



New Orleans Public Library
Regular Board Meeting
ZOOM Teleconference
Tuesday, September 8, 2020
4:30 p.m.

NOTE REGARDING PUBLIC COMMENT:

The legal purpose of open meetings is to allow individuals to observe and participate in the deliberations of public bodies. Meetings of public bodies must be open to the public unless closed pursuant to a statutory exception, such as set forth in R.S. 42:16 – 42:18, which authorizes closed executive sessions. Public bodies must provide an opportunity for public comment prior to action on the agenda item upon which a vote is to be taken. The governing body may adopt reasonable rules and restrictions regarding the comment period. R.S. 42:14, requires each public body, except school boards, conducting a meeting that is subject to the notice requirement of R.S. 42:19(A), to allow a public comment period prior to action on an agenda item upon which a vote is to be taken.

NOTICE OF TELECONFERENCE MEETING:

This meeting is being conducted via teleconference per Executive Order 59-JBE-2020 Section 2.C, which states: “All state agencies, boards and commissions, and local political subdivisions of the state shall continue to provide for attendance at essential governmental meetings via teleconference or video conference and such attendance shall be allowed during the pendency of this emergency. All efforts shall be made to provide for observation and input by members of the public. Before any meeting conducted pursuant to this section, the state agency, boards and commission, or local political subdivision of the state shall first provide a written certification that it will otherwise be unable to operate due to quorum requirements. Such certification shall be posted at the same time and in the same manner as the agenda for the meeting. Nothing in this order shall be interpreted to waive any notice requirements.”

MINUTES

- I. **Call to Order** — Board Chair Phala Kimbrough Mire
 - A. The September 8th regular board meeting was called to order at 4:30 p.m.

- II. **Roll Call** — Executive Assistant, Tammy Hanson (4:30 p.m.)

Board Members Present:
Chair, Phala Kimbrough-Mire
Vice Chair, Vonda Flentroy-Rice
Secretary, Andrea Neighbours
Treasurer, James Chassee
William Settoon
Raquel Dufauchard (late arrival)
Daniel Tapia
Absent: Mary Moran Larry Eustis III

Staff Members present: Executive Director, Dr. Gabriel Morley; Executive Assistant, Tammy Hanson; Budget Manager, Michel Thompson; Marketing Director, John Marc Sharp

III. **Public Comments** — Phala Kimbrough Mire (4:32 p.m.)

- A. Tara Madden - According to March 10, 2020 minutes, Budget Manager Michel Thompson reported that the reserves were \$7 million. What is the reserve amount today and what percentage of the library reserves will be allocated for operating expenses for 2021-2022? In addition, which capital projects and items from the strategic plan will be cancelled due to the reallocation of reserves
- B. Ann McKinley – Ms. McKinley is opposed to any reduction in library funding. The city believes that the library is overfunded due to a small surplus. They would like to overturn the rule of the electorate in order to gain control over the dedicated library millage resulting in a 40 or 50% budget reduction. The city has also issued a threat to voters: “Let us have control of these funds in a special election or we will make even deeper cuts to the library budget.” However, voters do not have to accept these as the only two options. If there is a small surplus, why aren’t you spending it? Libraries are needed now more than ever during the pandemic for school-age children, jobless citizens, and displaced persons. We don’t have enough materials or services now. The library is underfunded even with the millage, which should not be cut by any amount. Over 900 people commented at the city council meeting on this topic and the majority were horrified at this proposal. The specifics been vague as to where these stolen library funds go. How does the city justify the expense of a special election and advertising, which will reduce any amount gained? Why go after the small library fund instead of larger budgets?
- C. Dana Trosclair – Posed the following questions: How can a library system that only recently emerged from the destruction of hurricane Katrina and a significant structural deficit afford to operate on less than half of the voter-approved millages? How does the proposal create efficiencies without any cuts? Where are the dollar savings? If the library I/T department is replaced by the City I/T Department, what is the plan to enhance cybersecurity for both entities?
- D. Jen Kitner, President of Friends of NOPL. The Friends will continue their support of the NOPL, but poses the following question: Based on the City’s presentation, the library will receive approximately .661 of the proposed library/early education millage. This is just 16.5% of the original 4.0 millage approved by the voters in 1986. Why is this not clear on the ballot that is going before the voters and why does the resolution not clearly state mills dedicated to early childhood education? The Friends of the NOPL and library itself are very much in support of Early Childhood Education and do not want it to appear that the NOPL is not supportive of Early Childhood Education.
- E. Courtney Kearney Vice President of Friends of NOPL – As trustees, Friends of the NOPL are core advocates for the library, and want to know why we should or should not support the upcoming millage referendum. What is the path going forward to ensure the library system is protected?
- F. Tracy Canovan – Once the reserves are spent, where will the money come from to cover the \$7.5 million annual loss due to the proposed millage? At the City Council meeting on August 18th, Gilbert Montano stated that the library will need to identify

new opportunities for revenue generation as well as identify further cost efficiencies and savings. Can the Board and Mr. Montano clarify these potential new opportunities?

- G. Austin Rehar – In the previous discussion of the budget cuts Mr. Montano mentions the Front Door Pilot Program as an option. What is the Front Door Pilot Program and how would it impact the NOPL revenue and budget? Would it generate revenue and if so, how much? How would it affect other entities?
- H. Shannon Fatonovich – If the people vote against the resolution in December and this is perceived as supporting the NOPL, will the Mayor call a second special election to renew the expiring millage next year?

IV. Action Item: Approval of Consent Agenda — Phala Kimbrough Mire (4:40 p.m.)

- A. Review of draft July 14th Regular Board Meeting Minutes
- B. A motion was made by Ms. Flentroy-Rice to approve the July 14th Regular Board Meeting minutes as distributed. Ms. Dufauchard seconded the motion. The motion carried unanimously.

V. Information Items

- A. Executive Committee Meeting Minutes – Phala Kimbrough-Mire (4:42 p.m.)
 - 1. A replacement of Mary Moran’s board seat has been identified and awaiting City Council approval.
 - 2. Due to a recent move, Mr. Chassee is resigning his position on the NOPL Board of Directors. Mr. Chassee will remain until a replacement is appointed. Ms. Neighbours asked if backgrounds of new board members will be considered. Ms. Kimbrough Mire responded that a potential member’s skillset will be identified to make appropriate suggestions to the Council for approval.
- B. NOPL Foundation draft of articles update — Phala Kimbrough-Mire (4:46 p.m.)
 - 1. Ms. Waiters’ schedule did not allow her attend this meeting, however; the Foundation is working on new Articles of Incorporation and will meet on September 21st to look at the Strategic Planning consultant contract. Dates when the Foundation Board and the NOPL Board can meet to discuss the draft of the Articles of Incorporation are being determined.
- C. Strategic Planning Update — Andrea Neighbours (4:48 p.m.)
 - 1. Michelle Thomas of the Thomas Consulting Group was selected as the Strategic Planning Consultant/Facilitator. Ms. Thomas’ focus is on implementing operational efficiencies. She has worked with Cory Booker, the finance authority of New Orleans, as a lead consultant for Mayor Cantrell’s transition team, and housing organizations. After collecting data from the administration, she will hold stakeholder interviews and work with the NOPL Board to revise our mission statement, goals and objectives, and key performance indicators, etc. This will begin as soon as the Foundation approves and signs her contract.
- D. 1st & 2nd Quarter Dashboard —John Marc Sharpe (moved to end of agenda, 6:05 p.m.)
 - 1. The initial effects of the closure due to COVID produced 23% fewer visits, reduced printing, digital resources increase, there were fewer programs and

attendance, 28% fewer new library accounts and circulation decreased by 26.5% . By the 2nd Quarter digital resources increased by nearly 60%. Web page use and virtual programs decreased. The Q1 and Q2 reports are available on the staff intranet.

2. Mr. Settoon inquired if the increase in the digital downloads caused any system issues with computer systems etc. Mr. Sharpe responded that there were no issues.

VI. Discussion Items

A. Executive Director's report —Dr. Gabriel Morley (4:51 p.m.)

1. Bids for the Nix ABA Project opened on September 4th. The lowest bidder was MLM Construction. As contracting could take up to 90 days, the project will begin the first part of 2021.
2. We are attempting to expand contactless services by offering printing services. Patrons are also able to pick up their Real card if they have been using an electronic card.
3. NOPL is working with the City to give Hurricane Laura evacuees computer access to do FEMA paperwork. There has not been a huge demand thus far.
4. NOPL is partnering with the City's new Office of Business and External Services to identify how we can perform external outreach such as permitting etc. Instead of making people come to city hall, we will set up satellite stations at various branches so patrons have access to services after normal business hours. Keller is slated to begin in October. Second phase is to expand to ENO and make that enterprise space accessible.

B. Mayor's Office Update — Gilbert Montano, City CAO (5:05 p.m.)

1. Mr. Montano gave a presentation to the board detailing budgetary rededications. Identifying cost to services analyses requires that the city look at all revenue streams and expenditures to determine short-term and long-term needs.
2. The City is shifting to a zero-based budgeting process. (Every department has to start at zero versus having carryover budgets.)
3. Due to COVID-19, budgets have declined; thus, the millage package has changed drastically. GDP has declined by double-digits. This is comparable to post-Katrina, but federal dollars that were infused after Hurricane Katrina have not occurred with the pandemic. The City has not recovered from the Great Recession and COVID has exacerbated this recovery. Thus, recovery from the pandemic will likely not begin for another 5 to 7 years.
4. Mr. Montano identified the City's base-line operating costs will reach close to a \$100 million deficit by year's end.
5. The City is using advanced analytics to identify where cuts can be made to recover revenue as the 2021 budget is constructed. Controlling positions and expenditures has reduced the overall deficit. Revenue shortfall is primarily due to sales and tax revenue decline in our tourism and hospitality industries.
6. A major hit to recovery has been a reduction in the CARES Act appropriation which was originally set at \$1.8 billion for the State. Senate Bill 189 eliminated \$300 million of allocated funding for municipalities. Administrative guidelines changed disbursement of funds at 70% COVID infection rate and 30% population. During New Orleans' high infection rate, available funding stood at \$43 million. As infection rates decline, funding will continue to dissipate.

Projected allocations for these one-time funds are expected to be approximately \$7.5 million.

7. Pre-COVID, the millage rate was 8.68 mills in 2019. Negotiations reduced the millage rate to 5.82 mills for 2020. Post-COVID, the City Council and Mayor's Office wanted to focus on a tax decrease. Infrastructure and housing as well as funding for Early Childhood initiatives is a priority in the current millage package that will be voted on in December. Because a third to one half of job losses are not expected to return, focus has been on jobs and economic development.
8. An estimated \$10.5 million will be dedicated to infrastructure & maintenance and \$4 million to Library & early childhood education.
9. The estimated taxpayer relief will be approximately \$18 less per year on a \$200,000 homestead.
10. According to estimates, the NOPL has underspend the current millage by 11 percent. According to the Budget Office analysis, \$17 million has been budgeted to the library over the past three years and is anticipated to grow to a fund balance of \$12.5 million by year's end due to tax increases.
11. Revenues will be cut by 20% for every city department post-COVID. Layoffs and furloughs may occur in 2021. The hope is to reduce a duplication in services as cost-saving measures.
12. Emily Wolf spoke to the board about the link between the NOPL and Early Childhood initiatives and how we can focus on early literacy to ensure every child is reading by third grade. Currently, only 31% of New Orleans third graders are reading at grade level.
13. Mr. Chassee noted that taking an average three-year cost approach does not realistically identify the library's current and future spending, pointing out the recent addition of branches and the relocation to larger facilities. Approaching 2021, the library's expenses are closer to \$19 - \$20 million. During the first year of receiving millage dollars, the library hadn't yet grown into its current expenditures. Mr. Montano responded that his department looked at the overall available data to develop spending trends and best accounting practices precluded considering yearly baseline budgets; thus, the priority to convert to zero-based budgeting. Mr. Chassee pointed out that the current average starting point of \$17 million/year to finance the branches and subsequent programming that have recently been added will not suffice without eliminating those additional expenses and the proposed budget will fall short of the NOPL's current infrastructure and operations. Mr. Montano responded that the decision to go to zero-based budgeting and averaging over a set number of years allows for organizational growth and provides a more accurate trend so that future cost projections can be made.
14. Mr. Chassee stated that per a former agreement, the library is not liable for capital expenditures. The library's primary responsibility is for operational costs. Mr. Chassee asked where recent capital requests stand. Mr. Montano responded that any operational funds included in capital building expenditures were taken into account and 100 percent of capital expenditures have been approved. Mr. Chassee asked if there has been any progress for the library's request for \$20 million for archives and Main library updates. Mr. Montano responded that 100 percent of the library's requests were approved (\$2.1 million for roof repairs and \$2.5 million for archives).

15. Mr. Settoon pointed out that according to Mr. Montano's presentation the new millage proposal amounts to an 11% cut in the library's budget. Mr. Montano responded that the 11% is relative to the revenue spent. Overall, the library's budget will decrease by 25-28%. Relative to what the library has budgeted, the decrease is approximately 38% although the exact amount is uncertain.
16. Ms. Neighbours pointed out that within the past two years the library has spent close to its millage revenue (2.1% and 3.2% respectively) and that the addition of FEMA money has inflated numbers so that unused revenue appears greater. Mr. Montano responded that the numbers presented are based on the library's audited budget data and he is unaware of any FEMA funds. Ms. Neighbours pointed out that City Council members were guaranteed no changes to library services would occur, yet in the presentation it is suggested that there will be reduced hours. Mr. Montano responded that based on a financial perspective there should not be a need for a change in services within the next two years based on the fund balance. Mr. Montano stated that his recommendations to the City Council was based on the library having a zero fund balance. However, based on actual numbers, a reduction in hours or branch closures should not be needed nor would be supported by the Mayor's office. According to the CAO, if operations continue at \$19 million annually, there will be a significant budget deficit.
17. Ms. Neighbours inquired what a merge in library maintenance and I/T services with those of the City would look like and if we would be billed by the City. Mr. Montano responded that the City is already funding these services and the goal is to eliminate duplication in services, other departments would not be billed. He added that efficiency may suffer as a result.
18. Mr. Tapia asked if the 37.5% is the library's operational budget cut and whether any other agency in the City is receiving a budget cut as large as the library's. Mr. Montano responded that the 37.5% is based on the library's budgeted amount and that many public safety agencies are getting substantial budget cuts as well.

C. Financial report, Finance Committee Meeting minutes — James Chassee/Michel Thompson (5:44 p.m.)

1. Mr. Chassee presented a 5-year breakdown of library revenue and approved budgets, pointing out that the \$1.5 million FEMA funds and \$500,000 BP settlement are included in 2018 and 2019 budgets but are not recurring income. Expenses have been allocated from these funds but have yet to be recorded. If the December millage is approved, revenue will decrease by approximately \$12.5 million. Operating at our current budget of \$19.5 million, this will result in a \$6.8 million annual shortfall. Current levels can be sustained for 29 months. If the millage is rejected, the library can operate throughout 2021.
2. Ms. Thompson went over the financials for 2020. As of August 31st 2020, the library received all the projected millage funds. The CARES Act absorbed some of our personnel costs, and due to the stay at home order, security expenses were lower resulting in a surplus. The fund balance is currently \$11.9 million.
3. Mr. Settoon inquired whether the line item of \$11.6 million remains in reserves and if these funds are available to spend. Ms. Thompson responded that these monies are available, but the trust fund will not roll over into the reserve dollars.

Any money beyond what we have budgeted will need to go to City Council for approval.

VII. Action Items: Vote to Approve 2021 Meeting Calendar — Phala Kimbrough Mire (5:44 p.m.)

- A. A motion was made to approve the 2021 meeting calendar as presented in the board packet by Ms. Flentroy-Rice. Motion was seconded by Mr. Settoon. Motion passed by unanimous vote.

VIII. Attachments

IX. Adjournment

- A. Board Chair, Ms. Kimbrough-Mire thanked the board and the community for their participation and tremendous support for the NOPL and for their participation in today's meeting.
- B. Ms. Flentroy-Rice moved to adjourn the meeting and a second was provided by Mr. Settoon. The vote to adjourn the September 8th Regular Board meeting at 6:19 P.M. passed unanimously.

APPROVED:


Secretary, Andrea Neighbours

DATE:

11/25/20