

Minutes of the Meeting of the
Lafayette Public Library Board of Control

February 4, 2019

The special meeting of the Lafayette Public Library Board of Control was held in the Board Room on the 3rd floor of the Main Library at 301 West Congress Street on February 4, 2019. Nora Stelly, President of the Board, called the meeting to order at 5:15 PM.

I. Roll Call

Board Members Present: Nora Stelly, President; Andrew Duhon, Vice – President; Joan Wingate (left 6:16 PM); Hilda Edmond

Board Members Absent: Jolan Jolivette; Adele Blue; Suzanne Dardeau; Yung-Hsing Wu

Administrative Staff Present: Teresa Elberson, Director; Terry Roy, Library Administrator; Larry Angelle, Library Operations Manager; Danielle Breaux, Director's Executive Secretary

Other Staff Present: Benton St. Romain, Library Budget Analyst; Jason Gilbert, Accounting Specialist

Members of the Public: Bruce Conque, Council Member, District 6; Patrick Lewis, Council Member, District 3; Joseph Gordon-Wiltz; Alissa Zhu, Daily Advertiser

II. New Business

The Board will discuss recent fund balance rededication efforts by the Mayor-President, the actual/accurate process by which those funds were accumulated and the position to be taken in response to the Mayor-President's recent suggestions of wrongdoing.

Nora Stelly, President, explained that the reason she felt the Board needed a special meeting was that as of the date of the last board meeting this issue was not on the table. It came up shortly after the last board meeting and she didn't think it wise to get to another regularly scheduled board meeting without having some discussion about the issues that have been raised and to give the board members the opportunity to hear the factual history.

Andrew Duhon stated for the record that Adele Blue had broken her toe, and that is why she wasn't able to be present.

Teresa Elberson presented a PowerPoint to the Board, explaining the timeline of library millages. When the system first looked at building, a study was done. Five regional libraries were planned. In May 2002, a sample resolution was presented to the board to sell \$69,700,000 in 25-year general obligation bonds and levy a 3.9 mills property tax for the purpose of maintenance, operations and support of the public library, including branches thereof. This was not officially presented to the council, but was discussed with the Mayor, Walter Comeaux. This was not approved and the library went back to the drawing board and decided, along with Public Works, to sell \$40,000,000 worth of bonds and take out a regional branch and levy a 2 mills property tax. According to auditors, that millage is considered a CM millage and can be used for construction and maintenance.

On August 27, 2002, a special meeting was held by the Lafayette City-Parish Council. Minutes and Resolutions are not reflected on the City-Parish website at this time. Resolution R-044-2002 reads as follows: A RESOLUTION OF THE LAFAYETTE CITY-PARISH COUNCIL ACCEPTING AN ENGINEERING AND FEASIBILITY REPORT ENTITLED "RECOMMENDED CAPITAL IMPROVEMENTS PROGRAM" PREPARED FOR THE PARISH OF LAFAYETTE, STATE OF LOUISIANA, BY THE LAFAYETTE CITY-PARISH CONSOLIDATED GOVERNMENT, DEPARTMENT OF PUBLIC WORKS, RELATING TO A PROPOSED ISSUE OF FORTY MILLION DOLLARS (\$40,000,000) OF GENERAL OBLIGATION BONDS FOR SAID PARISH, PROPOSED CAPITAL IMPROVEMENTS IN CONNECTION THEREWITH, AND A BOND ELECTION THEREFOR (sic), ORDERING THE FILING THEREOF AND PROVIDING FOR PUBLICATION OF A SUMMARY OF SUCH REPORT IN THE OFFICIAL JOURNAL OF THE PARISH OF LAFAYETTE AS REQUIRED BY SECTION 5-08 OF THE HOME RULE CHARTER OF THE LAFAYETTE CITY-PARISH CONSOLIDATED GOVERNMENT.

In minutes, the bonding attorneys presented the payout of how these bonds were supposed to be repaid, stating that the library would have 3 mills. 2 mills were to be used for operations and one was mill was for the bonds, the library was to subsidize the construction with the third millage.

The payout schedule was presented to the Board. The rate of payout could not be set before bonds were sold. These bonds are always paid back with ad valorem taxes, or the general obligation bonds millage. This millage covers the debt service for the general obligation bonds that Lafayette Consolidated Government sells to fund major capital projects. This is listed on tax bills as roads/highways/bridges (bonds).

The library could only use one mill. If 40M was sold, it would be more than 1 mill so some of operating millage would have had to be used to pay back the bonds, yet that never happened. The bonds were financed at a lower rate. Since payback stayed at 1 mill, the library never had to legally dip into the construction millage.

Bonds were supposed to be spread out over five bond issues. Only two were held. In 2002, \$7,300,000 worth of bonds were sold. In 2005, they doubled up and sold \$14,600,000. Everything slowed down. North and South had been built with bond money. All three of the libraries dedicated millages collected more than expected because of the influx of people from hurricanes Katrina and Rita. By 2010, the funds collected from that millage accumulated to the amount that the library board decided to approve – in a public meeting – that it would forego issuing any more additional bonds and establish a ‘Pay-as-You-Go’ (PAYG) construction plan for the library projects that had not been funded by the bond issuance. Doing so saved taxpayers more than \$10 million in interest payments. By only issuing one-half of the authorized bonds and adopting the PAYG approach, the library was demonstrating conservative planning and fiscal responsibility. Andrew Duhon then clarified although up to \$40M in bonds were authorized by the voters, LCG issued only \$21.9M in bonds for library construction.

The library system acted very conservatively, as all Proforma showed that money was running out. All buildings were supposed to be completed by 2015 so as of now the buildings are four years behind schedule.

Mr. Duhon stated that he had a problem with the Mayor-President stating that the library system only paid cash for the ongoing funding of West Regional, and all else was paid by bonds, when that is absolutely not true. Mrs. Elberson explained that it has been a 60/40 split. 99.6% of South was paid for using bonds, NRL 97.5%, then the renovations downtown were funded 68% through bonds, ERL was 8%, and West has used 0% bond money. Larry Angelle stated that as of January 31, the library system has spent \$40,600,000 on construction so in the end should be right around 42-43M, pretty much right in line with the original projection of the 40M construction plan set forth in 2002.

Andrew Duhon then asked who controls the nomenclature, as Robideaux has stated to the Advocate “I think whoever structured the language did it intentionally to fool the voters”. Teresa Elberson stated that LCG sets the wording.

Nora Stelly identified that the people on the Board of Control when these resolutions were drafted and when this vision was laid out were a remarkable bunch of people. She stated that Blaise Sonnier was active as a speaker to civic groups and the Council as the Board President at the time. She let the Board know that Mr. Sonnier was her law partner for over 20 years and she can state without a doubt that he is one of the smartest people she knows – and to the fortune of the library system he is a CPA and a lawyer and an all-around caring, concerned guy. The other board members were just as caring, and just as concerned and they did really remarkable things for the library. These people were not politicians but volunteers that had a vision that they were smart enough to plan. She reminded the Board that they have a duty to understand what happened to understand where they are now and where they need to get to.

The board then discussed what needed to be done with the library's fund balance. Buildings are now too small as a result of under-budgeting and under-projecting. Teresa Elberson stated that a new strategic plan needed to be made for the next twenty years, as the library is currently at the end of the first strategic plan. There has been 3.8% growth through the life of the millages as a result of population growth and expansion. Andrew Duhon asked about the status of the North Regional Library expansion. Teresa Elberson stated that it is now 12 years old and will cost 4 million to expand. South will be ten years old, and the expansion is already accounted for within the budget. Main is landlocked, another floor could be added but there isn't enough parking. Other libraries have started moving administrative offices out of the main building to give more space for services. LPL would either have to buy another building or enter into a long-term lease which would be an ongoing operational expense. If the Chenier remodel could happen, the library could then convert extra space into offices. Auditorium could be revamped.

Mr. Kenneth Boudreaux continues to ask about adding a Library in his district, but no library was ever planned for that area as it is within the service area of Main. The Bookmobile will be used to serve pockets of the Parish that are not being served at this time. A library takes at least 5 years to build and at least 8M dollars. A bookmobile can be put on the road with Wi-Fi for communities that don't have it in case a need arises, such as a natural disaster.

Larry Angelle mentioned the need for a permanent warehouse as there is currently nowhere for storage.

Teresa Elberson stated that digital services currently run \$500,000 a year. It is heavily used and the demand is increasing. A digital copy costs four times as much as anything printed and the library has to buy just as many copies. This will soon approach 1M. Right now the State does subsidize our databases, but if the federal government cuts ILS funds the library has to pay all of it, so it is budgeted for every year. Milton is heavily used. It is a rented property, and the library is doing a disservice to the community because it isn't open on weekends. The library would have to hire two extra staff members to keep it open two extra days a week.

Joan Wingate reiterated the positive statement made by Nora Stelly, saying that the staff, administration, and boards of the past and present have been a positive reinforcement in the changing landscape of the library system. Nora Stelly echoed this with saying that the library was a shining star, and there was no theft or malfeasance at play.

Andrew Duhon turned the meeting over to Bruce Conque and Patrick Lewis, asking if they had any questions or concerns on the content of the meeting. Bruce Conque said that it concerned him that Robideaux had stated that the library determined the millage, but he knows that to be untrue. He also clarified that February 4, 2019 was the first time that Mayor-President Robideaux had contacted Teresa Elbersen about having a meeting. He reminded the Board that at the last Council meeting, he was in a position to propose an amendment to the suggestion of transferring \$18M out of the library's reserve funds, going down to a dollar amount of \$10M. This is when the Mayor-President made his statement and Mr. Conque stated that he was personally not in a position to make a decision that night after getting said information. On March 12, discussion will be held at the Council meeting.

Nora Stelly specified that while the Library is interested in growth, and there is a danger that the fund balance becomes a rainy day fund. Mr. Bruce Conque stated that he takes a great deal of pride in his name being on the plaque at South Regional. He remembers when planning that a common question was 'Will we really need that many meeting rooms?' Perception has changed over the years and now the meeting rooms are in great demand. Mr. Patrick Lewis appreciated the explanation of fund balance and how it has grown. Andrew Duhon indicated that as a former Chief Administrative Officer for Lafayette Parish, he thinks that the Library is the fiscal management example that everyone should follow.

III. Comments from the Public on any matter not on this Agenda

IV. Adjournment

There being no further business, Andrew Duhon made a motion to adjourn the meeting. Hilda Edmond seconded the motion. The motion was unanimously approved. The meeting was adjourned at 6:40 PM.

Respectfully Submitted,
Teresa Elbersen, Secretary