



Library Board of Trustees

**Library Board of Trustees Meeting
Main Library, Dowd Learning Studio
Monday, November 17, 2014, 12:00 Noon**

Trustees Present

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

Staff Present

Cordelia Anderson
Frank Blair
Shelley Book
Dana Eure
Jenni Gaisbauer
Leonora Kaufmann
Lee Keesler
Lois Kilkka
Joel Manning
David Singleton

Others Present

Sean Hogue (Financial Consultant)
Leslie Johnson (Assistant County
Manager)
Collin Hill (Cherry Bekaert)
Dennis Rash (Main Library
Reinvention Advisory Committee Chair)
Mark Kutny (Legal)

Trustees Absent (with cause)

None

MINUTES

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

Ms. Griffin welcomed Mecklenburg County Assistant County Manager, Leslie Johnson and introduced Collin Hill of Cherry Bekaert and Dennis Rash of the Main Library Reinvention Advisory Committee.

Ms. Griffin requested a motion to approve the minutes from the Board of Trustees meeting held on September 15, 2014. On the motion by Ed Williams, seconded by Joan Martin, the Trustees unanimously approved the September 15, 2014 meeting minutes.

Committee Activity Report:

Finance Committee: Collin Hill explained that the Library engaged Cherry Bekaert to perform financial and compliance audits for the fiscal year ending June 30, 2014. The audits were subject to auditing standards issued by the American Institute of Certified Public Accountants and Government Auditing Standards. Mr. Hill reported the following results of the audits:

- It is the opinion of Cherry Bekaert that the financial statements as of and for the year ending June 30, 2014 are unmodified.
- Cherry Bekaert issued an unmodified opinion on internal controls over financial reporting and compliance in accordance with Government Auditing Standards. One Yellow Book finding was noted for budgeted expenditure overages.

- Cherry Bekaert issued an unmodified opinion on compliance with requirements related to the State Aid to Public Libraries program.
- There was one uncorrected misstatement associated with the fair value of two \$1 annual leases.
- Opportunities to strengthen internal controls include: approving journal entries, completing a formal bank reconciliation review, review of the Foundation's investment allocation and ensuring the budget adoption process follow G.S. 159-12 and G.S. 159-13.

Mr. Hill went on to explain that there were some questions around the applicability of G.S. 159 and the decision was rendered to follow the statute.

Charles Bowman stated that in his opinion, G.S. 159 applies to governmental agencies and not the Library.

Mark Kutny responded that he researched the issue and an argument can be made either way. Mr. Kutny recommends doing our best to follow G.S. 159.

Molly Griffin noted that no action was needed at this time; this presentation was for informational purposes only.

Rob Harrington reported that the Finance Committee is recommending the Library move \$400,000 from the Library's Unrestricted Fund Balance to the Foundation's Unrestricted Endowment account managed by the Foundation of the Carolinas.

Mr. Harrington explained that this transfer of assets is in line with the Unassigned Fund Balance Policy. The Library's target Unassigned Fund Balance is currently computed at twelve (12) times the average monthly Library Funds Group (Fund 03) expenditures over a period of three years ending with its most current fiscal year ("Established Computation"). This Established Computation is to be compared to the Unassigned Fund Balance as determined and reported in the current year's financials in the Governmental Funds Balance Sheet for this group.

The Library currently has \$3.6MM in Unassigned Fund Balance. The most recent Established Computation is impacted by lower spending in FY 2012 and FY 2013, and results in a target amount of \$2.2MM in Unassigned Fund Balance. In contrast, FY 2014 spending in Fund 03 was approximately \$3.2MM, well above the three-year average of \$2.2MM. In the spirit of conservatism, the Finance Committee recommends using FY 2014 spending levels, rather than the three-year average, in the Established Computation, yielding net funds available for distribution of \$400,000. This would leave a remaining balance of \$1.0MM in the Unassigned Fund Balance to weather unexpected events and/or prepare for a rising 3-year average in coming years.

On a motion by Charles Bowman and seconded by Leland Park, the Trustees unanimously approved the transfer of \$400,000 from the Charlotte Mecklenburg Library's Fund Balance to the Charlotte Mecklenburg Library Foundation's Unrestricted Endowment account.

Infrastructure Committee: Bob Sink explained that the Library is entering its first capital project since consolidation of management of capital projects into the County's Asset and Facilities Management (AFM) department. The Interlocal Agreement with Mecklenburg County states that there should be shared responsibility but does not go so far as to say how it is shared. Mark Hahn and Frank Blair have drafted a joint policy for selecting an architect and the process is believed to be uncomplicated and sound.

Jennifer Appleby asked if there is a restriction that requires the architect to be located in Mecklenburg County. Mr. Sink replied that location in Mecklenburg County is not a requirement but consideration will be given to local architects. They will be ranked based on several criteria not including price.

After some discussion regarding non-library and non-County Subject Matter Experts being voting members of the selection committee, Charles Bowman recommended the Subject Matter Experts appointed to the committee not be voting members.

Bob Sink accepted this change to the Architect Selection Policy and recommended the Board approve the policy with this change. The Trustees unanimously approved the Architect Selection Policy with the caveat that Subject Matter Experts not be voting members of the selection committee.

Frank Blair announced that there is currently a Request for Proposal for a space planner and he hopes to have the architect's Request for Proposal out in time to have a recommendation to the Board by January. This timeline would allow the project to begin in February. The Morrison branch will be closed for 10-14 months during the renovation.

Leland Park asked how we would operate during the closure of Morrison. Mr. Blair explained that Children's Programming would be moved to an alternate site because the surrounding libraries do not have the space needed.

Leslie Johnson asked what would happen to staff during this time and David Singleton responded that they would be deployed to other libraries.

CEO Report:

Main Library Update: Dennis Rash thanked the Board for the opportunity to serve as Chair of the Main Library Reinvention Advisory Committee. This committee has been meeting since May of 2014 and has completed an extensive review of research, literature and Main Library Use Report and they have met with the North Tryon Consultants. Although a final report is not available to share with the Board at this time, Mr. Rash wanted to share several preliminary findings:

- The Main Library should remain at 310 N. Tryon St.
- It should be an information hub and gathering place for the community
- It should be people-centric, with open, bright colorful spaces that are conducive to meeting and working collaboratively
- We should re-locate books that are not being used to an offsite facility

Mr. Rash asked for the Board to consider the committee's recommendation to keep Main Library at its current location and asked for its approval to move forward with cost estimation for renovating Main Library.

Ms. Griffin asked the Board to discuss keeping Main Library at its current location. Jennifer Appleby stated that she would consider moving the Library dependent upon the final North Tryon Master Plan.

On a motion by Joan Martin and seconded by Robin Branstrom, the Board unanimously agreed to keep Main Library at its current location.

On a motion by Rob Harrington and seconded by Leland Park, the Board unanimously agreed to support the Main Library Reinvention Advisory Committee in obtaining a cost estimation on renovating Main Library.

2015 Library Calendar Approval: Lee Keesler presented the proposed 2015 Library Closing Calendar.

On a motion by Leland Park and seconded by Jennifer Appleby, the Board unanimously agreed to approve the proposed 2015 Library Closing Calendar.

CMS Library Card Initiative Update: David Singleton reported that 17,494 CMS students signed up to receive a library card through the CMS initiative and over 10,000 CMS students with existing cards have a better sense of how to use their cards. In the future the Library will be analyzing the outcomes of this initiative.

2014 Programming Report: Dana Eure reported on the FY 2014 programming goals and actuals. The number of unique programs delivered was higher than estimated. The goal was 310 and the final number of programs was 346. Attendance at programs was down approximately 200,000 from the goal, and Ms. Eure explained that this was due to the number of one-on-one programming conducted. Other programming highlights include:

- 100% of parents reported their child showed a greater interest in reading together at home since attending the Wee Read story time and they are better prepared to help their child develop pre-reading skills.
- 95% of participants agreed that as a result of attending Library programs they were better prepared to develop pre-reading skills in their child or children.
- 99% of teachers and media specialists responded on the evaluation form that participation in *Storyvine 2014* increased students' understanding of traditional storytelling and listening skills.
- 97% of teen or parent/guardian participants agreed that attending a College 101 program helped them better prepare for college.
- 1,815 Library customers took advantage of 189 free job & career workshops and classes.
- 1,035 Library customers took advantage of 56 business & nonprofit development workshops and classes.
- 8,940 customers attended 334 technology classes.

Ed Williams asked if we did any work with Veterans to which David Singleton responded that we currently support Charlotte Bridge Home, the Veterans Resource Fair at CPCC and the US Department of Veterans Affairs.

Re-branding Update: Cordelia Anderson explained that the Library locations were doing a great job of integrating the new brand into their branches. She also explained how the new brand was being used in the community and showed examples of the advertisements on CATS busses and gave a mock-up of how the new delivery trucks would showcase the brand.

Ms. Anderson reviewed the following marketing and communications items that are currently in process:

- Targeted messaging to audience clusters
- "Telling our Story" pieces
- Brochures
- Video
- Additional signage
- Additional templates for branches

Ms. Anderson reviewed several benchmarking results that compare media coverage and social media coverage for the Library and several other local institutions. Results indicate the Library is doing well compared to its counterparts.

Library Foundation Update: Jenni Gaisbauer thanked all of the Board Members who helped make the Verse & Vino event successful. She also thanked Karen Beach for the strong leadership she provided throughout the planning process. Ms. Beach will also be in charge of planning and coordinating the new EpicFest event that will follow Verse & Vino in 2015.

Ms. Gaisbauer reported that a new marketing piece was sent out with the annual appeal regarding myths and realities of the Library.

Ms. Gaisbauer announced that underwriters are currently being sought for the Carnegie Circle event being held on March 2, 2015.

Financial Report

Joel Manning reviewed the Financial Report as of October 31, 2014. The following items were highlighted:

- Library fines trending below budget.
- Small favorable variance in Library Fees due to printing and meeting room revenues.
- Small unfavorable variance related to copier expense.
- Mileage slightly over budget.

Budget Adjustments: Mr. Manning reported 5 budget adjustments:

1. Library received \$3,322,169 in-kind revenue from Mecklenburg County. Of this amount, \$2,529,008 went towards facility related expenses and \$793,161 went to technology and equipment expenses.
2. The Library received \$75,000 from the Knight Foundation for the Makerspace Grant. Of which, \$22,500 went to professional services and \$52,500 went to technology and equipment.
3. The Library received a \$10,000 grant from the Akers Foundation. \$5,000 goes Collections and the same amount to Programming.
4. The Library received \$425,516 from Mecklenburg County to pay for salaries and benefits. These funds cover merit increases given in fall 2014.
5. The Library returned \$52,374.83 of the IMLS grant due to the project finishing ahead of schedule and under budget.

Joel Manning noted that Lee Keesler approved a budget transfer of \$450.00 within the Story Place Grant.

On a motion by Robin Branstrom, seconded by Jennifer Appleby, the Board unanimously approved the five requested budget adjustments.

Other Business:

Ms. Griffin announced that it was Robin Branstrom's last Trustee meeting. She thanked Ms. Branstrom for her dedicated service to the Library and presented her with a book that will be added to the collections in her honor.

Ms. Griffin asked the Trustees for a motion to adjourn the meeting. On a motion by Joan Martin, seconded by Ed Williams, the meeting was adjourned at 1:30 p.m.