



BOARD OF TRUSTEES
Regular Session
Monday May 18, 2020
Virtual Phone Call through OpenVoice Audio Conferencing
5:00 p.m.

1.0 OPENING OF MEETING at 5:00 p.m.

1.1 Roll Call and Pledge of Allegiance

Guests: 17 phone attendees,

William Garcia, Legal Counsel, Coan, Payton & Payne, LLC

Alan Holmberg, Certified Public Accountant, Anderson & Whitney

Following Board Members present:

Chairman/ Region 3: Ken Poncelow

Vice-Chair/ Region 5: Mary Heberlee

Secretary/ Treasurer/ Region 4: Mary Roberts

Region 1: Trustee John Damsma

Region 2: Trustee Gerri Holton

Region 6: Trustee Joyce Smock

At Large: Jana Caldwell

Staff: Tony Brewer, Natalie Wertz, Susan Staples, Barbara Wright Wisner, Abby Yeagle, Elena Rosenfeld, Matthew Hortt

Chairman Poncelow read the following statement into the record:

High Plains Library District (HPLD) is dependent on the trust of its community to successfully achieve its mission. Therefore, it is crucial that all Trustees conduct business on behalf of the High Plains Library District with the highest level of integrity, truth and honor, avoiding any impropriety or the appearance of impropriety.

1.2 Approval of Agenda

MOTION: Vice-Chair Heberlee

SECOND: Secretary/Treasurer Roberts

DISCUSSION: None

VOTE: Unanimously approved

1.3 Approval of Consent Agenda

A. March 16, 2020 Regular Session Minutes

B. March 16, 2020 Executive Session Minutes

C. March 30, 2020 Special Session Minutes

D. March 30, 2020 Executive Session Minutes

E. April 27, 2020 Special Session Minutes

Corrections and clarifications were identified for the March 16, 2020 Regular Session Minutes. Minutes from the March 30, 2020 Executive Session included voting decisions made when the Special Session reconvened. The votes will be removed from the Executive Session and remain in the Special Session minutes.

MOTION to approve the consent agenda as corrected: Secretary/Treasurer Roberts

SECOND: Vice-Chair Heberlee

DISCUSSION: None

VOTE: Unanimously approved

1.4 Public Comment

There were no public comments



2.0 ITEMS FOR DISCUSSION/ ACTION

2.1 Comprehensive Annual Financial Report (CAFR) (Action)

Finance Manager Natalie Wertz introduced Alan Holmberg, CPA from Anderson & Whitney who provided an overview of how the CAFR is organized and highlighted items of note. He clarified that it is the District's responsibility to complete the report and the auditor's responsibility to evaluate the work and how it compares to generally accepted accounting principles. The finding was that the High Plains Library District, as of December 31, 2019, conforms with the accounting principles generally accepted in the United States.

The District continues its multi-year participation in the Certificate of Achievement for Excellence in Financial Reporting Program. By participating in this program, the District provides information that exceeds the minimum requirements and supports the spirit of transparency and full disclosure. The District also gains value through tracking additional information points.

Mr. Holmberg then highlighted the fact that 2019 was a very strong year for revenues and the District saw increases in both property tax and investment earnings. In 2019, the District received \$36 million in property taxes and investment earnings were \$1.2 million. In 2018 the District received \$30 million in property taxes and investment earnings of \$800,000.

- High Plains investments are set within three investment approaches – \$26 million in the COLOTRUST, a local government investment pool; about \$10 million in the Colorado Statewide Investment Program (CSIP), and about \$13 million in a number of different US agency and corporate bonds that are legal investments. The about \$50 million in the different investment pools were earning about 2% interest.

Expenditures in 2019 increased as activities and operations expanded while the District was in growth mode. Spending in 2019 was about \$25 million. As the District budgets conservatively, most expenses were under-budget. Both *building & grounds* and *maintenance of equipment* were over budget. While the specific line items ran over, total expenditures remained within the legal limit of control.

The District's assets, which includes buildings and equipment, are about \$83 million which is a good financial position.

The District no longer has long term debt due to paying off the Certificates of Participation (CoPs).

Board Discussion:

There was discussion about whether the payoff of all debt should lead to the dissolution of the Weld Library Finance Corporation (WLFC) which was established in 2001. It was determined, with input from Legal Counsel, that it would be better to leave the finance corporation in place rather than having it dissolved and then reestablished if a future need for long term debt was discovered. To remain active and in good standing, the WLFC will need to meet annually with two members of the Library Board of Trustees and maintain registration renewals with the Colorado Secretary of State.

Alan Holmberg and the audit team were thanked for their work.

The Board requested that the following revisions be made

- The page after the cover lists the trustee members currently seated rather than those who were seated in 2019. For additional clarity, they would prefer to list the Board seated during the time period covered by the report in addition to a listing of the trustees who will be approving the report for those years that the membership differs. Suggested headings for the two listings is "Overseeing Board" and "Adopting Board."



- There is a need to clarify the origin and role of the Weld Library Finance Corporation. Those people named to the Corporation should be included in the report.

Directions to Executive Director:

- To create a plaque or some other form of a thank-you gift for the Weld Library Finance Corporation's volunteer members.
- To schedule a conversation to better clarify the work done by the Corporation.

MOTION to approve and accept the CAFR as presented: Trustee Caldwell

SECOND: Vice-Chair Heberlee

DISCUSSION: None

VOTE: Unanimously approved

2.2 Greeley Downtown Library Architecture Contract with Barker Rinker Seacat Architecture (Action)

Executive Director Matthew Hорт reported that the District completed the purchase of the Tribune Building in April 2020. The *Greeley Tribune* is now leasing the space and the District has received its first rent check. The building should be completely under the District's ownership by the end of the year.

On March 11th, the Downtown Library Committee, which includes Chairman Poncelow and Secretary/Treasurer Roberts, interviewed four firms. The committee was impressed by the preparation and design work already done by Barker Rinker Seacat Architecture and, as shared in March, recommended entering a contract with them.

The total contract fee is \$1,827,727 for the full design of the 80,000 sq ft. Of that, about \$1.7 million is direct design costs and about \$108,000 for reimbursable expenses. The contract being brought to the Board has been reviewed by the District's legal counsel and owner's representative. It was also noted that Wember had estimated that the cost of the project would be around \$2 million.

The District recommends the Board approval to have the contract executed.

Board Discussion

- The Board requested clarification of how the architectural firm, the construction manager at risk, the owner's rep, and the District staff work together. Dr. Hорт highlighted that:
 - The architectural firm will be responsible for leading the visioning and full design process. This process includes conversations with the public and staff.
 - The Owner's Rep role is to oversee the full process. The specific work items are outlined in the On-Call Task Order document for agenda item 2.3. The work is being formalized now that the District is entering into an architectural contract.
 - The Construction Manager (CRM) at risk (item 2.4 on this agenda) is responsible for providing a "reality check" by estimating the costs of doing the work that the architects recommend. This role would not be necessary if the District was hiring both the construction and architecture firms at the same time. But, as this is a phased project, the CRM at risk will work in this role.
 - The District will have a committee comprised of the Executive Director, an Associate Director, the Library Manager, and the Facilities Manager which will be participating throughout the process.
- The Board confirmed that, while this contract is to design the full project, the actual construction can be completed in phases.
- **Direction to the Executive Director:** The Board would like a more complete explanation of what is being purchased through the \$100 thousand additional reimbursement. Dr. Hорт highlighted that



some of the items covered covers costs such as filing for permits, mileage, producing surveys, etc. He will bring back more details.

MOTION to approve the contract as presented for the Greeley Downtown architectural contract:
Vice-Chair Heberlee
SECOND: Trustee Damsma
DISCUSSION: None
VOTE: Unanimously approved

2.3 Downtown Library Wember Task Order (Action)

Executive Director Hortt explained that the work on the downtown library completed to date by Wember has fit within their on-call contract. Now that the District is moving towards completing a contract with an architectural firm, Wember needs to treat this as a formal project. They have outlined a task order listing their responsibilities from working with the architects through the construction project. The cost of the work will be \$397,000, which is less than the original estimate.

- There was a question of if this type of contract is standard. We have had similar task orders for work with the Member Libraries so did not have this one reviewed by legal counsel.

MOTION to approve the Task Order as presented for the downtown library Wember task force:
Trustee Caldwell
SECOND: Secretary/Treasurer Roberts
DISCUSSION: None
VOTE: Unanimously approved

2.4 Release of Downtown Library Construction Manager at Risk RFP (Action)

Due to not matching an architectural firm with a construction company, the CM at Risk provides a realistic cost assessment of ideas being presented by the design team. The CM at Risk will talk with subcontractors to assess what is possible.

Board Discussion:

- Wember's role is to serve as the District's advocate as the District does not have a construction project manager on staff. Wember is providing the oversight while the CM at Risk can work with subcontractors to better identify costs.
- Concern about the proposed timeframe was shared due to it being very tight. **Direction to Dan Spykstra:** To assess whether the schedule and confirm that it can be achieved.
- It was noted that 500 sq ft of workspace is being made available by the Tribune staff for the design team.

MOTION for the release of the RFP for the Downtown Library Construction Manager at Risk:
Vice-chair Heberlee
SECOND: Trustee Caldwell
DISCUSSION: None
VOTE: Unanimously approved

2.5 Policy Manual Amendments (Action)

Patron Experience Specialist Tony Brewer explained that policies are set by the Executive Director and Board to explain the directions the library takes. For this reason, policies are directed towards the public. Procedures, which explain how to manage the policies are directed towards the staff.

As many documents focus on services in library facilities, Library Managers were heavily involved in writing and updating the policy documents. Other departments are involved when the documents focus on their areas of work. There are times that the District may work with other libraries or



organizations to develop policy statements. The *Photo and Video Recording Policy* was written in collaboration with other libraries that have had First Amendment Auditors visit their locations.

For some of the policies introduced at this meeting, Library Managers started the process. The Library Managers, as a group then reviewed and adjusted those documents before they were brought to the Board's Policy Committee. Items in red were the work of Policy Committee members Vice-Chair Heberlee and Trustee Caldwell.

When asked about the best method for working through the amendments, the Board confirmed they reviewed the documents and wanted to focus on items where there were questions or feedback.

A. Meeting Room Policy

The Board asked that there be further work in clarifying the maximum number of days allowed for reserving meeting room space. Suggested wording for consideration was: "a room can be requested up to 45 days prior to the event."

B. Soliciting, Free Speech and Fundraising Activities Policy

C. Fines and Fees Policy

D. Alcohol at Events Policy

E. Photo and Video Recording Policy

Legal Counsel was asked whether there was need for a special provision for minors in public spaces. Mr. Garcia responded that Colorado does not have a law that protects minors. The only limits in Colorado law that protects privacy is if a picture is taken in a space that is considered private (such as in the bathroom) or if a picture is taken of intimate body parts without permission.

Brewer and Garcia noted that the Library District can put rules in place, however, without the support of upholding a law, the District would be responsible for creating the rules, insuring that all staff can explain the reasons why legal rights are being limited, confirming the rules are rational, and that the rules are being responsibly & consistently used. These expectations would be exceedingly challenging for staff to manage. As a result, the recommended action is to request that those who wish to take photos or videos be as considerate as possible.

The Library District holds itself to a higher expectation and asks for written parental consent to use a child's photo or video in addition to the signs alerting people of the photography.

The District also posts signs alerting program attendees that pictures may be taken for promotional purposes.

Reason for this policy: This policy's development was due to the Farr Regional Library being visited by a *First Amendment Auditor* – one of a group who say that they are conducting "First Amendment Audits" by coming into the libraries and other public spaces and proceeding to take pictures or video tape people in the spaces.

As a public library is open to the general public, it does not have the same protections that are in place for a public school where visitors need to have a reasonable purpose to be in the building. If the District wanted to mirror that type of limited access, the most realistic option would be to limit access to the Children's Department to children only.

There is a possible civil liability issue if a person makes a profit from the image of a child.

F. Pandemic Disease Policy

The Board thanked Mr. Brewer for his work on the policies.

MOTION to approve the policy amendments as presented: Secretary/Treasurer Roberts

SECOND: Trustee Caldwell



DISCUSSION: None

VOTE: Unanimously approved

2.6 Foundation/High Plains Library District MOU Amendments (Action)

Foundation Director Abby Yeagle introduced proposed revisions to the Memorandum of Understanding (MOU) between the High Plains Library Foundation and the High Plains Library District. The MOU, which was last revised in 2015 outlines the relationship and expectations between the two boards. The Foundation Board has approved these revisions and are asking for the District Board to consider them for the updated MOU. Foundation Director Yeagle reviewed the proposed changes before opening the topic for discussion.

Board Discussion

- Foundation Board Structure – the Foundation Board met earlier on Monday, May 18th and voted to change their structure so that there will be two High Plains Library District Board of Trustees members serving on the Foundation Board. Those two trustees will fill the roles of Foundation Chair and Vice-Chair.
 - There are currently 5 trustees serving on the Foundation Board. The number of trustees will drop to 2 as members of the public are brought onto the Foundation.
 - Any current District trustee can serve on the Foundation. There was conversation about whether there should be a formal statement not allowing the District's chair to also serve as the Foundation chair. It was determined that nothing formal is necessary.
- Bylaw changes to the Foundation that were drafted by the District's legal counsel were approved by the Foundation Board at their Monday, May 18th meeting. Legal counsel was asked to read the new bylaw statements on the relationship between the Library District and Foundation Boards:
 - Article 3 Directors: A minimum of two shall be current members of the High Plains Library District Board of Trustees and the remaining Directors shall be elected or appointed from the community at-large.
 - Amendments of Powers: The Corporation shall be responsible for visioning, planning, and organizing fundraising events and opportunities as well as collecting and transferring donations in support of the HPLD. Programming for the HPLD is the sole responsibility of the HPLD.
 - Added within the officers sections:
 - Section 5: The Chairman shall be a current member of the HPLD Board of Trustees
 - Section 6: The Vice-Chairman shall be a current member of the HPLD Board of Trustees

The Board thanked Trustee Damsma, Legal Counsel Garcia, and Foundation Director Yeagle for their work on the bylaw and MOU revisions.

MOTION to approve and sign the MOU as presented: Vice-Chair Heberlee

SECOND: Secretary/Treasurer Roberts

DISCUSSION: None

VOTE: Unanimously approved

2.7 Future Revenue Projections & Expenditure Reduction (Information)

Executive Director Hortt highlighted the work started on reviewing revenue projections and identifying cost savings planning as directed by the Board at the April 27, 2020 Board of Trustees Special Session.

Revenue projections



District staff started the work by looking at the anticipated budget impact of both COVID-19 and the decline in gas & oil revenue. The County Assessor's office is planning for:

- 2020: 5-15% reduction in revenues
- 2021: 5-15% reduction in revenues
- 2022: 50% reduction in revenues

As a frame of reference, before the COVID-19 related closures, projections for 2020 showed an anticipated 23% increase in revenues. The District now anticipates that the total revenues coming to the District in 2020 will have a 15% decrease and that, in 2021 and 2022, total revenues will be about \$60 million which might be approximately \$40 million coming in 2021 and \$20 million in 2022.

Clarity about expected revenues for 2021 is still in limbo. The State notified the District that preliminary valuation for 2021 will arrive on October 13th rather than in June. Final certification will arrive on December 10th. Despite these delays, the District's mill levy certification is still due to the State by December 15th.

He then provided an example of some of the general ideas put forward to-date:

- **Materials Costs:** reduce collection size through purchasing less items and less copies of items; reduce or eliminate magazine subscriptions;
- **Marketing Costs:** slash fliers printed by half; use regular paper rather than cardstock; stop hiring videographers for events;
- **Programming Costs:** stop hiring outside presenters and have programs in-house driven; reduce programs offered; share programs throughout the District by creating kits; pause large-scale events such as YES!fest and Signature Author programs;
- **Human Resources Costs:** eliminate Staff Day; reduce training budget through targeted cuts such as out-of-state trainings which, for 2020 is budgeted at \$100,000; pause plans for the staff-as-volunteer program; limit class tuition program to staff currently accepted;
- **Capital Improvement Costs:** postpone or phase large scale capital projects; consider pausing the Mead and Grover projects; consider delaying action on the Kersey project. Current total outlay for upcoming capital projects is \$20 million.
- **Staff-Related Costs:** reduce the use of substitutes who are brought-in to cover scheduling gaps; cut food and drink from meetings; cut travel by using online meetings;
- **Salaries and benefits Costs:** change 401k matches; change benefit equations; buy-outs for early retirement; pay cuts for management; freeze pay increases for staff
 - "Management" needs to be defined. Working from a definition that includes Library Manager and up, a 5% pay cut would save approximately \$88,000. A 10% cut would save closer to \$177,000.
 - If all staff have a reduction in pay, 5% would save \$394,000 and 10% would save \$790,000.

The District has been maintaining a conservative budget and has funds in reserves. If we plan and do it right, we should be able to make some steps forward while being cautious.

Dr. Hott asked the Board for the correct general direction for making cuts and whether the focus should be on the construction-side, people, or on stuff.

Board Discussion

- **Current state:** The Board recognized that there is strength in knowing the financial situation two-years in advance as that allows time for planning.
 - We are not in a bad financial position right now.
 - The capital expenses are already pulled out of the general budget
 - We know that in 2 years, we are going to be hit with a 50% reduction. The big goal is being ready to run the library in 3-years with 50% of what we have now. The challenge is to identify where do we need to move the library now so that we can operate on that budget in two or three years.

- Whether or not there is a loss of revenues, this is the time to assess whether we are providing services and resources that are of low interest to the public. If there is low use, we should cut those things. The District should also give the public opportunities to bring forward ideas of interest that we have not recognized as possibilities.
- This is the right time to increase volunteer opportunities and let the community get involved and step-up where libraries have shortages.
- The Board agreed that personnel is the last thing that should be cut. A freeze on hiring new staff is appropriate if it will help. Layoffs, reducing benefits, and reducing training opportunities is the direction we don't want to take as that will cause more spiraling down for the District.
- Focusing on the smaller items often is not the best way to reduce costs. In the school district, 80% of the budget is in people and services. In comparison, for the Library District, people are about 40% of the budget after removing the \$20 million allocated for capital improvements.
- **Capital improvements:** The Board discussed whether it was appropriate to continue with construction projects while identifying budget cuts. Perspectives shared were:
 - Projects that are high priority include completing the renovations to the Erie Community Library, meeting commitments to the town of Kersey, and completing the architectural phasing of the Tribune building with the first phase focusing on moving the Lincoln Park Library to the new location. All other projects could be delayed.
 - Whatever we need to do, we have to do it across the District. We will need to articulate that the construction is tied to our mandate to serve our communities.
 - There is work that can be done and work that can be delayed.
 - The District should move forward on the projects for serving Grover, Mead and Kersey
 - A model that might be worth considering is Dokk1 in Aarhus, Denmark where the library facility is now 100,000 sq ft and is run by the same number of staff who worked at the library when it was only 7,000 sq ft.
 - **Grover Update:** While the seller has not sent a formal response, the informal statement is that they will sell the building for \$76,000 if the District does not require completing the due diligence process. The price will be \$84,000 if due diligence is required. The Board agreed that due diligence is required and expressed concern about the seller's asking price. Alternate options for housing a library, such as asking the town to donate land where a shipping container building can be placed. Possible locations were discussed.
 - **Mead Update:** The Town has asked to restart negotiations with Dr. Hottt and Mr. Garcia. The Board agreed that it was appropriate to proceed with a meeting.
- Decisions should be based on answering the question of "what do we want to accomplish?" and being responsible about fiscal resources.
- It was noted that construction projects need to be strategically planned and distributed throughout the District to continue with construction while avoiding reductions in positions or salaries.
- **Communication, inclusiveness and transparency:** The Board stressed the importance of clear, consistent and transparent communications to both employees and the public:
 - District employees should be encouraged to participate in identifying cost-saving opportunities.
 - Reasons for the construction and reduction-related decisions being made for the District should be shared.
- The Board challenged staff to negotiate with providers for better pricing and highlighted that consistent negotiation is an expectation.
- **Public needs during an economic downturn:** While it is unclear about what will happen next, it is important to recognize that community members are being more frugal and will need the resources and services that the Library District provides. While the District should also be frugal, we cannot diminish the services that the community needs. It was also noted that the District should review the changing needs of the communities and be sure our materials, services, and programs meet those needs.



- During the discussion, the need for wi-fi access for students was discussed. Dr. Hortt noted that the Library Foundation will be receiving \$21,000 from the State COVID Relief Fund which will be used to *place wifi access points throughout the District.

Finance Manager Wertz reminded the Board that the budget needs to look very different now to remain strong in the future. She looks forward to working with the Finance Committee to dive deeper into the conversation. She confirmed her understanding that the Board's direction is to:

- Go after things first; and to
- Minimize negative impact on staff

She reminded the Board that the operating budget will be remaining at about \$22 to 25 million for the next few years and providing new services such as the innovation center and new locations will be a significant challenge. She concluded that matching the Board's preferences with the available finances might not be do-able.

- The Board noted that it is appropriate to gather ideas and input from other agencies and jurisdictions.
 - Finance Manager Wertz noted that she has been in conversation with peers in other library districts, however, the District will have a different situation due to the reliance on gas and oil.

Currently, the District's operating budget is about half of the revenues and could work within budget if the funds were cut this year. However, it would mean pausing programs and capital projects.

Board Directions:

- Future documents outlining cost saving suggestions should:
 - include estimated dollar amounts and ranked for priority;
 - Identify what 'things' need to be done to ensure the District can work within a 50% smaller budget.
- The Finance Committee should look at the District's reserves and consider bumping up those numbers to have something to help with the hard times.
- The Board authorized Executive Director Hortt to work with Owner's Representative Spykstra to research retrofitting a storage container to serve as a library facility within a price range of \$30-\$40,000. If it can be done and the Town of Grover is interested, it might be something to pursue.

3.0 DIRECTOR'S REPORT

3.1 Review Draft Agenda

June 15, 2020 – the Board agreed to test using the video meeting format that worked well for the Library District Foundation. Topics for the meeting will include: reviewing the District's IGAs with Member Libraries and an introduction to new Foundation Board members.

3.2 District Updates: Executive Director Hortt highlighted that curbside service started on May 6th and there had been over 11,000 visits within the first three days. He worked at the Erie Community Library and enjoyed hearing the public's excitement over being able to pick-up items. Outreach Services staff are making deliveries and picking-up materials at schools.

Doctor Hortt shared that staff accumulated over 89 hours of training time during the District's closure to the public.

Board Approval: The Board supported the recommendation made by Dr. Hortt and Community Relations & Marketing Manager James Melena to approve Bruce Brodarius's article submission on the District becoming debt-free to the *Greeley Tribune*.

4.0 BOARD COMMENTS



- Trustee Smock noted that today was an endurance test, acknowledged that the District would need to make changes which is not a bad thing, and voiced hopes for everyone to say safe and well.
- Trustee Damsma reminded everyone that we need to be rational as we move forward.
- Trustee Holton highlighted that by sharing resources and information, the District can make good choices while staying true to the mission. Trustee Holton also shared hopes that this was the last phone-based meeting as the format is challenging and a bit frustrating.
- Secretary/Treasurer Roberts reminded the Board that the Finance Committee (herself, Trustee Holton, and Finance Manager Wertz) will be meeting next week.
- Trustee Caldwell – no comments
- Vice-Chair Heberlee appreciated that everyone is doing well and expressed hope that 2022 will not be as bad as anticipated.
- Chair Poncelow thanked the Board for the honest and straight-forward discussions. He also thanked Executive Director Hott, Finance Manager Wertz, and Foundation Director Yeagle for their work.

5.0 ADJOURNMENT at 7:36 p.m.

There being no further business before the Board,

MOTION: Vice-Chair Heberlee

SECOND: Trustee Caldwell

VOTE: Unanimously approved

A handwritten signature in blue ink that reads "Mary Roberts".

Board Secretary/Treasurer
Mary Roberts

A handwritten signature in blue ink that reads "Elena Rosenfeld".

Board Recording Secretary
Elena Rosenfeld