TENTATIVE AGENDA
FOR SPECIAL MEETING OF THE
EAST BATON ROUGE PARISH LIBRARY BOARD OF CONTROL
MAIN LIBRARY
THIRD FLOOR BOARD ROOM
7711 GOODWOOD BOULEVARD
BATON ROUGE, LA 70806
MARCH 10, 2015
4:00 P.M. –7:00 P.M.

I. ROLL CALL

II. A. REVIEW AND DISCUSSION OF MILLAGE PROPOSALS – MR. SPENCER WATTS AND MS. RHONDA PINSONAT

III. COMMENTS BY THE LIBRARY BOARD OF CONTROL

ALL MEETINGS ARE OPEN TO THE PUBLIC

IN ACCORDANCE WITH THE BOARD'S PUBLIC COMMENT POLICY, ALL ITEMS ON WHICH ACTION IS TO BE TAKEN ARE OPEN FOR PUBLIC COMMENT, AND COMMENTS AND QUESTIONS MAY BE RECEIVED ON OTHER TOPICS REPORTED AT SUCH TIME AS THE OPPORTUNITY IS ANNOUNCED BY THE PRESIDENT OF THE BOARD OR THE PERSON CONDUCTING THE MEETING.

Minutes of the Special Meeting of the

East Baton Rouge Parish Library Board of Control

March 10, 2015

The special meeting of the East Baton Rouge Parish Library Board of Control was held in the third floor Board Room of the Main Library at Goodwood at 7711 Goodwood Boulevard on Tuesday, March 10, 2015. Ms. Tanya Freeman, President of the Board called the meeting to order at 4:15 p.m. Members of the Board present were Mr. Stanford O. Bardwell, Jr., Mr. Jason Jacob, Ms. Terrie Johnson, Mr. Logan Leger, Ms. Kizzy Payton, and Mr. Travis Woodard. Also in attendance were Mr. Spencer Watts, Library Director; Ms. Patricia Husband, Assistant Library Director of Branch Services; Ms. Mary Stein, Assistant Library Director of Administration; Ms. Rhonda Pinsonat, Library Business Manager; and Ms. Liz Zozulin, Executive Assistant to the Library Director. Absent from the meeting were Mr. Ronnie Pierce, Assistant Library Business Manager, and Ms. Sonya Gordon, Library Public Relations Coordinator. Ms. Andrea Gallo, reporter and Mr. Dennis Patrick, photographer, both with *The Advocate*, Ms. Diana Samuels, reporter, with *The Times-Picayune (NOLA)* and one member of the public also attended.

Ms. Freeman asked Ms. Zozulin to take the roll which she did.

II. Review and Discussion of Millage Proposals – Mr. Spencer Watts and Ms. Rhonda Pinsonat

Ms. Freeman read Item II and asked Mr. Watts to begin the discussion of the proposed millage rates. Mr. Watts stated that he will make some comments about the various proposed millage rates that the Board has been given. Ms. Pinsonat will assist in answering any questions regarding the assumptions and the computations used to produce the various spreadsheets.

Mr. Watts referred the Board to a three-page document titled "Comparison of Possible Tax Millages" which is appended to these minutes. He emphasized that when reviewing the various millage rates the Board should concentrate on the column labelled "Cash Balance" because that figure represents revenue the Library will actually need to operate. There has been much media attention given to the term "Fund Balance", but that includes estimated revenues not yet collected. This figure is not helpful in determining what millage rate would be required to run the Library for the 10-year tax period.

Mr. Watts then referred the Board to the 9.5 millage projection. He pointed out that at the end of ten years the cash balance would be -$27,006,613.71. The City-Parish requires a positive cash balance. Suggesting this rate, would mean that 50-55 staff positions would need to be eliminated along with a reduction in materials.

Mr. Watts said he would rather a millage rate be chosen that could fund some capital projects leaving a small cash balance at the end of the 10-year period. As an example, he cited the projection for a 10.4 millage rate providing a cash balance at the end of ten years at

$6,061,556.29. At this rate, he said we could fund $4-5 million in capital projects leaving a small cash balance to pay for other expenses such as furniture replacement.

Ms. Payton arrived at 4:20 p.m.

Mr. Watts added that if we refer to the Branch Assessment Study results we could only do a few of the projects. We would want to be equitable across the system. Patrons want and need upgraded buildings and technology. The staff hopes that the Board does not choose no capital projects. We need enough money to keep our buildings fresh, and up to par to accommodate ever-changing technology along with furniture for that technology. Mr. Watts also pointed out that if there is no capital growth over the 10-year period, putting off these projects, will then require at the next tax election a large millage increase.

He said that one way to find money for capital projects would be to cut staff since 60% of the budget is dedicated to personnel. He said a 4.5% attrition rate is included in these projections. Mr. Watts said we have experienced an 8% attrition rate, on average, in the past and we believe that the attrition rate will remain high. We have projected zero growth in personnel over the next ten years which is very ambitious. He noted that if we add 8 new positions over the next ten years, we would need approximately $3 million.

Ms. Payton asked about the automation technology plans for the system and how long before we see results. Mr. Watts said the automation equipment has been approved and has been budgeted, but has not been purchased. Once installed, he said it takes about a year to see the results. During the first year staff will assist those who have difficulty using it. We want to use a gentle approach and not force people to use it. Mr. Jacob asked about the number of patrons who will have problems using the automated technology to which Mr. Watts said about 25%.

Ms. Johnson asked if we would need more IT staff for this technology. Mr. Watts replied not for this type of equipment.

Ms. Freeman said we do not want to approve zero growth in staff. Both Mr. Woodard and Mr. Leger said they want to discuss this approach. Mr. Bardwell noted that the personnel salaries and benefits continue to increase. Mr. Watts stated that number increases because it represents the step increases employees receive.

Mr. Bardwell asked about the fund balance and the cash balance. Ms. Stein said we need to concentrate on the cash balance. Mr. Bardwell asked about the emergency fund. Mr. Watts said we need to have a reserve set aside for storms, fires, and other emergencies because our insurance deductible is $1 million per occurrence.

Mr. Bardwell then said he’d like to see what components we would need in the cash balance such as the emergency fund. Once we have a target number, we can pick the millage rate that will yield that cash balance. That target number should represent the best case scenario for what we want at the end of ten years.

Mr. Woodard said he needed some answers before he could discuss the target number. He asked

Ms. Pinsonat if we could rely on City-Parish and use the General Fund as a line of credit. Ms. Pinsonat said no. Most City-Parish agencies stand on City-Parish funds. But since we have a dedicated tax, we operate from that tax. Ms. Marsha Hanlon, City-Parish Finance Director, wants the Library to continue to operate on our own cash resources. Ms. Pinsonat mentioned that the Library's fund balance is a year behind because when the first dedicated tax millage for the Library passed, we had to wait an entire year for the first year's taxes to be collected and credited to the Library on December 31, 1986. Mr. Bardwell noted that the Library has vulnerabilities with our facilities that other City-Parish agencies do not have. Mr. Leger concluded that the Library is on its own in regard to funding.

Mr. Watts mentioned that the funds for the south branch are included in these projections. Mr. Leger asked how many employees are allocated for this branch to which Ms. Pinsonat replied 11 FTE (Full Time Equivalents). Mr. Woodard then said we have not been able to locate property for this branch, so we may need to eliminate this facility from our plans. Mr. Leger then noted that at some point we may need to consider an alternative type of construction and size such as a multi-story building.

Ms. Payton said it is worth having a conversation about the south branch because the Board has created the problem regarding a site by turning down the land on Burbank Drive. She felt that dropping the south branch from the Library's plans, would kill the passage of the tax millage in the fall. Ms. Freeman felt that the citizens understand that the Board has been looking for property.

Mr. Watts said he speaks to people who are unhappy about not having a south branch library. People do have some understanding about the situation. He felt we need to do something in south Baton Rouge to keep the promise made during the last tax election. He also said that the staff can supply the Board with alternatives to the traditional branch building. Mr. Leger then said if we continue to be unable to devise a feasible plan, we may need to stop looking for property. Ms. Freeman disagreed saying we do not need to abandon the search.

Mr. Bardwell then said he was approached by an individual who owns property north of the Bennett Drive site the Board has been considering. He added it is smaller than the Bennett property, so a possibility could be to have two sites for that area such as one near Bennett Drive and one on Burbank Drive. He added that there are still viable sites to study.

Mr. Leger again talked about the possibility of constructing two small branches. Mr. Woodard replied that from an operations and maintenance standpoint, two 6,000 square foot buildings will be more expensive that one 12,000 square foot facility. Ms. Payton noted that the Board needs to consider how this branch can be cutting edge and different. Mr. Watts said we would need a $4 million solution for consideration.

Mr. Woodard then said that the Board does not need to feel pressured today for a decision because we have until July 22, 2015 for the required public notice for an election on November 21, 2015. Ms. Freeman replied that November 21st is a bad date for an election as it is so close to Thanksgiving. Ms. Stein added that the Library has been encouraged by the City to plan for an October 24, 2015 election day. Mr. Watts added that our bond attorney is also favoring October

21st. Ms. Pinsonat stated that if the election is held on November 21st, the Library will run the risk of not having all of the necessary documents finalized for the Sheriff's Office in order for them to collect our property taxes.

Mr. Watts then said we can consider choosing a projection with a $6-7 million cash balance. But a complication could occur if property values go down; thus lowering the amount of money collected. Ms. Hanlon had told our staff that this has occurred one time in the past. So Mr. Watts noted that we should plan to have a buffer for this contingency.

Mr. Bardwell asked how much money we should set aside for emergencies to which Mr. Watts said we would like to add $3 million. Mr. Watts stated that Ms. Hanlon has spoken to some of the Metropolitan Council members explaining the cash balance. Options that involve cutting a few hours of operation do not save much money. Personnel and materials are the expensive portions of the budget. If the budget needs to be significantly reduced, personnel will need to be cut. Ms. Hanlon noted that when staff are cut, then branches and hours must also be cut. If this occurs the public will not be happy. Mr. Watts added that staffing is at the heart of the budget.

Ms. Freeman asked how we would decide on the millage rate to which Mr. Watts said we want to have a reserve of money. We can focus on the capital projects and decide which projects we can do. Mr. Leger said if we refer to the Branch Assessment Study, we could upgrade the oldest buildings. Mr. Watts said those would be the Jones Creek Regional Branch, Greenwell Springs Road Regional Branch, the Baker Branch and the Scotlandville Branch Libraries, listed oldest first. Mr. Watts referred the Board to a spreadsheet listing an estimate of costs for capital improvements by branch. He said if we total technology upgrades, furnishings upgrades, and first priority improvements, based on costs in 2015, the total improvements would run $13.1 million. Ms. Pinsonat added that the cost in 2025 would be $18.2 million. Mr. Woodard said that the cost to renovate the Baker Branch at $6 million would be better used to construct a new building. Mr. Watts noted that Mr. Woodard's comment at the regular February Board meeting regarding the cost of renovating the Delmont Gardens Branch verses constructing new was correct.

Mr. Bardwell said if we work backward defining what we want to accomplish in the next tax period we can arrive at the millage rate necessary to fund these projects. He said we should allocate $2.5 million for emergencies and $14-15 million to upgrade the four oldest buildings. Therefore, the Board should choose either 10.5 or 10.6 mills. Mr. Jacob then said we need a 10.7 mills rate to which Mr. Bardwell replied that asking for 10.7 mills is not politically smart. Ms. Johnson asked Mr. Bardwell to explain why it is not politically smart. Mr. Bardwell noted that he doesn't think the Metropolitan Council will approve 10.7 mills for the Library's tax renewal election. Ms. Payton added that the Council is sensitive to the citizens' concerns over taxes.

Mr. Woodard said the State's budget issues will result in a difficult Legislative Session. The public may see an increase in taxes collected by the State. They will be inclined to want a decrease in the Library tax.

Ms. Freeman said the public come to the Library for cutting edge technology, but also for basic services that they lack at home. Mr. Leger replied that we have added technology in the last few years. We won't be constructing facilities as we did in the last two taxing periods. So we shouldn't need the millage rate we have had. Ms. Freeman asked Mr. Leger what he would cut from the projections. He answered the 11 FTE for the south branch. Mr. Watts noted that these positions are in the budget for 2017.

Mr. Watts added that in the last two millage renewal elections, the Library asked for 11.1 mills. If we reduce the millage rate to 10.5 or 10.6, that will be a significant change yielding much less revenue. We would need to reduce our materials budget. He noted that the staff is projecting the need for two more branches, but that will probably need to be delayed until the next tax renewal election. He added that we have a larger Main Library that costs more to run. We also have 11 branches that will need upgrading, with at least $12-13 million needed to start the process.

Mr. Woodard told the Board members that they need to talk to the members of the Metropolitan Council to make them aware of the issues. Ms. Freeman replied that she spoke to three Council members. They are relying on the Library Board to tell them what the needs are for the Library System. Mr. Bardwell said their job as Library Board members is to keep the System vibrant. Ms. Freeman said we need to tell the Council members what the impact will be on the citizens and the Library System if we do not have sufficient funding.

Mr. Leger then said the Board need to be good stewards of the Library requesting appropriate funding. He added that we need to consider what the people need and that may have changed.

Ms. Freeman said people see the Library as a partnership. Mr. Bardwell talked about the 2005 tax election renewal at 11.1 mills. He said in 2008 the Library millage could have been rolled back, but it wasn't because of public comment. In 2012 the millage was rolled back because we supported that.

Ms. Payton said the Board has been wise and careful with the funds that are generated for the Library. But the public only knows what has been published in the media in the last month. She told the Board that we have a story to tell. Mr. Bardwell said he is not afraid to make a case for the Library millage.

Mr. Watts noted that we have not discussed a 10.78 millage rate. A 10.78 rate decreases the cash balance by $12 million compared to an 11.1 rate. He summarized the millage rates under consideration. 10.5 mills is doable with $3 million less than 10.6 mills; 10.6 mills is better. However, both of those rates represent lost revenue and lost opportunity.

Mr. Woodard suggested that the Board study the information we have received, and come to the March Board meeting ready to vote on a rate. Ms. Freeman said she felt the Board should consider 10.6 or 10.7. Mr. Woodard asked what would the rollback amount be if we weren't going out for an election and it renewed at 10.78 mills? Ms. Pinsonat replied that the roll back rate would be 10.58. She added that if we operate under a lower millage at the end of the 10-year period, the cash balance will be too low. Then at the next tax renewal the Library will need to ask for a much higher rate. Mr. Bardwell then said we may need to choose 10.7 mills.

VII. Comments by the Library Board of Control

Ms. Freeman asked for further comments. There were none by the Board.

There being no further comments, and with no further business, the meeting was adjourned at 6:13 p.m. on a motion by Mr. Woodard, seconded by Mr. Bardwell.

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Ms. Tanya Freeman, President	Mr. Spencer Watts, Library Director

Comparison of Possible Tax Millages

Based on assumption of No New Capital Projects

Proposed Millage; ALL Calculated with Rollbacks in 2020 and 2024	Year	TOTAL Projected Revenues *from projection sheet*	TOTAL Projected Operating Expenditures *from cash sheet*	Fund Balance - Includes Estimated Revenues Not Yet Collected (Property Taxes) as well as committed but unexpended funds from previous years *from projection sheet*	Cash Balance* - City-Parish policy requires positive cash balance. Includes unexpended capital improvements funds. *from cash sheet*
11.1	2016	$44,080,390.00	-$42,360,930.00	$70,719,635	$32,370,796.29
11.1	2018	$45,846,780.00	-$43,313,920.00	$74,042,515	$33,929,616.29
10.88 roll back	2020	$46,756,280.00	-$46,960,790.00	$75,560,325	$34,538,846.29
10.88	2022	$48,626,130.00	-$48,634,010.00	$75,974,585	$33,081,066.29
10.67 roll back	2024	$49,590,190.00	-$49,739,220.00	$76,851,575	$32,993,866.29
10.67	2025	$50,571,950.00	-$50,727,410.00	$76,696,115	$31,854,936.29
over the 10 year period		$474,454,560.00	$466,758,620.00		
10.78	2016	$42,821,640.00	-$42,323,170.00	$69,498,645	$32,408,606.29
10.78	2018	$44,533,480.00	-$43,274,630.00	$70,300,275	$31,497,036.29
10.57 roll back	2020	$45,412,910.00	-$46,920,720.00	$69,213,435	$29,527,806.29
10.57	2022	$47,224,830.00	-$48,592,310.00	$66,936,925	$25,433,236.29
10.36 roll back	2024	$48,123,080.00	-$49,696,690.00	$65,000,735	$22,594,536.29
10.36	2025	$49,078,200.00	-$50,684,030.00	$63,394,905	$20,063,686.29
over the 10 year period		$460,746,620.00	$466,351,890.00		
10.7	2016	$42,506,960.00	-$42,313,730.00	$69,193,405	$32,418,066.29
10.7	2018	$44,205,150.00	-$43,264,800.00	$69,364,725	$30,888,896.29
10.49 roll back	2020	$45,077,060.00	-$46,910,700.00	$67,626,715	$28,275,056.29
10.49	2022	$46,874,510.00	-$48,581,890.00	$64,677,505	$23,521,266.29
10.28 roll back	2024	$47,768,660.00	-$49,686,060.00	$62,050,355	$19,994,676.29
10.28	2025	$48,716,700.00	-$50,673,180.00	$60,093,875	$17,115,826.29
over the 10 year period		$457,343,900.00	$466,250,200.00		
10.6	2016	$42,113,590.00	-$42,301,930.00	$68,811,835	$32,429,876.29
10.6	2018	$43,794,740.00	-$43,252,530.00	$68,195,255	$30,128,696.29
10.39 roll back	2020	$44,657,250.00	-$46,898,180.00	$65,643,285	$26,709,086.29
10.39	2022	$46,436,610.00	-$48,568,860.00	$61,853,215	$21,131,296.29
10.19 roll back	2024	$47,325,660.00	-$49,672,770.00	$58,362,425	$16,744,876.29
10.19	2025	$48,264,840.00	-$50,659,630.00	$55,967,635	$13,431,056.29
over the 10 year period		$453,090,590.00	$466,123,130.00		

Cash Balance also includes Casualty Loss Deductible Reserve and Emergency Storm Reserve.

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Proposed Millage; ALL Calculated with Rollbacks in 2020 and 2024	Year	TOTAL Projected Revenues *from projection sheet*	TOTAL Projected Operating Expenditures *from cash sheet*	Fund Balance - Includes Estimated Revenues Not Yet Collected (Property Taxes) as well as committed but unexpended funds from previous years *from projection sheet*	Cash Balance* - City-Parish policy requires positive cash balance. Includes unexpended capital improvements funds. *from cash sheet*
10.5	2016	$41,720,240.00	-$42,290,130.00	$68,430,285	$32,441,696.29
10.5	2018	$43,384,330.00	-$43,240,250.00	$67,025,805	$29,368,516.29
10.29 roll back	2020	$44,237,450.00	-$46,885,650.00	$63,659,905	$25,143,156.29
10.29	2022	$45,998,700.00	-$48,555,830.00	$59,028,975	$18,741,376.29
10.09 roll back	2024	$46,882,660.00	-$49,659,480.00	$54,674,545	$13,495,116.29
10.09	2025	$47,812,970.00	-$50,646,070.00	$51,841,445	$9,746,326.29
over the 10 year period		$448,837,270.00	$465,996,000.00		
10.25	2016	$40,736,850.00	-$42,260,620.00	$67,476,405	$32,471,256.29
10.25	2018	$42,358,300.00	-$43,209,550.00	$64,102,185	$27,468,076.29
10.05 roll back	2020	$43,187,950.00	-$46,854,340.00	$58,701,425	$21,228,306.29
10.05	2022	$44,903,930.00	-$48,523,250.00	$51,968,325	$12,766,536.29
9.85 roll back	2024	$45,775,140.00	-$49,626,250.00	$45,454,755	$5,370,666.29
9.85	2025	$46,683,300.00	-$50,612,180.00	$41,525,875	$534,426.29
over the 10 year period		$438,203,920.00	$465,678,220.00		
10.0	2016	$39,753,440.00	-$42,231,120.00	$66,522,495	$32,500,796.29
10	2018	$41,332,280.00	-$43,178,860.00	$61,178,555	$25,567,616.29
9.8 roll back	2020	$42,138,440.00	-$46,823,030.00	$53,742,925	$17,313,446.29
9.8	2022	$43,809,160.00	-$48,490,680.00	$44,907,645	$6,791,666.29
9.61 roll back	2024	$44,667,620.00	-$49,593,030.00	$36,234,915	-$2,749,713.71
9.61	2025	$45,553,630.00	-$50,578,290.00	$31,210,255	-$8,660,383.71
over the 10 year period		$427,570,550.00	$465,360,470.00		
9.5	2016	$37,786,640.00	-$42,172,110.00	$64,614,705	$32,559,896.29
9.5	2018	$39,280,230.00	-$43,117,470.00	$55,331,285	$21,766,696.29
9.31 roll back	2020	$40,039,430.00	-$46,760,420.00	$43,825,905	$9,483,696.29
9.31	2022	$41,627,380.00	-$48,425,530.00	$30,794,055	-$5,150,333.71
9.13 roll back	2024	$42,452,590.00	-$49,526,580.00	$17,820,905	-$18,948,693.71
9.13	2025	$43,294,320.00	-$50,510,510.00	$10,604,715	-$27,006,613.71
over the 10 year period		$406,329,510.00	$464,724,970.00		

**** Assumes South Branch funding is deleted from Capital Improvements Program and related positions*

9.0	2016	$41,859,920.00	-$41,920,680.00	$69,541,295	$39,453,366.29
9.0	2018	$37,239,320.00	-$42,766,190.00	$56,908,705	$25,390,466.29
8.82 roll back	2020	$37,952,480.00	-$46,391,430.00	$41,962,305	$9,707,376.29
8.82	2022	$39,455,780.00	-$48,046,490.00	$25,380,905	-$8,391,883.71
8.65 roll back	2024	$40,237,560.00	-$49,130,730.00	$8,765,665	-$25,788,903.71
8.65	2025	$41,034,970.00	-$50,105,640.00	-$305,005	-$35,656,983.71
over the 10 year period		$391,199,990.00	$461,107,050.00		

** Cash Balance also includes Casualty Loss Deductible Reserve and Emergency Storm Reserve.*

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Proposed Millage; ALL Calculated with Rollbacks in 2020 and 2024	Year	TOTAL Projected Revenues *from projection sheet*	TOTAL Projected Operating Expenditures *from cash sheet*	Fund Balance - Includes Estimated Revenues Not Yet Collected (Property Taxes) as well as committed but unexpended funds from previous years *from projection sheet*	Cash Balance* - City-Parish policy requires positive cash balance. Includes unexpended capital improvements funds. *from cash sheet*
10.4	***2016***	$41,326,880.00	-$42,278,330.00	$68,048,725	$32,453,516.29
10.4	***2018***	$42,973,920.00	-$43,227,970.00	$65,856,365	$28,608,346.29
10.20 roll back	***2020***	$43,817,660.00	-$46,873,130.00	$61,676,525	$23,577,226.29
10.2	***2022***	$45,560,800.00	-$48,542,800.00	$56,204,735	$16,351,456.29
10.00 roll back	***2024***	$46,439,640.00	-$49,646,190.00	$50,986,615	$10,245,336.29
10	***2025***	$47,361,100.00	-$50,632,510.00	$47,715,205	$6,061,556.29
over the 10 year period		$444,583,930.00	$465,868,900.00		

10.3	***2016***	$40,933,520.00	-$42,266,520.00	$67,667,175	$32,465,346.29
10.3	***2018***	$42,563,510.00	-$43,215,690.00	$64,686,905	$27,848,156.29
10.10 roll back	***2020***	$43,397,850.00	-$46,860,600.00	$59,693,115	$22,011,276.29
10.1	***2022***	$45,122,880.00	-$48,529,770.00	$53,380,445	$13,961,496.29
9.90 roll back	***2024***	$45,996,640.00	-$49,632,900.00	$47,298,685	$6,995,526.29
9.9	***2025***	$46,909,240.00	-$50,618,960.00	$43,588,965	$2,376,776.29
over the 10 year period		$440,330,570.00	$465,741,780.00		

*** Cash Balance also includes Casualty Loss Deductible Reserve and Emergency Storm Reserve.**

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