



Auburn Hills Public Library

APPROVED

MINUTES FOR September 23, 2014 at 5:00 p.m.

Location: Small Meeting Room, Auburn Hills Public Library,
3400 E. Seyburn Dr., Auburn Hills, Michigan 48326. 248-370-9466

1. Call to Order: Vice President Toni Whitley called the meeting to order at 5:00 p.m.

2. Roll Call: Present: Toni Whitley, Sean Johnson, Scott McCallister and Vickie Ellis.
Angela River is absent.
Donna Quince-Cobb arrived at 5:18 p.m.
Also Present: Stephanie McCoy, Library Director
Guest: 1

3. Approval of the Draft Agenda:

a. September 23, 2014

**Motion by S. Johnson to approve the agenda as submitted.
Supported by V. Ellis.**

**Vote: Yes: Whitley, Johnson, Ellis, McCallister
No: None**

Motion carried (4-0)

4. Approval of Draft Library Board Minutes from:

a. August 26, 2014

**Motion by S. Johnson to approve the August 26, 2014 Library Board minutes as presented.
Supported by V. Ellis.**

**Vote: Yes: Whitley, Johnson, Ellis, McCallister
No: None**

Motion carried (4-0)

5. Financial Officer's Report:

a. August 31, 2014

V. Ellis reported as of August 31, 2014: Total assets are: \$1,148,574.18. Total liabilities are: \$22,123.30. Total liabilities and fund balance is \$1,148,574.18. Total revenues YTD are \$1,087,863.89. Total expenditures YTD are \$698,645.16. Total unassigned fund balance YTD is \$737,232.15. Ending fund balance \$1,126,450.88.

6. Library Director's Report:

- S. Johnson inquired about the volunteer hours increasing.
- S. McCoy stated that summer reading and other summer programs utilized several teen volunteers. There were also several outreach events that account for volunteer hours.
- V. Ellis complimented Director McCoy and the Library staff on an excellent summer reading program with exceedingly high numbers.
- S. McCoy shared that the Library will be participating in the annual Fall Festival. The Library will be there from 11:00 AM to 3:00 PM. The Library is also having the Silent Auction and is still looking for items to be donated.
- V. Ellis asked what the Library would need as far as donations.
- S. McCoy said anything that could be re-gifted. The Library is in need of items for a men's basket.
- S. McCoy highlighted that the Library had a response from Mr. Tanghe which is enclosed in the Board packets. The Director, Vickie Ellis, and Mr. Barnes met on September 5th regarding the proposed budget and questions.
- V. Ellis asked about the nomination for the National Medal for Museum and Library Services Award.
- S. McCoy replied that the Library is being nominated and the Library will need three letters of support from representatives who has used the Library.

7. Old Business:

a. Proposed Lease Agreement

i. Vision, Strategy and Goals

1. Wish List

- During the July 22nd Board Meeting, the Board requested a wish list for the Library's current and future needs. The list is composed of ideas that the Library Board can accomplish in this current building if some areas are renovated.
- Discussion occurred.

2. City Manager's Feedback

- T. Whitley read aloud a memo addressed to the Board regarding the proposed lease agreement. The memo reads as follows: On June 17, 2014, Mr. Tanghe requested that the Library Board formulate all questions regarding the proposed

lease agreement and send them via email. The Board had an opportunity to submit additional questions regarding the proposed lease agreement on June 24, 2014 during the Library Board meeting. City Manager, Tom Tanghe responded on September 2, 2014.

- S. Johnson stated he liked Mr. Tanghe's request to put our questions in writing and in regards to question #6, Mr. Tanghe's response was "We can look at competitive lease rates and give you one comprehensive per-square-foot rate and dispose of the separate administrative charge and interfund charge schedule altogether".
- V. Ellis made a comment in regards to the meeting with the City Manager, T. Tanghe and Mr. Barnes. The request was to eliminate the rental rate of \$27,000 based on the fact that we are the only facility/City service unit on campus that pays rent. She asked for a rationale as to, why? It was explained that because we are a separate authority, that is the rationale for the additional rent. V. Ellis asked if the Library Board was being punished for being a separate authority.
- V. Ellis stated that she received no answer as to why the Library is being charged \$27,000 in rent, except that the property belongs to the City of Auburn Hills and the Library rents the property from the city. V. Ellis responded that the land and administration is funded by the tax payers. The city is now saying they will not consider rent elimination.
- S. McCoy stated that per the City Manager and Finance Director, the numbers for interfund and administrative charges are set for 2015 and the Library Board should focus on 2016 charges.
- T. Whitley stated that she was disappointed by the lack of response and suggested that the Library attorney address Mr. Tanghe's letter because it is not giving us enough information to proceed.
- T. Whitley stated in response to question number one, in the original agreement, a bond was taken out and the 1989 lease agreement said the Library will pay back the interest of the bond through lease payback. If you look at Mr. Tanghe's answer, he is saying the debt is for 3.6 million and the Library only paid \$880,100 of that debt and continues to pay. It's like they are holding us responsible for the entire debt which was not a part of the original agreement.
- V. Ellis stated that she will assist in developing a history portfolio for review. The entire bond was dedicated for the construction of the Library and that entire bond money was not utilized for the purpose of renovating this Library.
- S. McCoy stated the Library pays a building rental fee and a property space rental fee.
- V. Ellis stated that she has requested several times for a detailed breakdown of the interfund and administrative charges, and give a rationale as to why there is a significant increase in cost for 2015, 2016, 2017, 2018 and 2019. No answer has been received.
- S. McCoy said Mr. Tanghe invited the Board to attend the City of Auburn Hills Budget Workshop on September 22, 2014 via email. Trustee Ellis attended and the Library's concerns were not acknowledged at this workshop.

- S. McCoy asked if there could be a meeting scheduled with the Mayor.
- V. Ellis stated that the Mayor is receptive to a meeting with the Library Board and maybe he can give us some potential advisement.
- S. McCallister asked for historical data of the lease payback.
- S. McCoy stated that those numbers can be found in the historical Library audits, and in the June 24, 2014 Library Board packet. The auditor recommended that the bond payback should be included in the interfund versus listing as a separate rental charge. She believes the Library Board thought it was the only payment required but an additional land rental space charge was applied in the amount of \$27,000.
- V. Ellis stated the Library has their own server, IT staff and some administrative duties the Library is being charged for, are performed by the Director. Are there duplication in responsibilities that the Library is paying for? V. Ellis has not received an answer from the city?
- V. Ellis stated that the Library is currently over budget for the telephone bill by \$1,488.41. She wanted to know how the bill will be paid and who is responsible for the overage.
- T. Whitley pointed out the feedback from question number three (3), the Library Board requested that all administrative and interfund charges go through the same approval process as all other invoices. Mr. Tanghe's response "we would not be able to make special exceptions for the Library and would not entertain a change in our methods of operation". T. Whitley stated this is how they do business and if we keep asking, the charges to the Library will increase.
- V. Ellis stated that we are looking for a recommendation from the attorney because at the end of the day, the Library Board does not want this issue to be blown out of proportion, even though we may not agree with the numbers, we may not agree with the charges, but at the end of the day we only want a resolution. The Library has asked them to eliminate the rent because we have not been given any substantial data, so our objective is to get this resolved so that we could use the \$27,000 towards the operation of the Library.
- S. Johnson reiterated that the historical portfolio will be developed and our next step is to confer with our attorney because there are things in Mr. Tanghe's letter that the attorney can provide feedback on.
- V. Ellis summarized by stating that as of today the Library has met with the city finance director and he has given his response. We have met with the city manager and he has requested that we submit questions and he has given us his response to those questions. We are at point where it is my recommendation that we compile the historical data as our justification as to why we should not be paying that rent. V. Ellis had the opportunity to meet with the past city manager and Library Board Trustee, it is his agreement that the lease agreement was never intended to be executed this way.
- By consensus, the Board will request a written legal opinion in order to provide a recommendation for next steps regarding the proposed lease agreement.

- By consensus, the Library Board 2015 Budget Hearing will be on Tuesday, September 30th at 5:30 p.m.

b. Ethics Policy Draft

Motion by S. Johnson to approve the Ethics Policy Draft as presented.

Supported by D. Quince-Cobb.

**Vote: Yes: Whitley, Johnson, Ellis, Quince-Cobb
No: McCallister**

Motion carried (4-1)

c. Gifts and Gratuities Policy Draft

Motion by V. Ellis to approve the Gifts and Gratuities Policy Draft as presented.

Supported by S. Johnson.

**Vote: Yes: Whitley, Johnson, Ellis, Quince-Cobb
No: McCallister**

Motion carried (4-1)

d. Civic Groups

i. Service Agreement Draft

- Discussion occurred.
- By consensus, the Board approved the Operating Agreement as presented to be sent to the Friends of the Auburn Hills Public Library.

e. 2015 Library Budget Draft

- Director McCoy presented three draft 2015 proposed budgets for the board to review.
 - Draft 2015 Library Budget with rent and city increased administrative and interfund charges.
 - Draft 2015 Library Budget without rent or increased administration and interfund charges.
 - Draft 2015 Library Budget with rent and no increased administrative and interfund charges.
- Discussion occurred.
- The Board will review the resolution to adopt the budget for the next meeting.
- Director McCoy will present the millage rate resolution and proposed 2015 Budget reflecting rent and no increase to administrative and interfund charges, at the next meeting.

8. New Business:

None

9. Call to the Public:

According to Auburn Hills Public Library Board of Trustee Bylaws, Article 3, Item 3.12, "The public shall address the Board during "Call to the Public." A person shall not address the Board in excess of five minutes unless the time is extended by a majority vote of the Board present. Persons wishing to address the Board shall identify themselves and their place of residence. All comments by the public shall be made directly to the Board."

- None

10. Comments from the Board (Communications):

- None

11. Adjournment:

Motion by T. Whitley to adjourn the meeting at 6:46 p.m.

Supported by S. Johnson.

**Vote: Yes: Whitley, Johnson, McCallister, Quince-Cobb, Ellis
No: None**

Motion carried (5-0)