



Library Board of Trustees
Library Board of Trustees Meeting
Via Zoom
Monday, June 22, 2020, Noon – 1:30pm

Trustees Present

Jennifer Appleby
Ailen Arreaza
Rob Harrington, Chair
Joe Helweg
Gloria Kelley
Dr. Kimmery Martin
Brandon Neal
Charles Thomas
Ed Williams
Dr. Ricky Woods

Staff Present

Kevin Bittle
Shelley Book
David Dillard
Seth Ervin
Dana Eure
Lee Keesler
Julia Lanham
Pamela McCarter
Caitlin Moen
Angie Myers
Ann Stawski

Others Present

Mark Kutny

Rob Harrington welcomed everyone and thanked them for their time.

Minutes

Mr. Harrington requested a motion to approve the minutes from the Board of Trustees meeting held on May 18, 2020. On a motion by Joe Helweg and seconded by Jennifer Appleby, the Trustees unanimously approved the May 18, 2020 meeting minutes.

Chair Report

Mr. Harrington thanked the Library staff for doing an amazing job during the COVID-19 crisis including progress on the 7th & Tryon project, the Library's re-opening plans and the capital campaign.

Lee Keesler announced his intention to retire on March 31, 2021. Mr. Keesler and Mr. Harrington worked together over a period of several months to find an optimal time for CEO transition in the midst of 7th & Tryon, new Main Library and Support Services Center, COVID-related branch closings and re-openings, board transitions and other library activities. Mr. Keesler expressed gratitude for the opportunity to serve as the Library's CEO for the past 8 years. Rob Harrington and board members expressed their thanks for Mr. Keesler's work at the Library and his leadership since becoming CEO.

Mr. Harrington announced that a transition plan was underway that includes engaging a search firm and a search committee to identify the organization's next leader. Joe Helweg and Brandon Neal will chair the search committee.

Joe Helweg thanked Mr. Keesler for his leadership. The search committee will begin its process on July 1, 2020. The search committee will work with the search firm of Coleman Lew who has significant experience with the Library and experience handling similar searches. Mr. Helweg will reach out to other Board members to ask for their participation on the search committee.

Committee Reports

Finance Committee

Budget Adjustments

- \$3,500,000 from Mecklenburg County to Personnel Related
- \$204,779 from Revenue Other to Professional Services
- \$20,000 from Fund Balance & Reserves Appropriated to Programming

On a motion from the Finance Committee, seconded by Joe Helweg, the Board of Trustees unanimously approved the Budget Adjustments.

Dr. Ricky Woods joined the meeting at 12:25pm.

FY 2021 Budget

Angie Myers reported the following highlights:

- \$42.5MM budget
- 2.1% increase in our overall budget over last year
- Revenues and expenses are equal and balanced
- Year of mixed results
 - Successes
 - County revenue is up 3.8%
 - Employees are receiving an increase in pay this year of 3.0%
 - Funding included for a Facilities Master Plan
 - Challenges
 - ABC funding is down next year due to COVID
 - Federal revenue is also down due to reduced LSTA grant funding
 - Internal revenue is down due to not charging fines and fees
 - First year we have used fund balance to balance our budget. We are placeholdering around \$300,000.
 - Core library functions will continue without interruption
 - Revenue reductions are reducing employee learning and development, advertising, events etc. Hopefully these are one-time in nature.

Brandon Neal thanked Leslie Johnson on behalf of the Finance Committee for the County's support.

Dr. Ricky Woods inquired about the Library possibly partnering with County departments to help ease the pain of the revenue reductions. Ms. Myers reported that we are in constant contact with our County partners to take advantage of any synergies that may exist.

Ms. Myers reminded everyone of some of Mr. Keesler's impact on the financial success of the Library. Some highlights include:

- An increase of 35% to the Library’s operating budget since 2014
- Dollars for the expansion and/or addition of Morrison, North County, South County, South Boulevard and Main Library
- Library hours expansion
- Stabilization of the Library’s collection budget
- Creation of the Fund Balance policy which is helping us now to feel less pain than we might be feeling had we not created and adopted it
- Mobile Library
- High quality Facilities Master Plan

On a motion from the Finance Committee, seconded by Jennifer Appleby, the Board of Trustees unanimously approved the FY 2021 Proposed Budget.

Nominating Committee

The Mecklenburg County Board of County Commissioners appointed a committee of commissioners to interview perspective candidates for the open Board of Trustees spot. The committee interviewed both our recommended candidate, Amy Hawn Nelson and another community member, Carolyn Linyard. The Library will hopefully hear something tomorrow regarding their appointment decision.

The FY 2021 BOT Officer Slate is as follows:

- Chair Joe Helweg
- Vice Chair Brandon Neal
- CEO Lee Keesler
- Library Director Caitlin Moen
- Treasurer Angie Myers
- Secretary Shelley Book

On a motion from the Nominating Committee, seconded by Dr. Ricky Woods, the Board of Trustees unanimously approved the FY 2021 Officer Slate.

Real Estate Committee

Mr. Helweg explained the Real Estate Committee is laying the groundwork today for future action items. Moving forward the Real Estate Committee has a standing item on our agenda that is regarding our library deserts and how our facilities master plan will affect those areas. A deep dive session will be scheduled in the Fall to discuss these remaining desert areas.

David Dillard updated the BOT on the following 3 items:

- Matthew’s Request for Capital Reserves
 - 50-year lease commenced July 2002
 - “Basic Rent” was paid in full in 2017 (to repay town’s initial capital funding of the building including library space on the first floor)
 - Library pays its pro rata share of common services charges annually
 - The lease did not account for capital repair needs during the term. Matthews has requested the Library to participate in future capital needs, such as re-paving and re-roofing.

- Mr. Dillard is negotiating the establishment of a capital reserve account for this purpose (with conditions).
- New University City Regional
 - Existing branch ground lease with Hospital Authority was previously extended to 12/31/2022
 - Have investigated over two dozen properties for new branch site
 - Presented top 3 options to the County Manager
 - Received verbal authorization to pursue the Water's Edge at University Place Development by E.B. Arrow (for capital in FY22 & operating funding in FY23)
 - Developer has secured financing to provide a two story 40,000 sq. ft building with favorable terms
 - The developer will donate the property to the Library at the end of the 35-year lease term
- Pineville
 - We have been in discussion with the Town of Pineville together with the County for several years
 - The town is interested in using the same model that the Town of Matthews used
 - Pineville is the only town in Mecklenburg County without a library

Mr. Dillard said that action items for these 3 items will be brought at a later date.

A couple other Real Estate items of note are as follows:

- The Albemarle Road/Eastland Mall area is on our radar as a library desert. There are some properties for sale and Mecklenburg County has expressed interest in acquiring property soon for a library to be funded in the next Capital Improvement Plan (2024-2028 CIP).
- The County has purchased land in the Nations Ford Road area where it plans to build a Community Resource Center (CRC). The site purchased is across the street from Waddell High School and the site is large enough to include the CRC and room for a library.
- The County acquired property in the Ballantyne area in 2002. This area is somewhat designated for the Library's use for a future library. The area is in a library desert.

Trustees were encouraged to reach out to anyone on the Real Estate Committee if they have questions. Mr. Dillard emphasized that voices of trustees and the community at-large need to be heard as the new Facilities Master Plan is developed.

CEO Report

Lee Keesler asked Caitlin Moen to provide the Board an update on the Library's activities related to COVID-19 and the gradual re-opening of the Library. Mrs. Moen presented the following highlights:

- All libraries opened in a limited capacity on June 1, 2020
- We are currently operating in Phase 1
 - Phase 1, ABC Store Model
 - Contact free service
 - Limited building access
 - One customer at a time
 - Programming continues online
- Quarantining all materials for 72 hours
- Added mobile printing due to critical need
- Looking at adding other critical needs as we can
- Initially planned for 3-4 weeks for Phase 1, however we will be in Phase 1 longer due to COVID data

- Connecting with our County partners and ensuring we are in lockstep with them so that we can make use of their buying/purchasing power so that we can operate safely
- Phase 2 will allow for more movement within libraries and brings a lot of important safety issues with it therefore we will be holding in Phase 1 for now.

7th & Tryon Update

Mr. Keesler brought forward the following Action Item:

- Approve the major terms of the Memorandum of Understanding (MOU) between BP – Metropolitan and the 7th & Tryon stakeholders (County, City, Library, Bank of America), and authorize CEO Lee Keesler to sign the MOU on behalf of Charlotte Mecklenburg Library
 - MOU Key Terms
 - Planned project components
 - Sufficient parking to accommodate the requirements of the Main Library, and the Spirit Square theaters
 - A mixed-use structure of approximately 160,000 SF
 - An office tower of approximately 450,000 SF
 - A multi-family component
 - Retail facilities
 - Affordable housing offsite using land proceeds
 - Development agreement
 - An estimated timeline for commencement of construction of all the project components
 - A description of the spatial relationships between the project components
 - The agreement will afford flexibility to Metropolitan as it relates to design, schedule, and performance, and it will include a requirement that Metropolitan use good faith efforts to achieve 30% MWSBE participation
 - Additional public sector support
 - Regarding grants or other Public Sector support, the City and County will continue to collaborate on providing not less than a \$25 million Tax Increment Grant for the public purpose of below ground and above-grade parking structures, and
 - The City of Charlotte will provide \$2 to \$5 million from its Community Investment Plan or other funding sources for infrastructure improvements by Metropolitan
 - The Master Developer will contribute \$3 Million for enabling affordable housing projects identified by the Stakeholders
 - Metropolitan, the Library, and the County will continue to coordinate on project components on the first block

The MOU includes an Exclusivity clause that gives Metropolitan the exclusive right to re-develop the site for a 180-day period after execution of the MOU, and if any Stakeholder violates this obligation, it could result in a reimbursement to the Developer up to a cap of \$4.1 Million.

After approval by all four stakeholders (County, City, Library, Bank of America), the next step would be negotiation of the Development Agreement. Once the Development Agreement is finalized, the stakeholders will consider approval of that Agreement and then execute the agreement.

Affordable housing has been an important issue during this process and included some very responsible and sound minds including Dr. Woods. Proceeds from the sale of land by the County and Bank of America along with a \$3 MM contribution from the master developer, created a pool of \$18.7 MM that will be invested in affordable housing either in the 7th & Tryon project, the Inlivan land or offsite around the county. Of the \$18.7 MM, Bank of America reserved \$4.2 MM to fund 3 separate offsite affordable housing projects.

Dena Diorio took the following 4 options to the Board of County Commissioners for consideration:

1. Option 1 is a blended solution that includes both Uptown and Offsite housing units. It assumes all of the County's allocated amount of \$14.5 million is invested in the Uptown 7th & Tryon Development. This produces 36 affordable units with a full range of AMIs and unit sizes and a 20-year affordable term. This option also includes Bank of America's \$4.2 million allocation for 207 affordable units, constructed offsite at various locations around the County, for a total of 243 units in this option.
2. Option 2 calls for allocating \$6 Million of the \$14.5M available to Inlivan, for 110 affordable units they would develop on their own property. That would leave \$8.5M available to allocate to the 7th & Tryon site for 20 affordable units, and \$4.2M remains allocated offsite for 207 units, bringing the total number of affordable units for this option to 337 units .
3. Option 3 allocates \$6 Million to Inlivan and provides the remaining \$8.5 Million to complete the financing packages for several offsite projects. Combined with the \$4.2 Million Bank of America allocation, the total number of affordable units for this option comes to 691.
4. Option 4 allocates the full \$14.5 Million offsite. When combined with the \$4.2 Bank of America investment, the total number of affordable impact totals 762 affordable units.

The Board of County Commissioners approved Option 3. The City of Charlotte and Bank of America will soon deliberate on affordable options.

After some Board discussion, Mr. Harrington requested a motion to approve the major terms of the Memorandum of Understanding (MOU), including Option 3 of the affordable housing alternatives. On a motion by Joe Helweg, seconded by Brandon Neal, the Trustees unanimously approved the major terms of the MOU between BP – Metropolitan and the 7th & Tryon stakeholders (County, City, Library, Bank of America), and authorized CEO Lee Keesler to sign the MOU on behalf of Charlotte Mecklenburg Library.

Negotiation of the Master Development agreement will begin as soon as the City and Bank of America approve the MOU terms. It is expected to take several months to be negotiated.

Chair Recognition

Joe Helweg presented the following resolution for consideration by the Board of Trustees in honor of Rob Harrington's service to the Charlotte Mecklenburg Library:

WHEREAS, Robert E. Harrington has accumulated a long legacy of service to the Charlotte Mecklenburg Library, having served seven and a half years as a member of the Board of Trustees beginning in 2013; and

WHEREAS, Rob brought with him to the Library Board years of distinguished service to the community including serving as board chair of the Mecklenburg County Bar and Arts and Science Council, two assignments that benefitted from his considerable ability to engage with and work effectively across this community; and

WHEREAS, Rob has served with distinction as Library Board of Trustees Chair from January 2018 to December 2019, and then an additional six months in order to help align the board year with the fiscal year calendar; and

WHEREAS, like Brunelleschi, Michelangelo, Dante, the Medicis and others before him, Rob came up out of Florence destined to do great things; and

WHEREAS, Rob's heart for the community and public service is fueled by his considerable faith and his belief that all women and all men are created equal; and

WHEREAS, Rob is a statesman leader who leads with purpose without regard to credit or headlines, and makes others around him better and more productive; and

WHEREAS, Rob paused only briefly from his Library board responsibilities to become a grandfather; and

WHEREAS, Rob's personal view of communities and their libraries aligns perfectly with the Library's mission to improve lives and build a stronger community; and

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Charlotte Mecklenburg Library Board and staff thank Rob Harrington for his many contributions as trustee and board chair to the success, achievements and reputation of the Library, and wish him well in his future endeavors.

Shelley Book presented Mr. Harrington with a framed picture of the new Allegra Westbrooks, Beatties Ford Road Regional Library sign and 3 books on social justice were added to the Library's collection in his honor.

Mr. Harrington adjourned the meeting at 1:36pm.

Respectfully submitted,

Lenoir C. Keesler, Jr.
CEO