

**RECORD OF PROCEEDINGS**  
**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES**  
**OF THE**  
**BOULDER PUBLIC LIBRARY DISTRICT**

**Held:** Tuesday, July 16, 2024, at 6:00 p.m. at the Boulder Public Library, 1001 Arapahoe Avenue, Boulder, Colorado

**Person preparing summary:** Celia Seaton

The 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:

Andy Sayler  
Benita Duran  
Sylvia Wirba  
Doug Hamilton  
Cara O'Brien  
Sam Fuqua

Also present were Kim J. Seter, Esq. from Seter & Vander Wall, P.C.; David Farnan, Director of the Boulder Public Library; Jennifer Phares, Deputy Director of the Boulder Public Library; Celia Seaton, Executive Assistant of the Boulder Public Library; Maria Tormos, Communications Manager of the Boulder Public Library; and Matt Miller, CPA with McMahan and Associates, LLC.

**Members of the public present:** None.

**Type of Meeting:** Regular

**Agenda Item 1: Call to order**

Trustee Hamilton called the meeting to order at 6:01 p.m. noting that a sufficient number of appointed trustees were present to create a quorum authorized to act on behalf of the District.

**Agenda Item 2: Public comment**

None.

**Agenda Item 3: Consider Approval of Minutes of July 2, 2024**

- a. Following motion from Trustee Sayler and second from Trustee Duran, these minutes were approved unanimously as modified. Wirba abstained as she had been absent.

**Agenda Item 4: Presentation of 2023 BPLD Audit and Approval**

Matt Miller provided [background regarding the audit process itself, as well as the two reports his organization generated, the audit opinion, a brief overview of what is in the report with some financial highlights](#) and concluded with [the governing board letter](#). Following the presentation, he welcomed questions before asking the board to consider accepting the audit report. Finalization with appropriate parties will occur before July 31 in preparation for regulatory filing with the State of Colorado.

As Miller explained, general ledger detail gets analyzed by the auditing software based off the actual vs. projected figures. The projected district library budget appeared to be a conservative estimate as he observed the expenses underspent for many categories. The auditor reviewed past board meeting minutes to assist in

the focus of the field work. The report considers information from bank statements, purchase coding, the development of first year capital assets, and other items to determine the reasonableness of expenses.

In Wirba's experience reviewing audit documents for other governmental entities, concerns and issues are typically highlighted; she wondered about their absence on this report. Miller explained that the audit covered activity in 2023 when very few transactions were processed and very few staff were employed by the district. The governing board letter serves as a sort of "report card" that would address concerns. Miller declared this a "clean audit opinion" – "it is just what you would want." He indicated the positive fund balance in many categories which is a "good sign."

In response to Duran's inquiry, Seter confirmed that he did not have any legal concerns after reviewing the audit reports. Duran wondered how many library districts with which the auditor contracts; Miller responded that the company represents more than ten Colorado library districts.

Miller clarified that the auditing firm reached out to the board president and treasurer during the process; the auditor is open to collecting other input in the future. Going forward, the volume of transactions will "bump up" and may require further conversation. The Trustees agreed that all members desire contact by representatives of the chosen auditor.

The group discussed forming an audit committee. Miller relayed his experience that auditing work for most clients will begin in March/April 2025. He offered to attend an audit committee meeting as representative of the auditor. Hamilton suggested that members of the board proactively form an audit committee in January 2025. Wirba agreed that the auditor's attendance at a planning meeting would set a good foundation for the process. Seter will add to the annual administrative resolution that the Trustees appoint an audit committee at the first meeting of the year.

The board confirmed the July 31 deadline to file this report with the State of Colorado.

Miller expects that next year's audit will involve a more complex examination recruiting broader staff feedback. He suggested arranging an interim audit to visit the library and review, among other things, controls for the point-of-sale systems. He confirmed the interim audit can be scheduled whenever is best for the district, though November works best for the auditor's schedule.

Farnan noted two of the most significant risk areas which are outsourced: the ILS (integrated library system, a database holding patron records) and IT. He wondered about the process by which the auditor analyzes this type of risk. Miller explained that his firm would check for internal controls for any outsourced company which assists in financial systems (e.g., payroll processing, PERA). While the library would be responsible for a proper and accurate set-up, the outsourced company would be held liable for the actual transactions. The auditor also reviews the cyber insurance policy and reviews the vendor management policy to analyze risk of transaction fraud.

Hamilton made a motion that the board will accept the audit, approve the letter, and authorize management to finalize the appropriate documents and submit them to the State. Duran seconded, and the motion passed unanimously.

Miller will submit this report on the District's behalf and will send along confirmation to Seter.

Farnan recalled that the Finance Committee considered McMahan and Associates, LLC. to be the only qualified auditing company that made it to the final round. Many local groups had been too busy to take on another client in the required timeframe. He noted that the District can renew the contract with McMahan for the next two years.

- a. Photography and Video Recording Policy – staff indicated both [the clean and tracked change version of this document as presented in the packet](#). There were no substantive changes aside from revisions for clarity and completeness.

In response to Hamilton’s question, staff clarified that the policy applies to all public spaces in the library including the reservable rooms.

Hamilton made a motion to approve the Photography and Videorecording Policy. Wirba seconded, and the motion passed unanimously.

#### **Agenda Item 6: Quarterly Treasurer’s report and Investment Policy discussion**

- a. Q2 financial statements – Finance Committee met last week and indicated that the district is generally underspending in all categories. Saylor confirmed that the personnel expenses from the start of the year do not reflect a fully staffed workforce.
- b. Investment Policy – The Board of Trustees is required to have a new investment policy in place by the end of July. O’Brien recalled that the Board had previously reviewed a policy largely modeled on guidelines from Garfield County Libraries. O’Brien presented a final draft with clarified and consolidated language, though “all the bones are still there” from the packet version – [see handouts](#).

O’Brien welcomed further board discussion regarding specific approach and strategy around how the district will manage investments. More conversation will determine whether returns or safety of funds should be emphasized and whether to consolidate or diversify the portfolio. Fuqua distilled four points of consideration: return, risk, liquidity, and environmentally sustainable governance. Hamilton suggested further intricacies be hashed out in a separate committee meeting and presented to the larger group. Wirba believes the already established Finance Committee should serve that purpose. Fuqua suggested posting notice for the the Finance Committee meetings so that others can participate if desired.

The group discussed edits. The Finance Committee will be designated to monitor the district’s investments. Under section 3, Seter corrected presentation to representation. Saylor recommended striking the sentence regarding “active, rather than passive management” in section 4. In section 5, Wirba suggested including the Board of Trustees’ own bylaws under the citation of the statute for the Colorado Code of Ethics.

Hamilton made a motion to adopt the Boulder Library District Investment Policy as amended with the discussed changes. Wirba seconded and the motion was approved unanimously.

- c. Risk tolerance – the Finance Committee will look at the risk portfolio and discuss any concerns with Farnan.
- d. Consideration of investment funds COLOTRUST – [See handouts](#). Farnan: “COLOTRUST clients have never taken a loss” – this is a well-known group that provides a good return. Despite inherent risk, this serves as a “very safe option.” He and the Finance Committee would be authorized to consult and decide together on the specific investment.

Hamilton moved for approval of Resolution 07-16-2024-A Authorizing Participation in Colorado Local Government Liquid Asset Trust designating the Finance Committee and Library Director as “Designees and Authorized Signatories.” Wirba seconded, and the motion passed unanimously.

#### **Agenda Item 7: 2023 Annual Report Review and Approval**

Farnan noted that staff incorporated the feedback from the Trustees and made associated edits. This is the last year that the report will be delivered in the format familiar to city presentation.

Duran corrected a typo in the text and recommended that the Library Commission be acknowledged directly by members' names under acknowledgements.

Duran made a motion for acceptance of this report. Hamilton seconded, and the motion passed unanimously.

By the due date of July 31, staff will relay the Annual Report to liaisons for the Board of County Commissioners and Boulder City Council.

**Agenda Item 8: Director Updates**

Farnan reported a deceleration of hiring activity as most roles for district library operations have now been filled.

Staff have begun to produce budget requests which will be presented later in the year to the board before budget approval.

Farnan noted the challenge of recent high temperatures mixed with humidity which has overwhelmed the evaporative cooling system and resulted in increased heat throughout the Main Library building. The leadership team and HR developed "indoor temperature protocols" that address potential closure and other workarounds.

Staff are waiting on bids for adding a supplemental air-cooling system to the evaporative cooling system as well as for shades on the bridge windows, but this remedy will not be immediately achievable.

**Agenda Item 9: Trustee Matters**

- a. Set Special Meeting 8/6 at Nobo Library, 13<sup>th</sup> St., Boulder, CO 80304 – Hamilton reminded the group that members of the Boulder Library Foundation will attend as guests for the dinner beforehand.
- b. Retreat 8/11 at Gunbarrel location, 6500 Lookout Road, Boulder, CO 80301.

**Agenda Item 10: Legal Counsel Updates**

No update.

**Agenda Item 11: Adjournment**

There being no further business to come before the Board, the meeting was adjourned at approximately 8:01 p.m.

*Sylvia Wirba*  
Sylvia Wirba (Aug 7, 2024 11:15 MDT)

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Attestation







# 07.16.24 BoT Minutes Regular for signature

Final Audit Report

2024-08-07

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