

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES

OF THE

BOULDER PUBLIC LIBRARY DISTRICT

Held: Tuesday, August 1, 2023, at 6:00 p.m. at the Meadows Branch of the Boulder Public Library, 4800 Baseline Road, 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 (via Zoom)
Sylvia Wirba
Doug Hamilton
Sam Fuqua

Absent: Cara O'Brien

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, P.C. was also present. Marissa Peck, Associate Attorney at Seter & Vander Wall, P.C. attended via Zoom. Jennifer Phares assisted with the operation of the remote attendance.

Call to Order

Trustee Teter called the meeting to order at 6:05 p.m. noting that a sufficient number of appointed trustees were present to create a quorum authorized to act on behalf of the District.

Public Comment

None.

Consider Approval of Minutes of June 6, June 13, June 20, and June 27

Regarding the minutes of June 13, 2023, Trustee Yee suggested replacing "Mountain States Employment Council" with "Employers Council," citing its recent name change. In response to Trustee Yee's inquiry regarding the estimated value of Library staff's accrued sick leave under the "Consider Approval of

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Interim Intergovernmental Agreement with City and County” agenda matter, Mr. Farnan asserted that the policy has an estimated value of approximately \$700,000. Mr. Seter agreed to change the \$200,000,000 originally listed in the minutes to the amount Mr. Farnan proposed. For the minutes of June 27, 2023, Trustee Teter suggested changing “Boulder’s unique tax structure mandates close coordination with the Foundation” to “Boulder Library Foundation’s non-profit status mandates close coordination with the Library.” Mr. Seter agreed to implement the change.

There being no other changes, Trustee Wirba motioned to approve the minutes of June 6, June 13, June 20, and June 27 as amended. Upon second by Trustee Hamilton and unanimous vote, the Board approved the June minutes as amended.

Presentation of Financial Model

Mr. Farnan provided the Trustees with an overview of the Library District’s financial model. The model reflects Trustee Teter’s request for the inclusion of costs associated with delivering on ballot promises in 2024 and 2025, a staffing and benefits package on the higher end of Mr. Farnan’s estimates, facilities and maintenance costs in line with the assessment from Cummings Management Group (\$770,000 in expenses the first year and \$1.5 million in expenses over the following 2-5 years), and a \$13,000,000 reimbursement to the City.

In 2023, Mr. Farnan anticipates \$17,700,000 in revenue and approximately \$1,500,000 in expenses (consultants, legal services, hardware/software, etc.), leaving \$16,200,000 in revenue to carry-over into 2024. Mr. Farnan predicts 2024 revenue will be around \$19,800,000, leaving the District \$36,000,000 in available funds for the year. This would allow the District to expend \$18,000,000 to restore hours and open the Carnegie Library in the first quarter of 2024, the NoBo Library in the second quarter, and the Canyon Theater in the third. Mr. Farnan’s financial model for 2024 also includes \$1,000,000 in capital expenses to address the facility maintenance backlog as well as capital costs to finance the Gunbarrel Branch Library.

Mr. Farnan input \$850,000 in capital costs to finance the purchase of the Meadows Branch Library building in 2029’s model, citing the 2030 lease expiration.

Assuming a \$13,000,000 repayment to the City, Mr. Farnan proposed beginning annual payments of \$3,000,000 in 2024 with

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a final payment of \$1,000,000 in 2028. Responding to a question from Trustee Teter regarding the plausibility of repaying the City in a shorter time frame, Mr. Farnan stated that doing so is certainly possible, but that a five year payback period is easier. In response to Trustee Yee's question regarding whether or not five years constitutes the maximum amount of time the District can repay the City, Trustee Teter explained that the City's IGA originally proposed a three-year payback period but that City representatives also expressed that they do not wish to impede on Library operations.

Trustee Fuqua questioned why the reserve funds constitute 15-16% of fiscal year spending when the law only requires 3%. In response, Trustee Hamilton suggested that a reserve study might be helpful in determining how much to contribute to reserve funds. Trustee Teter requested that the Budget & Finance subcommittee meet closer to the 2024 budget season and bring a formal recommendation to the rest of the Trustees on the matter.

Mr. Farnan is confident in the financial model as it assumes conservative assessed value growth rates of approximately 4-5% in 2026 and beyond. Mr. Farnan explained that historically, the total assessed value growth rate has hovered around 4-5%, but for the past 10 years (or five assessments) that number has shot up to 10-14%. Mr. Farnan demonstrated how drastically a growth of 8% in assessed value in 2026 alone would change the financial future of the Library.

Responding to Trustee Wirba's inquiry regarding cost estimates for staffing, Mr. Farnan provided the Trustees with a brief overview of all staff positions, base salaries, and hours, as well as associated costs for benefits for each position.

Mr. Farnan displayed the beta version of the budgeting dashboard, which is still being developed. Trustee Teter suggested making the dashboard as easily-readable and accessible to the public as possible.

In response to Trustee Duran's question regarding the \$11.43 spent per person on collections development, Mr. Farnan responded that that number reflects the amount spent on every person in the library service area and not just cardholders. When asked by Trustee Duran if that number includes University of Colorado students, Mr. Farnan stated that students likely comprise a majority of the approximate 12,000-13,000 new cardholders and

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consequent 12,000-13,000 drop-off in cardholders each year.

Trustee Duran suggested including a graphic depicting City spending per person for the Library vs. District spending per person as a result of the approval of the mill levy. Mr. Farnan expressed support for the idea.

Review and Consider
Adoption of Resolution No.
2023-08-01 Authorizing
Affiliation with PERA for
Employee Retirement
Funding

Mr. Farnan explained that continuing participation in PERA is a top priority for 94% of staff.

Trustee Yee asked if it would be wise to proceed with the authorization of PERA without a benefits broker and inquired about messaging to staff regarding PERA. Mr. Farnan stated that he did not see any reason to hold off on the authorization of PERA, but that the Trustees could wait until the final draft benefits package gets sent to staff for feedback in 4-5 weeks. Trustee Yee asked if there is any downside to waiting to authorize PERA until the final draft benefits package is completed and expressed concern that authorizing PERA so quickly may convey disorganization on the Board's part when they should be acting very intentionally. Trustee Teter suggested authorizing PERA as soon as possible to ensure everything is ready to go come January 1.

Trustee Wirba motioned for the Board of Trustees to approve Resolution 2023-08-01 to authorize an application to and participation in the Colorado Public Employees' Retirement Fund in the form presented. Upon second by Trustee Fuqua and unanimous vote, the Board approved Resolution 2023-08-01.

The Board of Trustees tabled discussion regarding participation in FAMLI for a later date.

Library Director Updates

Mr. Farnan stated that the RFP for a benefits broker closes on Friday and that after interviewing three HR firms, he has decided to move forward with two. He anticipates having formal recommendations for both on August 15.

Mr. Farnan explained that Bob McCool of Ariel IT will be present at next week's meeting with City IT staff.

Subcommittee Updates
-Facilities Subcommittee

Trustee Hamilton expressed enthusiasm for the facilities assessment done by Cummings Management Group, denoting its straightforwardness and attention to detail. Trustee Hamilton

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believes the document will be very helpful for years to come.

Trustee Matters

None.

Legal Counsel Status Report

Mr. Seter explained his belief that the District's notice of violation of 5.5% limitation is an error on the part of the Division of Local Government and that his office is working to correct it.

Executive Session

At approximately 7:36p.m. Trustee Wirba motioned the Board of Trustees to enter into executive session as allowed by Section 24-6-402 (4), CRS for a conference with the attorney on specific legal matters and to determine matters that are subject to negotiations concerning the Intergovernmental Agreement with the City and County as allowed by subsections (4) (b) and (e). Upon second by Trustee Hamilton and unanimous vote, the Board entered into executive session for the above-stated purposes. The Board reconvened from executive session at approximately 8:30p.m. The Board did not take formal action nor did it adopt any policy, rule, or regulation while in executive session.

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 8:32 p.m



Secretary for the Meeting