

Central Arkansas Library System

Board of Directors Meeting

January 27, 2022, at noon

Virtual Meeting: Zoom Video Call

Board members in attendance were Stephanie Gibson-Branton, Stacey McAdoo, Brandon Grice, Audrey Evans, Andre Guerrero, Bob Brown, Jennifer Jamison, Mandy Gill, Marilyn Porter, Esperanza Massana-Crane, Madhav Shroff, Ryan Davis, and Marian Berry.

Staff in attendance were Nate Coulter, Jo Spencer, Nathan James, Lance Ivy, Tameka Lee, Lisa Donovan, Joe Hudak, Pam Rudkin, Kate Matthews, Carol Coffey, Mark Christ, Eliza Borné, Kay Kay DeRossette, Ellen Samples, Polly Deems, Candace White, Andre Thornton, Jasmine Zandi, Elizabeth Newbern, and Katie Adams.

Also in attendance was Joe Flaherty, reporter from the Arkansas Democrat-Gazette.

Gibson-Branton began the meeting by acknowledging the two new board members, Madhav Shroff and Ryan Davis, and asked them to introduce themselves. Shroff began the introduction. He is an attorney at Mitchell Williams Law Firm and was part of the Coalition of Neighborhood Libraries that helped CALS to promote its millage election last year. Since Davis joined the meeting later, Gibson-Branton promised to begin the next meeting with his introduction.

Action Items

1. Approval of Minutes

Gibson-Branton asked the Board to approve the December Minutes as corrected. Berry offered a correction to a single erroneous usage of 'September' instead of 'October' in the Approval of Minutes section, but otherwise approved the Minutes. [All suggested corrections were made.]

Evans moved to approve the December Minutes as corrected. Grice seconded the motion, and it was approved unanimously.

2. Approval of December Financials

Grice reported that as of December 31, 2021, CALS assets totaled \$109,235,591.63 with a net income of \$1,938,733.23 before audit adjustments. Grice also reported a loss of \$671,083.37 for December.

Grice noted that Spencer would expound upon a line item of \$870K under grant funding from the CARES Act that CALS received at the end of 2021 in the amended budget discussion. He also noted the Pulaski County Treasurer's Office invoiced CALS for election fees totaling \$110K for the special election on the operational millage. Gibson-Branton mentioned that the elections fees

seemed high. Coulter explained the fees were higher than in previous years since CALS had more polling sites for the election commission to staff.

On behalf of the Finance Committee, Grice moved to approve the December Financials and have them filed for audit. McAdoo seconded the motion, and it was approved unanimously.

3. Approval of 2022 Amended Budget

Spencer said throughout 2021, public libraries in Arkansas collectively asked the state to allocate a portion of federal pandemic relief funds to public libraries through the CARES Act. CALS received \$842K of these funds and earmarked them for several items, including after-hours book lockers to promote library access, reimbursement for PPE for staff and patrons, and reimbursement for increased digital materials costs incurred during the pandemic. Spencer said the money became available on the last business day of 2021 and therefore could not be spent before the 2021 budget year closed; therefore, the money needed to be rolled over into the 2022 budget. She added that although the 2022 Amended Budget showed a deficit, it was only due to the timing difference of receiving the CARES money in late 2021 but expensing it in the 2022 Budget.

Spencer stated that \$102K was already committed to purchasing after-hours book lockers. Spencer also highlighted a few other adjustments, including a corrected mileage expense error, adjustments for two grant-funded salaries taken out upon grant expiration at the end of 2021, and \$14K spent in excess on the book lockers that was added back into the budget.

Evans asked for more information about the book lockers. James explained that the book lockers are outdoor units for hold pickups designed to provide after-hour access to library resources and lower barriers to library use. Staff will fill the lockers with requested holds; patrons can then scan their library cards to unlock the unit and pick up their holds at any time of the day or night. James mentioned that the biggest question for CALS was where to put the book lockers, since there are benefits and drawbacks to placing them outside current library locations or other locations that are potentially more convenient for patrons. Evans highlighted costs to library staff as an area of potential concern if the units were placed further from library locations. Guerrero voiced an additional concern about vandalism. James agreed that most likely the units would be placed outside library locations since that would be most convenient for staff.

On behalf of the Finance Committee Grice moved to approve the Amended 2022 Budget as presented. Brown seconded the motion, and it was approved unanimously.

4. Consider the Petition to the City for May Bond Refinance Election

Coulter asked the Board to approve a resolution that would allow CALS to circulate a petition to begin the process of setting up a capital millage decrease and bond refinance election. He explained that during the November 2021 operational millage election campaign, CALS promised that if voters raised the operational millage, the library would in turn give voters the opportunity to lower the capital millage by the same amount (0.5 mils). Lowering of the millage

would also allow CALS to refinance outstanding capital improvement bonds. Should voters pass the capital millage decrease/bond refinance proposal, current bonds would be refinanced and the capital millage would drop from 1.8 mills to 1.3 mills, the lowest rate since 2008. Coulter expressed urgency to get the proposal on the ballot for the May 2022 primary election to avoid having the library incur another special election expense and give the City of Little Rock plenty of time to set up the election.

Guerrero voiced concerns about the petition's wording. He questioned whether voters would be able to understand what they were being asked to vote for given the petition's dense legal language. Brown and Evans agreed that the wording appearing on the ballot should be made understandable to the voting public. Coulter conceded that the language of the petition was legally dense but explained the wording was necessary to comply with the law and avoid a ballot challenge. Guerrero asked if CALS Marketing & Resource Development team could create some talking points. Coulter agreed that talking points would be helpful.

Coulter explained that, in the simplest terms, CALS is proposing to lower the capital millage tax in the same amount voters agreed to raise the operational millage tax in November 2021, and that current bonds would be refinanced in the process. He pointed out that the capital millage/bond refinance exchange mirrored the pattern of past library bond elections and said that there had been five of these in Little Rock since 1992.

Brown expressed confusion over how the capital millage decrease related to bond refinancing. Coulter explained that money generated from the capital millage tax does not flow through the library's budget but goes straight to trustees who pay the bond holders. Bonds are paid off by the capital millage tax, so CALS will be asking voters to extend the existing bond period by roughly two years in exchange for a lower tax rate. James added that due to interest rate differences, bond refinancing naturally generates some extra income, or project funds. The project funds generated by the bond refinancing would be used primarily to upgrade Main Library. Coulter explained that project money could be wisely spent on updating Main Library. He noted that Main library campus upgrades would coincide with the 30 Crossing highway project that will create green space along the south side of Main, once the freeway entrance and exit ramps on I-30.

Shroff asked if ballot measures were always necessary for bond refinancing. Coulter said no, describing the two different kinds of bonds the library holds: revenue bonds and general obligation bonds. Revenue bonds are backed by the library's revenue flows (fines, parking, etc.), while general obligation bonds are backed by property tax payments and therefore must be approved by voters.

Brown asked if voting on the resolution and petition could be delayed in order to give the Board time to better understand the documents. He also expressed reservations that CALS may be returning to the voters too quickly following the November 2021 operational millage election. Coulter expressed concern that waiting until the next Board meeting may not give the City of Little Rock enough time to organize the election by the May primary. He raised the possibility that the Board might consider approving the circulation of the petitions now and meet at a later date to authorize submitting the signed petitions.

Evans clarified that the Board would be voting with consideration of the concerns stated and the solutions suggested for explaining the petition to voters in plain language. Guerrero added that voters would likely have many questions given the amount of discussion generated among the Board. Massana-Crane suggested having the legal team work together with CALS MRD to clarify the messaging.

After further discussion, Coulter read a proposed resolution prepared by counsel to CALS authorizing circulation of petitions and asked the Board to approve the resolution, knowing that the precise wording of the separate petition might be adjusted in minor ways.

Berry moved to approve the resolution as presented to allow for any necessary changes to the wording of the petition. Shroff seconded the motion, and it was approved with one board member opposed.

5. Consider Naming of Upper Lobby in Theater in Recognition of Donors

Coulter asked Borné to quickly speak to the Board about the Upper Lobby naming proposal. Borné agreed and said Drs. Paulette and Jay Mehta, professors of medicine at UAMS, approached her and expressed interest in naming opportunities for CALS donors. Having attended readings in the Ron Robinson Theater, the couple suggested making a \$20K unrestricted gift and having their names placed on the wall in the theater's upper lobby. Borné reported that despite its considerable ongoing operating expenses, fundraising for the theater has been historically difficult. She said the suggested \$20K gift would go toward seat repairs, upgrading aging equipment, and other deferred updates to make the space more appealing.

Borné also asked the Board to approve the public announcement of the gift to kick-off a larger theater seat-naming campaign to raise money for the theater's needs. The community campaign would be ongoing, but Borné said she foresaw significant fundraising potential. She pointed out that there are other spaces in the theater available should future donors become interested in naming. She added that Coulter and the CALS Foundation Board Chair helped draft a gift agreement detailing the terms of naming for this and future gifts, outlining contingencies for scenarios such as CALS ceasing to operate named areas or donors behaving in such a manner that CALS no longer wants to be associated with them. Borné likened the process to the previous naming of meeting rooms throughout the campus.

Gibson-Branton asked what the wording would be for the upper lobby naming. Borné replied that the exact wording had not yet been decided. She also mentioned her desire to create a menu of options for potential donors that designates appropriate giving levels. Massana-Crane affirmed the wisdom of developing a fair strategy for future naming opportunities for donors. Brown expressed enthusiasm for the naming of the upper lobby, citing the Mehtas as champions of the library's mission.

Brown moved to approve the naming of the upper lobby in Ron Robinson Theater in recognition of Drs. Paulette and Jay Mehta. Berry seconded the motion, and it was approved unanimously.

Information Items

1. Director's Report

Coulter deferred speaking at length about the Director's Report in consideration of time.

2. Other

In reference to the November 2021 operational millage election, Brown mentioned he was curious about why some precincts did not vote in favor of the library. Coulter said perhaps it was a reflexive opposition to taxes and that he hoped those precincts would be equally enthusiastic about voting to reduce the tax in May. Evans and James discussed how they worked in tandem to correct online misinformation prior to the election.

3. Move to Adjourn

Gibson-Branton called the meeting adjourned at 1:55 p.m.



President



Secretary