

BOARD OF TRUSTEES REGULAR MEETING

June 19, 2019

Alexandria Branch

MINUTES

CALL TO ORDER

Vice President Tracy Smith called the regular meeting to order at 5:42 p.m.

ATTENDANCE

Board members present were: Tracy Smith, Paul Johnson and Christie Fillhardt. Absent: Cathy Howard and Carla Landon. Also present were JC Morgan, Library Director; Grant Satterly, Director of Financial Services, Kentucky Association of Counties; Noah Bartel, Alexandria Branch Supervisor; Dawna Haupt, Library Accountant; Kiki Dreyer Burke, Public Relations Manager; and Chantelle Phillips, Assistant Director.

INVITATION FOR PUBLIC COMMENT

- Kim Painter, Independence KY

KACo DIRECTOR OF FINANCIAL SERVICES REPORT

Grant Satterly reported on lease financing available to Kentucky counties and other political subdivisions from KACo (Kentucky Association of Counties Finance Corporation). He added that bonds are the oldest form of public finance. A bond rating is like a credit rating for counties. Better ratings give counties and other agencies access to lower rates. Basically, through KACo, we would be given the same rating as the state, AA minus. Grant reported that because KACo is a non-profit, they only charge a quarter of an interest point for services. He added that there are a few documents that need to be passed to be able to enter into a financing agreement with KACo – a Resolution approving an Interlocal Cooperation Agreement and a Resolution approving a Leasing Agreement. Those documents would then be filed with the county clerk. Grant added the difference between KACo's financing and that of a bank like Fifth Third is that KACo has no early payment option. The tax exempt borrowing can be structured with an annual payment. Dawna Haupt asked about disbursements on the lease. Are they as needed or do we need to withdraw the entire amount? Grant said we need to take the entire amount but have 30 months to do so. Until we draw the funds, KACo invests our money while it's with them which helps.

MANAGERS' REPORT

Noah Bartel reported on Summer Reading Kick off Day at Alexandria. Opening hours were extended from 11 am to 5 pm to 9 am to 5 pm so Alexandria's kick off would be in line with the other branches. Noah reported they had 70 people waiting to get in before they opened. He added they had 367 people in the building that day, 340 before 3 pm. Alexandria had 75 back bags to give to kids who registered for Summer Reading on kick off and they ran out of them by 10:30 am. The other branches had 150 so Alexandria will need to have the same amount as the other branches for next year. They created 19 new cards and circulated 358 items on Kick off day. Noah talked about his full-time children's programmer, Molly Walker. Molly is offering 37 programs in June and July. Noah mentioned attending the NKY Pride Parade and passing out a brochure featuring a LGBTQ materials available at the library. The staff members who attended the parade talked to about 345 people and handed out about 250 brochures. People were happy we were there and happy to get the brochure.

ATTORNEY'S REPORT

Claire Parsons was unable to attend this meeting.

PRESIDENT'S REPORT

Tracy Smith reported on a note from Christie Fillhardt about a program she attended at Newport offered by Valerie Davis. Christie said that Valerie has quite a fan club and that her son, Buddy, adores Valerie.

REGIONAL LIBRARIAN'S REPORT

Regional Librarian's written report is included in the Board packet.

DIRECTOR'S REPORT

There were no questions about JC's written report. JC reported the short term budget was provided in the Board packet. He estimates will be under \$700,000 in the bank by the time the first wave of property tax payments are received in December. This amount gives the library under three months of reserves so we need to build that back up over time. Next month we will be voting on our tax rate. If the board chose to exceed the compensating rate, JC reported that we will have to have public meeting immediately before the next county commissioner's meeting at the fiscal court building. The board would not need to attend. Paul Johnson said that he is having a problem understanding our current financial strategy with all that is on our plate right now. Paul wanted to know how the money we are borrowing impacts our other business obligations. JC reported that half the loan from KACo will go to pay off the current loan with Fifth Third which reduces that payment and frees up funds. He added that we are still get \$114,000 from the state through a construction grant for two more years. JC added that all this was presented in the budget packet and that we were talking to KACo before we had firm estimates of the cost of the capital projects. Again, Paul Johnson wanted to know how this fits with our day-to-day operating costs and any plans for the South Branch. JC reported that of the \$1.2 million loan, \$600,000 would go to paying off Fifth Third then the rest of the money would cover our upcoming capital projects. The projects are necessary in the short term and should not be ignored, even at the expense of long range plans. Tracy Smith and Paul Johnson are both concerned with the length of the term of the loan and would be happier with a shorter term so we aren't carrying this debt when we approach the South Branch. JC said he will ask Grant Satterly to provide us with some options on the terms of the loan, perhaps a five-year and seven-year option.

COMMITTEE REPORTS

- Dissolution of Budget Committee: Christie Fillhardt moved to approve the dissolution, Paul Johnson seconded, all were in favor and the motion carried.

UNFINISHED BUSINESS

- Cold Spring Parking Lot: JC reported that Corey Gamm, our attorney, is still working to get signatures from the owners on the contract for the section of property we are wanting to add to our existing property for the Cold Spring parking lot expansion.
- Imagination Library: JC requested that the \$10,000 donation from Dav Pilkey we received in the spring be used to establish a bank account for the Imagination Library. Our auditor suggested we separate the Imagination Library funds from the library's own funds in the future. Dawna will be exploring the establishment of another 501c3 entity to hold the money for the Imagination Library. Paul Johnson moved to approve the creation of the new account, Christie Fillhardt seconded, all were in favor and the motion carried.

- Newport Curtain Wall: JC reported we are still waiting for the water test on the east (stairwell) curtain wall.
- Newport Parking Lot Expansion: JC reported on the possibility of eleven new parking space being added to the Newport parking lot due to a dog park that may be created by the city on the land that sits behind Janet's Creek to the north of the building. JC showed the plans for the dog park and the construction of a bridge to cross from our property to the proposed dog park. There were questions about the culvert that supports the creek crossing. JC also related concerns that he had heard from Angela Siddall, a resident of the East Row Historic District, about the proposed dog park and the existing dog park. The Board decided to table the discussion until next month so more information can be gathered.

NEW BUSINESS

- Disposal of Surplus Materials: This month's disposal includes 2,081 items withdrawn from the collection. The disposed items from our collection will be given to the Friends of the Campbell County Public Library for their regular book sales. Christie Fillhardt moved to approve the disposal, Paul Johnson seconded, all were in favor and the motion carried.
- Review/Approval of changes to the General Policies: Paul Johnson moved to approve the changes as presented, Christie Fillhardt seconded, all were in favor and the motion carried.
- Review/Approval of Amendments to the DLG Final Budget: JC Morgan explained that the approved budget for the library is modified each year to fit the Department of Local Government's formatting in their online portal. The DLG does not allow for spending money in excess of a \$5000 difference from the budget when we report the actual expenditures later in the year. We also have to account for any variance greater than \$5000 in revenue. The amendments to the DLG budget for any necessary changes must be made by June 30 but are still estimates right up until June 30. JC asked for the board's permission to make those amendments as necessary. Christie Fillhardt moved to approve the amendments, Paul Johnson seconded, all were in favor and the motion carried.
- Approval of Auditor for FY2018-19: Paul Johnson moved to retain the auditors from Bramel & Ackley for FY2018-19, Christie Fillhardt seconded, all were in favor and the motion carried.
- Approval of a new loan for eliminating current debt with Fifth Third, Cold Spring parking lot improvements, Fort Thomas parking lot improvements, and replacing Newport curtain walls: Paul Johnson moved to approve Resolution 2019-2 an Interlocal Cooperation Agreement with KACo, Christie Fillhardt seconded, all were in favor and the motion carried. Christie Fillhardt moved to approve Resolution 2019-3 a Lease Agreement with KACo, Paul Johnson seconded, all were in favor and the motion carried.

FINANCIAL REPORT AND MINUTES Paul Johnson moved to approve the minutes and the financial reports as presented, Christie Fillhardt seconded, all were in favor and the motion carried.

NEXT MEETING: Wednesday, July 17, 5:30 p.m., at the Cold Spring Branch.

ADJOURNMENT: Paul Johnson moved to adjourn the meeting, Christie Fillhardt seconded, all were in favor and the motion carried. Tracy Smith called the meeting to an end at 7:33 p.m.

Respectfully Submitted,
Chantelle Bentley Phillips, Assistant Director

Cathy Howard, President

Christie Fillhardt, Secretary