

**Elk Rapids District Library Board of Trustees  
March 11, 2021 Meeting held via ZOOM**

*Note: Minutes follow the agenda*

**1. Call to Order:** By President Tom Stephenson at 5:00 pm

**Members Present:** Barb Johnson, Dick Hults, Karen Simpson, Liz Atkinson, Tom Stephenson, Julia Pollister Amos, Chuck Schuler and Diane Geddes

Also Present: Director Nannette Miller and The Friends representative Sharon Bacon. This is a meeting conducted on Zoom due to COVID. Zoom shows 23 attendants at the start of the meeting.

Members absent: None.

**2. Approval of Agenda:**

Miller requested to add Audit Update under unfinished business

**Motion:** to approve the agenda as amended by Simpson/Schuler.

Roll Call: Atkinson: Yes; Geddes: Yes; Pollister Amos: Yes; Hults: Yes; Johnson: Yes ; Schuler: Yes; Simpson: Yes; Stephenson: Yes

Motion carried.

**3. Public Comment:**

No one wished to speak

**4. Approval of Minutes** of budget hearing dated February 11, 2021

**Motion:** by Schuler/Johnson to approve budget hearing minutes dated February 11, 2021

Roll Call: Schuler: Yes; Geddes: Yes; Atkinson: Yes; Pollister Amos: Yes; Hults: Yes; Johnson: Yes; Stephenson: Yes; Simpson: Yes

Motion carried

**Motion:** Simpson/Geddes to approve regular minutes dated February 11, 2021

Roll Call: Stephenson: Yes; Pollister Amos: Yes; Schuler: Yes; Johnson: Yes; Atkinson: Yes; Simpson: Yes; Geddes: Yes; Hults: Yes

Motion carried

**5. Treasurer's Report and Approval of Bills:**

Geddes discussed the additional list of bills that need to be approved that will be paid Friday, she will come in to sign the checks.

**Motion:** by Schuler/Johnson to approve the list of bills to pay.

Roll Call: Geddes: Yes; Atkinson: Yes; Johnson: Yes; Stephenson: Yes; Schuler: Yes; Hults: Yes ; Pollister Amos: Yes; Simpson: Yes

Motion carried.

Geddes discussed the Treasurer's report included in the agenda packet

**Motion:** to approve the Treasurer's report by Simpson/Johnson.

Roll Call: Simpson: Yes; Stephenson: Yes; Geddes: Yes; Pollister Amos: Yes; Johnson: Yes; Atkinson: Yes; Hults: Yes; Schuler: Yes

Motion carried.

Geddes discussed the Expansion report and the account balance included in the packet

**Motion:** to approve the Expansion report by Simpson/Schuler.

Roll Call: Johnson: Yes; Pollister Amos: Yes; Hults: Yes; Schuler: Yes; Geddes: Yes; Simpson: Yes; Atkinson: Yes; Stephenson: Yes

Motion carried.

Miller said the software bill will to be paid from the Expansion for two months of service and needs to be paid by tomorrow to retain service. Total will be \$318. Miller would prefer to pay the invoice for the entire year since they don't sent monthly invoices. Previously the board suggested paying it monthly until we knew which entity would be responsible for it but that has not proven to be easy. Geddes suggested paying this invoice and then Miller will get a total on the balance due for the rest of the year and we can pay that next month..

**Motion:** to pay \$318 for the software bill by Geddes/Simpson

Roll Call: Pollister Amos: Yes; Schuler: Yes; Johnson: Yes; Geddes: Yes; Atkinson: Yes; Stephenson: Yes; Simpson: Yes; Hults: Yes

Motion carried.

## **6. Correspondence:**

Stephenson said there was correspondence from the group working on a *Spring into SummER event*. They talked about having a meeting with Miller regarding participation. Miller and the coordinators have a meeting set up and the staff has ideas on what they could do and be safe and are planning to participate.

## **7. Unfinished Business:**

**A:** Capital Campaign shift to Friends

Simpson spoke to Wittbrodt who couldn't be at the meeting today. He's reaching out to a lawyer regarding legal changes that need to be made to move the Capital Campaign to the Friends. Pollister Amos asked if he was using the non-profit specialist at Foster Swift. Simpson said she believes they are using Foster Swift. Bacon said the Friends board met on March 8 and talked about the potential transition and had a very vigorous discussion. Tony's ( Wittbrodt) email really captured the essence of the discussion but not the concerns that were raised. She emphasized that the Friends remain committed to the Library and to it's planned expansion project. We are feeling hopeful that we are now on the right track. Be assured we are not involved in any "gotcha scenarios" as Tony put it in his memo. We are, however, a very cautious group and we want to make prudent decisions. As a board we are unanimously in agreement I believe, as best I can tell, that we cannot move forward without more information from the board of trustees. We need a better and clearer understanding of why you want to change the current arrangement? We need the board to discuss this frankly, what has gone wrong in the past and to recognize what it is that you are trying to fix. What's the "compelling reason", as one of our board members said,

for the desire to change the current arrangement? The board approved expectations of the Friend's involvement and those need to be resolved by the board as a whole and then stated in writing. This is something that we cannot do for you, and we cannot discuss the role we will play without the board of trustees coming to some conclusions about these matters. We want you to make a decision and share it with the Friends, and we think a joint meeting between the Friends board and the Library board of trustees would be good to facilitate a decision. As Karen (Simpson) mentioned, the Friends said they would meet with legal counsel that has non-profit board expertise. I don't know about Foster Swift, but the Friends need their own legal counsel who has a firm grounding in non-profit law. We did raise and have concerns about the cost of the financial review - that was never resolved. We have made one payment but we'd like to know how this cost will be shared with the Friends. We don't think it should *all* be borne by the Friends. Stephenson asked for clarification regarding if the cost was about the transfer or about the audit? Bacon pointed out that it is not an audit, but is a financial review. We discussed months ago that the cost might be shared between the Friends and, I guess, the Capital Campaign, I'm not sure, but it was not resolved at that time what the division of cost would be. We have not made any money this year and pretty much all of our savings is committed to the Capital Campaign so we'd like to see this resolved. But most of all, the biggest issue is trying to come to a better understanding and a very *clear* understanding of what the board of trustees is asking us to do.

Geddes asked if Bacon would like a full board meeting or a subcommittee? If we all meet together we will have to have an open meeting. Bacon said she doesn't have a problem with an open meeting - there are enough questions and she would like to see the board, as a whole, buy into this process. She thinks that's one thing that the Friends board would like to see as well. Geddes said she wasn't objecting to an open meeting. Bacon stated that they needed clarity about the your (the library board) expectations...what it is you want us to do.

Hults said if Wittbrodt is contacting an associate at Foster Swift, we would have a problem as they are our counsel and we can't have the same attorney. Stephenson said he believes Wittbrodt has a different attorney that works with the Traverse City Library. Miller said the TADL attorney wouldn't represent us because they represent another library in the our co-op. She's not sure if they would represent the Friends. Bacon asked if the state association of Friends has legal council on staff. Miller said she's not sure, but they may have recommendations. Stephenson said he has a meeting with Wittbrodt and then they will create next steps but he thinks a meeting with both groups is a good idea. Bacon said she would like to see the library board make decisions first and then meet with the Friends. It's not a matter of us "hashing it out" we need to understand what the board of trustees is looking for and those need to be need to be an internal decision of the ERDL board of trustees. You can convey that to us and we can react to it and see how we fit into it. Stephenson responded that he felt the board was waiting to see how the Friends felt about having the Capital Campaign transferred to them. Bacon said we are in a Catch-22 then because the Friends cannot accept what they don't know what they are accepting without it being better defined. We did discover that we cannot simply lift the Campaign from the board of trustees and the current arrangement and plunk it down into the Friends. It doesn't work that way. Stephenson said it's a process and it would at least take about 90 days. There's a lot of t's to cross and i's to dot in order for that to happen.

Atkinson said she's always been confused as to why we were considering moving it. The only reason I've heard is to get it out from underneath the library board, to not have it as part of our oversight, which never made sense to me. As long as they provide transparency and accountability then it shouldn't be a problem. So does anyone have any other reasons as to why we are even considering moving it to the Friends? What's the other benefit or thought process behind it? Bacon asked for clarification stating that the board of trustees has the fiduciary responsibility for the library expansion and so forth, so why would you want to move it out from under the library? It has to remain there in some fashion. She continued saying that one of the questions that came up at the Friends board meeting was what controls would be in the hands of the Friends and what controls, responsibilities whatever you call it, would be in the hands of the trustees? How do you share this responsibility? That needs to be clarified before we can figure out how we can move ahead. We don't know what we are accepting. Atkinson repeated that she didn't know why it was being asked and that she was a little confused about the whole topic. Stephenson said there is some history there. Correct me if I am wrong, originally they thought about the Friends and the Friends didn't want to run the Capital Campaign. (the Friends were the 501(c)3, the fundraising arm of the library), so then it came back to the board and it's just not working out. Bacon emphasized that the prospect of being more involved is something we are enthusiastic about; and I don't want to convey in any way that we don't want to be involved. We love this library, and we are committed, and we want to see the expansion succeed.

Simpson said she wasn't prepared to have this conversation tonight, but we should go back to the drawing board and have a discussion about it next month. Geddes asked to bring it back for what? Simpson clarified that it would be for discussion.

Hults said that we need to be able to give Bacon a clear answer. Maybe we didn't ask that question up front maybe. Pollister Amos said she thinks that several board members have said that we need more information and part of that is "why?" Stephenson said we will work with the Friends and that will be one of the main topics at the next meeting. He also asked Bacon if she could put her concerns down in writing so they can be brought formally to the board. He will work with Wittbrodt and then be able to bring it to the board to talk about this. Atkinson said she'd like to get information that anyone comes up with about why we are asking for the change ahead of time, so we can consider it before the meeting. Having time to think about it before the meeting will be appreciated.

Atkinson said she understood that the cost of the audit was to be split in half between the Capital Campaign and the Friends. Simpson said we decided it was to be determined based on the number of hours they used and how many hours we (the Capital Campaign) used. Atkinson asked if we knew that answer yet. Simpson said she thought it was finalized but that Bacon is saying that it's not and asked if the rest of the board thought it was finalized. Miller stated that she didn't think it was. Pollister Amos stated that she thought, as Aaron (Mansfield from DGN) stated during our board meetings, that part of his problem is that the money flows through the Friends and therefore they have activity that they didn't generate on their own. So there are hours to go over the Friends statements but does that mean that they should pay for that if they didn't generate that time? That's her big question. Miller asked if it had ever been changed in the agreement (the DGN engagement letter) that the Friends cannot use the final product - was that changed when it was approved? Pollister Amos stated that she thought it said that nobody could

use it, not just the Friends. Miller reminded that the Friends need to submit a financial review, so if they can't use it why are they paying for it if they would still have to pay for another one? Bacon stated that seemed to be a duplication of expense. Simpson asked that be checked on. Atkinson said she believes the cost should be from the capital campaign because the need didn't exist without the capital campaign questions so they should bear the brunt of the entire financial review in her opinion. Hults agreed. In a conversation with the AG's office, they would require a review from the Friends that was due sometime this spring and we could get a double dip since they needed to do a review anyway. If the capital campaign foots this bill and lets the Friends ride along they get a one year free audit. There was further discussion regarding the engagement letter and why the Friends cannot use the report, we need to ask if the standard condition in their engagement letter that says it can't be used by anyone other than the person who signs the engagement letter but Hults thinks it could be waived. Pollister Amos asked who is following up? Stephenson said he would follow up.

**B. Audit Update:** Stephenson said we are still waiting for information from The Friends to finish things up. There have been volunteers to help finish moving the paper ledgers to QuickBooks. The Friends are trying to move this forward asap so that the audit can be finished. Hults asked if we could pin this down to a date since it's been going on for three months? Stephenson agreed and he will follow up.

## **8. New Business:**

### **A. Appoint Investment Officer**

Geddes has been the investment officer. She reported that there is a \$200,000.00 CD coming due at TCF and recommends rolling it over.

**Motion :** by Pollister Amos/Johnson to appoint Geddes as the investment officer.

Roll call: Stephenson: Yes; Simpson: Yes; Schuler: Yes; Pollister Amos: Yes; Johnson: Yes; Hults: Yes; Geddes: Yes; Atkinson: Yes

Motion carried.

### **B. Select Auditor, Banks, Insurance Carrier**

Miller said we've been using Kammermann & Bascom. She recommended staying with them since their pricing is reasonable and they have done a very good job.

We've been using 5/3, Alden, Independent Bank, and TCF banks. Stephenson said we've been talking about the procedures with Independent Bank. Finance committee will consider if we want to make a change so that no withdrawal or movement of money can happen without at least two signatures. Miller said she would talk with TCF about this. The branch manager is on vacation this week. We can approve banks at a special Zoom meeting as soon as the decision is made.

Miller explained insurance coverage relationship with the Michigan Mutual League insurance.

**Motion:** by Pollister Amos/ Atkinson to approve Kammermann and Bascom as our auditor and Michigan Municipal League as the insurance carrier and postpone decision on the banks we will use and what kind of accounts we will use at each bank until the April meeting.

Hults asked if we would get the signatory issue corrected before the April meeting because he

thinks it should be corrected asap. Miller pointed out that meeting minutes would be necessary to make changes. There was discussion regarding the bank accounts and signatories and why we need to switch. Pollister Amos suggested voting on the motion on the floor and then talk about banks next.

Roll call: Simpson: Yes; Stephenson: Yes; Schuler: Yes; Hults: Yes; Atkinson: Yes; Geddes: Yes; Johnson: Yes; Pollister Amos: Yes  
Motion carried.

Pollister Amos suggested that since we don't have enough information to make a decision on the banks today, when this is figured out , we could have a special Zoom meeting to approve. Stephenson agreed.

#### **C. Review and adopt goals for year ( strategic plan)**

Stephenson said with all the changes, we need to review the strategic plan and the new federal relief plan. Our goals should be updated. When these programs come out, if it's not in your plan, you won't get anything. We may need to change our Wi-Fi system at the library since it's out of date. Technology is changing quickly. Now with telemedicine, we may need to change to support that as well. Pollister Amos said she agreed that it needed a reset, but if you are talking about having just the strategic plan committee do that, that committee doesn't represent all municipalities, hoping you will fix that first. Stephenson agreed.

#### **D. Committees**

Stephenson said he would be giving up his position on the personnel committee. Atkinson said she'd be happy to replace him. Stephenson asked volunteers to email him their requests for committee assignments.

Johnson asked to make a statement and said that in the past we haven't had somebody from each municipality on every committee because it wasn't almost possible to do that. As members of a board we are representing the board , we're not representing outside - we are board members working together so she thinks that sometimes can be difficult to do that. Stephenson said it may be difficult, but we will try. We are seeing more and more reporting at the municipalities and I think that's good. Transparency is good.

### **9. Director's Report**

As presented by Miller

Miller said she didn't do staff evaluations with each person because they all stepped up and went over and above this year. We are doing staff in service day tomorrow. We are talking about we are open by appointment and thinking about doing away with this as we never have more than four people at a time. Should we keep quarantining books? I'm thinking no because we know more now. My concerns that Covid cases are on the rise and we may wait before we make these changes and see what happens with people getting out and traveling more. We will start inventory tomorrow afternoon. Gary Gretel did install the shelf extenders and helped tremendously. Raises were given out in paychecks on Monday. I'm very impressed with the number of views we are getting online. Craft bags have been very popular. We've increased the number of bags to 50. Aaron (Hill) will be recording people reading poems for Poetry month in April. You don't have to be on camera. We'd love to have board members participating. Many

board members volunteered. IT will send out an email. In the financial report, our budget ended up \$635 negative. Miller explained and showed how this will be corrected. Our circulation numbers are way down. It's not surprising, but it is disheartening. Stephenson asked about vaccines in the staff. Miller updated the board.

Simpson said she must leave due to another commitment. She was excused.

## **10. Standing Committee Reports**

### **A. Personnel Committee:** Pollister Amos, Schuler, and Stephenson

Pollister Amos said the committee met three times. Yes the list of goals is long, but several of the things are being done now and we wanted to encourage that they continue. We also tried to incorporate things that had been mentioned by board members in their evaluation comments. If you approve this, the director and committee members will sign and it will go in the directors personnel file.

**Motion:** to approve by Schuler/Hults the goals for Miller as presented by the committee

Discussion: Miller said some of these are in the strategic plan right now and many are not measurable. She has no problem with these. The one she's most excited about is working with the committee to create a better evaluation. She is collecting evaluations used by other libraries to assist in the process. Stephenson confirmed that the new personnel committee will tackle that job. Schuler and Pollister Amos agreed. Pollister Amos agreed with Miller that an update is sorely needed since what we have been using is not really useful. Johnson said these are too many goals for one person to have for a year, some of these are in her job description or could be put into her job description, usually when you give somebody goals you would only have 3 maybe 4 and I just thought it was way too many for one person to deal with. Pollister Amos discussed the rationale behind the goals. Stephenson said changes would be addressed in the new evaluation format and he thought these goals were okay.

Schuler called the question.

Roll Call: Atkinson: Yes; Hults: Yes; Pollister Amos: Yes; Stephenson: Yes; Schuler: Yes; Johnson: Yes; Geddes: Yes; Simpson: Absent

Motion carried.

### **B. Financial Committee:** Geddes, Schuler, and Miller

No report.

## **11. Ad Hoc Committee Reports**

### **A. Strategic Plan Committee:** Simpson, Miller, and Stephenson

This was previously discussed and.

### **B. Capital Campaign Committee:**

No report

### **C. Building Committee:** Hults, Schuler, Miller

Hults said the Village has sent back to the building committee a revised version of what they would like to see in the lease. The building committee hasn't met to discuss these changes. That

will happen in the next few weeks. It will be a Zoom meeting available to the public, it will be posted and minutes will be taken. Schuler said we are still looking for comments from every board members regarding the lease. Hults said yes.

**D. Policy Committee:** Johnson, Geddes, and Miller

No report

**12. Friends Report**

Bacon said the small subcommittee is gathering info from other area libraries regarding other capital campaigns and we hope to have a report for our April meeting. Bobbit Bellingham has accepted the position of secretary of our board. We continue to search for an assistant treasurer to relieve Nell Lockhart of her weekly banking responsibilities. This is proving difficult for the winter months and would appreciate referrals. They also discussed of involvement of *Spring into Summer* and *Green ER* and other events and will provide volunteer help for what's needed. Miller discussed the upcoming events and coordination with the staff.

**13. Public Comment: Same rules as previous public comment**

Dianne Richter stated that she had a few comments this evening, and it's just to clarify a few things that I have observed through a few recordings and a different public comments over the last month.

In 1948, Katherine Dexter McCormick deeded to the residents of the Village of Elk Rapids, the Island House property. Shortly thereafter Ordinance 65 was written and best reflects the agreement between Mrs. McCormick and the Village. This ordinance was in effect until 1982 when ordinances 146 and 22 were written. The in January 2019, Chapter 10, Island House ordinance was written. There is one part of the ordinance that holds true in each of these rewrites and I will quote: "The Village Council shall have and retain full authority over the affairs of the Island Property and nothing contained in this section shall be deemed to waive or relinquish this authority. The council may delegate and relinquish, as provided in this chapter, certain administrative powers and duties but shall at no time surrender or waive its right of control over the Island property." It seems clear that the Village Council shall always maintain control over the Island property.

One more item I would like to just clarify is that I have also heard recently that that SHIPO has given approval already over the expansion of the property. To be more accurate, SHIPO gave to maintain historic preservation only *preliminary* approval and that was given based on reviewing the final plans. Once the final plans have been drawn up, SHIPO is to review those plans and make the final determination. I just wanted to clarify those two things. Thank you so much.

**14. Board Comments:**

Hults said in the ER Township meeting, there was a resolution adopted to support the library operation and expansion. He has a copy available for review. It basically supports the renovation project in it's current or suitable location and supports everyone having access to the library in perpetuity.

Atkinson said Milton chose not to adopt that same resolution. Milton board says it's common sense to expect our appointees to represent Milton Township's interests and to promote best practices of transparency, accountability and fiduciary duty and to perform the necessary due

diligence to make the best decisions. FTR (for the record), per 2020 tax rolls the municipality contributions are as follows: Milton Township contributes over \$183,500; Elk Rapids Township: \$76,800; and the Village of Elk Rapids: \$68,300. Considering Milton taxpayers are providing over 50%, we do not expect a proportional level of representation but we do expect full representation. A major obstacle is to clarify the library lease with the village and the deed restrictions and how it affects the ordinance passed in 2019. We cannot sidestep this issue by pretending it doesn't exist. It will come back to bite us in one year, five years, ten years, fifteen years, whatever it is, and it cannot be ignored. Decisions should be made regarding what is best for the library, period. Stephenson agreed. I also want to say, I appreciate the agenda and I hope it is a standard format so we know what to expect each meeting and love public comment at the start and end.

Hults asked if he should get input from the board to publish an agenda when we put the notice out for the building committee? Stephenson said this is a good idea. Miller said public comment should also be added to that agenda.

Pollister Amos said it's important that the public has the opportunity to attend our committee meetings. It may not be required by law but it's the right thing to do.

Miller said Capital Campaign does have follow open meetings act because they make decisions on their own, they don't come back to the board for approval. They should post their meetings and take minutes.

Hults asked if you think we will be in person for April? Not sure right now. Current regulations go through March 31<sup>st</sup>. If you have a public meeting and more than 25 people attend, you cannot ask them to leave. Discussion of adding a Zoom component to all meetings to encourage participation.

## **15. Adjournment**

**Meeting adjourned at 6:26 by order of the chair.**

Respectfully,  
Julia Pollister Amos  
Secretary, Elk Rapids District Library Board of Trustees