

Central Arkansas Library System
Board of Trustees Meeting
August 22, 2019
The Bookstore – 3rd Floor Meeting Room

Board Members in attendance were Nancy Rousseau, Marian Berry, Andre Guerrero, Brandon Grice, Kelly Moss, Marilynn Porter, Stephanie Gibson-Branton, Sarah French, John Bush, and Sheila Wright. Bob Brown, Sophia Said, and Annette Herrington were absent.

Staff members in attendance were Nathan James, Nate Coulter, Lisa Donovan, David Stricklin, Lance Ivy, Jo Spencer, Joe Hudak, Tameka Lee, Cathy Sanders, Carol Coffey, Pam Rudkin, Ellen Samples, Rosslyn Elliott, Polly Deems, Linda Ellis, and Elizabeth Newbern.

Also in attendance were Dillon Hupp, Executive Director of ACANSA Arts Festival of the South, and Scott Richardson, attorney at Daniels, Richardson, and Calhoun.

Action Items

1. Approval of Minutes

Berry asked the Board to approve the July Minutes as written.

Guerrero moved to accept the May Minutes as written. Bush seconded the motion, and the July Minutes were approved unanimously.

2. Financial Report

Spencer, stepping in for Herrington in her absence, reported that the total assets as of July 31, was \$117,318,619 with a net loss of \$770,287. She said that CALS has 46 % of its budget remaining for the year, which puts CALS right on track. She noted that there was a 2.9 % increase in tax collection over July of the previous year. Spencer said that she recently did an analysis to determine how current tax collections statistics/projections lines up with current data. Based on current collections for this year, collections are up 2.29% for all districts. Little Rock has the smallest growth with 1.93 % growth over last year; Maumelle showed the most growth over the previous year at 5.77 %; Pulaski County tax collection grown was at 2.88%. She added that the highest tax collection month is November, which is when we expect to receive the largest portion of that revenue. Spencer believes that CALS is in really good shape in terms of tax collection revenue since CALS only budgeted for a 1.43% increase for the year 2019.

On behalf of the Finance Committee, Spencer moved that the July Financials be filed for Audit. The motion was approved unanimously.

3. Approval to Support LRSD Against Walmart Suit

Coulter said he mentioned at last month's meeting Walmart's challenge of property taxes and the Pulaski County judge has ruled in favor of county. Walmart's argument is that it's properties should be valued as if the its properties are non-operational, which is not the policy of the county accessor.

The four county school districts: Little Rock School District, North Little Rock School District, Jacksonville North Pulaski School District, and Pulaski County Special School District want to intervene if Walmart appeals. CALS also wants to hire legal counsel to support the Pulaski County school districts in the suit against Walmart. CALS has decided to hire Scott Richardson, attorney at Daniels, Richardson, and Calhoun, who will be representing CALS in this venture.

Richardson thanked Coulter for the introduction and told the Board that he is currently the general counsel for the Jacksonville North Pulaski School District. He added that before he came to his current firm, he worked for the Attorney General's office for 10 years working in education law.

The issue that Coulter mentioned is called the Dark Store Theory. In a nutshell, the theory states that when the Pulaski County assessor goes out to assess the Walmart property on Bowman Road, they don't generally look at comparable sales. When you buy or sell a house and get it assessed they compare it comparable sales in the area to try to get a property value for it. If you do that with the Walmart out on Bowman, then you run into a lot of obstacles and make it not comparable. A lot of times, a retailer will not sell the property to another retailer and sometimes include deed restrictions in the sale. All of that depresses the value of the store. It is called the "Dark Store" theory because retailers arguing for this type of property valuation want their properties to be compared to stores that have sat vacant for a long time. County assessors argue their properties should be assessed based on how they would be valued if they sold today and someone was planning to step-in and take over operations.

If Walmart is successful with the suit, it would cut their assessments in half and under Arkansas law you would have to apply a similar theory of assessment to similar use of property (i.e. Target, Home Depot, Lowes, etc.) County officials do not know how far it would spread, but they do know that it would be a huge hit to county government that is dependent on property tax to pay for their services. Jacksonville North Pulaski School District was and is interested in this issue since they are currently building new facilities. Richardson said that CALS would not be paying the full fee for the work, but about half of it. CALS gets to intervene in the lawsuit: 1) because CALS owns property in the district and 2) this would be a significant hit to the library's revenue from property tax collection. He said that he appreciates the opportunity to represent CALS and will be happy to take questions.

Guerrero asked two questions: 1) has this issue come up in other court systems or in other states and what happened in those cases, and 2) how likely would it be that Walmart, with their political and financial clout, will try to kick this into another district that would be more favorable to their position. Richardson replied yes, there are several retailers trying this theory out around the country and having mixed success. Some states are going with the theory and some states are rejecting the theory. As to Walmart's suit in Arkansas, he is unsure why Walmart came to Pulaski County first because Pulaski County has the resources to put on a good fight. In fact, Judge Hyde took a good view of the facts and ruled against them. The Arkansas Supreme Court has applied a strong standard to support the assessor's determination on how to assess property. Walmart has a very high burden to overcome. Assuming the courts apply that standard that has gone on, which seems likely, Richardson believes that the suit will stay in this district. In general, the process requires that Walmart file a challenge assessment, then speak before the board of election, submit a suit to county court, and then go to circuit court. This suit has made it to county court, where Judge Hyde ruled against Walmart on August 15. Walmart has 30 days to put the record in the circuit court and lodge their appeal. By September 15, we should have their appeal and then be moving forward. Then Richardson imagines it would be time to file a petition to intervene probably for both the school districts and the library. Although, all the school districts stepped in at county court and opposed Walmart and supported the county decision. Coulter noted that the politics of it goes to your question and

said that he believes that the Governor's Office will be concerned about this and the Legislature will be concerned about this since they will have to make up some of the revenue that the property tax provides for the school.

Porter asked for some clarification on what organizations benefit from tax revenue generated from property tax. Richardson said that only a few organizations fall into this category including the library, local government, school districts, and few other special exceptions.

Berry called for a motion to approve hiring Richardson to support CALS interests in this case.

Rousseau moved to accept that Daniels, Richardson, and Calhoun to represent CALS interest in the Walmart suit. French seconded the motion and it was approved unanimously.

Information Items

1. Presentation by ACANSA

Coulter introduced Dillon Hupp, executive director of the ACANSA Arts Festival of the South to the Board. Hupp thanked Coulter for the introduction and thanked CALS at large for being one of ACANSA's oldest and most steadfast supporters. Hupp noted that what ACANSA does would not be possible without their partners. He added that the Festival was founded by Charlotte Gadberry, Linda Newbern, and others got together with the leaders of the art community at the time including Todd Herman of the Arkansas Arts Center, Philip Mann of the Symphony, and Bob Hupp of The Rep. It was modeled after the Spoleto Festival in Charleston, South Carolina – the largest performing arts festival in America. The goal is to create a more rich and engaging experience through availability of and access to artistic experiences, including music dance, theater, and performance art.

Hupp noted that this is ACANSA's sixth year and that is their first year that they've gone to a multi-weekend format with nearly twelve days of programming. He said this is thanks to the growth ACANSA has seen over the last two years.

He then noted that he wanted to focus on some of the events in this year's line-up that were happening in partnership with CALS. ACANSA's opening night concert on Friday, September 13 is happening in Library Square and will feature Hot Club at Cowtown at the Ron Robinson Theater; it is very nearly sold out as of today. CALS Second Friday Art Night (2FAN) event which will include a performance art collaboration with Ballet Arkansas, where dancers will cover themselves in paint and create art on canvases. They'll be performing in the alley between Ron Robinson Theater and the Roberts Library. 2FAN usually gets about 900-1,000 people wandering through for the evening, so ACANSA is expecting a nice crowd.

There are also two other shows at the Ron Robinson Theater: the Eroica Trio on September 19 and Tenor's Unlimited on September 20.

CALS has also partnered with ACANSA on Children's Art Day hosted by the Children's Library for the past two to three years which have had at least 500 children in attendance each year. They have all worked with CALS, the Arts Center and Craig O'Neil to put on their annual Spring Break Art Camps. ACANSA has been thrilled to have the opportunity to show what the arts and art education can do for our

community. He noted that another event coming up in this year's program is a performance from Stewart Fullerton, a hometown native currently living in New York. She'll be doing a comedy show called Homecoming Queen. More information about our other events will appear on ACANSA's website.

2. Marketing & Resource Development Report

Lee reported that MRD had several positive statistics to report:

- Website traffic was up 54 % over July of last year.
- In July, the theater sold 294 tickets sold worth \$31,593. This did not include events that were ticketed but free and open to the public.
- CALS had our media mentions were valued at \$73,000 worth and had the potential to reach 7 million viewers.
- MRD provides internal printing for all our branch locations and these printing services included over 20,000 print jobs over the last month. These printings include but are not limited to branch calendars, printouts, and postcards.

Lee also noted that there are several upcoming events coming to CALS:

- *The State of Education Forum*, co-sponsored by KUAR and the League of Women Voters, at Dee Brown Library tonight from 6:00 p.m. to 7:00 p.m.
 - Guests for this event include Ricardo Gomez, a current LR Central High School student; Stacey McAdoo, 2019 Teacher of the Year and LR Central High School teacher; Michael Mills, a professor at UCA; Ginny Blakenship, education policy director at Arkansas Advocates for Children and Families; and John Bacon, CEO of eStem Public Charter Schools.

3. Roberts Library Report

Stricklin reported several upcoming events at the Roberts Library:

- This month's *Legacies and Lunch* on September 4 will feature Stacey McAdoo, this year's teacher of the year, in the Darragh Center at noon.
- *Hot Club of Cowtown*, already mentioned by Hupp, will be a great time on Friday, September 13 and will begin at 8:00 p.m. at the Ron Robinson Theater.

He also noted that next year will be the 50th anniversary of *Bury My Heart at Wounded Knee*, author Dee Brown's iconic novel, and CALS will be celebrating that coming up.

4. Statistical Report

Coffey reported that overall circulation was up 3 %. Physical circulation showed a 0% change over July last year but was up 25 items. Digital circulation was up 12 %. CALS has hit the year mark for Freegal streaming, so continued growth in that area is unlikely. Freegal usage has also been down over the summer, but Coffey suspects this will change once Tech Cards are distributed; students really enjoy free music downloads and streaming. Program attendance was up 17 % but in-house computer usage was down 4 %.

CALS is planning to explore two new services for streaming usage through RB Digital:

- Pongalo – which is streaming service for Spanish language content. CALS is exploring this in hopes of better serving the Latinx community's digital needs.
- Qello – which is streaming service that offers the world's largest collection of concert films and music documentaries.

5. Building Report

Ivy reported that the Williams Library has recently benefitted from the Little Rock School District's work on the Dunbar Middle School parking lot over the summer. Williams shares their parking lot with the school and the LRSD offered to re-pave their portion of the lot during their process if CALS would contribute a small percentage of money towards those efforts. The work is now completed and has created not only much more usable parking spaces, but also a bus lane that will help streamline afterschool traffic.

He said that the Entegrity Upgrades were between 70 – 80 % complete across the system. All chillers at the Main Library have been replaced and all water re-commissioning has been completed. There are only six branches that still require work and Entegrity projects that the week of Labor Day weekend should mark the completion of the work at the branches. Ivy said that once this work is completed, Clear Result will do an audit to ensure that everything was completed as expected. CALS should see the benefits of this work in energy savings for years to come.

Entegrity has carefully watched the budget as they have completed each phase of this project and is currently under budget, so they have proposed adding a small solar panel array to the Children's Library as part of the project. The spot they are looking at for the installation would be to the side of the green house and would encompass a TK area. There will be 183 panels per row and will be installed on the ground, not the roof. If we do pursue this installation it would result in between \$17,000 and \$18,000 worth of savings annually for Children's.

One critical component to this installation is that it comes with some programming potential. Ivy invited Donovan to speak about this. Donovan said that the Entegrity would provide CALS with something it calls a solar suitcase to be used for programming. The programmer at the Entegrity has several K-12 lesson plans and they would be able to train our library staff to lead program. There is also the opportunity to incorporate waste audit training and similar education.

Guerrero asked if CALS would be provided with more than one solar suitcase. Donovan said that she was not sure and would ask the Entegrity programmer for that information.

6. Director's Report

Coulter reported that the staff had produced an updated Strategic Plan Dashboard document that would give the Board members insight into what CALS staff have been working towards to meet different goals. Nathan James noted a few highlights:

- Library Square has been working very hard to get Downtown programs down out to the branches, and that process has started.

- CALS has partnered with the Perryville High School to put on an event including a concert at the newly renovated school for Milam Library patrons to enjoy.

Coulter also noted that CALS has been working towards reaching the unincorporated areas of Pulaski County. Ivy said that he has been looking at purchasing a transit van that could bring library resources to those areas, connect them with library resources, and give them information about the library location closest to them. This will work like a pop-up library that will include a mobile hotspot.

Coulter said that CALS would soon begin the 2020 budgeting process. There would be more information about this for the Board in coming weeks and the Board will meet in December to vote on the Budget.

He said that CALS had recently become aware of a new statute that requires us to record all public meetings, which was adopted in April. CALS will be doing this with sound only recordings going forward.

Coulter said that the AR State Chamber has recruited CALS into their ranks since they have some initiatives that align with our goals. The State Chamber will be rolling out its Be Pro Be Proud initiative which involves bringing an interactive tractor-trailer that can be moved to different locations around the state and to give people resources to pursue trade vocations, such as plumbing and electrical engineering.

Guerrero asked what kind of connection the State Chamber has to schools and employees in these industries. Coulter said that they have a lot of information and resources to help connect interested parties to training organizations and employers. He said he feels confident that being part of this initiative would benefit many CALS patrons.

7. Other

Rousseau announced that paper invitations had gone out for the upcoming Tiger Foundation Annual Award event. The event will honor Little Rock Central High School graduates and citizens who contributed to the arts, including Craig O'Neil, the Porter Music Family and Jeff Nichols. She noted that Flyway Beer, founded by a former Little Rock Central High School teacher, will be providing drinks. The event will be on September 24 at the Ron Robinson Theater. Elizabeth will send around a digital copy of the invitation to the Board after this meeting.

Berry dismissed CALS staff from the meeting at 1:07 p.m. but asked Board members and Coulter to stay for an executive session to discuss the Personnel Committee's decision.

Berry called the meeting adjourned at 1:18 p.m.



President



Secretary