



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: March 1, 2021

AGENDA TITLE

Consideration of a motion to accept the February 8, 2022 Study Session Summary regarding the Library District Formation and Library District Advisory Committee Recommendations

PRESENTERS

Nuria Rivera-Vandermyde, City Manager
Chris Meschuk, Deputy City Manager
David Farnan, Library Director
Jennifer Phares, Deputy Library Director
David Gehr, Interim Planning and Development Director, advisor for Library discussions
Mark Woulf, Budget Manager

EXECUTIVE SUMMARY

The purpose of this item is for the city council to consider acceptance of the study session summary from Feb. 8, 2022 regarding the library district.

At the study session, staff presented on the process for establishing a library district by resolution along with a summary of the cost of library services. Staff reviewed the statutory requirements for an intergovernmental agreement (IGA) and provided council with a draft IGA to use as a starting point for negotiations with Boulder County and the Board of Trustees of a library district if one is formed. The Boulder Library District Advisory Committee's (LDAC) recommendations were presented, along with feedback from the Boulder County Board of County Commissioners. Staff presented on current library budget and reallocation implications.

Key Areas of feedback

- A majority of council indicated support for the district formation timeline, along with proposed mill levy and district boundaries for the purposes of the public notice in preparation for a public hearing in early April.
- Several council members raised questions about specific areas of the LDAC's recommendations and draft IGA terms, including the transfer of real estate, funding attempts, and the process for the board of trustees appointment.
- Several council members expressed interest on potential grant funding or tax rebates for seniors, small business brick-and-mortar store owners, and for those who live in areas impacted by the Marshall Fire.

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to accept the February 8, 2022, Study Session Summary regarding the Library District Formation and Library District Advisory Committee Recommendations

NEXT STEPS

- March 15, 2022 – Council Discussion on key areas of the draft IGA
- April 5, 2022 – Joint public hearing with the Boulder County Board of County Commissioners and council consideration of a motion to approve a resolution forming a library district.

Attachment A: Study Session Summary from Feb. 8, 2022

February 8, 2022

Study Session Summary: Library District Formation and Library District Advisory Committee Recommendations

PRESENT

Council Members: Mayor Aaron Brockett, Mayor Pro Tem Rachel Friend, Study Session Facilitator Matt Benjamin, Bob Yates, Lauren Folkerts, Junie Joseph, Nicole Speer, Tara Winer, Mark Wallach

Library District Advisory Committee Members: Joni Teter, Joanna Rosenbloom, Alicia Gibb-Seidle

Guest: Kim Seter, Attorney at Law - Seter & Vander Hall, P.C.

Staff Members: Nuria Rivera-Vandermyde, Chris Meschuk, David Gehr, Janet Michels, David Farnan, Mark Woulf

PURPOSE

The purpose of the study session was five-fold. First, staff described the statutory processes to form a library district by petition or by resolution and provided an opportunity for council to ask questions about these processes. Secondly staff informed council of the LDAC recommendations for key points in an IGA between the city, Boulder County and a library district if one is formed, and provided an opportunity for council feedback and questions about the LDAC recommendations. Third, staff sought feedback whether council supports the proposed library district boundary and mill levy for purpose of publishing notice of the April 5, 2022, public hearing on a resolution to form a library district. Finally, staff requested council feedback regarding additional information or community engagement to be conducted by staff prior to the April 5, 2022 public hearing.

PRESENTATION

2018 Library Master Plan prioritized need to secure sustainable funding. In 2019, the Library Champions community group proposed a library district and circulated a successful petition; this petition was withdrawn after conversation with the city indicating interest in further exploring library funding and the possibility of forming a library district by resolution. A February 2020 study session focused on options for library funding and governance. In May 2021, council directed staff to continue to explore the district by resolution process and to form a committee of community members (the Library District Advisory Committee or LDAC) to gather feedback and recommendations on potential parameters for an IGA between the city, Boulder County and a library

district if formed. From October through January 2022, the LDAC met and developed the recommendations presented at this study session.

Staff indicated a potential district formation timeline from April through November 2022. In June 2022, if a library district is formed, the IGA will be negotiated among the city, Boulder County, and the library district Board of Trustees in time for a November 2022 TABOR election for voter approval of a library district property tax mill levy.

Staff indicated the three estimated cost tiers of library service using the 2018 G.K. Baum & Company financial analysis study (maintain service level at \$14.5 million, address community demand at \$18.9 million, and service expansion at \$20 million). Including the north Boulder branch library and the unfunded operating deficit, the total cost to run the library at the current level totaled \$16.78 million.

LDAC supported expanded library service levels in the master plan with funding of up to a 3.8 mill levy. It provided input regarding potential district boundaries and the trustee appointment process. LDAC recommended inclusion of Boulder Valley Comprehensive Plan (BVCP) policies, and a membership of seven for the library district Board of Trustees.

LDAC recommended deeding of all the buildings owned by the city to the library district including the new north Boulder branch library, along with the land (except the land underneath and surrounding the Main Library). Leases for the Meadows Branch Library and the NoBo Corner Library would be transferred to the district in this scenario. LDAC and staff recommended the district and the city form a common interest community agreement to partner on items such as snow removal and grounds maintenance for the downtown Civic Area surrounding the Main Library.

Staff met with Board of County Commissioners on January 27th. Some concern was expressed about including Spanish Hills and other neighborhoods recently impacted by the Marshall Fire in the boundaries of the library district. They wished to better understand the community sentiment toward district formation.

Staff presented on the adopted 2022 library budget made up of General Fund Capital (\$1,200,000), the Library Fund (.33 mill levy, \$1,443,103) and the General Fund (\$7,735,794). If a library district is formed and the property tax measure to fund the district is approved in 2022, 2023 would be a transition year. The library district would be independent of the city by 2024 and the current funding for the library budget would be reallocated. The total estimated 2024 General Fund savings is estimated at \$9.5 to \$10.25 million. Staff explored potential unfunded and underfunded General Fund ongoing needs that could benefit from these funds.

FRAMING QUESTIONS

1. Does council have questions about the process and procedures for forming a library district?

Council asked about the March 1st publication date for the April 5th public hearing with Board of County Commissioners. This timeline is driven substantially by the proposed library district's desire to form the district so that it can bring forward a property tax measure in the 2022 election. Boulder County has a deadline of May 31, 2022, for the district to give notice to the assessor's office of the library district service area boundaries and the district's intent to begin collecting property tax in 2022. If the timeline for the public hearing on library district formation shifted later, it would mean planning a different year for the ballot measure. Staff clarified that the library district will be putting forward the ballot measure, not the City of Boulder.

Council inquired about process if the City Council and the Board of County Commissioners fail to negotiate the terms of the IGA within 90 days. The relevant statute is silent on this topic, but the parties can agree to extend that 90 day deadline. If deadlines are missed, then the election would roll over to the year 2023. Outside legal counsel Kim Seter noted that the resolution would indicate that the district will dissolve if the funding or IGA is not realized.

In response to council's inquiry, Seter noted that the formation resolution could include a provision of district dissolution if the parties can't negotiate the IGA by a specified deadline.

2. Does council have questions or feedback about the Library District Advisory Committee's recommendations?

In response to council's inquiry, staff will be working with the Boulder County Clerk and Recorder's Office to update the map of proposed district boundaries with the most recent precinct adjustments. This work will be completed prior to April's public hearing on the resolutions to form the library district.

Some Council members discussed including the Marshall Fire-impacted areas within district boundaries while simultaneously forming a grant program to provide rebate for the increment of library tax to reimburse the affected neighborhoods. Seter clarified that the tax amount must be uniform across the district.

Some Council members wondered how the city values align with the plan for library district formation. LDAC member Gibb-Seidle explained that property tax funding seemed the most equitable arrangement to pay for requested library services.

LDAC member Teter spoke about bringing library services into line with the city's equity goals. A major objective of the library master plan, outreach to underserved populations, is still an underfunded gap. LDAC members noted that the BVCP equity policies align with currently underfunded library programs like Reading Buddies and

BoulderReads which aim to reach the underserved. Teter noted that the wages for the librarians are at the lower end of the city's scale. A library district model of funding would mean that the library could provide the services inherent in equity work and more fairly compensate its workforce.

LDAC member Rosenbloom noted the LDAC's investigation into the mill levy rate increase's impact on affordable housing occupants, small businesses, and renters and her sense that the tax as proposed will be effective at minimizing this hardship.

Council members asked LDAC why it wants to support the service expansion vision for library funding. Gibb-Seidel responded that the community expressed support for the service expansion level of library services during the library master plan discussions and that the service expansion level of funding will meet the needs of the community.

Several council members expressed concern with the recommendation to transfer real estate assets to the district vs. leasing real estate assets to a district. The process for appointment of Board of Trustee members was also an area of interest in further analysis. The current draft IGA that states 3 years that a district could request voter approval of a mill levy.

3. Does council support the draft proposed library district boundary and mill levy for the purposes of issuing a public notice of the April 5, 2022, public hearing?

A majority of council members supported the timeline as presented, along with the proposed mill levy and indicated boundaries for the purposes of public notice. One council member voiced concern that the proposed mill levy was too aggressive, that no other department is funded to a service expansion level, and that the proposed mill levy would impact other tax measures that would support council's stated priorities.

4. What feedback does council have about additional information or community engagement to be conducted by staff prior to the April 5, 2022, public hearing?

In response to council inquiry, LDAC had no specific recommendation regarding polling, but the group encourages a robust community engagement process.

Council discussed polling. A majority of council members voiced comfort with the previously performed polling and the more recent community survey with one member noting a desire to honor the signatures previously gathered by petition. Two council members would like to gather further polling and felt resistant to the idea of district formation until receiving further favorable feedback from the community.

Council inquired about using Be Heard Boulder to solicit additional community feedback prior to April 5th. Staff clarified that Be Heard Boulder could be used to gather community sentiment if desired, but it would not be a statistically valid poll.

5. Does council agree with the proposed process and next steps related to how the current library funding could be reallocated if a district is formed and funded?

Council members discussed the idea that future councils cannot be held to the current council's reallocation decisions as multiple variables make it difficult to predict future economic conditions. However, it was noted that if a district were formed and funding approved by voters in 2022, council would make reallocation decisions in the fall of 2023, and that council must do its best to plan beyond its own tenure.

Some Council members expressed interest in exploring grant-making programs to support brick-and-mortar small businesses. One council member expressed concern that if council were to decide to reallocate savings gained by forming a district to support grants and tax refund opportunities it limits the benefit to the city.

Some Council members expressed interest in ways that seniors can be assisted with a grant program to offset the increase in property tax. The source of funding for such grants was discussed. The library district is restricted to expending funds only for library purposes; the district itself cannot legally provide grants to support underserved groups within the taxed boundary.

In response to council inquiry, staff indicated that detailed discussion into specific provisions of the draft IGA may be better done at the next step of district formation or in a before April depending on council's calendar.

KEY TAKEAWAYS

Council commended staff and the LDAC members for the hard work presented.

- A majority of council indicated support for the district formation timeline, along with proposed mill levy and district boundaries for the purposes of the public notice in preparation for a public hearing in early April.
- Several council members raised questions about specific areas of the LDAC's recommendations and draft IGA terms, including the transfer of real estate, funding attempts, and the process for the board of trustees appointment.
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