

**CITY OF BOULDER
BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING MINUTES**

Name of Board/ Commission: Library Commission	
Date of Meeting: April 4, 2018 at the Main Boulder Public Library, 1001 Arapahoe Ave.	
Contact information preparing summary: Jennifer Phares and Celia Seaton, 303-441-3106	
Commission members present: Alicia Gibb, Joni Teter, Tim O’Shea, Juana Gomez, Joel Koenig	
<p>Library staff present: David Farnan, Director of Library & Arts Jennifer Phares, Deputy Library Director</p> <p>City staff present: Hannah Combs, Senior Budget Analyst Tanya Burden, Communications Manager</p> <p>Members of the public present: None</p>	
Type of Meeting: Regular	
Agenda Item 1: Call to order and approval of agenda	[0:00:00 Audio min.]
The meeting was called to order at 6:00 p.m. No changes to the agenda.	
Agenda Item 2: Public comment	[0:00:24 Audio min.]
None	
Agenda Item 3: Consent agenda	[0:00:29 Audio min.]
<p>Item 3A, Approval of March 7, 2018 Meeting Minutes Teter submitted one change via email. See handouts. Gomez suggested one small change: p.7 “under Gomez when do we stop trying to be neutral” O’Shea moved to approve the minutes, and Teter seconded. Vote 3-0, unanimous approval as amended (Commissioners Sykes Wilson and Koenig abstained as they were not at the meeting).</p>	
Agenda Item 4: Welcome and administer oath of office to new commissioner	[0:02:00 Audio min.]
Sykes-Wilson was sworn in by Teter.	
Agenda Item 5: Elect new Library Commission officers and Boulder Library Foundation members	[0:03:10 Audio min.]
Koenig nominated Teter for Library Commission chair. O’Shea seconded. Approval was unanimous. Gomez nominated O’Shea for Library Commission vice chair. Koenig seconded. Approval was unanimous. Boulder Library Foundation appointment: O’Shea nominated. Koenig seconded the nominations. Approval was unanimous.	
Agenda Item 6: New photo of the Library Commission	[0:04:42 Audio min.]
<p>Agenda Item 7: Library Budget update: 2018 Adjustment to Base requests and 2019 budget requests [0:04:51 Audio min.] Farnan introduced Hannah Combs, Library’s senior budget analyst. Teter asked for questions about the packet memo. Combs provided highlights of differences from 2017 ATB. Koenig asked if cuts could potentially be made to the ATB request to address the sales tax shortfall. Combs replied that it was unlikely to be cut but she couldn’t guarantee it. There are only a few operating carryovers for well established projects. The other requests were for money from restricted funds. Gomez motioned to favorably recommend the proposed budget adjustment for funding from the Library Fund and the Blystadt Laesar House funds. Koenig seconded, and it was unanimously approved.</p>	
Agenda Item 8: Discussion of the Information Packet (IP) memo to City Council from Library: Library Operating and Capital Funding Needs and Financing Options (See Library Director’s Memo)	[0:09:12 Audio min.]
Teter provided background on the work done thus far concerning long-term funding, including meeting with the city manager. She asked the commissioners to send their comments on the Library Commission memo to City Council, O’Shea, and herself. The IP memo concerning long-term funding options was discussed. Farnan clarified that the IP memo and the	

Master Plan are not a budget request documents but that they do outline the major cost anticipated for the next five to ten years for the library – there is no financial commitment to either document. Teter clarified for the commission that the purpose of an IP memo is to frame a future conversation but not to request council action.

One thing that was driving the urgency and timing on the IP memo and Library Commission's memo to City Council was the commission's concern about not putting the issue of library funding on the 2018 ballot. Teter recommended that it not be put on the 2018 ballot during the meeting with the city manager. Teter referenced questions that she wrote and emailed to the commission about the funding options and election process. Commission discussed these questions later in the meeting.

Sykes-Wilson asked about what council's next step might be, based upon this information. Council may have some questions and request more information about the options. Council may request a meeting or study session. Teter suggested there is interest in framing the issue of library funding needs as the City goes into 2019 budget preparation and addresses the declining sales tax revenues.

Koenig asked about the status of the library's responses to council's questions about forming a library district. They will be addressed in the Master Plan.

Gomez brought up whether the LC should make a recommendation about which funding options would best support Boulder Public Library's financial sustainability. She thinks they would be the most informed group to understand and put forth recommendations and Teter agreed.

Gomez: How much more info do we need? Farnan summarized the three main funding options in the draft memo in the packet; the dedicated part is for commission to discuss. Teter suggested that in addition to the option included in the memo of raising property taxes for the amount needed to cover deficiencies and expansion (with \$7M current still coming from sales tax), another option of the entire library budget being funded through property tax should be considered. This would have the funding advantages of a district without having to go through the time and expense of forming a district. It would force the property tax cap up even higher. Devin Billingsley, former library senior budget analyst, did calculations about a year ago for the COB becoming a district and estimated that 3.14 mills would be needed to fund library needs; however, this figure would need to be recalculated based on changes to taxes this year.

Teter raised a concern about continuing to fund the library with a combination of property tax and sales tax. Experience indicates that when the current small increment of property tax was dedicated to the library, that it did not increase the library's budget, the General Fund contribution was reduced to account for that new revenue. Having the majority of the library's budget funded through undedicated General Fund will not address the long-term needs.

Gomez: We're still talking about doing all this within the city. Does this imply that the commission is not recommending forming a library district? Does the fact that the district option is not outlined in the IP memo take away some of that power? Teter said that she and O'Shea raised that issue and were clear that they still want to talk about the district option and it will be part of the MP. Teter said it was the city executive team's decision to present these options and hold off on further discussion about forming a library district until later. Forming a library district is not off table. The commission could recommend it as an option to council. The city manager said during a prior meeting with Teter and O'Shea that property taxes could be dedicated to the library and that forming a district later was still an option. The library has political capital with voters and the City would like to use that to raise the property tax cap. The library has a lot of political capital and could be used to help raise the property tax cap.

O'Shea: Investigating a library district is due diligence and should remain one of the options for long-term fiscal sustainability. The shortfall of 2017 ballot items 2M and N as well as the funding required for the North Boulder branch library has added stress to the need gap. The commission is interested in addressing the current needs as well as financial sustainability long into the future. The options in the IP memo presented by the City is its attempt to meet the commission half way. The challenge is there are a lot of ideas that council will have to weigh, and the commission has responsibility to advocate for or against. O'Shea thinks it is important that an option isn't chosen and put on the ballot this fall. The commission and library are not ready to build the campaign for any of the options. The budget shortfall/gap is going to continue. Unpackaging the library from sales tax funding is something O'Shea wants to understand better. He says the library is the 'tip of the spear' and may be used to encourage voters to support raising the property tax cap to fund City needs including the library. He doesn't support the library being bundled on a ballot item like was done with the 2107 2M and N ballot item. Farnan said that the staff and commission wanted to create a MP that presented a responsible and financially sustainable future. The option of raising the property tax cap has emerged only in the past 4 weeks. Council has expressed support for funding the library. The IP memo is one of many documents presenting options to council. Council is not likely to put any one option to a vote in the next several months. At the start of 2018, the commission voted to make a recommendation to council about library funding. That is within the commission's purview. The MP will present all

options. Its acceptance by council does not commit to the form of financing or approve programs. If forming a district is a desire of the Library Commission, it doesn't require council approval.

Teter spoke to some of the confusion and timing of this memo: Council is not going to decide to do something, but they can pick options for staff not to pursue. That's why it is important for commission to weigh in now before options are foreclosed. In a past study session, Regional Library Authority was taken off the table. O'Shea stressed the importance of positioning the commission's response to be presented as guidance and our goal is long-term sustainability of finding for BPL regardless of changes to tax revenues.

Gomez asked about any other pursuing departments or projects that might be in the running for a property tax bump. O'Shea: Broadband and probably other projects. Farnan: Other projects without full funding include Alpine Balsam, east bookend, and Broadway corridor. Teter asked the city manager about other departments in same situation as the library. The city manager said there were but gave no examples. Teter says she thinks that the executive budget team is trying to think of ways to fund the library's needs within the city budget. They are also looking for ways to address the general need to build capacity. It seems to her that the commission's interests are generally aligned with city. Teter offered that the library director needs to have flexibility to move money around quickly because of the library is a trends-based service. Teter perceived openness to from the executive team to address these needs within city context.

Teter asked if it would be helpful to go through the questions she prepared. The other commissioners agreed that it would be helpful.

1. Do Commissioners have questions about the financial analysis underlying the memo?

Teter suggested tallying questions that come up during the rest of the discussion.

2. Are the funding levels outlined in the memo sufficient to meet the library system's long-term funding needs?

Farnan said the IP memo presents the library funding needs in broad strokes. The library's operating needs to implement the MP are estimated between \$2.5M and \$3.5M and raise to \$4M by including the facilities maintenance backlog. Teter asked Farnan to address the estimated \$2M additional operating funds need if a library district is formed. Farnan referred to the analysis that Billingsley completed outlining the economies of scale of library being part of the City. A library district would not have these economies of scale that cover building maintenance, insurance, paying debt, legal support, human resources and budget support, etc. These services add about 15% to the operating budget.

Gomez asked if the current scenario in which the library must make annual budget requests to City for consideration is different or more time-intensive than the budget process for a library district. Farnan said property tax assessment to determine district funding has a two-year lag time between budget decrease and the actual loss of funding. Annual appropriations are presented to a board. Gomez asked if presenting the annual budget to a board is a more streamlined process. Farnan said the two processes are not comparable. It is easier to make projections in library district because the funding source is less volatile. Koenig expressed concern about the sales tax funding declining during a booming economy. He sees the trend going down for sales tax revenues. It is a concern especially when the library is competing with several other departments for funding. Farnan shared Koenig's concern and said if the library were to take up all the mills, this would create an unacceptable risk to the rest of the City budget. O'Shea commented that the commission may consider negotiating that if the library does generate revenue it is protected for library and not put back into the General Fund.

Teter said Farnan seems comfortable with the level of funding presented in the memo and asked if the commissioners were comfortable. The other commissioners nodded in agreement.

3. Should Commission make a recommendation about which funding option(s) would best support BPL's long term financial sustainability?

Options included in the memo are:

- reallocation of general fund revenues;

Teter said this is not realistic. O'Shea and Teter would like to have council ask other departments to set up metrics to inform funding allocation like the library has done.

- dedicated sales tax to address the library's funding deficiencies and expansion needs (with the remainder of BPL's funding provided through the general fund);

Teter suspects all commissioners have concern about dedicated sales tax but thinks it may be better than being part of the General Fund. O'Shea said this option would push the City to a 4% sales tax for which there was little enthusiasm in the council at the Nov. 28, 2017 study session. The library would be the "tip of that spear."

- dedicated property taxes to address the library's funding deficiencies and expansion needs (with the remainder of BPL's funding provided through the general fund)

Teter said it is unfortunate that council will not be able to compare this option to the others and how it looks within different boundaries. Farnan said staff and commission have seen the comparison. Funding level depends upon broadness of the library district. In its most broad sense the cost of a library district for average household (\$850K property value) would pay about \$75 per year. This would generate approximately \$14M. Compared to the city boundaries the average household pays \$63 per year. This would generate \$4M.

4. Should Commission recommend consideration of an additional ballot option: funding BPL entirely from property taxes? (This is the funding option that most closely mirrors the library district funding model.)

Gomez said this is the most stable funding option especially if it is dedicated. Combs said that any district boundary scenario can be run at council's request now that initial analyses have been completed. Wilson commented that worst case of funding by dedicated property tax would be that property values are at an all-time high. There are risks with all options and of the options presented, this one seems to be the most secure form of funding. Teter said if commission were to make a recommendation to council dedicated property taxes seem like the most stable form of funding and ideally all the library's budget would be funded this way. This is greatest equivalency to a library district.

5. If the City chooses to dedicate an additional increment of property taxes to BPL, the charter-imposed cap on City property taxes would need to be raised. This means that (at a minimum) two related ballot items would be on that ballot, and both would have to pass in order for BPL to be funded. Does the Commission wish to make any recommendations about how an election should be structured in the best interests of the library? Things to consider:

- Timing of an election: 2018 vs. 2019
- Individual of ballot measures vs. packaging several funding needs together in one ballot question
- Specificity of the mill levy amount and timing of property tax revenues coming BPL (phasing in increments of the additional mill levy vs. "up to" a specified amount - the Jeffco library experience)
- To ensure a successful outcome, the City would need to devote resources to help develop explanatory materials and support community engagement around the complex questions underlying such ballot measures (for example, charter action vs. BPL funding; City's portion of the mill level vs. the total mill levy assessed by the County)

Teter thinks the Library Commission should weigh in strongly that library funding issue not go on the ballot this fall. There is not enough time to prepare. She assumed the other commissioners agreed with O'Shea that the library not be bundled with another ballot issue. Koenig agreed.

Teter recommended care in how a future library ballot item is worded to avoid the problem that Jefferson County Public Libraries had with only receiving part of the mill levy. If the mill levy is phased in for the library, it should be worded as a specific amount annually not 'up to' an amount. Gomez agreed.

6. Does Commission have any recommendations around next steps in the process to address BPL's long term financial sustainability? Current schedule:

- Exec team memo and LibCom letter to Council on 2019-20 funding needs in April
- Master plan completion in May. (MP will include a section addressing BPL's long-term funding needs and options for funding, including districting).
- Master Plan review by Planning Board in June, and by Council in July
- Council study session on BPL funding approaches in November [1:08:33]
- LC would appreciate BE attendance at May meeting. Understand how the Mill Levy calc, electoral process, Commission's input submission within a week. Farnan said include as an addendum to memo.

Teter said the process going forward is to complete the MP in May, Planning Board approval in June, Council approval in May, and a joint study session with council on library funding is scheduled for November 2018. Teter asked the commission if it would be useful to have Bob Eichem, Chief Financial Advisor for the City come to the

May Library Commission meeting. The commissioners agreed this would be helpful. Teter said it would be helpful for Eicheim to explain how the Mill levies are calculated in the different scenarios and to explain the election process. Teter asked that any other questions be sent to staff. O'Shea and Teter offered to write the commission's input to include with the IP memo and send it out for comment.

Agenda Item 9: Discussion and adoption of the Commission's letter to City Council on BPL budget needs
[1:07:57 Audio min.]

Teter suggested that is necessary to separate funding deficiencies from what is needed for the North Boulder Branch Library. The commission can submit directly to council its view of the library's budget needs while staff must follow the City process and guidelines for budget submission. Gomez moved to approve cover letter and summary document as presented. Koenig seconded, and it was approved unanimously.

Agenda Item 10: Discussion of the outcome of the questions posed by City Council at the November 28, 2018 City Council study session regarding library finance and governance
[1:13:01 Audio min.]

Agenda Item 11: Master Plan project update

[1:13:23 Audio min.]

Review of draft part 2: community trends and needs. Gomez asked several questions for clarification.

p. 21- immigrants section - clarify to what the percentages refer. Percent vs. %.

p. 25 - resiliency suggested additional language "the library is an enduring institution and citizens can count on it continuing existence and expect it to be there when needed. If everything else fails, the library is there."

p. 27 - clarify the meaning of "Anglo"

p. 28 - "partnerships" should the Latino Chamber of Commerce be included? Farnan said that the pilot program with the chamber has lapsed.

Koenig stated that he felt it was very well crafted.

Sykes Wilson inquired about the ordering of the aspirations for the library and whether it has significance. Phares explained that there was no intended hierarchy and is open to suggestions for the order of the items on the list.

Agenda Item 12: Library Commission Update

[1:23:48 Audio min.]

a. Upcoming special meetings

Date options for an upcoming study session on Master Plan were discussed – May 24 will be held. Also, retreat is planned for July 14. Farnan suggested Cherryvale if it is available.

b. Items from Commission

c. Boulder Library Foundation update

Farnan announced that the foundation hired a marketing firm with deliverables as early as June. Koenig asked if the foundation voted to contribute funding to the Jaipur Literature Festival. O'Shea funding was approved to go to Farnan who will decide on its distribution.

d. City project representative update

i. EcoDistricts - spring of 2018 will reconvene.

e. Responses to patron emails from the Library Commission

Agenda Item 13: Update of 2018 Library Commission meeting plan

[1:41:21 Audio min.]

Farnan discussed moving some items to later the 2018 meeting plan calendar. Specifically, a proposal to postpone the discussions of expanding holds services as well as eliminating fines to later in the year with any action on the fines not being taken until 2019.

Agenda Item 14: Library and Arts Director's Report

[1:43:10 Audio min.]

a. City Budget

b. Council Information Packet (IP) memo on future library funding

c. Discontinuation of Boopsie library app

- d. Public Library Association Conference in Philadelphia – Farnan debriefed the group on his recent attendance.
- e. Libraries at the polls
- f. Patron letter – consideration of placing it in an upcoming newsletter

Farnan welcomed any questions on the budget or IP, but there were none from the commission.

Agenda Item 15: Adjournment

[1:50:59 Audio min.]

There being no further business to come before the commission at this time, the meeting was adjourned at 8:40 p.m.

Date, time, and location of next meeting:

The next Library Commission meeting will be at 6 p.m. on Wednesday, May 2, 2018, in the Canyon Meeting Room at the Main Library, 1001 Arapahoe Ave., Boulder, CO 80302.

Commissioner Teter approved these minutes on May 2, 2018; and Celia Seaton attested to it.