

Elk Rapids District Library Board of Trustees
October 8, 2020 Meeting held via ZOOM

approved 11.12.2020

1. Call to Order: By President Barb Johnson at 4:35 pm

Members Present: Liz Atkinson, Diane Geddes, Barb Johnson, Julia Pollister Amos (late because unable to connect to Zoom via invitation) , Karen Simpson, Chuck Schuler, Tom Stephenson

Members absent - none

Also Present: Director Miller, since this was a Zoom meeting, it was difficult to tell who else was attending. We do know that Dianne Richter, Laura Savoie and Terry Kuffner (sp?) were attending

2. Approval of Agenda:

Hults asked why Board comments was not on the agenda. Johnson responded that she planned those comments to happen during the closed session since we were going to adjourn immediately after the closed session. Hults /Atkinson questioned the appropriateness of that since it would not be in the public session. Add Board Comments at end of meeting.

Miller was just able to connect to the meeting (and only via phone not Zoom) and requested that the Torch Lake letter needs to be on the agenda. Johnson said she just put it in the packet as information to show what she was sending it to Torch Lake , therefore it didn't need to be on the agenda. Miller stated that she thought it had to be approved.

Miller also stated that the appointment of Chuck Schuler to the finance committee needed to be added to the agenda. It was on the agenda.

Simpson requested adding a vote on a proposal to move the Capital Campaign to a Foundation. Add under New Business.

Simpson requested adding approval to send the letter from Gabi Hill to the lawyer under new business. We can't discuss the letter because it has been sent into the Attorney General as a complaint. Add under New Business - later removed as unnecessary.

Motion to approve the agenda as amended by Schuler, seconded by Hults.

Simpson noted that Secretary Pollister Amos had not been able to connect to the Zoom meeting and asked if Recording Secretary Nicholson was connected. Bill Cooper stated that he did not see Nicholson connected, she was going to call in and knew about the meeting. Cooper noted that the meeting was being recorded all the way up to closed session. Miller stated that she can't see people talking because she is only on via phone and therefore can't tell who is speaking and would appreciate people identifying themselves. She asked that what was being added to the

agenda be repeated. During that, she pointed out that attorney Anne Seuryneck has already been given a copy of Gabi Hill's letter since she was given the board packet before the meeting. So no need to add that item to the agenda.

Pollister Amos was able to join the meeting at this point - logging in as an audience member from a different computer and then being added as a participant by Cooper.

Motion to approve the agenda as amended by Schuler, seconded by Hults

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried: 8-0

3. Public Comment:

Diane Richter: Reading the material in the packet was disturbing to me. The way I understand it the chair of the Capital Campaign Committee was on the committee as chair and then resigned and was then appointed as interim chair. Who is on the Capital Committee? The way I understand it is that the committee is advisory and the full board must approve everything. Is that correct? Johnson asked Simpson to respond and Simpson stated that by decision it means anything that would be a policy decision or something like that. For example when we asked to use Facebook that had to be approved by the Board. We don't have to ask the Board to run an event or anything like that. That's not a policy decision. Richter stated that she wants to know how the Board wants a committee to run stating that most boards have committees as advisory and then want to approve all things that they do so that the full board knows what's going on. I do not know Gabi Hill but I would like to applaud her for standing up for integrity, standing up for ethics, for demanding that the Friends of the Library uphold the law and it is clear from that letter that there has been a lot of mistakes made a long the way. As a citizen, I've gotten to the point after 5-6 years that this has to totally stop. This whole expansion and this whole Capital Campaign Committee must stop until this is straightened out and the community can have confidence in what is happening here.

Terri Kuffner: In regard to Richter's comment, I am newer to the area but have been keeping up with what's going on and have to agree. I know it's been a while since this campaign started. Many things have changed since you started collecting money for the library expansion. I think many opinions have changed on whether or not to do it. Sometimes you have to clean your slate and start from the beginning. Then maybe things will settle down and people can wrap their heads around it. When people feel like they are being deceived or not told the whole truth, they start doubting their leadership. So maybe to look back on it, it's always good to look back, things

have changed. Life changes. Covid changed things. Technology has changed since this was started. I myself don't see why you need such a huge addition, but FYI maybe we need to start again. Just my thoughts.

4. Approval of Minutes dated September 10, 2020

Simpson said a correction was needed : She moved to amend the minutes to reflect that Barb Johnson did vote and did vote no regarding her removal from the board. If you look on page 19 of your OMA handbook an abstention has the same effect as a no. She was requested not to vote, but she did vote.

Hults stated that in the motion he made it requested that Johnson recues herself from voting. Simpson stated that the motion requested that she recues herself but Johnson did not reply. Hults stated for the record - the request was made in the motion. Johnson stated that according to Roberts Rules she can vote.

Hults asked regarding the approval of minutes, regarding the capital campaign, was the number of \$20,000 from the Labor of Love correct? Simpson said yes, that is correct.

Miller also asked the question about the \$20,000 and stated she shows only \$9,130.00 was deposited so where is the rest? Simpson requested that Laura Savoie (who was in the audience) answer the question. Savoie said the last money came in online. Miller stated that maybe we should see reports of that and where it comes from. Simpson stated that could be provided. Savoie stated that when it comes in from the website, it comes directly into the Friends of the ERDL account.

Hults stated that he thought the Friends were not accepting donations. Simpson stated that was not correct. Simpson stated that there was one person on the Friends who stated that they were not accepting donations, but she is not the Friends. Hults questioned if she was the Chair. Simpson said that she was. Johnson stated that Hill can't make decisions on her own.

Simpson asked Savoie to get the reports to Miller and Savoie stated that she would.

Hults stated that we need to have accountability especially with the AG investigation - wondering how long we can continue to hide. Simpson stated that no one is hiding and that was an irresponsible statement to make.

Motion to amend the minutes as corrected by Simpson , seconded by Schuler.

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried 8-0

Motion to approve the minutes as amended by Simpson seconded by Schuler.

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried 8-0

5. Treasurer's Report and Approval of Bills:

Geddes stated the reports will be a little different from now on because of a policy change that we will be voting on next month. She presented a report, which is also listed as an attachment to these minutes. Miller discussed the expansion report and the pending list of bills. There was also a list of bills to be paid that was emailed earlier.

Motion by Schuler, seconded by Simpson to approve the treasurer's report

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Schuler: Yes

Simpson: Yes

Stephenson: Yes

Motion carried 8-0

ERDL Expansion sheet discussion presented by Geddes. Balance of \$1,564,556.71. The report, attached to these minutes shows how this is distributed amongst the profit and loss.

Motion to approve the expansion report by Schuler, seconded by Stephenson

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Schuler: Yes

Simpson: Yes

Stephenson: Yes

Motion carried 8-0

Per Geddes, discussion of additional checks and their approval. Geddes & Schuler met with Miller to determine what bills are recurring and which are not. Those are the ones that we have already voted on. There is also a separate page for bills that need to be approved today. These are checks that are not reoccurring. So we will have three different financial reports to approve at each meeting from now on. Miller stated that there are some on the recent list that are reoccurring but are in this bill pay cycle. She also asked if we could add the Baker & Taylor bill to reoccurring so the payment is not late. The other option is to change the meeting date.

(Atkinson stated that Recording Secretary Nicholson asked if everyone could identify themselves when speaking because she can't recognize the voices.)

Geddes stated that she did not want to change the meeting date, Johnson , Schuler & Hults said the same. Geddes stated that Baker & Taylor can be added to reoccurring. This will be part of the policy that the board will approve at our November meeting.

Motion to approve the additional checks by Simpson, seconded by Schuler.

Discussion: Hults has questions on the Zirmec/Wick bill and the Foster & Swift bill. On the Foster & Swift invoice for the 28th of August charge for 1/2 hour does anyone know who is the client/person that called on that bill? Johnson stated that was an email response but she doesn't know. Hults stated that he thinks the Foster & Swift invoices need to be more detailed so that we know who is making the calls to the attorneys. Miller stated that this has been requested. Foster & Swift said it won't be in detail because invoices are subject to FOIA but they will put the names of who called on future invoices. Miller specifically questioned the charges for an OMA issue while Miller was suspended and asked if anyone could explain it. No one answered the question.

Schuler commented that when the finance committee met, he would like to know and have names on these things. Miller said she would too and has asked them to do that, but they did not. Schuler stated, that in the future, we need to have that done because we have no idea who has contacted the attorneys. It just doesn't make sense. Miller pointed out that she has already asked Foster & Swift to do that. Schuler reiterated that he wants names on the invoices identifying who called. Hults suggested the Schuler ask the attorney during their conversation later.

Motion by Simpson , seconded by Schuler to approve the second list of bills as presented.

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried 8-0

Motion to approve the bill from the attorney Zirmec/Wick by Schuler. Seconded by Geddes.

Discussion: Hults asked who is the major donor on this bill? On the back of the bill it says meeting with the major donor. Simpson asked why he needed to know that. Hults replied that he was asking for transparency. Simpson says it was a meeting with herself and a major donor and she doesn't think she needs to reveal who it was. No answer was given.

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried 8-0

6. Correspondence: Johnson reported that there were letters in the packet that could be "read at your leisure". Hults had questions regarding the letters. He stated the one of the letters Simpson referred to consulting a lawyer. What lawyer is she consulting with? Simpson stated that it's not the library lawyer and she should not have stated "our lawyer" she should have stated "my lawyer". Simpson stated that she wanted to remind everyone that the board doesn't answer to the Friends. Pollister Amos asked how the money can run through the Friends bank account but the Friends have nothing to do with it? Simpson stated that it was because the board made an agreement with the Friends. Johnson stated that we made an agreement with the Friends when we made an agreement with Independent Bank to take care of our funds. The library board and the Friends went there together and made this decision. Pollister Amos asked what the decision was. Johnson replied that the decision was that since the Friends are a 501(c)3, the money would flow through them and then go to the library account so the donors who wanted the 501(c)3 tax (deductions) could use it. Miller stated that there is no documentation of such an agreement. She said the herself, Johnson & Geddes set up the account at Independent Bank and no one from the Friends was there. She stated again that there is no documentation of such an agreement. Johnson stated that what the two Vice President's had decided to do it that way. Miller stated that the bank has nothing to do with it, it's the Charitable Trust Act that has something to say about it. Geddes stated that she thought Susan Calkins was there. Miller said she was not. Johnson said it was the bank that helped set this up and no one told them that they were doing anything wrong. Hults asked Johnson if there was any documentation to this stuff? Someone is going to have to come up with this stuff sooner or later. Johnson stated that we are trying to set up a new idea of how to handle things. Hults stated that we need to correct what we have before we try something new. Johnson said she's having a problem understanding why all of a sudden this is a problem. Simpson called point of order and said we cannot have this discussion this since it's gone to the Attorney General. Miller said it was a public record. Schuler said we can't discuss it. Hults stated that we will likely be subpoenaed and that it's all going to come out.

7. Unfinished Business:

A: Elect Vice President

Geddes said we have a volunteer - Schuler
Simpson nominated Schuler , seconded by Geddes.

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: No

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried 7-1

Committee Appointment: Johnson appointed Schuler to the finance committee.

8. New Business:

A. Bill Paying Policy: Miller discussed the policy and the updates to the changes. This will be voted on at the next meeting.

B. Foundation

Simpson proposed the idea of creating a Foundation and moving the Capital Campaign to a Public Library Foundation. Simpson discussed what this means. By creating a Public Library Foundation , a nonprofit organization, the library would be taking an active step in building proactive community partnerships and vocal community advocates for the library. The Foundation is different than the traditional Friends efforts by involving non-library users as well as library patrons to increase awareness of library resources and services throughout the entire community. The nonprofit status of a Foundation provides a platform for raising money and support for current library services as well as securing a financial future for the library. There will be a board of seven people comprised of professionals who are committed to the project who are not driven by personal and political agendas or egos. This is will provide sustainability and credibility to the project. This would also create financial partnerships with the Foundation it will be led by local movers and shakers it conducts large fundraising efforts and would focus on the community as a whole.

Motion: Simpson moved, Schuler seconded to move the Capital Campaign to a Foundation.

Discussion: Geddes asked do you have a lawyer overseeing this ? Simpson said yes. Atkinson asked are you proposing to move the current Capital Campaign Committee funds to the new Foundation? Simpson stated that the lawyers would have to figure that out. Atkinson said she would like to see the board bring the current Capital Campaign numbers into balance between what we have and say we have \$1.8m \$1.9 and 2 million, there are so many different numbers out there that I would like to back pedal and bring those numbers into balance so we can be confident in what we say we have and what is reported before moving forward before adding another layer of financial issues. Simpson is confident that will happen. Atkinson said she

doesn't want to approve a new way until we know what was done in the past. Schuler asked if Geddes has that information. Geddes replied that she has the report that was in our packet - the profit and loss, the balance sheet, and the profit/loss budget vs actual for the expansion. Atkinson said it needs to be reconciled with outstanding pledges, what's been coming in. There is a big discrepancy on all of our numbers. Simpson stated that there is not a discrepancy with what's in the bank. We have pledges that are the additional money. Hults asked if the pledges information was available and Simpson said they can provide an itemized list but it won't show the names. This can be available tomorrow. Atkinson said she would like to see this list and what the payment agreements are. I'm sure the numbers change weekly/monthly but we aren't seeing those funds increase in the bank. Geddes said we wouldn't see them until they are paid. Atkinson asked if they weren't paying on pledges? Simpson said no. Some say they would pay when we start digging, some pay every year. Atkinson said then we want to see what those agreements are to back up what you say you have \$1.8m or \$1.9m. How do we get to those numbers that are reported in the minutes? It's a big discrepancy and it's a big hole in our argument as to what money we actually have. Simpson reminded that what we actually have is on the financial reports each month. Atkinson reminded that when the minutes say we have \$1.8m we need to know where the gap is. Simpson stated she will email the additional reports. Atkinson also asked for much more information on the Foundation. Who makes it accountable? Is it under the umbrella of the library board or is it a separate entity? Simpson stated it was a separate entity which is the whole point. Miller asked who was setting up the foundation. Simpson stated that she was setting it up with a lawyer and the board members of the foundation will be the founders of it. Miller asked if it would include Simpson because she cannot serve on the library board if she is. Simpson stated that she would not be on the library board. She would resign from the library board to serve on the foundation board. Hults asked for more information and stated that we cannot pass something like this until many questions are answered. Johnson stated that we need to rush because the lawyer was waiting for us. Simpson clarified that we are voting on whether we want to move the Capital Campaign to the Foundation, then she would bring a resolution from the lawyer that would have more details as to how this is going to be set up. Hults stated that it should be reviewed by Seuryneck for sure and should be discussed over the next meeting or two. Hults made a motion to table but that motion cannot be made until the motion on the table is voted on. **Schuler called the question.**

Roll Call:

Atkinson: No

Geddes: No

Hults: No

Johnson: Yes

Pollister Amos: No

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion failed 4- 4.

B. Mediation

Johnson said she sent emails out about doing a mediation and she would like to have a vote so

that she can investigate mediators to help us. Geddes asked what we are mediating? Johnson said this is the relationship between the board and the library. Geddes - sort of a team building exercise? Johnson said correct. Pollister Amos asked if this was done before? Johnson, Hults Schuler said yes. Johnson said this has been recommended to do again. Pollister Amos asked why we would expect a different outcome this time? Johnson , Schuler said because we have different board members this time, we would use a different mediator and Geddes said we have different issues this time. Geddes stated that she thought everyone felt good after the last one and we could use another one. Schuler said it's certainly worth a try. Pollister Amos asked where you would find a mediator, what sources, would we have any input into the choice? Johnson will investigate and bring the choices to the board, and then we can make a decision. I have to know if the board is willing or not. Hults asked please find at least three and then the board can consider their bios and then the board can decide. Schuler agreed. Johnson said she would do that.

Motion to review mediators and bring to board a future date by Hults, seconded by Schuler

Roll call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried 8-0.

9. Reports:

A: Directors Report: Johnson asked to get through this quickly because we have the lawyer waiting. Miller asked that all board members please read the report because it details what has been done at the library. She also discussed the complaint from Cindy Ciaravino. Johnson said she sent Cindy an apology. Miller stated that Ciaravino asked for a public apology and what Johnson sent was an email , through Miller , to Ciaravino stating that she had lost her temper. Johnson doesn't understand why her apology needs to be in public since it was done in public. Simpson suggested that Johnson do a public apology during our next in meeting when Ciaravino is attending. Miller doesn't know if Ciaravino will file with the Department of Labor. Geddes said this is small potatoes . Hults asked if Pollister Amos is a signatory yet? Geddes stated not yet. This must be done with the approved minutes from the September meeting. It can be done now that the minutes are approved, she will take those minutes to the banks to get it set up.

Stevenson reported on the 10 new hotspots that the library obtained. Today he discussed with Aaron that one of them was working with Munson on the Tele-Health project they have going. He discussed it with his team and expects there will be a national article on that.

Geddes said that she thought that we should leave the current signers on the bank account as they are.

B: Friend's Report:

No report given.

C: Personnel Committee

Pollister Amos reminded the Board that the director evaluation process starts this month. Forms are in the packet, please complete and have back by the December meeting. The summary will be provided to the board at the January meeting.

D: Capital Campaign Committee Report: Simpson stated there was no report.

Hults asked if there had been any meetings? Simpson stated no. Questions were asked about transparency. What is there to report to us? Simpson says just the financial report that Miller provided that was in our packet.

E: Building Committee Report:

Hults reported he and Schuler had a discussion about going back to the Village and getting an amendment to the existing Village lease. There are things that we would like to add to it. It would give us a little more control over our destiny should we start improving the property. Schuler said he and Schuler need to get together to see what we need to add and then we will meet with Cooper. Schuler said he and Hults need to go through the lease and decide what they need to add to the current list. Hults said they would have an update at the next meeting.

Johnson stated that we need to move into closed session which means that Cooper will sign off and Stephenson will be Zoom host for that portion of the meeting.

Motion: Schuler motioned, seconded by Simpson that the Board go into closed session to discuss a confidential written legal opinion that is subject to attorney-client privilege.

Roll Call:

Atkinson: Yes

Geddes: Yes

Hults: Yes

Johnson: Yes

Pollister Amos: Yes

Simpson: Yes

Schuler: Yes

Stephenson: Yes

Motion carried 8-0.

Cooper left the meeting and reminded us that our Zoom session will end abruptly at 6:15pm. Stephenson removed others in the audience that were still attending. Johnson asked Miller to leave the meeting.

10. Closed Session to discuss confidential written legal opinion

11. Back from Closed session at 6:08pm Stephenson still hosting Zoom

12. Board Comments (added)

none

12. Adjournment

Motion: Schuler moved, seconded by Stephenson that the meeting be adjourned at 6:15.

Atkinson - yes

Geddes - yes

Hults - yes

Johnson - yes

Pollister Amos - yes

Schuler - yes

Simpson - yes

Stephenson - yes

8-0 motion carried

Respectfully,

Julia Pollister Amos

Secretary, Elk Rapids District Library Board of Trustees

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