



CALIFA Board of Directors Meeting

Friday, May 19, 2023

10:00 a.m. to 11:30 a.m. PST

Start Time: 10:00 a.m.

Corrected on 9/22/23.

In Attendance:

Califa Board Members in attendance:

- Misty Jones
- Gary Shaffer
- Carl Pritzkat
- Yolande Wilburn
- Sara Jones
- James Ochsner
- *Absent:*
 - *Shawn Calhoun*
 - *Erik Mitchell*
 - *Todd Deck*

Califa Staff in attendance:

- Paula MacKinnon (Executive Director)
- Veronda Pitchford (Assistant Director)
- Nili Nosrati (Staff)
- Lorene Monangai (Staff)
- *Absent:*
 - *Kathy Kosinski (Staff)*

Other Attendees:

- Rob Redwitz, from Redwitz CPA service

Meeting

- I. Call to Order- Vice-President –2 minutes**
 - a. Introductions/Quorum**

Paula MacKinnon introduced Rob Redwitz from Redwitz CPA Service as a guest attendee. She also announced that Christian DeLay resigned from Califa.

- b. Approval of May 19, 2023 Agenda (ACTION)**

Gary Shaffer made a motion to approve the May 19, 2023 agenda. Sara Jones seconded. All approved.

c. Approval of January 20, 2023 Minutes (ACTION)

Yolande Wilburn approved the January 20, 2023 minutes. Carl Pritzkat seconded. All approved.

II. Finance report – 43 minutes

a. Silicon Valley Bank/First-Citizens Bank & Trust update

Paula MacKinnon shared that Silicon Valley Bank failed in March. The bank was now a division of First-Citizens Bank and Trust. She stated nothing will change as far as the banking staff Califa works with. Former SVB outlets were still available, and the same contracts were available. Insured accounts were still active for everything. She stated Califa opened a back-up US Bank account but haven't done much with it. The plan is to hold onto the account for 6 months to see if it is necessary.

b. Accept Audit 21/22 (ACTION)

Paula MacKinnon stated there are no findings in the audit and everything is business as usual. She said the only issue was the adjustments to recognize revenue from prior years. She added that the adjustments were complete and hopefully wouldn't be required in the future. Rob Redwitz added that the adjustments were **not** a sign of a loss or missing funds, but rather a timing issue on when the charges are falling in the fiscal year.

Carl Pritzkat asked for clarification on two charges. \$200,000 that Paula MacKinnon stated was a loss on overspending, and \$657,000 that was prior year adjustments for different grants.

Misty Jones asked for an action to accept the audit. Yolande Wilburn motioned to accept the audit. Gary Shaffer seconded. All approved.

c. Review Financials 22/23

Paula MacKinnon gave an updated snapshot of where Califa was standing through March with the Profit and Loss reports.

- Government grants were down as there are fewer LSTA and IMLS grants.
- SANDI was down because of lower activity.
- Califa took over the fiscal agency of RIPL from Colorado and will continue to manage that project.
 - Gary Shaffer asked if RIPL money is “in and out” and asked how Califa making money on it. Paula MacKinnon clarified Califa has a fiscal agency contract to make money at a set percentage and also recoup costs for fees.
- Subscription revenue was down slightly, but that could still change by fiscal year end.
- Enki/SimplyE were winding down and 23/24 will be the last year they are officially made available. Access for the year will be made free. NYPL will not be maintaining SimplyE as an open-source software product starting a year from now.
- Workshop revenue was slightly down.
- Membership fees were an anomaly as it depends on when Califa receives payment for the fees.
 - Misty Jones asked when Califa membership renewals occur for libraries. Paula MacKinnon said the memberships typically run July through June.

- LAIF investment fund was steadily improving over the past year.
- Personnel had an increase in the accounting category because of employing an interim accountancy agency after Marci Haghnia's departure, Robert Half, which is how Califa discovered Lorene Monangai.
- Broadband was a huge change because of the loss of the grant.
- Services category was higher because enki and SimplyE have not gained money from grants, but the servers still cost money. Califa began winding down and combining servers. The numbers should go down even further after Califa moves to Digital Ocean for cheaper website hosting.
- Travel was up due to increased travel activity.
- Interest and bank charges increased due to RIPL credit card charges through Square.
- Misc expenses included various "thank you" and bereavement gifts provided to colleagues and long-time collaborators.

In short, the P/L report was in the green at the end of March.

Gary Shaffer asked for a quick answer board members could provide if they are asked why Califa is down 88.2% in revenue. Paula MacKinnon answered that Califa is not a profit-making organization, and the decline stems from the loss of broadband and fewer grants overall.

Rob Redwitz added that Califa has a reserve and it is good for nonprofits to have a reserve for security purposes. Sara Jones added that the reserve was intentional and to help create stability that would allow Califa to be quick and agile.

Yolande Wilburn asked if Califa was setting aside a certain percentage each year to have a guaranteed reserve. She highlighted that without the reserve, the loss of broadband would've been terrible. Paula MacKinnon replied that the budget has been tighter in more recent years, but it is difficult to set a percentage as it is an unknown until Califa knows the number of grants, etc. each year. She said Califa does not want a budget that comes out to zero.

With the Balance sheet, Paula MacKinnon pointed out that Califa is trying to keep bank accounts at the FDIC insured limit. She added that the wealth accounts are safe despite being over the FDIC limit and the SVB failure.

Accept Budget 23/24 (ACTION)

Paula MacKinnon walked through the line items of the budget:

- Government grants included California Revealed and the rest are IMLS grants.
- CALL contract was continuing.
- Other contracts included a handful of CTC broadband libraries.
- Subscription revenue was based on last year's year end amount.
- Infopeople and membership fees were based on last year's year end amount.
- Unrealized loss was from the SVB account from 7/1/22.
- Expenses at personnel remained at 6 people, despite Christian DeLay's departure. Paula MacKinnon added that Califa is not actively looking for a replacement, instead redistributing Christian DeLay's tasks.

- SimplyE/enki showed a loss because there were no funds coming in, but there were hosting fees.
- Infopeople was similar to the previous year.
- Two Open+ grants were still in process, but Califa already recorded all the income for it.
- CA Revealed was retaining Califa for the next 5 years.
- The big effect on the budget was the lack of LSTA grants.
 - Paula MacKinnon mentioned how she approached the state library with an idea about increasing access for local papers and how it didn't seem well received. Yolande Wilburn added that she was approached by her own local paper to add their access to the library but the local newspaper was uncertain of the model to use for pricing.
 - Paula MacKinnon said she checked in on the MacKenzie Bezos/Scott foundation to see if Califa can be eligible for any of those grants in an effort to make up for the lack of LSTA grants.

Misty Jones asked for a motion to accept 23/24 budget. Carl Pritzkat moved. Yolande Wilburn seconded. All approved.

III. Old Business – 2 minutes

a. Board director election update

Paula MacKinnon received the resignation from Erik Mitchell, and announced the election to move him from his appointed position to an elected position will happen in June. Shawn Calhoun will then move from his elected position to an appointed position in July. She said everything is in order to ensure a smooth transition.

Misty Jones asked for clarification that Erik Mitchell and Shawn Calhoun will both be elected in July. Paula MacKinnon clarified that their terms are both beginning July.

IV. New Business – 20 minutes

a. Grants/Infopeople update

Veronda Pitchford gave an overview on current grants and projects. She highlighted that the two core areas for Califa are fiscal agency and strategic partnerships. Strategic partnerships are when Califa is able to elevate local projects to a national audience through Infopeople. The partnership is a way to spread the message beyond the intended grant audience and see if Califa can add more impact.

Veronda Pitchford stated she is working to recruit other organizations to facilitate grants with Califa as fiscal agent. She stated she received many compliments about how Califa is easier to work with and is more responsive than other fiscal agencies out there.

Veronda Pitchford also described the Building Radical Empathy grant and the recent convening. While the grant had an academic focus, she sees the importance of continuing it in a public library space.

Finally, Veronda Pitchford announced that Califa launched Teachable self-paced courses. She highlighted that this opens opportunities for courses that people may not want to take live.

V. Agenda Building, Scheduling the Next Meeting – 13 minutes

a. Scheduling the next meeting

i. The next meeting was scheduled for September 22, 2023. The meeting will be held via Zoom and run from 10 a.m. to 12 p.m. Pacific.

b. Agenda building

i. Updates on grants and Infopeople.

VI. Meeting adjourned at 11:20 a.m.