



Board of Trustees Regular Meeting and 2017 Budget Hearing
MINUTES (approved)
Thursday, December 15, 2016 at 5:00pm
McGuire Community Room
610 Woodmere Ave., Traverse City, MI 49686

1. **Call to Order**

The meeting was called to order by President Gillman at 5:00pm. Present were Gillman (President), Marek (Vice President), Beasley (Secretary), Kachadurian (Treasurer), Jones, Payne, and Moyer (Trustees). Also present were Zeits (Counsel), Parsons (Director), and Carpenter (Staff).

2. **Pledge of Allegiance**

All members in attendance stood and recited the Pledge of Allegiance to the Flag of the United States of America.

3. **Approval of agenda**

It was MOVED by Kachadurian, SUPPORTED by Marek, to approve the agenda as presented. Motion CARRIED.

4. **Public Comment**

President Gillman opened the floor for public comment. There was none.

5. **Approval of minutes**

It was MOVED by Kachadurian, SUPPORTED by Beasley, to approve the regular meeting minutes of November 17, 2016, as presented. Motion CARRIED.

6. **Reports and Communications**

a. *Director Report*

Parsons confirmed her written report and added the following:

- Parsons and President Gillman attended the City Commission Special Study Session regarding the proposed tax increment financing and development plan. Each spoke of their concerns over the plan's negative effect on TADL's public funding through the voter approved 2016 millage. Since 2008 over \$680K of TADL funds have been captured by TIF related plans.
- A package of bills has gone to the House and Senate which would allow libraries to opt out of TIF plans. The bills are awaiting the Governor's signature next week and, if signed, would take effect immediately.
- Caroline Gersch has been appointed from the City to fill Beasley's seat on the Board, which expires December 31st. Since her appointment Gersch has regrettably declined the position of TADL trustee due to time constraints which would not allow her to give the position the attention it deserves. Parsons noted that the Mayor is reviewing applications for the position.
- The Sight & Sound Department's newly acquired DVD and CD repair machine has been working well. At no charge for the machine and 40 cents per disc repair to cover supplies, this will be a cost savings to TADL to restore current materials to 'new' condition rather than purchasing brand new copies.
- TADL has received notification from the Charles Saunders Estate that a very large collection of jazz CDs and vinyl records are to be donated to TADL. Arrangements are being made to acquire the collection.

President Gillman noted that Administrative Reports were included in the board packet. There were no additions to those reports.

b. *Financial Report*

Parsons confirmed her November reports, highlighting the following:

- Revenue – TADL has received \$114K more than was budgeted. Several year-end contributions have been received and will be reflected next month. Revenue from property tax payments for 2017 is beginning to come in.
- Expenses – Salaries and wages are within budget. The retirement unfunded liability is approximately \$397K with a first payment made to the new DB plan of \$22,109. Overall expenses are in line and doing fine.

c. *Member Library Reports*

- Written reports from Julie Kintner, Director of Fife Lake Public Library (FLPL), Renee Kelchak, Director of Interlochen Public Library (IPL), and Vicki Shurly, Director of Peninsula Community Library (PCL) were included in the board packet.

d. *Committee Reports*

- Facilities and Services Committee – Payne reported that the committee had met and discussed roofing issues. It appears that a new roof may be necessary, however specific repair decisions have not yet been made and the repair will not be made until spring or later. The committee also discussed preventative maintenance scheduling for the air conditioner chiller unit which includes a \$31K replacement compressor. Facilities Manager, Bennett, is researching re-lamping the building. The project would cost more money up front but save money in the long run. There is no recommendation for the re-lamping project pending further information.
- Finance Committee – Kachadurian reported that the committee had met and discussed a proposal and contract draft to extend technology services to Interlochen Center for the Arts, similar to the agreement between TADL and Kalkaska Library. The committee also discussed the 2017 budget proposal.
- Personnel Committee – Kachadurian confirmed that the committee had not met.
- Policy Committee – President Gillman confirmed that the committee had not met.

e. *Other Reports and Communications*

- Friends' Report – MaryIn Lawrence, Friends Board President
Parsons reported for Lawrence that the Gift Shop will be closing no later than December 23, 2016.

7. **Public Hearing on the 2017 Budget**

a. *Introduction of the 2017 Budget – President Gillman*

President Gillman announced the start of the 2017 Public Budget Hearing highlighting significant changes to the MERS retirement plan and proposed revenue increases which could help with maintenance issues moving forward. He then turned the discussion over to Parsons.

b. *Budget Overview and Details - Director*

Parsons reviewed the 2017 budget narrative and detail information presented in the proposed budget which had been made available to the public prior to the meeting via the library website and in print form at the library Reference Desk. She also provided her reasoning for several modifications made to the budget proposal since the initial publication which include: an increase in personnel costs following a ratified union contract; an increase in health insurance rates as TADL has had to move from a large group rate to a small group rate; part-time positions to be added in 2017; and a budget increase for insurance expenses as outlined in the member library

contract with Interlochen Public Library. Member libraries will receive a 2.9% increase in their 2017 payment. All budget questions from the board were answered satisfactorily. Parsons felt confident in the balanced budget she presented and expressed a desire to engage in additional fundraising efforts in 2017.

c. *Public Comment*

President Gillman opened the floor for public comment. With no public comments offered, President Gillman then officially closed the budget hearing.

8. **Discussion and Action to Adopt the 2017 Budget**

a. *2017 Budget Resolution*

It was MOVED by Beasley, SUPPORTED by Kachadurian to pass the 2017 budget resolution as presented. A roll call vote was taken with the following results:

Jones – aye Payne – aye Kachadurian – aye

Moyer – aye Gillman – aye Marek – aye

Beasley – aye

Motion CARRIED.

9. **Old Business**

a. *Nominating Committee Discussion*

President Gillman expressed his desire to form a Nominating Committee consisting of himself, Vice President Marek, and trustee Kachadurian. Following past precedence, the Nominating Committee's purpose is to make a recommendation for successor officers and committee membership at the annual meeting. The Nominating Committee recommendation would not prohibit any other nominations from being made at the annual meeting to be held in January of 2017. There were no objections.

10. **New Business**

a. *2016 Year-end Budget Amendment*

Parsons reviewed several minor year-end budget adjustments as well as a reversal of a prior budget amendment of \$375K for employee benefit payment obligations. Parsons had confirmed with TADL's auditors that an actual budget adjustment for the unfunded pension liability was not necessary and has corrected that within the 2016 year-end budget amendment. She also noted that funds contributed to special projects will be allocated to the Public Improvement Fund to pay for those projects in the future. It was MOVED by Kachadurian, SUPPORTED by Marek to adopt the 2016 year-end budget amendment as presented. Motion CARRIED.

b. *Tax Capture Policy Resolutions*

As was mentioned during Parsons' Director Report, the status of the tax capture has changed since the initial conversations. The board has gone on record opposing the proposed tax capture. It was MOVED by Marek, SUPPORTED by Payne to authorize the Director to ensure that TADL opts out of the tax increment finance plan pending an approval at the legislative level. Motion CARRIED.

11. **Public Comment**

President Gillman again opened the floor for public comment. There was none.

President Gillman recognized trustee Beasley for his 8 years of service to the TADL board of trustees. Beasley has been a stalwart member of the board, serving as past President and current board Secretary. Beasley stated that it was his honor and great reward to serve on the TADL Board and feels that his time on the board has been a remarkable story in a remarkable institution. He thanked fellow board members for their service as well.

Gillman also noted that his tenure of Presidency has reached 2 years and expressed his gratitude to all those who serve on and to the board.


12. **Adjournment**

With a motion by Jones and support from Beasley, President Gillman adjourned the meeting at 5:49pm.

Respectfully submitted,


V. Carpenter, Recording Secretary

Approved by board vote on January 19, 2017,


Board Secretary
Joseph Jones