

# RECORD OF PROCEEDINGS

---

## MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES

OF THE

### BOULDER PUBLIC LIBRARY DISTRICT

Held: Tuesday, May 30, 2023, at 5:00 p.m. at Boulder Public Library, 1001 Arapahoe Avenue, Boulder, Colorado.

#### Attendance

The special meeting of the Board of Trustees of the Boulder Public Library District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Trustees, having confirmed their qualifications to serve on the Board, were in attendance:

Katharine (Joni) Teter  
Benita Duran  
Jennifer Yee  
Cara O'Brien  
Sylvia Wirba  
Doug Hamilton

Also present were Kim J. Seter, Esq., Seter & Vander Wall, P.C.; David Farnan, Director of the Boulder Public Library; and Jennifer Phares, Boulder Public Library. Kelly Hansen, Legal Assistant at Seter & Vander Wall, PC was also present. Jennifer Phares and Kelly Hansen assisted with the operation of the remote attendance. Trustee Sam Fuqua was not in attendance.

#### Call to Order

Trustee Teter called the meeting to order at approximately 5:14 p.m. noting that a sufficient number of appointed trustees were present to create a quorum authorized to act on behalf of the District.

#### Update on Legal Matters

Mr. Seter delivered an update on legal matters. Mr. Seter provided the Trustees a memorandum regarding the District's Federal Employer Identification Number, the Public Deposit Protection Act and the District Bank Account.

#### Overview of Library Budget 2024-2027 and Interplay with BPL Master Plan 2018- 2028

Mr. Farnan provided an overview of the Boulder Public Library budget. He has been evaluating the budget for the past six years and has revised it periodically to keep it up to date. Mr. Farnan's overview is comprised of three documents: the City of Boulder's Library Budget for 2023, items from the Library's Master Plan, and a draft of estimated costs. Mr. Farnan stated

# RECORD OF PROCEEDINGS

---

the budget is very typical, including the capital expense of \$1.2 million and the internal service allocations. BPL's budget is approximately \$13,000,000. On top of that, there is an internal cost allocation (facilities maintenance, IT, HR, payroll, legal, etc).

Mr. Farnan is planning for a 10% increase in 2024 under the Library District, with an expectation of approximately \$19,000,000 in revenue for 2024. The facilities backlog is not included in the BPL budget. Mr. Farnan then discussed items in the Master Plan the District hopes to achieve in the future that are currently unfunded.

Mr. Farnan then presented a list of costs associated with restoring hours, staffing, services, etc. The total, from an operational perspective, is approximately \$3,000,000. The capital costs associated with the items on the list is \$10-12,000,000, so completing everything on the list is not possible at this time. Mr. Farnan emphasized the importance of scrutinizing each item to effectively address capital investments and facility backlog needs and phasing desired outcomes.

Trustee Hamilton asked for clarification regarding what constitutes capital expenses. Mr. Farnan stated that the City considers capital expenses to be what we allow regarding excise taxes – mostly building expenses etc. Trustee Yee stated that capital expenses are mostly physical. Ms. Phares stated that the City's definition of capital spending is any single item of furniture or equipment costing \$5,000 or more for the useful life of greater than one year. Items that go into capital improvement program are valued at \$100,000 or more.

Mr. Farnan then provided the Trustees with a draft of the near-term budget. For 2024, the budget shows an approximate revenue of \$19,000,000 and approximately \$17,000,000 in expenses. Mr. Farnan populated some of the reserve balances. Assuming a 5% increase in residential property tax, Mr. Farnan approximates a budget of \$20,000,000 by 2026. Mr. Farnan made note of the list of unknown expenses, the biggest one being the benefits package for employees. The District will likely owe the City back for the City of Boulder general fund costs, but will not owe for the library fund. The Library District direct costs the District will assume will be used for contractors, consultants, etc. and will be paid directly from the Library District's 2023 revenue.

# RECORD OF PROCEEDINGS

---

Mr. Farnan noted that the Library District will pay the County about 1% of property taxes every year for the collection. Trustee Teter asked if Mr. Farnan could provide an organizational chart for the Library. Mr. Farnan agreed to provide one and mentioned that the Board will have the opportunity to meet staff when they present the Master Plan in July.

Trustee Teter expressed interest in conducting monthly chats with staff.

Trustee Hamilton inquired about the 2023 reserves and Mr. Farnan clarified that the dollar amount shown is money that will be contributed to the reserves by the Library. Also, there is an assumption that the Library will owe the City \$8-10,000,000 for 2023 operations. Trustee Duran asked if the money the District owes the City back is the same as reimbursement. Mr. Farnan stated that it is not the same number. The budget passed by the City is \$12,773,431. In order to get that number and show that the Library is not operating in a deficit, the Library had to borrow 350,000 to make whole the 1.5 million ordinarily collected as 0.333 property tax. As such, there is no 2023 0.333 property tax collection notes.

Trustee Hamilton stated that 2024 is estimated to be \$17,000,000, potentially \$19,000,000, with an estimated \$1.25 million in reserves. Mr. Farnan clarified that those numbers are assumptions but that there is the ability to save capital expenses. Ms. Phares stated that the capital costs are evident in the one-time expenses from the reserves which serves as a placeholder for things such as critical facility backlog, IT startup costs, new office space for new employees, and a facility study and that the amount is a wild guess. Mr. Farnan stated that the large amount of money going to facilities is due to the age of the facilities and the City's inability to address facility issues in any significant fashion. From year to year, close to 25% of the budget goes into building maintenance.

Mr. Farnan reiterated to the Trustees that they will not be able to do everything and that prioritization will be key. Trustee Yee asked if there is anything the City is going to provide in the way of budget and finance that would conflict with anything in the budget Mr. Farnan prepared. Mr. Farnan stated that many of the numbers included in the budget he prepared are taken directly from the City's budget for BPL but that there are many items,

# RECORD OF PROCEEDINGS

---

such as the facilities backlog, that the City has not confirmed.

Discussion of Engagement  
of Consultant Needed for  
Support of IGA Negotiations

Mr. Farnan is primarily interested in obtaining an IT consultant because he does not have the expertise and neither do the Trustees and they will need someone who does as IGA negotiations begin. The second consultant would be a financial consultant primarily to help with cash flow analysis and to conduct more thorough modeling. The third consultant would be a facilities consultant.

Mr. Farnan reiterated the numerous issues with Library facilities and expressed the importance of being knowledgeable of the issues, the buildings and the land as the Trustees negotiate the IGA.

Mr. Farnan stated that the consultants would be hired to facilitate IGA negotiations and would not necessarily be ongoing costs.

Establish Subcommittees and  
Associated Procedures

Trustee Teter stated that the Trustees have agreed upon six subcommittees-- Budget & Finance, Staffing, Facilities, Bylaws & Governance, IGA, and Communications—and have decided against recruiting members of the public for the time being. There should not be more than two Trustees on each subcommittee as three Trustees would constitute a public meeting and would be subject to open meetings laws. Even with a Communications subcommittee, Mr. Farnan should still be the main point of contact through which the Board communicates with staff, consultants, City officials, etc.

Mr. Farnan noted individuals who were/are on the Library Commission, LDAC, and others who applied to be Trustees who would be more than happy to help with financials and IT if the Trustees would like.

Trustee Hamilton expressed interest in learning more about IT and what exactly the \$700-800,000 the City has budgeted for IT goes towards. Mr. Farnan stated that that money is primarily used for network services and equipment (computers, software, hardware, security, etc.). Mr. Farnan highlighted the Library's three dedicated IT staff members and the costs associated with being a member of Marmot, which manages the Library's ILS and patron data. Mr. Farnan stated he is happy to bring in representatives from Marmot and other IT-involved individuals to speak with the Trustees if they wish. Trustee Yee asked if

# RECORD OF PROCEEDINGS

---

there was a need for an IT subcommittee. Trustee O'Brien qualified that IT falls under each subcommittee and Mr. Farnan stated that it would be beneficial to hold a public meeting focusing on IT matters so that members of the public may become informed as well. Trustee Duran stated that it will be interesting for the Trustees to explore any technological issues related to the expansion of the library service area. Trustee Teter suggested the Trustees meet with their respective subcommittees before the next meeting to develop plans for action.

The Trustees determined the composition of each subcommittee as follows:

**Staffing:**

Trustee Fuqua  
Trustee Yee

**Budget & Finance:**

Trustee Wirba  
Trustee Yee

**Facilities:**

Trustee Hamilton  
Trustee Teter

**Bylaws & Governance:**

Trustee Wirba  
Trustee Teter

**Communications:**

Trustee Duran  
Trustee O'Brien

**IGA:**

Trustee Duran  
Trustee O'Brien

Webpage Updates

Ms. Phares presented the District website to the Trustees and walked them through how to navigate the site. She discussed updates that will be coming to the website, such as a public comment section and the addition of Trustee bios. The Trustees expressed interest in keeping meeting materials, recordings, and minutes as accessible to the public as possible throughout the transition.

# RECORD OF PROCEEDINGS

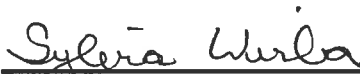
---

Trustee Matters

Trustee Teter stated that the meeting next week will focus on the Interim IGA and insurance.

Adjournment

There being no further business to come before the Board, and upon motion duly made, seconded and unanimously carried, the meeting was adjourned at approximately 7:09 p.m.



---

Secretary for the Meeting