

RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES

OF THE

BOULDER PUBLIC LIBRARY DISTRICT

Held: Tuesday, September 26, 2023, at 6:00 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
Sam Fuqua
Doug Hamilton
Sylvia Wirba (via Zoom)
Cara O'Brien

Trustees Absent: Jennifer Yee.

Also present were Kim J. Seter, Esq, Seter & Vander Wall, P.C.; David Farnan, Director of the Boulder Public Library; Jennifer Phares, Deputy Director of the Boulder Public Library; Kelly Hansen, Legal Assistant at Seter & Vander Wall, P.C.; Chris Barge of the Boulder Library Foundation; and, David Cox, financial consultant to the Library District.

Call to Order

Trustee Teter called the meeting to order at 6:00 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 September 19, 2023

Following discussion of Trustee Wirba's proposed changes, and upon motion by Trustee Fuqua and seconded by Trustee Wirba, the September 19, 2023 minutes were approved as amended.

Financial Consultant:
Review of Budget Model

Likening the District to a start-up, Mr. Cox constructed a very prudent budget model. The model assumes a modest 15% growth in revenue between 2024 and 2030, based on an

RECORD OF PROCEEDINGS

assessed value rate of 3.5%. The model also anticipates an increase of 46 new employees, the acquisition of two new buildings, and aggressive capital improvements over the same six-year period.

Given current high commercial mortgage rates, Mr. Cox recommends reevaluating the purchase, or long-term lease, of a Gunbarrel branch in mid-2024 when rates are expected to drop.

Regarding the \$13,000,000 debt owed to the City, Mr. Cox anticipates making a payment of \$10,000,000 this January, with another payment of \$3,000,000 to follow in April, leaving the District with a closing cash balance of approximately \$417,000 for 2024.

The Library District currently has about \$500,000 to be transferred into Chase money market accounts that will provide low-risk, modest investment gains of around 4%. Once the debt to the City has been paid off, the District will reevaluate approaches to investing to maximize Library funding. Trustee Teter suggested the Board craft a strategic financial plan for Library funds available for investing after 2024 budget discussions and hearings are finished. Trustee Duran recommended the Board research other library districts' financial policies and Trustee Hamilton expressed support for that idea.

Trustee Hamilton expressed concern for hiring so many new staff and recommended proceeding with caution, particularly considering the potential impact of Proposition HH. Mr. Farnan remarked that while the County Auditor expects a 30% increase in assessed values, the City has been assuming a 25% increase *if* Proposition HH passes. The Library District's budget model presumes a 15% increase in assessed values and is thus very conservative, but still allows for the needed increase in staffing.

In response to Trustee Fuqua's inquiry regarding borrowing funds to purchase a building in Gunbarrel, Mr. Cox asserted that borrowing makes the most sense when borrowing costs are low for commercial entities and/or a tax relief on interest is available. Currently, 30-year commercial mortgage rates are very high, hovering around 6.5-7% and the District may have limited cash flow for 2024. As such, Mr. Cox advised against saddling the District with debt and recommended returning to the question in mid-2024.

RECORD OF PROCEEDINGS

Review of Staff Feedback on Employment and Benefits Package

Trustee Fuqua reported that staff feedback on the employment and benefits package is generally positive, although sick leave remains an area of concern. As such, the Staffing Subcommittee and Mr. Farnan recommend increasing sick leave time from 60 to 80 hours. Mr. Farnan acknowledged that while doing so may incentivize employees to take more sick leave, he does not believe use will change significantly. Once he has more data on staff use of sick leave, he can report back those statistics and the Board can reassess the policy. Trustee Fuqua emphasized the exploratory nature of the increase in sick leave and the need for transparency in communicating this to staff, noting that the Trustees may reevaluate the policy once more data as its use becomes available. The Board expressed support for the increase and the possibility of reevaluation as well.

Preview of Health Benefits Package

The health benefits package provided by Cigna is nearly identical to the City's in its offerings, with some improvements in deductibles. The total cost of coverage for current employees, including vision, dental, and the free clinic, is approximately \$850,000 a year. Additionally, Mr. Farnan seeks to increase employer contributions from the 80% currently offered by the City to 82%, and health savings account ("HSA") contributions from \$500 for union and hourly employees and \$1,000 for management employees to \$1,000 for all staff. The Library District aims to cover 75% of an employee's wage while on short-term disability and 60% while on long-term disability and located an insurer willing to provide a hybrid fully-funded/self-insured plan to do so.

Mr. Farnan plans to send communications to staff instructing them to ignore the City's open enrollment period occurring in late October as the District's open enrollment period is slated for mid-November, after approval of the budget.

Mr. Farnan intends to implement a wellness program for all employees that would provide them with a stipend for eligible expenses, such as gym memberships. The Library District will also offer a number of voluntary benefits, such as supplemental life insurance.

After some discussion, the Board agreed to schedule an agenda item for an in-depth presentation on the health benefits package on October 17.

RECORD OF PROCEEDINGS

Director Updates

- Presentation re
Financial Software
Selection

Ms. Phares provided a presentation on the District's finance enterprise resource planning ("ERP") system selection, Sage Intacct. While the District initially sought to use QuickBooks, the software is presenting many challenges, including not allowing for true fund accounting and its lack of fixed asset management and loan origination capability. QuickBooks is also largely a manual entry system which lends to more frequent accounting errors.

In searching for a new ERP system, the District sought a software capable of providing true fund accounting; data visibility through user dashboards and customized, scheduled reports; automated accounting processes; integration with Paylocity, Sierra, and a future Point of Sale system; integration with JP Morgan Chase online banking and purchasing card platforms; and, fixed asset management and collaborative budget planning/forecasting modules.

From July through September, the Library District evaluated two vendors, conducted several demos, and completed a minimum of three reference interviews before choosing Sage Intacct. Sage Intacct met every one of the Library District's requirements and was designed specifically for the non-profit sector; they also have the highest ratings for customer support and are endorsed by the American Institute of Certified Public Accountants. Additionally, Douglas County Libraries is a client of Sage Intacct.

Wipfli, a partner of Sage Intacct, will assist with implementation efforts for a one-time charge of \$58,000, while ongoing subscription charges will be \$34,680. Sage Intacct will commit to a 5-year price lock, even though subscription contracts only cover one year at a time, and will provide a tracking module for free if the Board signs by the end of the week.

Adriana Boniakowski, accounting specialist for the Library, and Ms. Phares will be the project managers overseeing Sage Intacct's implementation, which is expected to take anywhere from 12-16 weeks to complete. The project kick-off and design phase will occur in October, the build phase in October through November, and the testing phase from December through January 2024. Sage Intacct is expected to go live on February 1, 2024.

Ms. Phares clarified that the software is enterprise-based (rather than user-based) and lives in the cloud. The lag between Paylocity

RECORD OF PROCEEDINGS

and Sage Intacct's respective implementations will also not lead to a loss of any necessary financial data.

Upon motion by Trustee Teter, and seconded by Trustee Hamilton, the Board approved Sage Intacct as the District's finance enterprise resource planning system and Wipfli as its partner for the implementation process.

Subcommittee Updates

- Communications Subcommittee

Trustee O'Brien advised the Board to look out for a draft article from her regarding the status of the District's transition and banned books that will be included in the Library's upcoming newsletter.

Trustee Matters

- Approval of Special Meetings on October 3, October 10, and October 24

Upon motion by Trustee Hamilton, and seconded by Trustee O'Brien, the Board approved special meetings for October 3, October 10, and October 24, 2023.

Trustee Teter reminded the Board of CALCON in two weeks and urged the Trustees to consider carpooling to the event.

Trustee Teter proposed adding a provision to the IGA regarding use of, and revenues collected from, the parking lot outside of the Main Library, citing equity issues posed by major events such as the Jaipur Literature Festival and the City's Boulder Creek Festival.

Legal Counsel Status Report

Mr. Seter reported that he had received an updated IGA from the City earlier that afternoon and was working to implement minimal proposed changes.

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 7:57 p.m.


Secretary for the Meeting