



LIBRARY BOARD OF TRUSTEES REGULAR MINUTES JUNE 20, 2018

The Board of Trustees of the Meridian Library met for its regular meeting at 7:00 pm on Wednesday, June 20, 2018, in the Large Conference Room at the Library on Cherry Lane.

BOARD OF TRUSTEES PRESENT: Megan Larsen, Chair; Christina Hirsch, Treasurer; Howard Little, Trustee; (call-in) Doug Rutan, Trustee **ABSENT:** Dustin Barrett, Vice-Chair

LIBRARY STAFF PRESENT: Gretchen Caserotti, Director; Dawn Cronk, Administrative Assistant, Cheri Rendler, Materials Services Manager

GUESTS: Michael Keith, Bryan Carter

1. **CALL TO ORDER:** Megan Larsen, Chair; called the meeting to order at 7:02 pm
2. **GUEST COMMENTS:** Bryan Carter thanked MLD staff for their response and caring during a recent incident involving a family member. He was impressed by staff's professionalism and having a protocol in place that was followed.
3. **CONSENT AGENDA:** Hirsch made a MOTION to accept the consent agenda, Little seconded. All in favor, none opposed. MOTION passed.
 - a. Regular Meeting Minutes May 16, 2018
 - b. Job Description Revisions: Library Director, Administrative Assistant, Finance Manager, Marketing & Communications Specialist
4. **Board Annual Meeting:**
 - a. Election of Officers: Current officers willing to remain in positions for another term. Rutan made a MOTION to nominate all officers in the same positions for another year, Hirsch seconded. Slate of officers nominated are Megan Larsen, Chair; Dustin Barrett, Vice-Chair; Christina Hirsch, Treasurer. All in favor, none opposed. MOTION passed.
 - b. Bylaws & Job Description Review: Caserotti said should be updated to reflect current Open Meeting Law legislation & use of Consent Agenda. Larsen would like to make advocacy an essential function in the job description. Caserotti will draft revisions to bring back for approval at the next meeting.
 - c. Set 2018-2019 Meeting Dates: Continue Regular Monthly Meetings on the 3rd Wednesday of the month at 7:00 pm with exception of November to be adjusted to 11/14 for the Thanksgiving Holiday. Hirsch made a MOTION to accept the meeting dates as presented, Rutan seconded. All in favor, none opposed. MOTION passed. Caserotti will post the list of dates on the website & library boards.

- 5. Plant Levy Financial Memo Presentation:** – Michael Keith from Piper Jaffray explained what a plant facility levy can be used for and the steps in the process. Options are: pay as you go, save to build later, or borrowing against future revenue. Plant levies vary based on amount, this proposal draft would require 55% voter approval. Plant levies can be collected up to 10 years if approved. An example - \$13 million, no leverage, tax rate for 5 years is 2.6 million a year over 5 years, a 26.6 tax rate. 4-5% is the construction inflation annually and needs to be considered. We would also need to add the amount needed to pay interest for borrowing, it may be cheaper than the construction inflation. If we invest money, the proceeds on interest have to be spent on the project within the required timeframe. Projecting 10% growth this year, and market values are one year behind. Votes approve an authorization for max, library can request less when filing annual L2. Rutan thinks maybe consider two new buildings and also renovate Cherry Lane. Discussion on asking for enough money to cover all projects. Caserotti said the estimate includes funding for proposed interior work on north branch, full standalone on The Hill, and renovation for Cherry Lane doesn't include unBound or Children's Theatre projects. We could use reserves to renovate, but not for expansion or new construction.
- 6. Piper Jaffray Financial Advisor Agreement:** – Michael Keith, Piper Jaffray – proposed redoing agreement as the direction MLD is taking has changed. The new agreement would include finance options, analysis and assistance on financing based on the final decision. Arbitrage calculation would be done by hired specialists. Piper Jaffray will prepare a draft for Caserotti and the board to review and approve.
- 7. May 2018 Financial Reports Approval:** Invoices were checked early by Hirsch before Gerwig left for vacation. We are under on overall expenditures, and line items over 66.7% are highlighted in the report. Hirsch made a MOTION to accept the May 2018 Financial Reports, Rutan seconded. All in favor, none opposed. MOTION passed.
- 8. Library Director Report:** Overall the staff feedback in the Listening Tour was positive, and there are action items being followed up on. The staff is encouraged to share their ideas for improving challenges in communication. The report was also shared with staff. We are recommended to be awarded the CDBG grant given for restroom ADA upgrades. John Thill wrote the application and deserves accolades. We also received the Penguin Random House Innovation Award for the Tiny Library for \$10,000 and also \$1,000 extra to put children's books in it.
- 9. Code of Conduct Policy Revision Approval:** After some discussion last month, the revisions were made and reviewed by attorneys. Rutan made a MOTION to accept the revised Code of Conduct Policy, Hirsch seconded. All in favor, none opposed. MOTION passed.
- 10. Future Branch Expansion Discussion:**

 - a. Capital/Operating projections update review: Caserotti and Gerwig revised the 10-year income/expense projection with 2 scenarios that include projects under discussion, historical trends and operations needed. 1 scenario is a constant, flat 3% market increase and the other a projected economic downturn in 2020. Additional information included new construction historical view, other entities potential bonds, our M&O during 2008 recession and following years. Levy rate and market value and new construction forecast included. Packet included how we arrived at the budgets and other information and how it was calculated, Proformas for proposed branches, hours of operation, size, and costs to operate. Information is

presented to Board to consider and for future discussion. Larsen asked about grant income being low, but Caserotti explained grants are usually for special projects, so hesitant to include higher numbers since not certain.

- b. Linder Village Letter of Interest discussion: Next steps, need to work on non-binding Letter of Intent for developer for use in presentation to City and City Council. Developer projected to go forward this fall, but want feedback from Board on content. Rutan said the developer's intent and lease terms should be favorable to the library. Hirsch said we can use developer's desire to have us included as leverage, and we can construct language in a Letter of Intent to indicate what we want. Caserotti mentioned tradeoffs: lease vs. owning. Larsen mentioned the Letter of Intent says we are interested and terms are to be decided. Caserotti told Board to expect to see a letter from the developers in the next month or so for fall timeline.
- c. unBound building update & possible options: RFP for old City Hall is open for bids now; 703 and 713 are under agreement, and old City Hall is open for discussion; developer proceeding with plan to demolish 703 and 713; rebid and restart projects in 2019. So would need to be out in January 2019, but they have to give us formal notice. Developer discussed including unBound in space in new project, we would need to discuss lease vs. condo, space needed, but this is not included in our current projects. Caserotti and Gerwig are looking at how we can proceed with a different building purchase, and is foregone a tool we can use since we are under our levy rate? Current downtown core building discussion is revolving around building up. Rutan asked about our using old City Hall. Caserotti said interest is in building up (multi-story) and we cannot compete for that and have not submitted an RFP for that project. Hirsch asked if we could make unBound larger. Caserotti said nothing beyond 5000 square feet due to operational costs. Current projections are based on existing 2800 square feet. Caserotti is asking for direction in pursuing working with developer vs. finding another place. If developer option, we would be closed during 18 months of construction. She anticipates unBound will receive a lease termination notice in October or November, so we need to decide our options soon. Caserotti also said options for buying buildings is limited based on prices for buildings that need a lot of work. Caserotti asked what Board would like to see, possibly a presentation from the developer? She will see if he can come next month with more concrete plans.

11. Tiny Library at The Hill Update: Agreement with the YMCA Approval: The Y's attorney and our attorneys have approved the Agreement. in the last 48 hours we received the permit from the City. Caserotti is needing to write emergency checks (for when Gerwig is gone) for the storage container and the City permit. Onsite work will start on Friday 6-22, delivery date for the storage container is July 12th. G will handwrite a check for the permit and the storage container. Little made a MOTION to approve the Agreement with the Y, Hirsch seconded. All in favor, none opposed. MOTION passed.

12. Architect RFQ Discussion: Caserotti shared a draft with Board for feedback, before going to the attorneys. Outline of architectural needs in the next few years on discussed projects and what we would require of them. Caserotti would like to use option for having a pool of architects and option to use different architects based on success of previous project they worked on for the library or their area of expertise. Is the Board comfortable with a committee to do the work and

give their recommendations? The committee would consist of one Board member, owner's rep, Caserotti, 2 citizens and maybe Gerwig. Larsen agrees on the committee as long as it is a small group. Caserotti will bring back next month as action item to Board. Caserotti anticipates a 2-month timeline for RFQ once published.

13. FY19 Budget Development Review & Set Special Meeting Dates: Need to set the August 3rd Budget Hearing Meeting at 9 am to approve the notice of publication, (quorum needed, can call in). Rutan made the MOTION, Hirsch seconded. All in Favor, none opposed. MOTION passed.

14. Strategies 360 Information Campaign Services Contract Discussion: Larsen established we cannot spend District funds on advocacy for a possible ballot measure. Trustees & staff still have first amendment rights to advocate, as long as public funds, time and equipment are not used. Caserotti suggested using the same company we worked with before to provide us assistance in getting the information out to citizens based on feedback in poll that both prior measures citizens reported they didn't feel they had enough information to make a decision. Knowing the legal limitations, MLD could budget \$5000 of District funds for an education only campaign. Strategies 360 can provide factual information and reasons why we are running the levy & help us make a better communications plan. Larsen thinks the education campaign is important with all the new citizens moving into the area. Rutan said it is important to have Strategy 360 because they know the law, but we should still run it by legal. Caserotti will bring more information to the July meeting.

15. Future Agenda Items: None

With no further business before the Board, the meeting was adjourned by Board Chair Megan Larsen at 8:47 pm.

The next regular Library Board of Trustees meeting is scheduled for 7:00 p.m., Wednesday, July 18, 2018, in the Large Conference Room at the Library on Cherry Lane.

RESPECTFULLY SUBMITTED AND APPROVED

Gretchen Caserotti, Library Director

Megan Larsen, Board Chair