

Marmot Board Meeting

June 19, 2017

Present: Dustin Fife, Shelly Fratzke, Sarah Landeryou, Sylvia Rael, Joseph Sanchez, Jimmy Thomas, Mary Vernon and Lisa Hermann, CPA (Chadwick, Steinkirchner, Davis)

Report by Brandon Cole and Lloyd Chittenden.

Joseph convened the meeting at 10:00 am. Chadwick's audit report moved to the first agenda item. Approval of the agenda was unanimous.

Audit Report: Lisa Hermann, CPA Chadwick

Chadwick's audit team spoke to Marmot management staff and board members to identify high-risk areas. Lisa commented that there is always the chance of lack of segregation of duties in small organizations such as Marmot. However, there was no report of material weaknesses and risks this year.

Chadwick will supply a list of adjusting journal entries and audited financial statements after the completion of the audit. The Management Letter will provide a brief explanation of what the adjusting journal entries mean to Marmot's bottom line. Lisa instructed the board to email her directly with any additional questions.

Authority Control Evaluation: Brandon and Lloyd

The Union Catalog Committee acknowledge a need to better- manage and update authority records. Marmot evaluated three different vendors to help manage authority records: LTI, MARCive and Backstage. Each vendor received a set of 4929 bibliographic records. Marmot evaluated differences in each process of the same set of bibliographic data.

The three vendors have different methods to achieve the same goal of keeping a library's data clean. One primary option is whether the vendor supplies replacement bibliographic records when headings change or depends on the library system's Automatic Authority Control Process [AACP] to change the headings based on the authority records the vendor sends. Both Backstage and MARCive provide the option of using either method. LTI only uses the process of providing new bib records to change headings. LTI strongly discourages customers from using AACP.

Backstage required too much work on the customer's side of things and there was some concerned about how their process would affect Marmot records. LTI did not have the UCC majority vote. MARCive was cheaper than LTI. UCC was ok with the level of cheaper-but-adequate service that MARCive would provide. See Report on Authority Vendor Assessment by Lloyd on Marmot.org - <https://marmot.org/sites/default/files/Report%20on%20Authority%20Vendor%20Assessment.pdf>.

The two major costs are:

1. the price of getting caught up on the back file
2. Updating existing headings

The price is dependent on the number of records cataloged next year. Cost does not include deduping. Catchup cost this year is \$28,000 and \$18,000 on an annual basis after this year. Lloyd sees the process

as a smooth transition even with the possibility of several weeks of freeze editing. He plans to add records back in during off hours.

Motion: Dustin moved to approve the MARCive contract. Shelly seconded the motion. It was approved unanimously.

Employee Handbook Updates: Mary shared proposed changes in the June 5th draft of the Employee Handbook.

Joseph entertained the motion to approve changes to the updated employee handbook. Dustin moved to approve changes as presented to the board. Shelly seconded the motion. Approved unanimously.

Budget & Pricing 2018: Jimmy

After reducing or maintaining prices every year since 2010, Marmot must raise prices in 2018. Between rising prices, and recent cutbacks by a few members, the net increase in marmot income from 2017 to 2018 may be 0.5%. This budget is “balanced” with Net Income of \$15,573.

Marmot does not count E-rate funding in the budget. If awarded, Marmot plans to deposit funds in the reserves account. We don't count on signing new Discovery Partners, but we are optimistic that new income in that program could fund another Pika developer. Possible new members: Bemis, Delta, Aims, Colorado Rocky Mountain School.

If income takes a turn for the worse, we need to consider cuts or different cost-sharing models. Decision Center at \$40,000 per year and Authority Control at \$18,000 per year are not valued by all Members, but all Members currently pay for both.

Academic and School Members who pay annually will receive invoices in August with 2017 prices covering July to December 2017 and 2018 prices covering January to June 2018.

In 2012 Marmot created a “quantity discount” of 5% for members paying more than \$90,000/year in subscription fees. The discount was based on a theory that supporting 100 units at a big site took no more effort than supporting 90, but our experience is otherwise. In 2018, the discount is eliminated (affecting only Eagle Valley, Garfield, Mesa County, and MCVSD51).

Action Item: Jimmy will send the draft budget and pricing to directors. Comments or questions are due by July 21 sent to Jimmy or the board are due by July 21. The board plans to approve budget and pricing August 7 after considering comments.

Action Item: Jimmy will update the investment policy

Next board meeting August 7, 2017 10:00 – 11:00 am

Meeting adjourned 1 pm.