



Library Board of Trustees Meeting
Monday, November 18, 2024
ImaginOn: The Joe & Joan Martin Center
300 East Seventh Street, Charlotte, NC 28202
4:00pm – 6:00pm

Trustees Present In-Person

Peggy Brookhouse
Dr. Stacey Brown
Joe Helweg
Dr. Kimmerly Martin
Dr. Amy Hawn Nelson
Preethi Srinivasan
Charles Thomas, Chair

Staff Present

Michael Boger
Rachel Bradley
David Dillard
Michael Engelbrecht
Jenni Gaisbauer
Krystal Green
Eric Hartman
Caitlin Moen
Angie Myers
Chantez Neymoss
Marcellus Turner

Others Present

Mark Kutny
Helen Hope Kimbrough
Daniel Gougherty (Auditor)

Trustees Present Virtually

Jon Buchan
Tracy Montross

Trustees Absent

Ailen Arreaza
Dr. Ricky Woods

Mr. Charles Thomas welcomed everyone to the Board meeting at 4:00pm.

Absence with Cause

Mr. Thomas requested a motion to approve absence with cause for Ms. Ailen Arreaza, Dr. Ricky Woods, Ms. Peggy Brookhouse, and Ms. Tracy Montross. On a motion by Dr. Amy Hawn Nelson and seconded by Mr. Joe Helweg, the Trustees unanimously approved the absence with cause.

Six Trustees voted in-person and one Trustee voted virtually.

Ms. Brookhouse and Ms. Montross did join the meeting after the motion.

Approval of Minutes

Mr. Thomas requested a motion to approve the minutes from October 21st. On a motion by Mr. Jon Buchan and seconded by Ms. Preethi Srinivasan, the Trustees unanimously approved the minutes.

Seven Trustees voted in-person and two Trustees voted virtually.

Public Comment

No member of the public signed up to speak during this meeting's public comment section.

Chair Update

Mr. Thomas informed the Trustees of the following items:

- Mr. Thomas updated the Trustees about the Library’s Annual Report presentation to the Board of County Commissioners. Mr. Thomas presented the Annual Report on November 6th. The presentation went well, and the Library was invited to present at the Board of County Commissioners’ budget retreat in January. He thanked Ms. Krystal Green and Library leadership for putting the presentation together and the Library and Foundation board members that attended the meeting. Mr. Thomas also stated that it was great to hear County Manager, Dena R. Diorio’s presentation on her trip to Mecklenburg-Vorpommern in Germany to celebrate the anniversary of the reunification of the country. Mecklenburg County was invited to send a delegation to the celebration since Mecklenburg County and Mecklenburg-Vorpommern have a historic partnership that began in 1994.
- Mr. Thomas expressed his appreciation to the Foundation staff for planning and implementing another successful Verse & Vino event. He acknowledged the great presentations given by the four authors, Essie Chambers, Emiko Jean, Edward Lee, and Jessica Shattuck. Mr. Thomas also recognized how meaningful it was to have library managers, Alesha Lackey and Debra Sharp on stage at the event.
- Dr. Hawn Nelson conveyed her appreciation for EpicFest. She recognized the Library and Foundation staff that work to make EpicFest a fun and engaging event every year. This year there were just under 2,400 people that attended the Saturday event at ImaginOn.

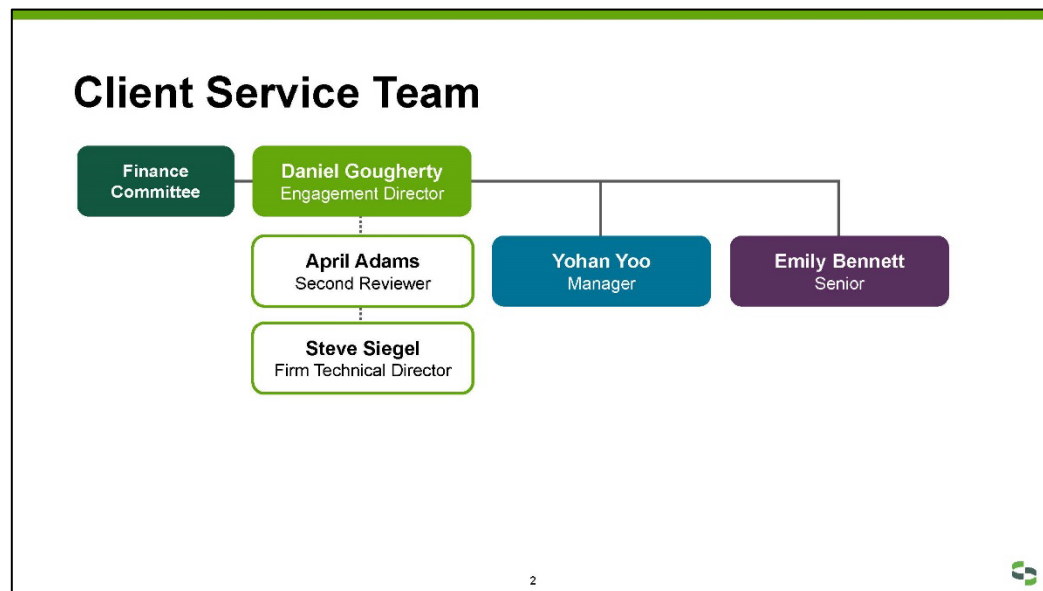
Committee Reports

Finance Committee

Ms. Preethi Srinivasan and Ms. Angie Myers provided the following updates:

FY2024 Audit Presentation

Ms. Myers introduced Mr. Daniel Gougherty, Engagement Director at Cherry Bekaert, who presented the FY2024 Audit to the Trustees.



Results of the Audit

- We have audited the financial statements of the Public Library of Charlotte and Mecklenburg County (the “Library”), as of and for the year ended June 30, 2024, in accordance with generally accepted auditing standards and Government Auditing Standards and have issued our reports dated October 21, 2024.
- We have also audited Library’s compliance with the compliance requirements described in the Audit Requirements for Federal Awards (“Uniform Guidance”) and Audit Manual for Governmental Auditors in North Carolina which

could have a direct and material effect on the Library's major federal and state program for the year ended June 30, 2024.

- We have issued unmodified opinions on the financial statements and federal and state single audits.

Internal Control Communication

- In planning and performing our audit, we considered internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements and compliance with Uniform Grant Guidance and the Audit Manual for Governmental Auditors in North Carolina, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.
- Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.
- A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements or noncompliance on a timely basis.
- **Definitions:**
 - **Material Weakness**
 - A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis.
 - **Significant Deficiency**
 - A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- We noted no material weaknesses, however, material weaknesses or significant deficiencies may exist.

Corrected and Uncorrected Misstatements

- Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.
- None Noted

Uncorrected Misstatements

- The following material misstatement detected as a result of audit procedures was not corrected by management:
 - Understatement of expenses of \$297,000 and understatement of beginning net position of \$297,000 related to the correction of the total OPEB liability and associated accounts to adjust for the change in OPEB from prior year.
 - Overstatement of deferred inflows of \$95,274, an understatement of beginning net position/fund balance of \$63,516 and an understatement current year revenue of \$31,758 in the Governmental-wide Activities and General Fund related to recognition of prepaid lease revenue over the last three years that should have been recognized over time.

Qualitative Aspects of Accounting Practices

- Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in Note 1 to the financial statements.
- No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no inappropriate accounting policies or practices.
- Related Party Relationships and Transactions
 - As part of our audit, we evaluated the Library's identification of, accounting for, and disclosure of the Library's relationships and transactions with related parties as required by professional standards.
 - We noted none of the following:
 - Related parties or related party relationships or transactions that were previously undisclosed to us;
 - Significant related party transactions that have not been approved in accordance with the Library's policies or procedures or for which exceptions to the Library's policies or procedures were granted;
 - Significant related party transactions that appeared to lack a business purpose;
 - Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions;
- Difficulties in identifying the party that ultimately controls the entity.

Significant Unusual Transactions

- We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
- For purposes of this presentation, professional standards define significant unusual transactions as transactions that are outside the normal course of business for the Library or that otherwise appear to be unusual due to their timing, size, or nature. We noted no significant unusual transactions during our audit.

Significant Mistakes

- Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:
 - Management's estimates of the total other post-employment benefit liability and related deferred inflows and outflows are based on an actuarial analysis performed by a third party.
 - Management's estimates of the net pension liability and related deferred inflows and outflows are based on an actuarial analysis performed by a third party and the fair value of the net pension liability.
- We evaluated the key factors and assumptions used to develop these estimates in determining it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

- The financial statement disclosures are neutral, consistent, and clear.

Independence Considerations

- **Nonattest Services**
 - Preparation of the Data Collection Form.

- For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.
- **Independence Conclusion**
 - We are not aware of any other circumstances or relationships that create threats to auditor independence.
 - We are independent of the Public Library of Charlotte and Mecklenburg County and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

Other Required Communications

Difficulties Encountered	Disagreements with Management	Auditor Consultations	Management Representations
<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>	<p>Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.</p> <p>We are pleased to report that no such disagreements arose during the course of our audit.</p>	<p>We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.</p>	<p>We have requested certain representations from management that are included in the management representation letter dated October 21, 2024.</p>

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Other Required Communications

Management Consultations	Other Findings or Issues	Fraud and Illegal Acts	Going Concern
<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations.</p> <p>To our knowledge, there were no such consultations with other accountants.</p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year.</p> <p>These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>	<p>As of the date of this presentation no fraud, illegal acts, or violations of laws and regulations noted.</p>	<p>No events or conditions noted that indicate substantial doubt about the Library's ability to continue as a going concern.</p>

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Other Matters

- **Required Supplementary Information**

- We applied certain limited procedures to management’s discussion and analysis and required supplemental information (“RSI”), as listed in the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

- **Supplementary Information**

- We were engaged to report on the supplementary information the schedule of expenditures – governmental funds and schedule of expenditures of federal and State awards which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

LGC Performance Indicators

- **Audit Report**

- Submission expected within five (5) months from fiscal year-end
- No statutory violations within audit report
- No material or significant deficiencies to address

- **Upcoming Financial Reporting Changes**

- These standards will be effective for the Library in the upcoming years and may have a significant impact on the Library’s financial reporting.
- We would be happy to discuss with management the potential impacts on the Library’s financial statements and how we may be able to assist in the implementation efforts.
- GASB 101 Compensated Absences
- GASB102 Certain Risk Disclosures
- GASB 103 Financial Reporting Model Improvements
- GASB 104 Disclosure of Certain Capital Assets

Mr. Thomas made a motion to accept the FY2024 Audit report as presented. Mr. Helweg seconded the motion, and the Trustees unanimously approved the FY2024 Audit report.

Seven Trustees voted in-person and two Trustees voted virtually.

Multi-year Budget Adjustments

- \$3,795 -Annual reconciliation of staff organization ("Staff Org") contributions from employees that support items such as special/life event recognition, retail sales, and social and philanthropic activities for staff.
- \$9,477 - Annual reconciliation of Branch Gift Funds.

- \$500,000 -5-year, \$500,000 grant towards funding a Main Library Program Manager Position. Upon approval, the position will be posted and recruiting will begin in the coming weeks.

Budget Transfers

- \$7,500 -Budget transfer approved by PNC to realign funds between Materials & Supplies to professional services to accommodate a few more hours of contracted assistance with Learning Together and other project components.

Multi-Year Budget Adjustments					
Budget Adjustment Number	FY2025 or Multi-Year	Short Description	Budget Category	Revenue Budget Adjustment Amount	Expenditure Budget Adjustment Amount
241101	Multi-Year	Staff Org Contributions	Revenue: Other	3,795	
241101	Multi-Year	Staff Org Contributions	Expenditure: Misc. General Operating		3,795
241102	Multi-Year	Misc. Branch Gifts	Revenue: Other	9,477	
241102	Multi-Year	Misc. Branch Gifts	Expenditure: Misc. General Operating		9,477
241103	Multi-Year	Gambrell Foundation Main Library Program Manager Support	Revenue: Foundation Contributions	500,000	
241103	Multi-Year	Gambrell Foundation Main Library Program Manager Support	Expenditure: Salaries & Benefits		500,000
Total Multi-Year Budget Adjustments				513,272	513,272

Budget Transfers					
Budget Transfer Number	FY2025 or Multi-Year	Short Description	Budget Category	Budget Transfer Impact - Revenue	Budget Transfer Impact: Expenditure
241104	Multi-Year	PNC Grow Up Great Transfer	Expenditure: Programming		(7,500)
241104	Multi-Year	PNC Grow Up Great Transfer	Expenditure: Professional Services		7,500
Total FY2025 Budget Transfers				-	-
Grand Total Budget Adjustments				513,272	513,272

After some discussion, and on a motion from the Finance Committee, the board unanimously approved the FY2025 Budget Adjustments and Transfers.

Seven Trustees voted in-person and two Trustees voted virtually.

Real Estate Committee:

Mr. Buchan and Mr. David Dillard provided the following updates:

- Mr. Dillard provided information to the Trustees for the approval of selection of vendors and execution of contracts necessary for ImaginOn Renovation Project. There are four approvals needed for the process to begin.
 1. Authorize the **selection of an architectural and engineering firm** for the ImaginOn renovation project following CML Board approved processes including authorizing Mecklenburg County Asset and Facility Management to prepare and advertise the Request for Qualifications (RFQ), review the responses, prepare a short list of qualified firms, and interview those firms, select on the appropriate firm for the project, and negotiate the contract. Authorize the CML CEO to execute said contract.
 2. Authorize the **use of the Construction Management @ Risk (CM @ Risk) contract methodology** for the ImaginOn renovation Project, which requires CML to conclude that construction management at risk services is in the best interest of the project, and that CML has compared the advantages and disadvantages of using the construction management at risk method for a given project in lieu of the delivery methods designated in the NC General Statutes [NCGS 143-128(a1)(1) through 143-128(a1)(3)].
 3. Authorize the **selection of the Construction Management firm** for the ImaginOn renovation project following CML Board approved processes including authorizing Mecklenburg County Asset and Facility Management to prepare and advertise the Request for Qualifications (RFQ), review the responses, prepare a short list of qualified firms, and interview those firms, select on the appropriate firm for the project, and negotiate the contract. Authorize the CML CEO to execute said contract.
 4. Authorize the selection of a **Commissioning Agent (Cx), Building Envelope Commissioning firm (BECx), and other Third-Party Engineer Testing (Materials Testing, Geotech and Environmental Engineering, Special Inspections) and other consultants as needed** for the ImaginOn renovation project following CML Board approved processes including authorizing Mecklenburg County Asset and Facility Management to prepare and advertise the Request for Qualifications (RFQ), review the responses, prepare a short list of qualified firms, and interview those firms, select on the appropriate firm for the project, and negotiate the contract. Authorize the CML CEO to execute said contracts.

Mr. Thomas called for a motion to approve the action items for the selection of vendors and execution of contracts necessary to proceed with the ImaginOn renovation project. Mr. Helweg seconded the motion, and the Trustees unanimously approved the authorization of the four items needed for the ImaginOn renovation project.

Seven Trustees voted in-person and two Trustees voted virtually.

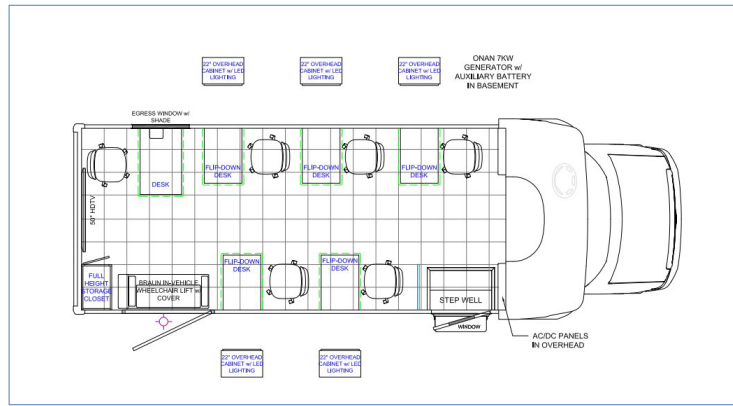
ARPA Projects Update

Ms. Emery Ortiz provided the following updates to the Trustees:

- **ARPA Funds for Digital Equity**
 - Award ending December 2024
 - An additional outreach vehicle focused on digital literacy and workforce development
 - Funding for electronic resources and digital collections to serve high need populations, with an emphasis on Spanish language resources
 - Maintaining free hotspots for customer checkout
 - A redesigned DigiLit (digital literacy) curriculum and evaluation framework
 - Marketing and staff training budgets
 - Contracted instructors to deliver DigiLit classes in both English and Spanish
- **Collection Enhancements**
 - Hotspots (over 340 checkouts since January)
 - Digital collection improvements
 - increased our world language ebook and audiobook titles
 - expanded the diversity and breadth of our digital collection, including more customer requests on Libby
 - increased Hoopla monthly spending limits, so that access to resources is not restricted or limited
 - Spanish language resources: Press Reader, Informe Academico, and The Shelf, a streaming media service.
 - EZ scanner/printers



- **Mobile Internet Lab (MiLa)**
 - Five computer stations plus a staff station
 - External display and awning for overflow or additional programming
 - Mobile internet lab as primary use
 - Operated primarily by Workforce Development staff with the intention to transition to Outreach in the future
 - Will serve Uptown and other key locations until new Main library is open



CEO Report

- MT reviewed the questions that were posed by a few County Commissioners after Mr. Thomas presented the Library’s Annual Report at the November 6th BoCC meeting. Commissioner Altman inquired about understanding the Library’s efforts toward workforce development. Commissioner Cotham requested for MoLi to make a stop at Center for Hope and getting more support for technology access at the center as well. Commissioner Jerrell requested more information about the growth and future plans in the Eastland area. Commissioner Griffin inquired about adding Allegra Westbrook’s name in 3D lettering on the library branch. Commissioner Leake inquired about the safety and security of the outdoor space at Allegra Westbrook Regional which is part of the Corridors for Opportunity. MT is following up with the individual commissioner requests and questions as he gathers the information.
- MT provided a brief recap of this year’s EpicFest. This yearly festival was created to provide an opportunity to share children’s authors with children in the community. One of the components of EpicFest is that the authors not only attend the Saturday event at ImaginOn but also speak to students at various Charlotte area schools. This year, there were 10 authors, and each author went to two schools, speaking to approximately 2,036 students in total. For both events, the Library reached almost 4,500 people. There is an additional EpicFest Teen event that occurs outside of ImaginOn at another branch. This year the writing workshop was held at North County Regional and featured two young adult authors and had 15 teen participants.
- MT updated the Trustees regarding the Library rebranding RFP process. Ms. Green and staff worked to finalize and post the RFP for proposals. There have been some submissions already and more updates will be provided at the January board meeting once the proposals have been reviewed and interviews have been conducted. Ms. Brookhouse represents the Board on the interview team.
- MT informed the Trustees that he will work with Ms. Green and Ms. Rachel Bradley to send out a list of important upcoming dates as well as calendar invitations so that all are aware and can plan to attend if available.
- MT asked Mr. Dillard to provide two quick updates on Library facilities. Mr. Dillard informed the Trustees that the former North branch at 2324 Lasalle Street has been formally transferred over to the County. So, that is a County building now and no longer Library property. The Library has also successfully closed the acquisition of the new University City Regional Library on Friday, November 15th. The funds were transferred, and it is now officially Library property, although there is still some punch list work to be completed.

Library Director Report

- Ms. Moen informed the Trustees about *Parasols & Petticoats: A Conversation with Julia Quinn*. This event is scheduled for February 15th at 11:00am and will be held at the Gambrell Center. An evening event, *Queen Charlotte’s Ball & Banquet*, is being held at the Charlotte Museum of History on the same evening. Julia Quinn is an official spokesperson for EveryLibrary and is a well-known advocate for libraries.

- Ms. Moen informed the Trustees that Tyler Wilmoth and Rosalind Washington are two new branch managers and have been in their positions for about 6 weeks. Tyler Wilmoth is the new Branch Manager for Cornelius Library and comes from Johnson City, Tennessee. Rosalind Washington is the new Branch Manager at North County Regional Library and was previously employed with the Library as the Branch Manager at Sugar Creek and as part of the Human Resources department.
- Ms. Moen notified the Trustees of Mountain Island Branch Manager, Mark Engelbrecht's departure. He will be leaving the Library to take on a leadership role within the Wake County Library System. This means that the Library will be recruiting for a new Mountain Island Branch Manager.

Foundation Update

Ms. Jenni Gaisbauer provided the following updates:

- Ms. Gaisbauer informed the Trustees that EpicFest was created in 2014 because of a donor, Jim Preston, who wanted to partner with Charlotte Mecklenburg Library in honor of his wife, so he underwrote it and made an endowment gift that still helps to support the festival. His daughter still supports the event and his grandchildren volunteer for the festival.
- Ms. Gaisbauer updated the Trustees on this year's Verse & Vino and thanked everyone who attended the event. It was a success and raised \$610,624 as of Friday, November 8th. The event will most likely raise close to \$625,000 and net almost \$400,000. The Foundation's fundraising costs are down to 38% which is close to the percentage of costs prior to Covid. Since the signature bourbon drink was a hit, the Foundation will continue to have a signature drink at Verse & Vino. The Foundation was able to recognize County Manager, Dena R. Diorio, at the event since she is retiring in July of 2025.
- Ms. Gaisbauer informed the Trustees about The Foundation and Charlotte Mecklenburg Library partnering with EveryLibrary on a polling project. This is a collective effort across the United States and will likely begin in early 2025. This project is meant to help get a sense of how people are feeling about public libraries in the U.S. and help build a case to support libraries across the country. The Library and Foundation will each be investing \$5,000 into the project.
- Ms. Gaisbauer reminded the Trustees of the February 19th Marie Benedict author event and the April 8th Carnegie Circle event with Ann Patchett and Kevin Wilson.

After some Board discussion, Mr. Thomas adjourned the board meeting at 5:38pm.

Respectfully submitted,
Marcellus Turner
CEO