

**MILWAUKEE PUBLIC LIBRARY
BOARD OF TRUSTEES
REGULAR MEETING
MINUTES
Wednesday October 21, 2009
Central Library Meeting Room
814 W. Wisconsin Ave.**

PRESENT: Ald. Milele Coggs, Sharon Cook, John Gurda, Ald. Nik Kovac,
Sup. Theo Lipscomb, Joan Prince, David Riemer, Marty Schreiber,
Gretchen Schuldt, Dir. Bruce Thompson, Paula Kiely

EXCUSED: Ald. Ashanti Hamilton, Art Harrington

STAFF Bruce Gay, Joan Johnson, Dawn Lauber, Bill Lenski, Kathryn Mlsna,
PRESENT: Sandy Rusch Walton, Taj Schoening, Crystal Sura, Paul Wilant, Judy Zemke

OTHERS Amy Hefter, Legislative Reference Bureau
PRESENT: Jake Miller, Budget and Policy Division

President David Riemer called the meeting of the Milwaukee Public Library Board of Trustees to order at 8:17 a.m. on October 21, 2009 with a quorum present. Trustee Coggs participated by conference phone.

Agenda items were taken out of order; however, these minutes are presented in numerical sequence.

PUBLIC COMMENT None

APPROVAL OF MINUTES Trustee Gurda moved and Trustee Thompson seconded a motion to approve the September 23, 2009 meeting minutes, shown as attachment A of the agenda packet.

COMMITTEE REPORTS

1. **Services & Programs Committee.** Committee Chair Sharon Cook deferred to Trustee Schuldt to report out from the September 30, 2009 Library Services & Programs Committee meeting. Trustee Schuldt referred to the September 30, 2009 Committee agenda and minutes presented as attachment B, page 20 of the agenda. Trustee Schuldt stated that the Committee accepted Library Administration's recommendation to award the contract for equipment and services for Radio Frequency Identification (RFID) and Self-check Systems to Integrated Technology Group in the amount of \$2,744,964. Technical Services Manager Bruce Gay provided an overview of the vendor selection process and a brief description of the automated system that will include self check-out and checked-in/sorting of materials. Trustee Gurda asked about compatibility with the other libraries in the Milwaukee County Federated Library System. Mr. Gay reported that industry standards have been developed and the companies now guarantee that their products will meet any future standard. Trustee Schreiber asked if this system provides improved inventory control. Ms. Kiely responded that it would. The library has seen extensive cuts to the public service staff in the last few years and this product will help support the remaining staff. Trustee Cook stated that purchase of the RFID system has been discussed for a few

1. **Services & Programs Committee.** (continued)

years and asked Mr. Gay to describe how the money was allocated. Mr. Gay stated that the library has \$2 million in capital funding in 2009 and \$1.5 million additional capital funding in 2010. Trustee Cook remarked that this is a very positive endeavor for the library. Trustee Thompson moved and Trustee Gurda seconded a motion to approve the recommendation to award the RFID contract to Integrated Technology Group in the amount of \$2,744,964. The motion passed with Trustee Coggs abstaining due to not having seen a visual demonstration.

Motion passed.

2. **Building & Development Committee.** Committee Chair John Gurda reported out from the October 15, 2009 meeting, referring to the Recommendation for Contract Award for Centennial Hall – Audio-Visual Project memo, dated October 13, 2009 that was distributed at the meeting. Vice-President Gurda stated that the AV system in Centennial Hall is not operable and the library issued an RFP for its replacement. Due to a lack of a quorum at the Committee meeting, the item is submitted to the Board as a Committee of the Whole. There were three bidders, with AVI Systems being the low bidder. Vice-President Gurda moved to award the contract for the replacement of the audio visual system in Centennial Hall to AVI Systems in the amount of \$81,281. Trustee Thompson seconded the motion. The October 15, 2009 Building & Development Committee meeting minutes and the Audio-Visual Project memo are attached at the end of these minutes.

Motion passed.

Villard Square Library documents, presented as attachment C, page 29 of the agenda, were referred to. Vice-President Gurda explained that capital projects in low-income areas, such as Villard Square, may benefit from the federal New Market Tax Credits (NMTC) program. Vice-President Gurda summarized the table titled Villard Library, dated 10/7/2009 on page 30 of the agenda and the Villard Library Model Example on page 33. Director Kiely added that the City and the Library Board are not eligible to apply for NMTC. However, a non-profit agency such as the Redevelopment Authority of the City Of Milwaukee (RACM), is eligible and has expressed a willingness to enter into a partnership with the Library. The NMTC would bring \$500,000 to the project to offset the City's investment. Director Kiely asked the Board to support moving forward with the project, with the library leasing the space for seven years with an option to purchase. Ms. Kiely reminded the Board that several meetings have taken place to determine a budget for the purchase of the property and the build out of that condominium library space. The Building and Development Committee had asked that an outside estimator be hired to review the project developer's Preforma to compare costs to other similar projects. Ms. Kiely reported this was underway.

Funding and risks were discussed. Trustee Lipscomb stated that discussion on the structure and purchasing are risks and elements that we face whether we use the tax structure or not. The tax structure gives us financing of 18-20% equity which reduces the cost of the library. Trustee Lipscomb stated that he supports Trustee Schreiber's proposed motion, with the knowledge that the term sheet will be reviewed prior to commitment. Trustee Lipscomb moved and Trustee Schreiber seconded a motion to move forward with the project as a tenant, taking advantage of the New Market Tax Credits.

2. **Building & Development Committee.** (continued)

President Riemer expressed concerns about escalating costs, suggesting a friendly amendment approving the concept, predicated on it costing no more than the \$2.18 million as shown on the model. Trustee Lipscomb clarified that the city's contribution is \$2.75 million and the summary numbers are an example used for explanation. President Riemer stated that if the dollar amount committed from the taxpayers is whatever principal and interest are on a capital expenditure of \$2.75 million, he would like to have that dollar amount attached to the motion in some manner. Trustee Schreiber stated that if the Board takes Trustee Lipscomb's motion and his second and he suggests by unanimous consent we amend the motion to say that we approve it in concept to the extent of \$2.7 million and that if it is more than \$2.7 million, it must then come back for Board approval. Vice-President Gurda said the amount is \$2.75 million. Trustee Coggs asked what happens if the 2010 capital improvement budget for the library is not the amount that was requested. President Riemer said that the library will have to figure out where to get the money, cut the costs of the project, or abandon it. Trustee Lipscomb wondered if the Board is over thinking this step. He added that there is an offer to purchase and many other steps that will take place before there is an actual decision to move forward and his motion wasn't intended to be that. He just wanted to move forward in concept as outlined in the attachment C, pursuing this deal to see what terms we would be able to get in the market and pending the outcome of the city budget. The motion doesn't authorize the purchase of the condo or authorize the library to enter into a new market tax credit deal at this time. It does allow library administration to move forward with those discussions. Vice-President Gurda stated that it signifies the library Board's willingness to proceed as partners. Trustee Lipscomb agreed and added that the main change from what the Board heard before and what is now being presented is that in this structure the library is a tenant which allows for the use of the New Market Tax Credits. Trustee Schreiber withdrew his previous request for unanimous consent and stated the question should be moved as outlined by Trustee Lipscomb. Trustee Prince reiterated that the project contracts will come back to the Board. Trustee Prince asked that the Board move forward with the concept. President Riemer stated that he does not feel comfortable giving authority without indicating the price associated with it. Trustee Lipscomb reiterated that in his motion he referenced the model titled Villard Library, (attachment C), that lists a price range, subject to seeking similar terms. A fair price for the condominium will be determined at a future meeting. Vice-President Gurda stated that a recommendation for a purchase price will come back to this body. President Riemer asked for restatement of the motion. Trustee Lipscomb clarified that his motion would approve the concept, as listed on the document on page 30, that uses a range. He added that it is still subject to the City approving the second capital funding allocation and the tax credits being awarded in the amount projected. It allows library administration to move forward in pursuing this plan, but does not authorize them to enter into any agreements. Further discussion and clarification of the change to leasing ensued. President Riemer asked, with the clarification of the motion, if the Board was prepared to vote. At the request of Trustee Cook, President Riemer moved the question. The motion passed by a vote of nine to one. Trustee Coggs stated for the record that she did not support leasing libraries. She added that she understands the need for the New Market Tax Credits for the funding.

Motion passed.

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3. **MPL Finance & Personnel Committee.** Chair Marty Schreiber reported that the Finance & Personnel Committee met earlier on October 21, 2009. Mr. Schreiber stated that Investment Specialist Kevin Moloney provided a quarterly report of the MPL Trust Fund investments to the committee. Since most of the Board members were present for the report, President Riemer asked for unanimous consent for acceptance of the quarterly investment report of the MPL Trust Fund.

Approved by unanimous consent.

Library Business Operations Manager Taj Schoening reported that all reconciliations and statements have been found to be in good order. The agenda, minutes and investment account summary of the October 21, 2009 Finance & Personnel Committee meeting are attached.

Informational item.

OLD BUSINESS

4. **Facilities Plan.** Director Kiely distributed a summary document titled Rethinking Libraries for the 21st Century – Options and reviewed the steps leading up to their development, indicating the need to make a decision. The options document is attached at the end of these minutes. After discussion on public opinion and the difficulty in predicting future budgets, President Riemer suggested that the Innovation and Strategy Committee meet before the next regular Board meeting to decide on options to recommend to the Board for approval. President Riemer asked that Library Administration present several options at the meeting that include specific geographic scenarios. To prepare for the 2011 budget, the Board expressed interest in piloting an express center in an area of the city where the model would be expected to be successful. Concern was expressed regarding the limited open hours and our ability to provide convenient customer service. Trustee Schuldt stated that an express center located in a business that provides more hours may bring back patrons that the library is losing because the buildings are closed. Director Kiely stated that due to staff shortages, Library Administration and the Board should consider that fewer library buildings with more hours will increase patron access to library materials and resources and provide a stronger level of service. Director Kiely reminded the Board that at the last Innovation and Strategy Committee meeting, a recommendation to support the area library concept was supported and should be considered. Trustee Prince asked if the Board could agree to direct Library Administration to move forward with a strategy to model an express center library. Trustee Schreiber stated that he does not feel comfortable that the library has explored other outlets for access for the library system such as firehouses. Trustee Cook stated that library facilities discussions have been ongoing and time is relevant. President Riemer requested an outline of the Board's Innovation and Strategy Committee's recommendation. Director Kiely will schedule a meeting of the Board's Innovation and Strategy Committee in early December.

Motion passed.

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5. **Budget Update.** Director Kiely referred to 2010 Proposed Budget Overview, attachment E, page 36 of the agenda. Ms. Kiely distributed and summarized the following documents 1) Library – 2010 Proposed Budget, 2) City Budget Materials Allocation and Percent of Budget (1994 to 2010 Proposed), and 3) 2010 Public Service Proposal – Weekly Schedule

5. **Budget Update.** (continued)

Changes, all attached at the end of these minutes. As directed by the Board, the information will be posted at mpl.org.

Informational item.

NEW BUSINESS

6. **2010 Meeting Dates.** The Milwaukee Public Library Board of Trustees 2010 Schedule of Meetings was distributed. The schedule lists additional recess months in February and December and provides a quarterly meeting schedule for the Finance & Personnel, the Library Building & Development and the Library Services & Programs Committees. Trustee Gurda moved and Trustee Prince seconded a motion to approve the MPL Board of Trustees 2010 Schedule. The Board 2010 Schedule of meetings is attached at the end of these minutes

Motion passed.

ADMINISTRATIVE REPORTS

7. **Personnel Actions.** Library administration reports the personnel activity for the month of September. Director Kiely commented that because of the loss of job security due to budget constraints, resignations are being experienced and recruitment may become an issue.

Informational item.

8. **Financial Report.** Financial reports for October 2009 were presented and accepted.

U. S. Bancorp Commercial Paper #362075564 (rated A1/P1/F1+) dated 09/02/09 and maturing 10/02/09 at a rate of 0.12%.....\$417,000.

Informational item.

9. **Library Director's Reports.** The Library Director's Reports were reviewed. Director Kiely recognized Extension Services Coordinator Dawn Lauber's receiving the 2009 Spirit Award for her involvement with the Literacy Council of Southeastern Wisconsin.

The circulation, patron, electronic and computer use reports were reviewed. The circulation and patron counts dropped but are on the mark for projected figures, given reduced hours.

Informational item.

With no further business, the Milwaukee Public Library Board of Trustees meeting of October 21, 2009 was adjourned at 9:55 a.m.
