



Library Board of Trustees

**Library Board of Trustees Meeting
Main Library, Dowd Learning Studio
Monday, June 23, 2014, 12:00 Noon**

Trustees Present

Molly Griffin, Chair
Jennifer Appleby
Charles Bowman
Rob Harrington
Gloria Kelley
Leland Park
Bob Sink
Ed Williams

Staff Present

Cordelia Anderson
Frank Blair
Shelley Book
Jenni Gaisbauer
Leonora Kaufmann
Lee Keesler
Lois Kilkka
Angie Myers

Others Present

Sean Hogue (Financial Consultant)
Leslie Johnson (Assistant County
Manager)
Mark Kutny (Legal Counsel)

Trustees Absent (with cause)

Robin Branstrom
Joan Martin

MINUTES

Molly Griffin called the meeting to order at 12:00 PM.

Ms. Griffin welcomed Mecklenburg County Assistant County Manager Leslie Johnson to the meeting.

Ms. Griffin requested a motion to approve an "absence with cause" for Robin Branstrom and Joan Martin. On the motion by Bob Sink, seconded by Jennifer Appleby, the Trustees unanimously approved the motion.

Ms. Griffin requested a motion to approve the minutes from the Board of Trustees meeting held on May 19, 2014. On the motion by Leland Park, seconded by Jennifer Appleby, the Trustees unanimously approved the May 19, 2014 meeting minutes.

Committee Activity Report:

Finance Committee: Rob Harrington explained that Angie Myers and her team have worked hard to put this year's Library budget into a format that is more in-line with what the Board needs to know and approve.

Angie Myers began by thanking Mecklenburg County for its generous investment in the Library. Ms. Myers explained the format of the new budget report drawing attention to the fact that she has broken out revenues and expenses and put 2014 and 2015 side-by-side so that the variance would be obvious for each category.

Ms. Myers reviewed revenues noting the following:

- Revenue from the State is down but has the chance to increase
- Revenue from the ABC Board is up 18%
- Revenue from the Federal Government remains flat
- Revenue from the City of Charlotte remains flat
- Donations are up significantly due to the work of the Library Foundation

Leland Park asked Ms. Myers to explain the “Fund Balance” category and she explained that it was similar to a savings account where Library funds that exceed operating expense reside. Ed Williams then asked if there was an optimum amount to keep in fund balance and Ms. Myers replied that the recently adopted Fund Balance Policy stated the Library’s target should be computed at twelve (12) times the average monthly “Library Funds Group” and that any money in excess should be transferred to the unrestricted endowment.

Ms. Myers then reviewed expenditure highlights and noted the following:

- Increase in salaries and benefits due to the Library moving to system-wide six-day service
- Two one-time projects at Sugar Creek including updating the computer lab and signage
- Professional services related to the Digital Strategy
- Technology and equipment related to the Digital Strategy
- Programming for year 2 of the PNC grant

Ms. Myers noted that it is the Library’s goal to eventually get to an annual collections investment of \$3.25 per capita. The goal for FY2015 is \$3.10 per capita.

Bob Sink stated that he thought progress was being made in regards to funding and that he has confidence in the financial processes. He went on to ask if it was the Board’s responsibility to examine detailed expenses within the budget, and if necessary raise questions? Ms. Myers responded that the Board’s responsibility was to approve at the appropriation level. She explained that Rob Harrington is more involved in the minutia; however, any Board member was welcome to review any part of the budget.

Leland Park asked about the drop in state funding. David Singleton replied that in the state funding compromise our funding may only drop by \$12,000 based on our population and community’s economic tier.

Rob Harrington asked if we loaned books to other poorer communities and David Singleton responded that we do participate in open source sharing and interlibrary loans.

On a motion brought by Rob Harrington on behalf of the Finance committee the Board unanimously agreed to approve the FY2015 budget as presented.

Mark Kutny presented the Conflict of Interest Policy handout and explained that it was the same policy from last year and that the library’s auditors asked that each Trustee sign it every year going forward. Mr. Kutny asked that all Trustees review the policy, sign it and return it to Shelley Book so that the forms could be kept on file by the Library. He went on to ask any Trustee who does business, or whose company does business with the Library, to contact him.

Open Discussion: Lee Keesler opened the discussion by stating that it is his intent to share facts and answer questions regarding the proposed sales tax referendum recently brought forth by several County Commissioners. Mr. Keesler stated that he was not notified ahead of the Board of County Commissioners

(BOCC) meeting about this proposal but that he and Bob Sink and Leland Park have been gathering as much information as possible regarding its intent, etc.

Bob Sink reported that the action taken by the BOCC directs the Board of Elections to hold a referendum on adding a quarter cent to the sales tax rate with the intent to use the money for education and cultural entities including Charlotte Mecklenburg Schools, Central Piedmont Community College, Arts & Science Council and Charlotte Mecklenburg Library. If the referendum passes, the BOCC will vote on then vote whether to levy the tax and how to allocate proceeds.

Mr. Sink drew the Board's attention to the list of pros and cons as outlined in his memo and opened the floor for discussion on whether the Board should, or should not support the referendum.

Rob Harrington explained that he was also a member of the Arts & Science Council Board of Directors and although he did not see a conflict of interest in this situation he wanted to let everyone know.

Several concerns were raised including how this tax might affect our funding from the County and how it might affect our long term sustainability.

Bob Sink noted that he did not believe this tax would assure the Library's long term sustainability.

Mark Kutny explained that the Library can only use funds for informational, not promotional or advocational activity. He noted that the Library cannot promote passing the referendum but the Board could pass a resolution stating that it supports the referendum, and drew attention to the resolution provided in their packets.

On a motion by Bob Sink, seconded by Charles Bowman the Trustees unanimously approved supporting the resolution in conformance with the legal stipulation of not promoting the tax with public dollars.

CEO Report:

Program of Work: Lee Keesler reviewed the Program of Work handout provided in the Trustee's packets featuring 15 major initiatives for FY2015 that align with the organization's 3 strategic goals: Community Engagement and Awareness, 21st Century Access, and Excellence, Fiscal Stability and Sustainability. The focus of the Program of Work is more access, more usage and more impact.

Mr. Keesler explained that the Future of the Library Task Force recommended that the Board of Trustees approve programming priorities annually. David Singleton then provided the Board with a PowerPoint outlining the scope of programming, user groups and new programming initiatives including:

- Pre-K to 3rd grade library card initiative
- E-card for Project L.I.F.T 6th-12th graders
- Adaptive programs for special needs customers
- Programs for Spanish-speaking families
- Continuance of the PNC "Grow up Great" Grant

Mr. Singleton reviewed the cost of programming noting that the cost per participant is \$2.98 and discussed how the Library would measure success.

After some discussion around gathering and analyzing data Ms. Griffin called for a motion to approve the programming priorities for FY 2015. On a motion by Rob Harrington, seconded by Leland Park the group unanimously agreed to approve the FY 2015 programming priorities.

Foundation Update: Jenni Gaisbauer reported on the Library Foundation's FY2015 business plan that features four goals:

1. Raise \$1.3 MM in gifts, pledges and endowment earnings
2. Increase engagement among stakeholders of the Library and Library Foundation
3. Establish the Library Foundation as a leader in community and industry
4. Complete preparations for a significant community-wide campaign.

Ms. Gaisbauer reviewed the Library Foundation's June 2014 Fundraising Report. Ed Williams asked why we were losing donors. Sean Hogue offered one explanation could be that as the Library distances itself from the financial crisis, some funders motivations change.

On a motion by Charles Bowman, seconded by Leland Park, the Board unanimously approved the Library Foundation's four strategic goals for FY 2015.

Financial Report:

Angie Myers reported that she is projecting a \$1.4 MM savings on the Library side of the budget primarily driven by multi-year savings in restricted gift and grant spending (.3 M), unspent multi-year strategic initiatives (.2 M), book expenditures (.6 M) and miscellaneous projected operating expenses. She noted that this amount would be added to the fund balance.

Budget Adjustments: Ms. Myers reported two budget adjustments:

1. Transfer \$450,000 from Personnel (\$440K) and Supplies (\$10K) to Collection budget
2. Increase Fleet Budget by \$23,000 based on projected spend

Ms. Myers also reported Lee Keesler approved a transfer of \$5,666.37 from reserves available to system-wide teen programming for FY 2014 Summer Reading.

On a motion by Rob Harrington, seconded by Charles Bowman, the Board unanimously approved the two requested budget adjustments.

Open Discussion:

Lee Keesler opened the discussion by asking the members of the Executive Leadership Team to share good news from their areas.

Frank Blair reported:

- Business Support Service Agency (BSSA) has agreed to support the 5 remaining library locations and he can now move those resources to support the Digital Strategy
- The Library received a \$50,000 grant for ILS migration
- PC replacement is underway
- Approved budget includes money for technology upgrades

Cordelia Anderson reported:

- The Library won the following awards recently:
 - Best of the Best from Charlotte Magazine for Storytime at University City
 - Hermes Creative Award for “I Can” branding
- Wray Ward won two Addy Awards for the “I Can” branding and campaign

David Singleton reported:

- The Library system will soon have expanded, consistent hours
- The County funded a position and a consultant to support the Digital Strategy.
- The Robinson Spangler Carolina Room recently received a wonderful gift of Native American relics
- The Library received an award for its WorkSmart Program

Angie Myers reported:

- The Library had a successful FY 2015 budget process
- The Library received no adverse findings from the technology audit
- The upcoming financial audit should go well

Jenni Gaisbauer reported:

- The Library Foundation surpassed its fundraising goal
- The Library would be featured on the cover of Society Magazine
- Five authors have been confirmed for Verse & Vino
- 43 tables have been sold for Verse & Vino

Joel Riddle reported:

- We are aggressively working on hiring for the new Library positions

Lee Keesler reported:

- The Library’s inclusion in the sales tax referendum is a compliment to the organization
- Many community groups such as Goodwill, The City of Charlotte, Mecklenburg County were taking advantage of our library space to hold meetings.

There being no further business, Ms. Griffin asked the Trustees for a motion to adjourn the meeting. On a motion by Gloria Kelley, seconded by Jennifer Appleby, the Trustees unanimously approved adjournment at 1:35 p.m.