CHATTANOOGA PUBLIC LIBRARY
1001 BROAD STREET
CHATTANOOGA, TENNESSEE

MINUTES
BOARD MEETING-SEPTEMBER 23, 2014
12:00 P.M.

The Board of Directors of the Chattanooga Public Library met on September 23, 2014 at 12:00 p.m. with Board Vice-Chair, Karen McMahon, presiding.

The following members were present:
Lilian Bruce
Herb Cohn
Tom Griscom
Karen McMahon
Chrystal Partridge

Also present: Corinne Hill, Executive Director; Valerie Malueg, City Attorney; William Sundquist, Chair, Friends of the Chattanooga Public Library; Natalie Phillips, Fiscal Analyst; Kate Sheets, Service Employees International Union; Meg Backus, Former Library Employee; Maury Nicely, Attorney representing Meg Backus; Karen Brown, Administrative Manager; Nel Reid, Administrative Assistant and members of the local media.

Ms. Karen McMahon, Board Vice-Chair, called the meeting to order.

APPROVAL OF THE MINUTES OF THE AUGUST 26, 2014 BOARD MEETING:

Ms. Lilian Bruce made a motion that the minutes of the August 26, 2014 meeting be approved. Mr. Herb Cohn seconded the motion. The motion was approved and carried.

APPROVAL OF THE MINUTES OF THE SEPTEMBER 5, 2014 SPECIAL BOARD MEETING:

Mr. Tom Griscom made a motion that the minutes of the September 5, 2014 special meeting be approved. Ms. Chrystal Partridge seconded the motion. The motion was approved and carried.

TREASURER'S REPORT:

Mr. Herb Cohn, Treasurer, reported that the library has received appropriation from the City of Chattanooga for the months of July and August in the amount of $982,166.00.

Contract expenditures are as follows: $10,197.64 to Polaris Library Systems for quarterly maintenance.

Mr. Tom Griscom made a motion to approve the Treasurer's Report as presented. Ms. Lilian Bruce seconded the motion. The motion was approved and carried.

FRIENDS OF THE LIBRARY REPORT:

Mr. William Sundquist, Chair, Friends of the Chattanooga Public Library reported that Secretary of State, Tre Hargett visited the Downtown Library for a tour.

The Friends of the Chattanooga Public Library has purchased furniture for the South Chattanooga Branch that should be arriving in a few weeks.

The Friends of the Chattanooga Public Library hosted a small book sale during the Crabtree Farms Fall sale with members of the library staff offering story time for children.

The Friends of the Chattanooga Public Library donated books to the new Highland Park Little Library built by the Chattanooga Police Department. Mr. Sundquist offered to donate books to Chattanooga Police Chief, Fred Fletcher for police officers to keep in the trunks of their vehicles and pass out to children as they participate in community policing.

Governor Haslam has proclaimed October 19 – 25, 2014 as FOL Week (Friends of Libraries Week) through Friends of Tennessee Libraries.

The Friends of the Chattanooga Public Library annual meeting will be held on Friday, November 21, 2014 on the 4th Floor of the Downtown Library. The meeting will be held from 11:30 a.m. until 12:00 p.m. Lunch will be provided by Texas Roadhouse at 12:00 p.m.

The Friends of the Chattanooga Public Library will discuss ClubLib at their meeting later today.

RECOGNITION OF PERSON WISHING TO ADDRESS THE BOARD (Non-Agenda Items):

Ms. Karen McMahon, Board Vice-Chair, asked if all Board members had a chance to read a letter sent to them by Mr. Maury Nicely, Attorney representing Ms. Meg Backus. Ms. McMahon recognized Mr. Nicely.

- **Mr. Maury Nicely, Attorney for Ms. Meg Backus**

  Mr. Maury Nicely stated, "For those of you that I don't know, I do know some of the people at this table, my name is Maury Nicely and Meg Backus had asked me to assist her with this situation. To be honest with you, I think the letter that I sent is pretty self-explanatory and presents the situation as we understand it and I do think that from Meg's perspective in this situation, I think she was prepared to meet with the Board and to explain herself and was basically told, 'Look, you're probably going to be terminated. You don't want to be terminated. You're young in your career. We'll let you resign. Give you four (4), six (6) or eight (8) weeks of severance'. I think Meg, after thinking about that for a long time, said, 'While I'd like to present my side of the story, I would be willing to step aside if I was able to be provided with that severance' and the proposal she made was, 'If I'm allowed to work through October 31, I will step aside.' She was then told that that was accepted, specifically that the City Attorney's Office had approved that. So she resigned on those terms. Those terms have subsequently changed and said, 'Well, we've changed our mind and you're going to go ahead and resign immediately.' Now, we understand completely why the Library would say, 'In light of the situation and the publicity about the situation, you don't need to be here right now.' We understand that, but the terms that Meg accepted for her to continue to work and be paid through October 31, that was the basis for her agreement to resign and we think that the right thing for the Library to do is to honor the terms of that agreement. She is certainly willing to work through those terms, but we again understand why that might not be the preferable course of action, but we do think the Library should honor those terms and move forward rather than the abrupt resignation without notice that was provided to her in that situation. I'm happy to answer any questions that anyone might have."

Mr. Herb Cohn asked Mr. Nicely, "What Meg is saying then is if the Board agreed to do the October 31st compensation, that's the end of it?"

Mr. Maury Nicely stated, "Yes. If I understand what you mean by 'that's the end of it', yes. We think that would be appropriate and as we discussed to the extent that the Library would like her to sign some sort of agreement or release, she'd be happy to do that. That is what we are requesting at this time."

Mr. Tom Griscom asked Mr. Nicely if the information that was shared done verbally or in writing from Corinne to Meg.

Mr. Maury Nicely stated, "My understanding is that the first piece of this information is all verbal. The first piece was by telephone call, I think 9:30 the night before the meeting of the Board and then the second piece, I think was the next morning in a face to face discussion."

Mr. Tom Griscom stated, "The point that was in your letter that you reiterated here about wanting to meet with the Board, who was that communicated to?" Mr. Nicely asked Mr. Griscom which point he was referring to. Mr. Griscom stated, "That Meg wanted to come and present to the Board, because that is new news in your letter and I'm just interested in knowing who that was communicated to."

Mr. Maury Nicely stated, "Meg was informed that the Board would be meeting that Friday morning, I think that's two (2) Fridays ago, and that she would be provided with an opportunity to sit down with the Board and talk with the Board."

The Board replied that Ms. Backus was at that meeting.

Mr. Maury Nicely stated, "I think the night before that Board meeting was a phone call that said, 'You'll probably be terminated after this Board meeting. You don't want that to happen. In the alternative, you can step aside.' So I think that call was immediately before this Board meeting took place."

Mr. Tom Griscom asked Mr. Nicely, "Did that phone call come from a member of our Board?"

Mr. Maury Nicely stated, "That phone call was from Corinne Hill. Just so that we're all on the same page and clear, all of the discussions that I've related were between Meg Backus and Corinne Hill."

Ms. Corinne Hill stated, "Just to clarify, when Meg and I talked about her wanting to speak to the Board, I did tell her that I could advise the Board that she wanted to be heard, but she would be heard in the public. It would not be a private meeting. At that point Meg said she did not want to speak publicly about it. So, that's where it ended."

Mr. Tom Griscom stated, "But what we're doing right now, we are speaking publicly. Therefore, it would have been wiser to have gone ahead and had her to present to us because it has to be done in public."

Ms. Valerie Malueg, City Attorney, stated, "This is a public meeting so it all has to be done in the Sunshine".

Ms. Corinne Hill stated that she explained that to Meg.

Ms. Lilian Bruce asked for definition of the optional action items regarding this issue.

Ms. Karen McMahon explained that the Board could accept what has been requested through Mr. Nicely which is to honor what Meg had accepted as being paid through the end of October or the Board could choose not to accept what has been requested which could result in a challenge.

Mr. Herb Cohn made a motion to pay Ms. Meg Backus through the end of October with a signed agreement that this is the end of the issue. Ms. Chrystal Partridge seconded the motion. Discussion followed.

Ms. Lilian Bruce stated, "I really don't need to elaborate on this very much. Meg, the things that were revealed in the audit, there wasn't one (1) or two (2) things, there were a lot of things. There were a lot of actions taken on your part that I believe are contrary to policies of the Library and now, obviously, they're being forwarded to the State Comptroller for review to see if they actually fall under the category of being fraudulent. I don't know what the State's process is. So, in light of that, it is very difficult for me to be okay with compensating you past the time when you're not going to be here. I mean no malice, but it's just not something that I'm comfortable with."

Mr. Herb Cohn stated, "I think we have an audit. We had a Board meeting. We had a response to how we're going to deal with it. I want us to get on with library business. I think what we need to do is focus on what we've done in the past which is an excellent Board and Director trying to give Chattanooga the best public library that's available. Granted all of those things are true, but I would like to see us move on, so that's why I made my motion. "

Mr. Tom Griscom stated, "I appreciate what you said. I think we all, Herb, want to do the same thing. What bothered me is that as soon as I heard the October 31 date, I questioned that because what signals does that send? What really concerned me, I'm sort of where Lilian is, reading the Auditor's report, and if the actions in the Auditor's report about documents that weren't correct, about statements that were not correct. I think they were corrected shortly after they were made. I think you have to stop and ask yourself if that's something then, that you would pay somebody two (2) months, almost like a severance and that's what concerned me at the time. The day that we met, I had no knowledge that anything had been offered, no reason I would, to extend her time for two (2) months because that's what bothers me and it still bothers me. I thought about this for a couple of days ever since I saw Maury's letter because I learned some things in that letter and that's the part, I haven't been able to get past this because I'm just concerned about what it says not in just this individual case, but this whole Library staff and what it's going to say to the public because the public is going to know about it. The things that are in that report, if they are true and I have no reason to believe they're not, that we pay somebody an extra amount of time. These are taxpayer dollars that we're talking about."

Ms. Lilian Bruce asked Mr. Maury Nicely if she could address Ms. Meg Backus. Permission was given.

Ms. Lilian Bruce stated, "Meg, if I understand the audit report, in it, I thought I remember seeing something that said you actually did admit to some of the accusations or details of what Mr. Stan Sewell laid out. I thought I saw some admission of some of these things. Is that correct?"

Ms. Meg Backus replied, "Yes."

Ms. Lilian Bruce stated, "Okay. I just want to make sure that we're not talking about if it happened. We are talking about that did happen and that you, yourself are admitting to wrongdoing."

Ms. Meg Backus replied, "Yes."

Mr. Tom Griscom asked Ms. Valerie Malueg about a piece of new news in Mr. Maury Nicely' s letter regarding a consultation with the City Attorney's Office about the October 31st date. Mr. Griscom asked if that information was accurate.

Ms. Valerie Malueg replied, "Not on the October 31 date. What we were asked was 'Was a resignation in lieu of any other disciplinary action' because discipline with a city employee is not automatic. They're entitled to due process, so for these particular alleged events, there would be discipline imposed up to and including termination, but no discipline had been decided at that point. We were asked 'Would a resignation in lieu of any type of whatever discipline might be imposed, if any, would that be appropriate and obviously we did say resignation is appropriate and acceptable in this situation. We were also given some semblance that there might be a period of time to finish projects. I don't think an October 31 date was discussed. That is incorrect, but we were asked if a short period of time to finish out some much needed projects that only she could finish would be appropriate and we said, 'That's a business decision', but the resignation was what we were kind of opining on, but it was discussed about the extended period of time. Yes it was."

Ms. Karen McMahon stated, "I think that we need to keep in mind what we're actually being asked to act on. The letter that was given to Meg, and I understand it was given to you in writing. Right? The date? The October 31st date, you were given it in writing or it was verbal?"

Ms. Meg Backus replied, "It was verbal."

Ms. Karen McMahon stated, "So there's nothing in writing that says..."

Ms. Meg Backus stated, "Nate was also there".

Ms. Karen McMahon stated, "Well, the point I was going to make was that if it is determined that a contract, verbal or not, was entered into between the Library and Meg on this issue, that's really what we're discussing and not so much her guilt or innocence. If we decide not to honor what could be determined a contract then we may be moving forward, it may end up costing us more."

Mr. Tom Griscom asked, "Was there anything in writing back that put in immediate resignation?"

Ms. Karen McMahon asked, "Apparently, there's nothing in writing. Is that right?"

Mr. Tom Griscom asked, "Is there anything in writing, either it be an email or anything else, that indicates that the termination would be effective immediately?"

Ms. Valerie Malueg replied, "Yes."

Ms. Corinne Hill stated, "That was delivered on Monday morning when Meg came in and I said 'We can't take this to October 31st. We have to end this today. After some discussion, I typed up a very brief letter that said 'I've received your resignation with an effective date of October 31st. I accept your resignation, but your date is effective immediately.'"

Mr. Tom Griscom asked, "Is there something also in writing from Meg coming back here that says 'I will resign, but will still be paid through October 31? Is there something in writing that way?"

Ms. Valerie Malueg replied, "There is a letter."

Ms. Corinne Hill stated, "The one she gave on Friday morning."

Ms. Valerie Malueg stated, "Her tendered resignation letter."

Mr. Tom Griscom stated, "Yes, because what we've heard here was that it was all verbal. The reason I'm asking is because I know it isn't all verbal. So Meg, is that correct? Did you send something in writing?"

Ms. Meg Backus replied, "Yes, after we discussed it."

Mr. Tom Griscom replied, "Thank you, because you made the statement 'it was all verbal' and I knew that wasn't correct."

Ms. Karen McMahon said to Ms. Meg Backus, "So you sent a letter stating a resignation effective October 31st."

Ms. Karen McMahon said to Ms. Corinne Hill, "And your counter was after that?"

Ms. Corinne Hill stated, "I came into the September 5th meeting and said that I'd received and accepted her resignation and then on Monday actually sent her the written that said 'We can't take it to October 31st. It has to be today."

Mr. Tom Griscom asked, "So there are documents?"

Ms. Valerie Malueg replied, "Yes."

Mr. Tom Griscom stated, "Okay. I want to share that in case you didn't know. There are."

Mr. Tom Griscom asked Ms. Valerie Malueg a question. Ms. Malueg suggested an attorney client privilege meeting with the Board, aside from the meeting taking place, to discuss her legal opinion which is allowed under the law where there is a threat of litigation.

Mr. Maury Nicely stated, "I don't have the same concerns, so let me explain where I come from on this. From my position, number one, if you look at this from a contract, I believe the conversations with Corinne constituted an offer to Meg. Meg didn't offer to resign. Meg accepted Corinne's offer that she could resign with notice and the subsequent Monday letter was an alteration of that agreement. Secondly, I think we've focused a lot on the contract here. There's a concept here called detrimental reliance. It's most commonly used in a hiring context and the idea is if I try to get you to do something like quit your job and come work for me by making promises to you and then you get there and I change what I promised you, you're liable for those changes. And in this situation, we talked about the due process protections that a city employee has and Meg gave up those protections in reliance upon a promise that 'if you resign, you will be provided with the opportunity to work' four (4), six (6), eight (8) weeks, through October was the final agreement. Once she accepted that, they said 'okay, we still accept your resignation, but we're not going to adhere to the other promises we made.' To me that creates a potential liability on behalf of the library."

Ms. Valerie Malueg stated, "I can go so far as to agree that there is a potential liability. I'm just not going to issue an opinion."

Mr. Herb Cohn withdrew his motion. The Board decided that given the information, need for clarification, and absence of four (4) Board members, they were not prepared to act on the issue until an attorney client privilege meeting takes place.

While this did not require a motion, the Board agreed that a special called meeting to vote on Ms. Meg Backus' request would take place on Friday, October 3, 2014 at 11:00 a.m.

DIRECTOR'S REPORT:

Mr. Tom Griscom made a motion to approve the proposed requirements of a Chief Administrative Officer for the Chattanooga Public Library once the word "minimum" has been removed from the sentence containing the annual salary. Mr. Herb Cohn seconded the motion. The motion was approved and carried.

Ms. Karen McMahon notified the Board that action needs to be taken on the scope of work for the Bylaws Committee and the Governance Committee. These subcommittees were put in place at the last meeting but the scope of work was not defined.

Ms. Karen McMahon made a motion that the Bylaws Subcommittee's scope of work would be the creation of a set of bylaws to be presented to the Board by the November 2014 meeting and Board approved by the end of the year. Tom Griscom seconded the motion. The motion was approved and carried.

Mr. Tom Griscom made a motion that the Governance Subcommittee's scope of work would be to establish the oversight role the Board as in terms of governance of the Library. Mr. Herb Cohn seconded the motion. The motion was approved and carried.

Ms. Lilian Bruce reported on the Bylaws meeting that took place on September 17, 2014. "We spent some time taking a look at the first draft. We had a couple of things, so I'll just tell you some of the initial outcomes. First of all, we were only able to get to about six (6) of the eleven (11) sections. Let me just tell you what the sections are so you can have an idea of what's in them. First of all, let me just say, Corinne provided a tremendous amount of other bylaws from cities all over the country. So we were looking at all of these documents and seeing how others are doing this. We've added one article now. We've actually reduced the number of articles from eleven (11) to nine (9) and then added an article, starting it off, that would state the organization, purpose, and mission of the library. The second one would actually talk about the Board and the fact that the organization we just described is what it's governing. The third article would describe officers. The fourth article would describe committees which we touched upon earlier. The fifth article would describe meetings. The sixth article would describe conflicts of interest. The seventh article would describe policies, plan, rules and regulations. The eighth article would be termed a general one and then the last one would be amendment of the bylaws. And so, we're basically going through every single section and looking at what's been written, seeing what others have done and adding and subtracting what we think, mainly of adding, adding more than anything. We talk about things like number of appointments, the terms, reimbursements, new board members, voting, and vacancies. We have recognized the need for this annual meeting they mentioned at the end of the fiscal year that might

incorporate training, bylaws updates and preparation for new appointments. We also recognized, much like the MOU (memorandum of understanding) that has been described with the Friends, that perhaps formalizing our relationships with the City and the Friends and any of these major entities that we are working with, we need to formalize those relationships through MOUs or something like that."

Mr. Herb Cohn stated, "One of the things I wanted to ask the Bylaws Committee. This was part of the information gathering with both Todd and Richard. This City is going to have a personnel and policy manual revised by the end of the year or January. Is that something that we need?"

Ms. Corinne Hill stated, "I have that in my notes when we get to the part that talks about employee manual. The library will wait for the City to release its employee manual expected in late Winter or early Spring of 2015 and develop the Library employee manual accordingly."

Ms. Lilian Bruce stated, "There's a lot of detail. We're going to be meeting again in another week, September 30, 2014, to finish up the last half of it. So my question and this is to all. The actual modification of the document, I'm asking this question. We have recommendations of what we'd like to incorporate, but is that something that the Board is looking for the committee to actually do or are we having someone who has legal expertise forming those words?"

Ms. Valerie Malueg stated that the Bylaws Committee could send the document to her and she could look it over.

Ms. Corinne Hill presented to the Board a document on the audit issues and action items. A copy of the document is attached and made a part of these minutes. Upon review of the document, Ms. Valerie Malueg stated that Board training would need to be moved to the November meeting as she will be unavailable. While this did not require a motion, the Board agreed with this decision.

RECOGNITION OF PERSON WISHING TO ADDRESS THE BOARD (Non-Agenda Items):

Ms. Karen McMahon recognized the following person:

- **Ms. Janet Hopings (Library Employee, Retired) –** In a previous meeting she had asked about Library employees begin treated as City employees. She stated that she was told it was coming together, but Ms. Valerie Malueg's comment made it sound like,.....

Ms. Valerie Malueg stated, "My comment was that we don't know yet. I mean, there's been no legal decision regarding the statute by which this Board has been created by the City Council that would render an opinion one way or another. It's always been my recommendation from the very beginning of this Board that because we don't know, to follow City policy. That was always my recommendation. But there's also an argument that under the statute, this Board has an extreme amount of autonomy as to rule and regulation making, explicitly, in fact it says that. So, I'm not prepared to render an opinion if that's what you're asking. I'm just saying that I always err on the side of, 'Let's follow the City procedure as much as you feel comfortable', but by the same token they also are a Board with a great deal of autonomy. So, they get to make certain rules and regulations. That's a legal question that no one really has the answer to at this point, because there's no case law on that and there's been no challenge to it. So, that was always why my recommendation was, 'The more closely we follow the City procedure, you're probably going to be okay', but there again, that's a million dollar question."

There being no further business to discuss, Ms. Karen McMahon adjourned the meeting at 1:30 p.m.

Chrystal L. Partridge

Dr. Chrystal Partridge,
Secretary

Ms. Corinne Hill presented to the Board a letter from Mr. T.R. Williams, Jr. of Hixson, TN who wrote about his terrific experiences in the Local History Department.

Ms. Corinne Hill requested the Board's approval to pay $2,000.00 to Mace & Carmichael for providing public relations to the Chattanooga Public Library, specifically for account management, client meetings and communications, quote coordination and planning for July – August 2014.

Mr. Tom Griscom made a motion to pay $2,000.00 to Mace & Carmichael for providing public relations to Chattanooga Public Library. Ms. Lilian Bruce seconded the motion. The motion was approved and carried.

Ms. Corinne Hill presented to the Board an update on the issuance of library cards in Hamilton County Schools. Thirty-one (31) schools, eight thousand, three hundred sixty-eight (8,368) students are registered with library cards and in the system so far.

Ms. Corinne Hill presented to the Board an agenda for staff training day scheduled to take place on Columbus Day, Monday, October 13, 2014. Sandler Training will facilitate teambuilding activities and open dialogue at a cost of $5,000.00. A copy of the agenda is attached and made a part of these minutes. Ms. Hill recommended that Columbus Day be set aside for all staff training annually. Discussion followed.

Mr. Tom Griscom made a motion to approve the agenda for all staff training day and the payment of $5,000.00 to Sandler Training for facilitation services. Ms. Lilian Bruce seconded the motion. The motion was approved and carried.

Ms. Corinne Hill presented to the Board a report on library staff travel from September to October and who's paying for the travel. A copy of the travel report is attached and made a part of these minutes. Ms. Karen McMahon asked Ms. Hill if all of the travel in the report is library business and none of the staff members are taking personal time. Ms. Hill confirmed that none of the staff members are taking personal time. Mr. Tom Griscom requested that if someone is taking personal time, it be added to the report. While this did not require a motion, the Board supports the format of the travel report.

Ms. Corinne Hill presented to the Board a draft of the job description of a Chief Administrative Officer for the Chattanooga Public Library. Mr. Tom Griscom asked that the word "minimum" be removed from the sentence containing the annual salary. Discussion followed.