

**Minutes of the Fort Collins Regional Library District
Board of Trustees – Regular Meeting**

**November 5, 2007
4 p.m.**

**Main Library – Ben Delatour Room
201 Peterson Street**

FOR REFERENCE:

PRESIDENT:	Mary Atchison	217-9213
VICE PRESIDENT:	Mike Liggett	493-0361
LIBRARY DIRECTOR:	Brenda Carns	221-6670
ADMIN SUPPORT:	Cynthia Langren	221-6694

BOARD MEMBERS PRESENT:

Mary Atchison
Nina Bodenhamer
Robin Gard
Shelly Kalkowski
John Knezovich
Mike Liggett
Bob Viscount

OTHERS IN ATTENDANCE:

Jacqueline Murphy, Attorney
Jane Thompson, League of Women Voters
Marty Heffernan, City of Fort Collins
Ken Mannon, City of Fort Collins

LIBRARY STAFF PRESENT:

Tova Aragon
Jeff Barnes
Carson Block
Brenda Carns
Pamm Clements
Cydney Clink
Lynda Dickson
Ken Draves
Norman Fitzpatrick
Annie Fox
Carol Gyger
Cynthia Langren
Rob Stansbury

1. CALL TO ORDER

President Atchison called the meeting to order at 4:02 p.m.

2. DECLARATION OF A QUORUM

President Atchison declared a quorum of the board.

3. ADDITIONS TO THE AGENDA

None.

4. APPROVAL OF MINUTES

Trustee Knezovich moved to approve the regular meeting minutes of October 1, 2007 as presented. There was a second by Trustee Liggett. The motion carried unanimously, 7 – 0.

5. PUBLIC COMMENT

None.

6. FINANCIAL REPORT – Jeff Barnes

a. 2007 BUDGET UPDATE

Mr. Barnes explained the document: *Budget vs. Actual September 30, 2007* that basically states where the District's balance is as of September 30.

b. 2008 PROPOSED BUDGET

The proposed 2008 budget was distributed to the Board and those present at the meeting. Mr. Barnes explained the list of changes from the Budget submitted in October, which amounted to \$202,200.

Public Comment:

President Atchison opened the floor to public comment on the proposed 2008 FCRLD budget. There were no comments, however, Trustee Knezovich asked Mr. Barnes to go over benefits information as it relates to the budget for the benefit of the audience. Mr. Barnes said that the budget provides for a 4% increase for Classified employees and a \$1/hour increase for hourly employees. The health benefits are the single biggest benefit cost. Employees should know that the District's cost for a full-time Classified person is \$770 per month. For 2008, the District will continue the same benefit package as the City, and they will be administered through the City. The retirement benefit also will continue as it did with the City, which is 6% for employees hired after April 2007 and 7% for employees hired prior to April. *President Atchison closed the floor for public comment.*

Trustee Knezovich clarified that just because it looks like the District is going to have a \$ 517,000 excess, everyone needs to understand that there will be several expenditures that will quickly eat that up.

Trustee Viscount moved to approve the proposed 2008 FCRLD budget as proposed. Trustee Gard seconded the motion. The motion carried by a unanimous vote, 7 – 0. The Board thanked Staff for their hard work in getting the budget pulled together on time.

c. FINANCE COMMITTEE

President Atchison stated that many non-profits have a finance committee and given that this Board has an important responsibility to show the use of public dollars, she recommends the board form a finance and audit committee to work with Mr. Barnes. The committee would ensure that all of the financial policies and procedures of the District have community oversight.

Mr. Barnes stated that he recently met with a group of library district finance officers. He found out from the meeting that their finance committees have a blend of 2-3 board members and 2-3 community members who have financial background. Mr. Barnes recommends no more than five people total.

Ms. Carns suggested that Mr. Barnes work with Trustee Knezovich to determine who would be suitable for the committee and bring it back to the Board next month, which was acceptable to the Board. Trustee Liggett expressed his interest in talking about this further with Trustee Knezovich.

7. DIRECTOR'S REPORT – *Brenda Carns*

Ms. Carns referred to the written report included in the packets and briefly went over the contents. Of special interest to the Board was the inspection report for the Main Library. After a discussion, the Board agreed that additional money should be built into the budget for future repair and maintenance needs of the building. The \$10,000 the Board approved previously has been spent on a remodel of staff space. It's roughly estimated that an additional \$50,000 will be needed to just address the most important deficiencies noted in the inspection report.

Trustee Viscount suggested that the Executive Director have a space on the web page for monthly reports; something casual and personal in nature.

8. COMMITTEE UPDATES

a. HR COMMITTEE – *Trustee Gard*

Trustee Gard reported that Ms. Carns continues to handle the employee transition issues with the City. The HR Committee will next be taking on the policy issue and after the first of the year, will be setting up some meetings regarding retirement options for employees, as well as using those opportunities for Trustee Knezovich to share his thoughts with employees about Social Security.

Due to the success of the last informal session that Trustees Gard and Viscount had with employees, another one is being scheduled. Trustee Gard said that the options for Main are: November 15 or 20 and for Harmony are: November 12 or 13. She requested that Board members let her know who is available to come and when.

b. MARKETING/PR – *Trustee Bodenhamer*

Trustee Bodenhamer stated that much of what the committee needs to accomplish in terms of identifying how the community sees the District would be

accomplished through the Planning for Results process. As Planning for Results moves forward, it will collect all that information as opposed to paying a marketing company to do that.

Trustee Gard distributed some old information from the last time the library did a long-range plan as background info for the board.

Ms. Garcia will attend a board meeting soon.

9. LEGAL REPORT

Ms. Murphy stated she would wait until the Executive Session.

10. NEW BUSINESS

a. SOUTHEAST BRANCH AND IMPACT FEES– *Marty Heffernan*

Mr. Heffernan stated that he will be present at the City Council meeting tomorrow night to get direction on whether or not they are willing to continue the impact fees. City staff realizes that the District would like them to continue and be used for their intended purpose. However, there's some concern by the Mayor and some members of Council as to whether the District really needs the money. They feel that the revenues appear healthy on paper and are questioning why the District wants the money and are going to be looking for an answer to that concern. Mr. Heffernan said that the topic wouldn't be discussed until the "Other Business" section of the meeting, which is at the end. He suggested that perhaps the District would like to provide answers to the concern in some form to the Council. Mr. Heffernan added that he would be taking a neutral stand on the issue.

Trustee Knezovich offered to relay the Board's position to Council since he has to be there for other items on the agenda anyway.

Mr. Heffernan then addressed the financial complications on the SE Branch project to date starting with the need for City Council to appropriate an additional \$1.1 million for the project back in June and ending with the current issue, which is the need for another \$600,000. He explained that half of that amount is associated with building and development fees. The arrangement that Bayer made with the City was that Bayer would pay those fees except for sewer and water. He said it was worked through so that the liability to Bayer went down substantially and the City is just paying its fair share.

In addition, Mr. Heffernan said that there are extra costs, which are associated with a significant increase in foundational work based on the loads the library is going to place on the building. Although Bayer had a soils report that showed there would be these costs, they didn't put that into the original calculations. Eventually their engineers came to them and said there would be extra costs due to the soil.

Extra costs were incurred when Bayer decided to sole source the steel for the building in order to keep on schedule. This added an extra \$100,000 to the project costs. Mr.

Mannon then provided additional information on the cost of various materials that all contributed to the cost overrun.

Mr. Heffernan reported that during a recent meeting between City staff and Bayer, Bayer representatives reported that they are so stretched out on this project that they will not bear any extra hard costs.

Mr. Heffernan said that in looking at the funding source side of this issue, it is his understanding that there is \$202,000 in impact fees through September that have not been allocated to the project. There would also be some impact fees that would continue to accrue for November and December, so there might be \$220,000 to \$230,000, which helps somewhat. There are interest earnings on the impact fees because a lot of the money hasn't been spent yet. That's one of the questions – what's to be done with the interest earnings, which is about \$250,000.

Mr. Mannon stated that the issue started out as a \$296,572 problem. After deducting certain dollar amounts on different materials, it then became a \$215,000 problem. Essentially, it's believed that the impact fees that will be available through the end of the year are sufficient to cover it.

Mr. Heffernan said that staff is trying to get a guaranteed maximum figure on the core and shell that everyone can agree on. Mr. Mannon explained that there is a maximum that can be sole sourced with Bayer. There is a separate maximum that Council authorized to build the entire project. In order to get the core and shell within the designated figure, one of the recommendations was to take the elevators out of the core and shell and put them under the interior finish.

Mr. Heffernan said that there are a couple of ways to proceed. Although the impact fees are currently within the control of the City, staff does not want to move forward without the District's partnership. The District could instruct staff to go ahead and spend the rest of the impact fees for 2007 on the project. However, staff would have to go back to Council to appropriate it, which is time consuming. The other option, which has been considered by the City Manager and the Mayor, is to specify in the IGA that those impact fees will come to the District and be used for finishing the branch. In other words, instead of the City taking the money, it is given to the District who then uses it to pay for those costs.

Trustee Bodenhamer stated that the simplest solution seems to be for Council to approve impact fees for 2008 to ensure that the core and shell and tenant finish is covered and the residents get the product that they wanted. She expressed a concern with the proposal just outlined by Mr. Heffernan because if the District has used up all of the 2007 impact fees, and an additional bill is handed to them, would it be the City's expectation that they would dip into our budget which is dedicated to operating funds? She stated that it would be uncomfortable to have to face the residents and tell them that the District has to use their operating money for this purpose.

Trustee Gard agreed with Trustee Bodenhamer and said that the cleanest way to handle this situation is for Council to agree to approve the 2008 impact fees for District use.

President Atchison asked what is needed from the Board. Ms. Carns stated that perhaps City staff can now move forward after having met and discussed this with the Board and let Council know that it is the consensus of the Board to continue with impact fees into 2008. The Board of Trustees are in agreement that the 2008 fees should be continued.

Mr. Barnes asked to make a couple of comments. He stated that the amount that is budgeted for impact fees is about \$85,000 more than the balance at the end of 2006, so in essence, the City has already committed about \$85,000 of the 2007 Impact Fee collections. Historically, the City has been adding the accumulated interest to the impact fee balance. He then distributed a document he meant to hand out earlier entitled: Library Impact Fee Status – 2007 Estimate. The bottom line is that the interest has become even more important.

Trustee Kalkowski thanked City and Library staff for all their hard work on this project.

11. OLD BUSINESS

a. STRATEGIC PLANNING – COMMITTEE FORMATION

Ms. Carns stated that June Garcia hasn't signed the contract yet, but plans to soon. She said that in order to begin the process, the BOT needs to identify who in the community will be invited to be part of the group who will give their input in the process. The deadline to submit names via email is November 19 to Trustee Viscount. A general timeline was handed out to the BOT.

b. DISTRICT POLICIES PROCESS – *Jacqueline Murphy*

Ms. Murphy stated that the BOT will need to identify what policies will need to be in place to allow the District to administer its functions while contracting with the City for certain services. For example, before the District has its own personnel manager, the BOT will want to adopt a policy where the District acknowledges that we are governed by the City's Personnel Policies while they are providing those services. She stated that she is currently going through the policies and figuring out the exceptions such as Ms. Carns reporting directly to the board as opposed the City Manager. There will be just a one-page resolution to approve. It was noted that there will only be one more board meeting before the end of the year so it will have to be adopted at the December 3 BOT meeting.

c. TRANSITION OF EMPLOYEES

Ms. Carns stated that she has been working with HR on the transition issue. There will be a memo from Ms. Carns to all the employees that will go out on Friday along with paychecks. The memo will basically explain the process and will include some FAQs. In December, a letter will be sent to each employee from both President

Atchison and Mr. Heffernan that will further explain the transition and next steps. President Atchison stated she hopes all the employees will want to come to work for the District.

12. EXECUTIVE SESSION

Upon motion by Trustee Gard, seconded by Trustee Viscount and passed by two-thirds of the quorum present, the meeting was adjourned and reconvened in executive session for the sole purpose of discussing the Intergovernmental Agreement between and among the District, City and County and personnel matters as authorized by Sections 24-6-401(4)(a), (e) and (f) of the Colorado Revised Statutes. Trustees Gard and Viscount moved and seconded to adjourn the executive session.

Following discussion and upon motion, second and unanimous approval, the Board directed counsel to have the requisite District resolution provide that the District will adhere to the City's personnel policy with regard to determinations relative to employee termination for cause, noting that this is applicable to non-contractual employees, because the terms of a contractual employee's employment are governed by his or her contract.

Following discussion and upon motion, second and unanimous approval, the Board determined to clarify the action taken at its October 1, 2007 board meeting with regard to granting a 4% wage/salary increase to City employees transitioning to the District. Specifically, the board directed staff to grant a 4% salary increase to classified and subcontract workers and a 1% wage increase for hourly (non-contracted) employees, effective January 1 (or December 31, to the extent December 31 is the cutoff date relative to the City's pay periods).

Following discussion and upon motion, second and unanimous approval, the Board directed staff to take the necessary steps to allow continued provision of retirement benefits commensurate with the City's current retirement plan(s).

Following discussion and upon motion, second and unanimous approval, the Board approved the Executive Director contract with Ms. Carns, as revised.

13. ADJOURN

The meeting adjourned at approximately 8:30 p.m.

Respectfully submitted,

Cynthia Langren
Executive Administrative Assistant

Michelle S. Kalkowski
Secretary