BOULDER CITY LIBRARY BOARD OF TRUSTEES MEETING
Minutes from the December 19, 2018 meeting for the January 2019 meeting.

Members Present: Jeff Breeden; Chair, Marita Rhinehart; Vice Chair, Ann Langevin, and Rachel Hunt.

Also Present: Director Kimberly Diehm, Assistant Director and Head of Cataloging and Processing Anne Karr, Head of Circulation Hillary Rambo, Jason Jorjorian and Craig Galati from LGA, Jim Chachas with Hobbs Ong & Associates, Bond Counsel Kendra Follett, Martha Ford of PBTK, Pastor & Mrs. Marsh, and several other members of the public.

The regular meeting of the Library Board of Trustees was called to order at 5:01 p.m. by Chair Jeff Breeden.

I. Pledge of Allegiance Led by Ann Langevin

II. Citizen Participation: Items raised under this portion of the Agenda cannot be acted upon until provisions of Nevada’s Open Meeting Law have been completed. Therefore, any action on such items must be considered at a later meeting. Public comment is generally limited to 5 minutes per person.

A member of the public brought up several points to the Board of Trustees the previous month and asked for an update on the items questioned. The Chairman explained that under Open Meeting Law requirements the Citizen Participation section limits the Board’s participation in responding to citizen comment. He proposed speaking with the Director after the meeting. Ann suggest looking for answers in the Director report. Jeff offered that the citizen could ask to have the subject placed on the next month’s agenda so the Board could discuss the items.

III. Consent Agenda: Matters considered routine by the Board of Trustees and which may be enacted in one motion. Any item, however, may be discussed separately per Board member request. Any exceptions to the Consent Agenda must be stated prior to approval.

Ann asked whether the printing budget had been discussed the previous month and she confirmed the amount was over budget due to informational printing related to the bond issue.

Marita Rhinehart moved that the consent agenda, minutes of the regular meeting of November 15, 2018, and bills paid of $78,738.95 as provided from the previous month be accepted. Rachel Hunt seconded. Motion carried.

IV. Reports:

Kim asked if any member would like to attend the Workforce Connections Symposium. Rachel questioned a comment in Kim’s report. She was curious about the incidents with teens and wanted to know if the problems are noticeably more frequent or more intense. Kim and Anne described the nature of the incidents and a discussion followed in which the Board members asked questions and offered solutions. It was determined the police would be asked to do a property damage report and they would be asked to make more frequent rounds and be more
visible. A more passive way of observation such as cameras was preferred to placing staff in danger of retaliation. Partnering with the volunteer police for patrol after hours, trespassing individuals, and incident logs were mentioned. Jeff asked Kim to bring an incident log to the Board in January. Rachel wanted to make sure the staff was getting the support needed and suggested building a relationship with the police. Ann asked about a juvenile specialist within the police force. The Board asked to be updated in future reports.

V. Report/Discussion/Action Possible: The agenda items in this section are for discussion and for possible action. The items may be heard in any order; two or more items may be combined for consideration; an item may be removed from the agenda; or discussion related to an item may be delayed at any time.

1. Plans on Scaling Back Renovation Project - Action Possible, Craig Galati & Jason Jorjorian of LGA

Craig offered ideas based upon knowledge their team obtained from the community process about priorities. He offered to send the electronic version of their presentation after the meeting. Jason first showed the improvement features from the original concept design. With all the alternates added in the construction cost was 9.4 million. It was the “Big Dream.” He quickly described 3 different scenarios which offered a step down in scale.

Scenario A: Only renovate ½ the basement level. Keep the right side for storage only. Take out the play area and balcony and sacrifice the teen area expansion. Still doing the upper level plan this plan’s expected cost is 7.4 million.

Scenario B: Same lower level changes as Scenario A plus a reduction of changes on the main level by a third (1/3). The existing entry would be kept. The Nevada Room and meeting rooms would remain the same. This plan reduces the price to 5.9 million.

Scenario C: Pulled back plan to only develop the basement for the youth without the main level changes. Some allowance for adaptation would be made to transform the area currently occupied by the youth section. While not a guaranteed price, the estimate is 2.4 million.

Craig pointed out there would be no new stairway and exits would have to be from the lower level. Jason explained some changes to the youth area such as sacrificing the large room and specific youth storage space. Craig noted the youth area would still have 12,000 sq. feet. He admitted these scenarios were a first pass that LGA offered without input from the Board or the staff.

Marita asked about emergency exits in the basement. Jason clarified there are still two required. Discussion about opening windows for visibility, the entrance possibilities with the various scenarios, and meeting rooms, followed as the Board members asked questions for clarification.
Craig felt the children’s space was always the most important goal and he offered that could still be accomplished for 2.5 million. Jeff expressed appreciation to LGA for getting the plans to bite-size pieces for the Board to consider that could still address areas of deficiency.

Craig encouraged the Board by explaining projects of this sort typically can have stops and starts. He shared that sometimes you have to scale back. He noted the importance of being comfortable with what the community will support.

Marita had a question about original construction costs versus bond issue prices. This triggered Jason to point out another approach and the group discussed approaching the project from a phase perspective. If they chose to phase the project, he recommended doing the basement first.

2. Library Renovation Project Costs & Funding Options - Action Possible, Jeff Breeden/ Hobbs Ong & Associates/ Kendra Follett

Jim Chachas stated he wasn’t sure which direction the Board was going to want to go, so he had run some very preliminary numbers. Jim and Kendra had worked with Martha. He shared at the end of the fiscal year on June 30, 2018 there was $630,000 in the Capital Projects Fund. This year in the budget an additional $200,000 should be added to this amount, so he stated there will $800,000 available for this project.

Jim said there were two ways go about funding the project. The Board could issue medium term bonds for a ten-year period that would not require a vote of the people. Doing quick scenarios on the repayment of that loan, and dependent upon the interest rate, Jim felt they can get an annual debt service amount that would be $240,000 to $280,000 a year. Depending upon how this budget cycle goes, he sees potential for the library to service 2 million dollars over 10 years from the general fund. He told the Board he would recommend they would need to go for a bond question and levy if they wanted to support a greater debt service payment. He advised them to ask, “What can you afford to pay back?”

To clarify a question for Jeff, Jim confirmed the library has been paying $200,000 to $300,000 a year, for the last several years, into the Capital Projects Fund. If the library uses medium term financing and things go awry with the budget, the library will have to cut staff and the operating budget. Jim informed the Board when the debt service goes away, there will be a one-time opportunity to take the operating rate up to the maximum allowed; thereby generating more money per year and still reduce the property tax rate next year. Moving the debt service into the operating budget can be done seamlessly and has been done by other library systems in the area.

If the Board chooses an option that costs more, they will face the same procedures they already went through. Kendra addressed the medium term financing operation and outlined the process which includes: a notice of public hearing, a resolution passed by a two thirds (2/3) vote, filing with the Department of Taxation, a financial
page depicting a pay-back plan, gathering of documents and a presentation to the Department of Taxation. The packet will then be reviewed. This does not require a vote of the people, but there is still a process to go through properly. Dependent on how finances go and the plan to add 1 ½ people with the expansion project, Jim presented this information as a tentative picture with a possible window of opportunity to pursue.

Jeff asked for clarification about the interest rate range Jim had used for his calculations and was informed the range was from 3 ½ to 6 ½. A discussion followed about how the law controls property tax increase. Low growth in Boulder City prevents the generation of much money for the library, but Jim attested to the benefit the library gets from the greater Southern Nevada economy. He cautioned, however, if the economy tanks, the library will tank with it. He reiterated the options, but stated it is premature to talk numbers before knowing the Board’s wishes.

Marita asked for a guestimate on the one-time increase amount. Jim said it will not be a major contribution to the bottom line. He did not want to venture a guess until the Treasurer’s office runs the rate against the assessed value. Jim encouraged following a prudent path while Marita defined her question as wanting to know if the method Jim outlined would generate enough cushion. Jim said scenarios could be run once he knew the direction the Board was inclined to follow.

The Capital Projects Fund plus the 2 million would comfortably allow for option C. Jim asked LGA if there was a contingency designed into the numbers presented. The possibility of the actual construction number going up was discussed. Interest rate exposure was also discussed. Jim reiterated he did not want to speak until he had a number.

Kendra answered Jeff’s question about the next election being a city election in the spring. She read from the statute and clarified public officers are not permitted to direct an employee on district time to lobby. Presenting factual information is the exception. Expenditure of funds is prohibited, however, incurring an expense to provide information is permitted. Public officers cannot cause the district to incur an expense as a result of activities supporting or opposing a ballot question. Questions followed and Kendra confirmed the Board members can be advocates for the library as private citizens but they cannot lobby from their capacity as a public officer. No presentation as a representative of their position may be made and she informed them a disclaimer should be presented if they should choose to speak as a private citizen.

Rachel asked about the social media forum. If people ask questions on a personal account, Kendra advised still making a disclaimer that one is not speaking in any capacity as a Trustee. Marita shared wording she used from her school board experience. Kendra also addressed public broadcasts, such as a television show or a radio broadcast. She said they could participate as long as both sides are represented. Discussion followed due to the complicated nature of the statute. It was agreed that...
the statute had not yet been updated to specifically address social media, but it was recommended that the same behavior be adhered to.

Rachel asked Kendra whether the tax rate for the pool and the library together would be within the legally allowable range for the city to tolerate. Jim addressed the conversation and confirmed he had spoken with the City Clerk and knew the decision for the pool was in the 40-million-dollar range. Kendra said the allowable rate is $3.64, so both taxes would be within the range allowed for the public. She made calculations by using the Dept. of Taxation website and found $2.61 would be what the City will use and our original request was for 12 cents.

Kendra said that should they decide to go to a vote of the people, the deadline to get everything to the Debt Management Commission (DMC) is Friday, April 12th to submit the question. Before that date the Board would have to do all steps they did before. Jim clarified they can call special meetings. A timeline discussion followed for deadlines and decisions for the various options.

3. Decision on Future of the Library Renovation Project - Action Possible, Jeff Breeden

Ann & Marita expressed they thought they should go for the 7.5-million-dollar option. Ann stated a need still exists for a more accessible entrance. Marita felt the needs had been defined and the excess has been cut, but the 7.5 option is needed to meet the shortfalls the library is experiencing. An assessment followed regarding who they needed to reach and why the ballot question had not passed before. Ann said the community deserved to be on the edge of technology and used Craig’s assessment that what the library was asking for was the price of one latte per month. Marita added that doing the project piecemeal would be too damaging. She did not want to see that sort of destruction to the library or to the staff. Rachel brought up all of the community meetings and noted many issues were addressed with the design. She did not feel it would be okay to come back now and say the library will be okay with only ½ what they asked for. The Board did not enter lightly into the amount they asked for. She would like to get a stronger message out and would like feedback as to why it did pass. She said it was tough to explain and they did not have one message. Jeff appreciated the discussion and noted approval of not wanting to scale back too far. He appreciated Jim thinking outside box, but would prefer not to take that approach. He said the Board members’ argument made sense, but he wondered if 71/2 million was low enough for the comfort of the community. He said by the time it comes around it will be a tax increase. They mentioned it is all about perception.

Motion was presented by Marita Rhinehart to authorize the staff to move forward on the proposal to seek a levy for property tax for the payment on capital improvement funds. Seconded by Ann Langevin.

As part of discussion, Jeff asked Jim and Kendra to assist with the numbers they would need going forward. The funds would come from the need including project
contingency and bond costs. Jim will build a table with different interest rate risks built in. Jim said it would be wise to look at other numbers. Craig recommended a 10% contingency. Jim will get the numbers from the LGA presentation. Jeff was concerned the community has a number they will not be able to dream above.

Kendra stated, to adopt on 16th they will need and amount and a tax rate. She said Jim can’t adjust on the fly. She suggested they may need to call a special meeting. A date for a special meeting was brainstormed if needed.

After discussion Motion carried.

4. Library Interest in 651 Adams Blvd - Action Possible, Jeff Breeden

Nothing has happened with the City so there was no action to take.

5. Library Audit Report - Action Possible, Martha Ford of PBTK

Martha presented the modified audit report which included her comments and findings. She said it was short and sweet and asked for questions. Jeff asked a question and Martha said there were still issues from prior Director. She recommended a payout as it should have been done 2 years ago. She said employees have had time to find errors and now issues should be addressed and resolved so it will not appear on the audit again.

Marita asked about the overall financial health of library. Martha said that answer depends on the given economy. Listening to the project costs and she expressed the need to look at the budget level not entity wide. Her issue is with the fund level with budgeting. To answer Marita’s question she said there is a better balance in the Capital Improvements Fund but to remember we transferred to the Capital Improvements Fund and to pay the debt, so the General Fund ended with a net loss. She said the library can’t handle too many years with a net loss. The Board was talking about a 10% contingency and so she said they do not want to dig into it. She questioned if the AC goes it is a big risk because then the library might not be able to open its doors in the summer.

She discussed policy adjustments that have corrected a finding regarding compensated absences. The beginning number did not match an ending number but she said at this point it should be gone. With the finding, this next year it should be fixed.

Jeff and Marita asked for an explanation. Kim explained one issue was when Anne changed from 30 to 40 hours there was an adjustment that was missed. Employees not being given what was earned was an issue found. Marita asked if a Board Level involvement was required and Martha said she thought it was fixed. Comp. time, take it or lose it, was an area she recommended proactive treatment about.
Ann Langevin made a motion to accept the audit as presented. Rachel Hunt seconded. Motion Carried.

6. Minimum Public Library Standards for Nevada - Action Possible, Kim Diehm

Kim presented the annual form which needed to be signed and presented to the State. She presented the previous 5-year plan and highlighted things that had been accomplished. She also passed out a new plan to be submitted that had the things accomplished taken off, but kept the ones left on for next 5 years. She noted the materials section is at 13%, not the 15% goal, but better than 10%.

Marita Rhinehart made a motion that they accept the certification of the minimum library standards. Rachel Hunt Seconded. Motion carried.

VI. Announcements:

1. Winter Reading Program, December 14-February 25, 2018
2. Teen Holiday Craft, 3pm, Community Room, Thursday December 20, 2018
3. Holiday Family Storytime and Party, 6 pm, Community Room, Thursday December 20, 2018
4. Library Closed for Christmas Eve & Christmas Day, Monday & Tuesday December 24 & 25, 2018
5. 10am Family Movie, Community Room, Friday December 28, 20018
6. Library Closes at 5pm for New Year’s Eve, Monday, December 31, 2018
7. Boulder City Library Board Meeting, 7pm, Board Room, Wednesday January 16, 2018

VII. Citizen Participation: Items raised under this portion of the Agenda cannot be acted upon until provisions of Nevada’s Open Meeting Law have been completed. Therefore, any action on such items must be considered at a later meeting. Public comment is generally limited to 5 minutes per person.

There were not comments.

VIII. Adjournment: