

WEBER COUNTY LIBRARY

BOARD OF TRUSTEES

**MINUTES**

Date: January 5, 2021

Board Members

in Attendance: Cynthia Mattson  
Diana Allison  
Sandra Crosland  
Jim Harvey  
Kathleen Jensen  
Reed Spencer  
Spencer Stokes

Others

In Attendance: Bryan Baron, Legal Counsel  
Evelyn Bertilson, Friends of the Library  
John Bond, Weber County Treasurer  
Phoebe Carter, Assistant Library Director  
Marcia Harris, Library Development Board  
Chelsea Maki, Associate, Library Production Services  
Holly Okuhara, Assistant Library Director  
Scott Parke, Weber County Comptroller  
Lezlie Sokolik, Library Production Services Manager  
Julia Valle, Library Business Office Manager  
Lynnda Wangsgard, Library Director  
Vanessa Watkins, Associate, Library Production Services

Mattson called the meeting to order at 5:00 p.m.

Public Presentations:

There were no public presentations.

Virtual Introductions:

Sokolik screened a video production prepared to introduce members of the Library Board, Development Board and Friends of the Library officers, and employees. Sokolik explained the video offered an opportunity for everyone to see a very diverse group of people, many for the first time sans face coverings. Sokolik introduced Maki and Watkins who played a major role in the production.

Wangsgard noted the virtual introduction was first screened during the year-end general staff meeting. It will not be shared via social media.

### Spencer Stokes' Training Vignette:

Stokes invited J. Bond and Parke to update the Board on the County's fiscal health in general, and Library finances in particular. The goal was twofold:

- Facilitate Board members' ability to respond accurately and appropriately to community members' requests for insight into County fiscal matters, and
- Board members' ability to oversee Library finances.

### Report on Library Finances:

Parke began by noting the balance of the Library Fund (savings account) as of December 31, 2019, was approximately \$8.2 million, an amount well above the County Fund Balance Policy recommendation which capped the upper limit at an amount equal to four months of operating expenses. At this point in time, the Fund balance held closer to nine months of operating costs. Parke noted that with the startup of expanded and new facilities, Library operating costs were exceeding revenues. Over time, and without change, the extra savings would be spent down as it was utilized to balance the budget. At some future point, the savings would be gone and the Library would no longer have the revenue needed to support established services. County officials did not want to wait to address the shrinking Library Fund balance until there was an emergency that required drastic action, but rather wanted to be proactive. The actions taken were multifaceted.

The first step was to spend down the Library Fund balance to \$6.5 million by using approximately \$3 million to pay off the 2014 sales tax bond issued for construction of the Pleasant Valley Branch. This action freed up approximately \$500,000 that was set aside annually in the operating budget for debt service. This funding could now be repurposed to help cover on-going operational expenses.

The second action was to spend down the Library Fund balance by another \$3 million to establish a Library Capital Projects Fund. While this fund is controlled by Commissioners, Parke stated, it is restricted in purpose to library repairs, renovations, and capital expansion. In this way, it is protected for future Library use while serving as a hedge against the cost of unforeseen capital needs.

The third action was to shift \$1.5 million in property tax revenue from the General Fund to the Library Fund. This action was projected to forestall the need for a Library property tax rate increase for the next five to seven years.

These three actions, taken together, resulted in the Library System being in a good financial position to go forward with needed operational revenue as well as having the security of a savings account to help offset future capital costs.

Parke reported that increased expenditures recently authorized for Library staff included approximately \$82,400 in pay for performance increases, \$40,700 in one-time increases, and \$382,000 for market-rate adjustments. Even with these additional payroll expenses, projected revenues should be sufficient to cover operational costs for the next five to seven years, Parke noted.

Stokes asked when the Pleasant Valley Branch bonds would have been paid off had this action not been taken.

Parke said the final payment was due in four or five years. Since the bond had been refinanced, there was no penalty for early payment but no savings either. The \$3 million was transferred to a trustee that will handle the payments and recoup approximately \$8,251 in interest to cover their management fees. In this way, the debt is off the County's books.

Harris asked for clarification about \$1.5 million. Where did the revenue come from?

Parke noted it was a transfer from one County fund to another. It was meant to be an ongoing shift.

Mattson asked if there was a need for tax rate increase to offset the shift.

Parke indicated there was not a need for area residents to pay more. The County enjoys diverse sources of revenue. Growth in sales tax had been strong and projections were that they would continue to be so, providing for future needs in the General Fund. Therefore, a property tax shift from the General Fund to the Library Fund could be made. The Library Fund is tied by statute to funding from property taxes and does not ordinarily benefit directly from increases in sales taxes.

Stokes asked if property tax notices will reflect the increase in the Library Fund and a decrease in the General Fund.

Parke indicated the notices would reflect this change but the overall tax rate will be the same. An increase in one area will be offset by a decrease in the other.

There being no further questions, Parke invited J. Bond to continue with the report.

#### Report on County Bonding:

Approximately three years ago J. Bond became concerned that the County's savings account was only about 15% of annual operating costs when strong fiscal policy recommended it should be closer to 30%. The cost of borrowing money is determined, in great part, by a governmental entity's bond rating, or credit score. Rating agencies look at the financial health of an entity and take into account what would happen if there were to be a financial crisis, like a stock market downturn. Would there be enough money in reserves to service the County, they ask.

Between 2018 and 2019, Commissioners were receptive to modifying the approach to County budgeting in order to increase the County's overall savings from 15% to 25%. As a result, during December 2019, the County was in a good enough financial position to pay off \$15,000,000 owed for two internal bonding obligations; a bond for work on 12<sup>th</sup> Street and another for a storm water project. This new approach to fiscal management, coupled with careful monitoring of spending, put the County in a strong position for 2020. When the coronavirus pandemic presented itself during March of 2020, it was poised to test the financial planning and the sound fiscal management of County operations.

By September of 2020, the County was still in a strong enough position to retire financial obligations on two additional bonds and refinance two other bonds. Both the Pleasant Valley Branch Library and the Health Department Building/Ice sheet Expansion bonds were defeased, and the Animal Shelter bond and the first Library capital projects bond were refinanced at a lower interest rate. In order to refinance the Library and Animal Shelter bonds, however, the County had to obtain a new General Obligation (G.O.) bond rating.

Two bonding agencies, Fitch and Moody's, were approached for a rating. Fitch responded with the highest rating possible, AAA. Of the approximately 3,000 counties in the nation, only 72 have a AAA General Obligation rating from Fitch. Moody's responded with an upgraded rating, pushing the County's rating up one notch from Aa2 to Aa1.

With these new ratings in hand, the County is now also working with Summit Mountain to refinance a bond on which the County was a cosigner. Refinancing this bond will save almost \$1,400,000 over the life of this bond. In all, direct purchase, defeased, and refinanced bonds will save almost \$4,000,000 in interest costs.

J. Bond complimented Commissioners for holding strong on the revised County fiscal plan and Parke for his work in helping maintain the strong fiscal standing of Weber County as validated by ratings from independent bonding agencies.

#### Report on CARES Act Grant Funding:

J. Bond reported on the CARES Act funding for which the County was responsible, emphasizing the dynamic environment within which planning and decision-making had taken place. For example, no one could predict how the pandemic was going to proceed when it first presented itself during the first three months of 2020. Would it present a big challenge and then fade out over the summer months; would it build gradually, month to month; or would it proceed with big spikes followed by periods of lower transmission and illness? How would revenues and expenses be impacted and for how long? Would there be Federal aid and, if so, for whom and how much?

During March of 2020, Congress approved the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The County officials received word during June that \$24,000,000 would be coming their way as a pass through from the State. Cities in Weber County were notified that they would receive \$21,000,000 in funding. County officials also learned the Governor decided to split the funding into three allotments; if the County did a good job of managing the first allotment, there would be a second, and then a third. The State also initially provided four pages of guidelines that, with experience, expanded to 8 pages, and then to 15 pages accompanied by 25 pages of record keeping requirements. The landscape was continually shifting underfoot, requiring constant changes and tweaking of the County's planning process to stay in compliance and qualify for all of the CARES funding.

As word of the Federal funding was received, a leadership team started to develop. County departments merged talent and focused on an opportunity to help mitigate the deleterious effects of the pandemic. J. Bond, Parke, and Christopher Crockett, representing the County Attorney's Office, formed the nucleus of a group that expanded to include several additional County employees. This group was responsible for brainstorming priorities and engaging with city mayors.

With the exception of Harrisville City and Ogden City, the other 13 cities within Weber County determined it was in everyone's best interest to work together in establishing priorities and accounting for funds.

The County CARES planning group determined that since the Weber-Morgan Health Department had to shutter several businesses in an attempt to contain the coronavirus, these establishments should be given first priority in applying for CARES Act funding.

A list of 10,420 businesses was mined from data held by the Assessor's Office. Of these, 5,700 businesses were within the 13-city and the Unincorporated Weber County boundaries. Certain businesses were prioritized for assistance that fit within 62 of 206 Standard Industrial Classification codes (SIC codes) that had been shut down by the Health Department orders. While application guidelines were being developed and finalized, these businesses were contacted by email, robocall, and postcard with an invitation to apply for funding. Approximately 600 eventually responded to the criteria provided. As contracts were written, approved, and funding was distributed to the first wave of applicants, it was found that some businesses were left out, so a second round of funding was offered. A total of \$9,300,000 was distributed to these first priority business that had been negatively impacted by the coronavirus closure.

The next priority was to address pressure in local schools, Weber State University, and the Ogden/Weber Technical College. Again, entities were contacted, guidelines developed, applications received, contracts approved, and the second round of funding disbursed.

The third priority included area hospitals needing to expand capacity to meet the demand for critical care, during the first few months of 2021, when admissions were expected to peak. The Fire District was also one of the entities slated for the third round of funding. Again, a plan was developed, applications received, contracts approved and the final round of funding disbursed.

With a vision that the County is here to help lessen the deleterious impact of the pandemic on local businesses and the economy, and with six months of cooperation among governmental entities and consistent work on the part of many, decisions were made that got the funding into the hands of those who deserved it and needed it most. The outpouring of appreciation has been overwhelming, J. Bond concluded.

Mattson thanked him for his report.

Allison complimented J. Bond on his outstanding effort and asked how the County will now help with vaccine rollout.

J. Bond explained the approach will be somewhat the same. They will identify all healthcare workers and related businesses in Weber County. Once this task is accomplished, they will narrow the list to those organizations that may be able to play a role and information will be sent to see whether those on the list are a good fit to help launch the vaccinations. Finally, contracts will be developed and approved, centers established, and vaccinations will be given.

Since there were no further questions, the reports were concluded to a solid round of applause.

### Commissioner's Report:

Harvey noted Commissioners stand on the shoulders of J. Bond and Parke who, he said, actually glossed over the tremendous work that they did. For example, everyone who received CARES Act funding was thoroughly vetted and an audit trail was put in place that will stand up to any review by the State or Federal government. The team made sure the allocations were defensible, that no one could ask for documentation, find it was not available, and ask that the funding be paid back. Weber County did an outstanding job, affecting almost as many businesses in first two weeks as did the much larger Salt Lake County. It was a heroic effort, Harvey concluded.

Stokes noted Bond was at one time the County's internal auditor and partnered with elected officials and managers in getting departments on track. His style was not to go in and point fingers and blow things up, but rather to gain trust, get buy-in and make continual improvements. As internal auditor, he made a real difference, Stokes continued. His style is all over the collaborative work done on the CARES Act grant which eventually saw Ogden City come on board with the County plan.

J. Bond also works closely with the current internal auditor, Wangsgard noted, and this same spirit of constant improvement underpins all that is done. There is a sincere feeling that asking for help is not a show of weakness, but rather of strength. It would be nice, she continued to have J. Bond gather with the Board at some future time so that he could be recognized for all he has done for the Library System. J. Bond's leadership, along with the strong hand of Parke on the controls, was a major reason the Library finished the capital projects with such stellar results.

### Director's Report:

The statistical report, current as of November 30, 2020, was not reviewed in detail. Wangsgard noted a year-end report would be provided during the February meeting at which time it would be wise to explore additional ways in which community members could be meaningfully engaged while the pandemic is still raging. It was noted that while some usage statistics, such as meeting room reservations were considerably lower than the previous year, the number of items borrowed was not significantly lower. In fact, the December monthly total of the number items circulated, 298,994, was actually more than the 222,659 loaned during December 2019.

The December 31, 2020, financial report illustrated that 94.4 percent of all revenue had been collected and deposited to the Library Fund. Year-end adjustments will take place during the first several weeks of 2021 when revenue collected but not yet transferred will be added to the Library Fund balance. Expenditures authorized but not yet disbursed will be accounted for as well.

Budget authority had been adjusted to make funds available in those line items that would have otherwise been over-expended. The report targeted "building maintenance" at approximately three percent over-expended, but Wangsgard noted this projection would be updated and the balance brought into line as funds encumbered on purchase orders, but not spent, were unencumbered and deposited back into the "available budget" column on the budget report. "Building improvements" was 99.6% expended, but had accommodated issuing purchase orders in the amount of \$11,480.70, to cover earthquake evaluation, and \$30,640, to cover preparation of bidding documents and then guiding repairs and providing for construction oversight. This amount (\$42,120.70) will likely be

reimbursed by the Utah County Insurance Pool (UCIP) and should be more than sufficient to cover a \$20,000 close out of Ogden Valley Branch site improvements project that had not yet been charged against this account. All other line items were within reasonable parameters. Overall, the budget was 91% used, including encumbrances that may not be spent.

Wangsgard noted the Board would complete the year significantly under budget as requested by County officials during March in order to help cover unforeseen costs of the pandemic.

Spencer complimented staff on getting through the year with such an odd set of demands.

Update on Earthquake Damage Remediation:

Baron announced representatives from the Utah County Insurance Pool (UCIP) had agreed to cover the full cost of the Jardine Malaska Construction Services contract, \$538,536.20, for earthquake remediation with provisions for evaluating the cost of any additional, unforeseen damages that may be discovered while the work is being done. He was waiting to hear UCIP’s response to covering the architectural and engineering costs for facilities damage evaluation, preparation of bid documents, and construction oversight. The next step was to put the contract on the January 12, 2021, County Commission agenda for ratification.

Wangsgard thanked Baron for his tenacity in moving negotiations forward during December, a month notoriously difficult for getting responses and commitments.

Approval of December 4, 2020, Meeting Minutes:

Mattson called for action on the December 4, 2020, meeting minutes, asking for corrections. Hearing none, Allison moved approval. Jensen seconded the motion. All voted in the affirmative.

Approval of 2021 Hours of Service and Holiday Closures:

<b>Holiday</b>	<b>Date</b>	<b>Open/Closed</b>
New Year’s Day	Friday, January 1	Closed*
Martin Luther King Jr. Day	Monday, January 18	Open
President’s Day	Monday, February 15	Open
Memorial Day	Monday, May 31	Closed
Independence Day	Monday, July 5	Closed
Pioneer Day	Saturday, July 24	Closed
Labor Day	Monday, September 6	Closed
Columbus Day	Monday, October 11	Open
Veteran’s Day	Thursday, November 11	Closed**
	Staff Development Day Training	
Thanksgiving Day	Thursday, November 25	Closed
Personal Preference Day	Friday, November 26	Open ***
Christmas Day	Saturday, December 25	Closed*

\* Libraries will close at 5 p.m. on Christmas Eve and New Year’s Eve  
 \*\* All employees will be scheduled for training from 12-9 p.m. on Staff Development Day. Training will be held at the Headquarters Library.  
 \*\*\* November 26 holiday will be considered a personal preference day. This administrative leave may be scheduled with a supervisor Nov. 26 – Dec. 9, 2021, as would any other time away.

Board members reviewed the annual schedule of service hours and holiday closures. Mattson asked if any suggestions for change. There being none, Allison moved approval of the schedule. Jensen seconded the motion. All voted “aye.”

Assignment of February Training Vignette:

Jensen will present training during the February meeting.

Other:

There being no further business, Crosland moved adjournment; Spencer seconded the motion. The motion passed unanimously.

Respectfully submitted: Julia Valle      2 February 2021  
Julia Valle      Date