



Auburn Hills Public Library

**APPROVED**

MINUTES FOR August 25, 2015

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

**1. Call to Order: President Vickie Ellis called the meeting to order at 5:45 p.m.**

- 2. Roll Call:** Present: Vickie Ellis, Sean Johnson, Angela River, Toni Whitley (6:22 p.m. exit)  
 Also Present: Donna Quince-Cobb arrived at 5:55 p.m.  
 Also Present: Stephanie McCoy, Library Director  
 Absent: Scott McCallister  
 Guest: 1

**3. Approval of the Draft Agenda:**

- a. August 25, 2015

**Moved by S. Johnson to approve the draft agenda as submitted.  
 Seconded by T. Whitley.**

**Vote: Yes: Ellis, Johnson, Whitley  
 No: A. River**

**Motion carried (3-1)**

- V. Ellis asked A. River if there were changes. A. River requested that revisions be made to the agenda.
- Motion was rescinded with no objections.

**Moved by A. River to approve the draft with the following revisions:**

- Move agenda item 7 (a) Plante Moran after 7 (d) Proposed Library Lease Agreement with the City of Auburn Hills.

**Seconded by S. Johnson.**

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

**Motion carried (4-0)**

**4. Approval of Draft Library Board Minutes:**

- a. July 28, 2015 Regular Library Board meeting minutes.

- A. River requested that page five, at the top, strike the following: “and we need to understand why we are making these decisions as well.”

**Moved by A. River to approve the July 28, 2015 Library Board meeting minutes with the revision consisting of the strike-out.**

**Seconded by T. Whitley.**

**Vote: Yes: Ellis, Johnson, River, Whitley**

**No: None**

**Motion carried (4-0)**

b. June 16, 2015 Closed Session

**Moved by A. River to approve the July 28, 2015 Closed Session Library Board meeting minutes.**

**Seconded by S. Johnson.**

**Vote: Yes: Ellis, Johnson, River, Whitley**

**No: None**

**Motion carried (4-0)**

**5. Financial Report:**

a. July 31, 2015

S. Johnson reported as of July 31, 2015: Total assets are: \$1,203,085.98. Total liabilities are: \$12,368.12. Total revenues YTD are \$1,053,861.42. Total expenditures YTD are \$641,021.25. Total fund balance YTD is \$1,190,717.86.

- River commented that the Interfund Charge and expense for seven months is averaging right under \$16,000, like \$15,908.50. Moving forward through the rest of the year, we will be in a deficit if that figure remains, which is not aligned with our appropriations of \$35,287. Also looking at the Administration and DPW admin charges, the appropriations, right now, at the end of the seven months is \$32,940.81. If that continues on the average monthly \$4,705.83, we will be in a deficit, in the line item, of \$6,593.96. As we are moving into the budget season and with what we approved in the budget, it is not aligning with the appropriations.

**6. Library Director’s Report:**

- S. McCoy asked if there were any questions, comments or concerns regarding her report. S. Johnson stated that he would like to attend the Oakland University Football game. V. Ellis questioned the location of the hot beverages, where will it be served? S. McCoy stated that it will be at the Check Out Desk and we will ask for a donation. V. Ellis asked, if the patrons are allowed to drink their hot beverage within the Library. S. McCoy stated there are designated locations and patron must have a covered lid to drink in the Library. S. Johnson asked how the staff appreciation picnic went. S.

McCoy stated that the City staff appreciation picnic went well, she assisted with clean-up and everyone seemed to enjoy it. T. Whitley announced that she was the number one winner of the Golf League for the City of Auburn Hills. A. River asked for clarification regarding the end date of the Plante Moran contract and payment of \$5,000 last year. She received clarification from Justin if the contract goes to 2016. S. McCoy stated that the contract is fulfilled at the end of the 2015 audit of expenditures. V. Ellis asked for an update on the collection of school supplies for needy families. S. McCoy stated that the Library will be collecting school supplies for needy families until August 25, 2015. V. Ellis extended gratitude to the staff for their generosity and for initiating that project.

**7. Old Business:**

a. Strategic Plan

- V. Ellis stated that at our last meeting, it was recommended that we receive a quote to potentially hire a strategic planning service and establish a five year strategy for the Library. The estimate received was for \$20,000, and the Board will put that number in the budget for a vote. Discussion occurred. A. River stated that she has been looking around and this is a reasonable number. V. Ellis stated that the objective is to put money in the budget to move forward. The Board may have to increase or decrease that amount but at least we will have the \$20,000 to start with.

b. Director's Evaluation

- V. Ellis asked S. McCoy if she would like to review her evaluation in Open or Closed Session. S. McCoy stated that she would like to go into Closed Session.

**Motion by T. Whitley to go into Closed Session at 6:05 p.m. for the Director's evaluation.**

**Seconded by A. River.**

**Vote: Yes: Ellis, Johnson, Quince-Cobb, River, Whitley**

**No: None**

**Motion carried (5-0)**

**Motion by T. Whitley to open Regular Library Board meeting at 6:22 p.m.**

**Seconded by A. River.**

**Vote: Yes: Ellis, Johnson, Quince-Cobb, River, Whitley**

**No: None**

**Motion carried (5-0)**

c. Proposed Lease Agreement with the City of Auburn Hills

- V. Ellis stated that everyone has had an opportunity to read over the numerous documentations with regards to the lease agreement. V. Ellis summarized the most

recent communications prior to Board discussion and next steps. V. Ellis stated that we have had several proposed lease agreements and there has been dialogue with the City Manager with regards to the lease agreement. There was a November meeting last year with the Library's leadership and the City's leadership. To that point, there was an agreement for the attorneys to get together and put a lease together, however in the month of May the Library's attorney was given a proposed lease, and the Board was given some alternatives as to sign the lease or not. There were numerous questions proposed for the City Manager, which is in the packet as well as his responses, which we found to be unacceptable. We received an email from the Mayor and Council asking us to respond with our issues and concerns regarding the proposed lease. Initially, Trustee Johnson followed-up with an email and he gave an overview, in the absence of Trustee Ellis. V. Ellis followed-up on July 30, 2015 with a letter, recommended from the closed session motion from the last Board meeting. V. Ellis received a response from Mayor McDaniel on August 19, by the Library's inter-mail, addressed personally to V. Ellis, forward to the Library. V. Ellis summarized her overview to the Mayor, which was to thank him for coming to our meeting, let the Board know when he could come back to be put on our agenda for Q&A. V. Ellis also asked that upon review and discussing the Board's response, would he please contact the Board with a date, and names of the representatives from the City to sit down, negotiate, discuss and come to a mutual agreement of understanding for a potential lease. V. Ellis stated that she asked for a five to ten day response. V. Ellis proceeded to read Mayor McDaniel's letter for the record.

**Dear Ms. Ellis: Thank you for your letter of July 30, 2015. Please be advised that the City Council discussed the issues and concerns raised in your letter at its August 10, 2015 meeting. Addressing the concerns raised in your letter in the same order in which you present them to the City Council responds as follows:**

**1. With response to the rent/services charge, please be advised that the proposed annual rental/service charge amount of \$252,000 (\$12.60 per square foot) which is to be adjusted annually by the CPI and does not include utilities, is not being considered for further negotiation by the City Council. With respect to the concern about how the City Assessor determines the CPI, that amount is determined as issued by the Michigan State Tax Commission.**

**2. With respect to the contention that the proposed lease/services agreement (agreement) does not contain sufficient detail as to the specific services being provided to the Library by the City, please be advised that City Council believes said agreement details said services sufficiently. To the extent that the Library believes there are services being provided by the City that are not mentioned in the agreement, please provide the City with a detailed list of those services believed to be absent. In terms of the City providing Library employees' benefits under certain City benefit plans, please be advised that the City will provide Library employees with said benefits as currently being provided at the Library's cost. With respect to the assertion that the agreement does not address cable and internet services, let me refer you to the latest draft agreement, Subsection 4(h) of page 2 which does in fact include these services and will**

continue to be provided at the same levels and cost as currently provided. As to the application of City policies to Library employees which you indicate is too broad in the proposed agreement, please clarify for the City Council why the Library believes said provision is too broad. It should be noted, however, that if the Library accepts services from the City, that said services will be provided to the Library subject to the Library's compliance with City policies as they pertain to each service.

3. The City is agreeable to complying with the Library's meeting room policies.

4. The language in the agreement regarding the Library not performing any acts that injures the building or is a menace to other occupants during the term of the agreement must remain in agreement. With respect to the cleaning and maintenance of the Library during Library operating hours, the City is agreeable to continuing said cleaning and maintenance as it is currently being performed. However, emergency on-call procedures have been put into place and may be activated as necessary to address emergency or extraordinary situations only.

5. With respect to costs associated with utilities, the Library will be responsible for paying the actual cost of utilities as determined by the meters that are specific to the Library building. Such utility costs will be directly transferred from Library funds. As for the request for a voucher system, the City will not entertain a voucher system for payment of any kind whatsoever.

6. The mechanical systems, roof and foundation will be responsibility of the City. The other items mentioned in the agreement, including tenant improvements, shall remain the responsibility of the Library as to its cost and ongoing maintenance. In addition, the City is still requiring the language that provides the Library shall not cause or permit any waste, damage, or injury to the premises.

7. The City Council requires further clarification from the Library as to what the Library's specific concern is regarding alterations.

8. The City is agreeable to making the indemnity provision in the proposed agreement mutual. In addition, the City is also agreeable to naming the Library as additional insured. Furthermore, the City is agreeable to providing copies of any required City insurance policies to the Library provided that the Library provides to the City of any required Library policies.

9. With respect to assignment of the agreement and sub-leasing of the Library, the City still requires that the Library obtain the City's consent for the same. With respect to allowing vendors and/or concessionaires to utilize Library space, the City will still require that the Library obtain City consent. However, the City will agree that this provision shall not apply to Library materials suppliers.

10. (Your number eleven) With respect to the Library's concerns pertaining to the default provisions of the agreement, the City is not agreeable to modifying those provisions. If the Library is found in violation of the contract, the lease provides a 60-day cure period for the Library to comply with the contract. However, if the cure period

expires without compliance, the Library is expected to pay the remainder of the lease term.

**11.(Your number thirteen) As to the issue of personal property being kept and owned by the Library, the City may be amenable to that subject to the Library providing a list to the City of what personal property the Library believes they own in the building.**

**It is the City's understanding that the twelve items addressed in the Library's response letter dated July 30, 2015, is the Library's final list of concerns and the City will not be considering any additional items not contained in this letter. Any further costs associated with the formulation of a final lease/services agreement by the City staff/or legal counsel shall be at the expense of the Library inasmuch as the City has already drafted four versions of a proposed lease and/or services agreement. To that end, the City council requests that the Library provides the City with notification of the acceptance of these terms on or before 5:00 p.m. on Friday, September 11, 2015. Upon acceptance of the terms, the City will promptly proceed to draft a final version of the lease/services agreement for the acceptance and signature by both parties to the agreement. Please be aware that our proposal for services that we provide is all-inclusive. There will be no provision for the Library to receive some services and not others.**

**Until such time that an agreement is reached with respect to a new Library Lease/Service Agreement between the City and Library, will continue to operate under the same terms and conditions that currently exist between the City and the Library.  
Sincerely, Kevin R. McDaniel, Mayor.**

- V. Ellis stated that you have heard the response and she would like to entertain discussion.
- A. River commented on the Mayor's last verbiage of the letter in regards to the meeting that we had; this is where the Mayor directly states that "there will be no provision for the Library to receive some services and not others," is directly contrary to what was verbally conveyed in our November 14, 2014 meeting. A. River also pointed out under number one, as well as within this letter, where this letter states the lease does not include utilities, which will be paid per usage. A. River has been around this building several times and she stated there are no such meters; water meter, gas meter or electric meter. She has been in every inch of this Library on more than one occasion. Charges are based on a formulary system, which we received clarification from Mr. Barnes. It's based on campus entirety, not on this property, which she received verification from Mr. Barnes before he left. For example the phone, when you see the phone provision, she asked for the voucher, which was inclusive of all the phones within the City. We were assigned a formulary, whatever that was, we were told that this is the Library's portion, because the bill we received contained phone calls from the City Manager's office. Discussion occurred regarding the meters located outside the building.

- V. Ellis stated the rationale once again is to do a Q&A for understanding for a mutual agreement. The question would be, please identify the meter in which you will be assessing the cost.
- A. River addresses number two of the letter. The City addresses cable and internet services, it does and we have seen the breakdown, and it is her understanding that we will get a cost prospective saving from TLN as well, because that is something we need to definitely look at.
- A. River commented on number five of the letter, when it states the actual cost of the utilities and “such utilities will be directly transferred from the Library fund,” the City will not “entertain a voucher system for payments.” Per Library law, Michigan Compiled Law that is unacceptable. We have now two budgets that have specifically included that we have vouchers. It is her understanding that the only vouchers we have had are the inputted by the Director from specific vendors. In speaking with the Treasury Department last year, we have not had anything in writing that stipulates, only hearsay. If this is the direction of the City and has been, then this is something that needs to go to the Treasury Department and the Attorney General’s office. With us knowing this, it should be immediately forwarded over to them. As soon as the Board knows that something is not lining up and you are not following the Michigan Compiled Law. You see later in this letter, that the Library will then incur the cost for the City to redraft another lease proposal and that is problematic because this goes against Michigan Compiled Law.
- A. River commented on number six. When they talked about insurance, in that lease it specifically required us to use a specific vendor for insurance. They are not willing to let us choose our own and that is also problematic because we have the authority to choose who we would like and it could be the person they have but that is not even their own vendor for insurance. S. Johnson asked A. River to clarify her concern regarding number six. A. River stated that in the actual lease, we are not allowed to choose our own vendor for insurance. In number six, we can’t change any of the provisions in the lease, we have to go with what the lease says. They only gave us the meeting room policy.
- A. River commented on number nine. Subleasing is not defined. A few years ago, we had a program here where we had a painter which the Friends helped us facilitate and with this provision, that means we can’t have any type of program where we have an outside person come in or someone else paid for or we paid for it without the City approving it. That gets rid of our programming, other than vendors for books.
- A. River commented on number ten. If we are in violation of the sixty-day cure period and we don’t remedy that, meaning that what we did last year regarding our budget, we approved a specific amount, allocations, and if it doesn’t line up with what the City decides to charge us, we are still on the hook for it. Number ten takes away our fiscal responsibility to the tax payers and our authority to approve the budget. Number ten takes away basically what we are here for as elected officials.



most of the people in this room, so when do we stop the bleeding? We are merely saying to them we need answers, we need understanding. How do we be accountable for the funding, which we have been commissioned to do without their cooperation? Is it you don't have answers for us? Then say that. Her concern at this point is that now we have entered into yet another dialogue, with the Council and the Mayor and it is no longer just the City Manager who the Board is really communicating with. Who is responsible for the final decision making? V. Ellis stated that she is in agreement with Trustee River and the Board to take some action at this point and find out what our rights and responsibilities are. The Board has a legal attorney for our advisement? We will update the Library attorney on the Mayor's letter and ask her for her recommendation, take in consideration and Trustee River's recommendation going forward. V. Ellis finds that the City would submit a proposed lease with a bully pulpit tactic of take it or leave it without room for understanding or negotiation. In the real world this is unacceptable from a business perspective or personal.

- A. River stated that the outcome of the November 14, 2014 meeting with the Mayor, City Manager, Deputy Finance Director and the City Attorney, was we were supposed to receive a list of services. A. River stated that the lease did not cover what is to be done if there is a leak, replacement of carpet, HVAC system repair, updating walls, etc. S. Johnson stated that he is not arguing that point, but the Mayor's letter is a response to the letter the Board provided. V. Ellis stated that there was a mandate for the Board to respond to the proposed lease after denying the Library attorney the agreed opportunity to negotiate with the City's attorney. The Library Board's letter was strictly a response to what the City requested and the City came back with yet another letter. S. Johnson stated that he doesn't agree with everything but City Council came back and asked what our questions were and the Board provided those questions and this current letter is a response to those questions, which still leads to some open ended conversations for him. S. Johnson stated that the City bookend some questions, but there are still questions that were not answered. S. Johnson looks at it as a response is recommended by their date, similar to what is already in our initial letter and the Board is to respond in a certain time period. S. Johnson stated that we look at this as going back and forth and nothing is being accomplished but if you look at the transition of where we were, we have accomplished things. There are things in this agreement that we didn't have; there is clarification here that we didn't have for example, the City took away the \$252,000. That is off the table because they are not willing to negotiate. The City said we would be charged for a specific amount for utilities, even though a meter has not been identified and stated that we will be charged for. It is not an accomplishment, but there is an opportunity to provide further explanation. The city agreed to the meeting room policy. S. Johnson stated that there has been some clarification, but he is not comfortable signing this agreement, but there is still some dialogue for conversation that the Board was not able to get

last year. A. River stated that it is definitely established that the City will not use the voucher system. S. Johnson stated that the letter provided some information but not all the information, but he feels it provided the Board in next step of direction, and he is open to whatever recommendation the Board has. V. Ellis asked for recommendation for a response. A. River stated that in a response the Board to refer back to the original meeting, and there was an opportunity to have discussions on services that we wanted and services that we don't want, and the Board would like a little more clarification on what those services include. A. River stated that there is still an opportunity to meet Council, and the Board should create an ad hoc committee. V. Ellis stated that it was recommended that the Board draft a lease and submit it. V. Ellis stated that the difficulty in doing that is that the Board does not have all the information and lots of speculation. Does the Board want to go that route or do we want to seek legal advisement on our current position and going forward? V. Ellis stated that everyone is in agreement that the Board is responsible for the expenditures of the Library and we are expected to pay a reasonable amount, but what is a reasonable amount? What we do not agree with is unexplained expense. V. Ellis stated that we do not agree with the liberties that are being taken to debit the funds without explanation or approval. D. Quince-Cobb stated that when V. Ellis wrote her letter to Council, stating the authority of the Board, she saw no acknowledgement or acceptance of the Library Board's authority and she thinks that for direction to the attorney, that needs to be established first; what power the Board actually has over the budget. If the Board has authority over the budget, then that gives us power on how the money is actually spent. A. River stated that the authority of the Board should be the start of the letter. The authority of the Board needs to be enforced. V. Ellis asked, how does the Board enforce Board authority? Discussion occurred regarding the last statement by the Mayor regarding "everything being status quo." D. Quince-Cobb stated that the Board is wasting their time until they establish authority. D. Quince-Cobb stated that since her term on Board, they have not made any progress, and her recommendation is to start with establishing the Library Board's authority. S. Johnson stated that what it boils down to is the charge and the status quo of the charge. Do we have legalities behind stopping the City from status quo because we don't have a lease agreement in place? D. Quince-Cobb stated that it is hard to put together a lease when you don't know all the variables. S. Johnson stated that there has been no recourse for the City continuing to go status quo. D. Quince-Cobb stated that the Board is not even calling this status quo. V. Ellis stated that based on the historical data this is nothing new. V. Ellis asked the Board if they are in agreement that the next steps are, we will follow up with the attorney regarding the concerns identified and what our alternatives are for enforcing our authority, and to potentially put together a recommended lease based on our proposed budget. A. River stated that she knows of other libraries that she has FOIA requested information regarding what they pay for services and they

pay \$12,000. With that information, she finds that paying \$252,000 is ridiculous. S. Johnson stated that he is in favor of understanding from the Library's legal counsel, what the Boards standards are from this standpoint. S. Johnson stated that he does not have enough information to do a lease agreement. S. Johnson stated that we are negotiating one letter at a time. D. Quince-Cobb stated that the proposal is so vague and she reads the following "please be aware that proposal for the services that we are providing is all inclusive, there will be no provisions for the Library to receive some services and not others" so we are being dictated to as to what services the tax payers want to pay and what they don't, and the City didn't tell the Board what services they are actually going to provide. The Mayor stated that he is through with communicating with the Library Board. V. Ellis asked the Board if they agree that the terms of the lease and letter are unacceptable.

- By consensus, the Board agreed that the lease and letter terms are unacceptable and we are not at a point of signing the lease agreement.
- S. Johnson asked what the next steps are at this point. D. Quince-Cobb commented that it doesn't sound like Council knows what power the Library has or either they don't care. She is disappointed as a business owner that pays taxes that they are not willing to come to the table to see if there are funds that may have been misappropriated or misused or not used wisely. What is wrong with the communication between the Board and City Council? What is going to be revealed that they feel that the Mayor had to draft a letter and put stop gaps in (Trustee Johnson calls them bookends). This is another ultimatum letter, the Board either does this or we will revert back to where we are at. As a tax payer she asked herself, why doesn't City Council want to take care of me, protect her or be interested in knowing where this money is? It is the due diligence of the Library Board to know what they are paying for. D. Quince-Cobb stated, the Board should establish who they are and make sure everyone knows it. V. Ellis agreed with D. Quince-Cobb and stated that it is the tax payers who we should be concerned about, and not a mandate. A. River clarified that it is the same tax payer base and the same constituents that we all serve.
- V. Ellis restated the next steps and asked for an agreement that the Board will seek out the legal counsel's recommendation on the recommendations that that has been stated throughout the meeting. D. Quince-Cobb also wanted to know if the Library attorney is in agreement with going to the Attorney General. V. Ellis asked if the Board is in agreement with how they will proceed.
- By consensus the Board agreed that they will proceed with the advisement of the Library Attorney and the recommendations that has been stated throughout the meeting as our next steps.
- A. River stated that the Board should reach out to the local State Representative Tim Griemel.
- S. Johnson stated that he would like to add the following to the next steps: The Mayor asked for a response and the response by consensus is no to the proposed lease agreement and the current "status quo". The Board is not going

to accept the lease agreement and the current “status quo” that does not meet the requirements of the approved budget, which is the request for vouchers for all expenditures.

d. Plante Moran

- V. Ellis stated that there was a motion on the memo for the approval of the Plante Moran report. A. River stated that she talked to Justin from Plante Moran regarding one more follow up because she had Trustee McCallister look back at the figures she had. If we don't turn in the audit report, the Treasury Department would contact us. A. River stated that in line with how we approved this budget, she asked if the Library received a voucher for the audit performed this year. S. McCoy stated no, the Library did not receive a voucher from Plante Moran. A. River stated not necessarily received from Plante Moran. We were supposed to receive vouchers and that is how we approve the budget. S. McCoy agreed. A. River stated that she has a problem approving the audit report because we never received vouchers. S. Johnson asked what would be the potential motion. V. Ellis read the potential motion. S. Johnson stated that the audit report given by Plante Moran is an audit of what we spent. All Plante Moran did was come in and say this is where you spent money and this is where the money went. They didn't say if they verified vouchers or anything. V. Ellis stated that from her perspective, Plante Moran didn't audit what the Library Board's approved budget. They didn't take the audit and compare it to the Library approved budget, and what was actually debited from the fund. It has been explained to the Board that the Library is being audited by how we function within the City accounting system. V. Ellis asked Director McCoy to explain why the Library paid this particular percentage and why there was a charge that exceeded the charge of \$5,000 from Plante Moran. V. Ellis stated that listed on the Plante Moran invoice is a charge for the City Audit in the amount of \$1,103, and the Library audit was for \$5,000 but the City removed an additional \$150. S. McCoy stated that she can't explain the charges for \$1,103 or the deduction of \$150. A. River stated that according to Justin at Plante Moran, the Library was charged \$5,000, and the additional amount was a charge from the City for the term of the five year contract with them. V. Ellis asked how the \$1,103 ended up on the Library's invoice. S. McCoy explained that the Library did not pay the \$1,103 listed on the Plante Moran invoice. S. McCoy stated that in a meeting with Finance Director Michelle Schulz, she stated that the Finance Department made an error in billing the Library last year, so they are correcting the cost error this year. D. Quince-Cobb asked if Plante Moran billed the Library or the City. S. McCoy stated that they billed the City. A. River suggested that the Board should look at other vendors to see what they offer in services. S. Johnson asked what the ramifications are for approving and/or not approving the Plante Moran audit report. A. River stated that the Treasury Department will come in and audit the Library. A. River stated that the Library Board's authority should be addressed. The Board has a bill indicating

that \$5,150 allocated out of the Library's fund without the Board's permission, when they have a bill in front of them for \$5,000. Discussion occurred regarding the recommended motion. A. River stated that there should be a motion, sent to City Council, for the Financial Director to put back the money that the Board did not approve and what the Library was not charged in the amount of \$150. V. Ellis stated that the Board approved a budget, and the budget that the Board approved was not audited. If the budget was audited then it would have disclosed that funds were debited outside the approval from 2014. A. River stated that the State Treasury Department does not view the approved budget as vouchers. V. Ellis stated that the Board invite Plante Moran about the report presented to the Board; they find no data that supports the approved budget in line with the debits or with the expenses from the funding. V. Ellis is asking Plante Moran to help the Board understand the process in line with the approved budget. S. McCoy asked the Board if they would like to invite Plante Moran to attend the next Library Board meeting.

- By consensus, the Board agreed to invite Plante Moran to the next meeting.
- A. River stated that the Board needs to address the \$150 of tax payer's dollars allocated out that was not part of the Library's bill in addition, and that the Board did not approve, that needs to be addressed. V. Ellis asked A. River how would she propose that this be addressed. A. River stated that a letter needs to be written to the Financial Officer and carbon copy City Council and the City Manager asking them to put the money back in the Library fund until such explanation as to what those additional charges include that were not detailed out by Plante Moran, because we have a bill for \$5,000 and \$5,150 was taken out for that service. V. Ellis stated that she was comfortable asking for an explanation of the additional \$150 debited from the Library fund. Based on their explanation, the Board determines a refund or not. S. Johnson stated that the first step is to acknowledge the fact that the Board recognized there is a difference between the bill received from Plante Moran and the amount deducted from the account and why? Based on their response, then the Board will figure out their response.

## **8. New Business:**

### a. 2016 Budget Draft

- V. Ellis discussed item number **271.790.942.000 Building Space** increased from \$27,000 to \$252,000, which is the proposed lease agreement amount and she would propose that that line item remain \$27,000. V. Ellis stated that the 2016 budget is a mirror of 2015 budget with the exception of the newsletter and consulting fees, which includes attorney fees and strategic planning. V. Ellis recommended that the 2016 budget should reflect \$27,000 for building rent. V. Ellis stated that the Board does not know how the telephone bill is being assessed, so how do they know what to pay? She also stated that the insurance will increase to \$13,000, and the Library is currently paying \$11,000. A. River

suggested that the Board go out for an insurance RFP. Discussion occurred regarding the insurance. V. Ellis asked why the Library is using a separate insurance vendor from the City. She also asked, did the Library insurance agent report the insurance increase to the City, and that is how they populated the \$2,000 increase? The Board stated that they should put the recommended insurance amount in the 2016 budget and we may have to adjust the budget at a later date. This number is a place holder until we receive further understanding. Discussion occurred. D. Quince-Cobb stated that the point of contact for the Library's insurance increase cost should have come before the Board by the insurance agent, not to the City and the cost applied to the Library. V. Ellis inquired what the recommendation is for the 2016 budget regarding the insurance premium. The Board agreed to include the current cost of insurance with the understanding that they may have to modify that number based off the returned quotes from other insurance vendors. V. Ellis asked if the Library is mandated to be under the City's insurance and she will follow-up for a better understanding of that mandate.

- V. Ellis discussed the administrative cost. She pointed out the current cost of Administrative fee and the recommended increases. For 2015, the Library has projected cost of \$56,047 and an Interfund services cost of \$178,066. S. McCoy clarified the approved 2014 and 2015 administrative cost as being \$49,876, and that is not what the City is deducting from the Library fund. S. McCoy stated that for 2016, the City's recommended amount is \$0. V. Ellis stated that because the Board is going to go with the recommended \$27,000 for building rent, the Library board will add the service cost back in. Her recommendation is to go back to the \$49,876. V. Ellis stated that this is sunk cost that is paid by the tax payers, and the Library Board shouldn't be paying for these administrative costs because these people will be paid regardless of what services they provide to the Library. S. McCoy stated that since she has been hired, she has been given additional administrative duties from the City. S. Johnson stated that his only concern right now is, what is the Board's recourse? He stated that this year, it is projected that the Library will be over budget based on the money the City is currently deducting, outside of us looking bad because it looks like we can't budget, what is the Board's recourse, because right now we don't have a recourse. A. River stated that our recourse is the state Treasury Department and the AG's Office. A. River stated that it is not unreasonable for the Board to put a hold on certain line items until we receive understanding what it is the tax payers are paying for in services. V. Ellis stated that her recommendation is that the 2016 proposed budget mirror 2015 budget until they receive an explanation of the funds removed from the expenditures of the budget without approval. As well as Interfund Services, again V. Ellis asked that we mirror the 2015 budget for \$155,615 until we receive explanation of the \$35,000 that has been deducted by the City without approval. S. Johnson inquired about personal property taxes projection being eliminated. S. McCoy stated that in 2017, personal property taxes will be eliminated and we currently have no recourse to make up the loss.

A. River stated that we have to keep lobbying so that we don't lose penal fines in the future.

b. 2016 Budget Hearing Date

- V. Ellis recommended September 22, 2015 at our next scheduled meeting as a potential budget hearing date. Discussion occurred. A. River stated that someone from the City's Finance Department attends the Library Budget Hearing. A. River recommends we invite someone from the City's Finance Department to attend this year's Library Budget Hearing, whether they attend or don't, to answer questions. D. Quince-Cobb stated that she would prefer to come on September 22, 2015. S. Johnson supported conducting the Budget Hearing the same day as the regular Board meeting. A. River stated that she would prefer to have the Budget Hearing and the Library Board meeting on separate days. By majority consensus the Board agreed to schedule the Budget Hearing on September 22, 2015 at 5:45 p.m. which will immediately be followed by the regularly scheduled Library Board meeting.

c. 2016 Draft Closing Dates

- S. McCoy asked if there were any changes to the proposed Library closing dates. S. Johnson asked about the number of closing dates in comparison to 2015 Library closing dates. S. McCoy stated she recommended closing 16.3 days in comparison to 13.3 closing days in 2015. S. Johnson asked S. McCoy the rationale for closing 3 additional days. The rationale as to closing three additional days is that dates align with City recognized holidays closing. S. McCoy stated that she presented the closure dates early as a courtesy to the staff and their vacation planning. Discussion occurred. V. Ellis, D. Quince-Cobb and S. Johnson are in agreement to the proposed closure dates. A. River stated that she would like to look at it and get other Board members input because it is only August. A. River recommended doing a motion next month once everyone has had an opportunity to review it, because there may be other closing days to be considered. S. Johnson stated that the only concern he has is that, he is not opposed to voting next month, but this was in this month's packet for review and that is similar to other information in the packet for review. If there are additional questions, he is okay with that but it was in the packet for review so we would be able to come and make a decision on it. If Board members were unable to attend, that's fine, he doesn't want to set a trend where information is available in the packet and we are still delaying the meeting because it's not reviewed. A. River stated that she is more comfortable approving the Library closing dates after the Budget Hearing. S. McCoy inquired if the Board would like to put this item on the next agenda or the November agenda. S. Johnson stated that we have the budget draft and the Budget Hearing is next month, so we can put this back on the agenda for the next

month's meeting. By consensus, the 2016 draft closing dates will be on the next month's agenda.

**9. Call to the Public:**

- None

**10. Comments from the Board (Communications):**

- A. River gave a shout-out to D. Quince-Cobb for being recognized by the City on their blog. She thanked everyone for putting up with her during her migraine, and she knows the Board doesn't always agree on everything but she appreciates the feedback and input.
- D. Quince-Cobb commented that it is disturbing that there is a lack of respect. That City Council, a viable entity of the City and the Library, which enriches people's lives, can't come together and agree, again the Board has the best interest of the City because the Board is not getting paid to sit here. City Council gets some type of stipend. She thinks that City Council would be more compelled than anyone to come forward and want to negotiate with the Library Board. If nothing changes, should come to the table for just simple understanding. She has learned so much by serving on the Library Board.
- S. Johnson had no comment.
- S. McCoy inquired about adding the Meeting Room Policy to the next agenda because last year we discussed some suggested changes. V. Ellis asked if we could delay until October meeting simply because we have a full agenda next month.
- V. Ellis thanked everyone for their patience today, and that they had a very good meeting. She appreciated all the dialogue, communication, and the update. That is what the Board is all about, it is inclusive of everyone's thoughts and views so we can get all the information we can make appropriate decisions. V. Ellis stated that she has not totally recovered, but she was able to preside over tonight's meeting. She thanked the Board for their well wishes and support during her illness. She looks forward to resolving some of these current outstanding issues.

**11. Adjournment:**

**Motion by A. River to adjourn the meeting at 8:27 p.m.  
Seconded by S. Johnson.**

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

**Motion carried (4-0)**