to support the organization’s day-to-day operations in the event of unforeseen shortfalls. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as studies, research and development, or investment in infrastructure. The Reserve Account is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. This Reserve Policy will be implemented and may be used in conjunction with the other financial policies of the District and is intended to support the goals and strategies contained in those related policies and in strategic and operational plans.

The Reserve Fund is defined as the designated fund set aside by action of the Board of Directors. The minimum amount set-aside may be determined by the Board on an annual basis thus making an amendment to the policy. The reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. Staff will present ideas as to where the Reserves are to be placed and the Board may consider adding on to the Policy those locations. Locations may be defined as a Bank Account, County Maintained or other such locations.

The method to request funds from the account may be done by a recommendation from the Library Director or by recommendation by a Member of the Board. In all cases, the final decision to access the funds is by vote of the Board as a whole.

ALTERNATIVES:

1. The Board may decide not establish the Policy at this time and that the item is returned to the Board Agenda at a later date.
2. The Board may deny creating such a Policy.
RESERVE ACCOUNT POLICY
MEETING OF THE BOARD OF TRUSTEES
JULY 26, 2017

ATTACHMENTS:

Proposed Board of Trustees Policy No. 3091: Reserve Account Policy

Prepared by:

DAN RODRIGUEZ
Interim Library Director

DR:dr
Banning Library District

POLICY MANUAL

POLICY TITLE: Reserve Account Policy
POLICY NUMBER: 3091

3091.1 The purpose of this policy is to establish and maintain a minimum of an unassigned fund balance.

3091.2 The minimum fund balance will be an amount of not less than 25% (percent) of the budgeted general fund expenditures and is determined as part of the annual budget preparation process.

3091.3 Capital Funds are designated funds for specific uses and are not to be co-mingled with the calculation (percentage) utilized above to determine the Reserve Account.

3091.4 The District believes that this reserve policy of funds is prudent should certain economic uncertainties occur including providing for the possible fluctuations in property tax revenues to which Districts are vulnerable.

3091.5 The Board of Trustees may from time-to-time review the minimum fund balance rule and may make adjustments to the percentage based upon such review.

3091.6 The Board of Trustees may assign or transfer funds from the Reserve Account deemed necessary which may include but not limited to the Balancing of the General Fund Budget, Capital Improvements, Land Purchases and other uses approved by the Board of Trustees.