

Session 19-09, a Special Meeting of the Library Advisory Board was called to order by Vice Chair Emilie Springer at 5:30 p.m. on December 10, 2019 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: BOARDMEMBERS PETERSON, SPRINGER, SCHMIDT, FINN, FAIR, VERNON, AND
STUDENT REPRESENTATIVE GREEAR

TELEPHONIC: BOARDMEMBER KUSZMAUL

STAFF: LIBRARY DIRECTOR BERRY
DEPUTY CITY CLERK TUSSEY

APPROVAL OF THE AGENDA

Vice Chair Springer asked for a motion to approve the agenda.

FAIR/FINN MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

RECONSIDERATION

APPROVAL OF MINUTES

A. Regular Meeting Minutes for November 5, 2019

Vice Chair Springer asked for a motion to approve the minutes.

FAIR/SCHMIDT MOVED TO APPROVE THE MINUTES FROM NOVEMBER 5TH.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VISITORS/PRESENTATIONS

A. Amy Skilbred, Juneau Community Foundation Presentation

Vice Chair Springer introduced Amy Skilbred with the Juneau Community Foundation (JCF), who was presenting telephonically.

Ms. Skilbred gave a brief description of what their foundation does for their community, how they invest, and the conversations she has had with foundations in the Homer area. She explained that the JCF board agreed their foundation was very similar to The Homer Foundation (THF) and recommended that the LAB choose THF for managing the endowment fund. A primary reason for this recommendation is that all foundations strive to support other foundations within their local community; it is how foundations grow, you'd be reinvesting in your community, and THF understands our locale better than an outside foundation.

Boardmember Kuszmaul voiced her concerns about limited abilities on moving funds around. Ms. Skilbred explained dynamics of agency/endowment funds and how their foundation works with customers to ensure their expenses are always covered and that they're not short on funds, and also how funds are moved around in the situation that an organization goes away.

Nina Kemppel, Alaska Community Foundation, also responded to Ms. Kuszmaul's question and reinforced Ms. Skilbred's response. She also spoke to variance power and that the ACF doesn't use it unless absolutely critical; their mission is to benefit the community and organizations for the long run.

Vice Chair Springer asked the board if there were any additional questions for Ms. Skilbred or if they would prefer to discuss/ask questions openly, and requested that Ms. Kemppel introduce herself to the board. The board mutually agreed to have an open discussion with both foundation representatives.

B. Nina Kemppel, Alaska Community Foundation: Follow-up Re: Additional Info Request

Nina Kemppel, CEO with the Alaska Community Foundation (ACF), gave further information regarding their foundation. She explained what they call the "Affiliate and Partner" model, which is a nation-wide agreement that allows numerous associations to support the diverse needs of a large area rather than it being up to one sole foundation. She noted that this model works best for Alaska. The core, fundamental belief is that local fundraising, local grant making, and local support of non-profit sector is best done by people in the community in which they live. She reiterated their support for THF and that the LAB selects them.

Boardmembers discussed the information provided and directed questions to Ms. Skilbred and Ms. Kemppel on the following topics:

- Differences between the foundations, such as not all use Vanguard, layout/percentages of accounts where the money is being invested, and how THF has a 40% socially responsible fund option while the others do not.
- Community foundations' stances on socially responsible investing.
- How the Affiliate Family Program works; provides training, a part-time program manager, and the parent foundation matches dollar-for-dollar what the affiliate raises in their community.

- THF being a partner, not an affiliate, and how that affects the library; key benefits include partners are vetted on all training/growth opportunities and have access to the ACF's policies that have already been approved and gone through the arduous process of being certified by the National Standards Review for Community Foundations.
- If there is insurance coverage provided, mainly for funds that aren't protected by FDIC.
- How the ACF's matching fund program works and the success rate of other communities that participate in the program.
- Whether the foundations invests in foreign stocks, and if so, how funds are allocated throughout those stocks.

Vice Chair Springer thanked Ms. Skilbred and Ms. Kempel for calling in.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS

- A. Library Director Report dated November 23, 2019
- i. 2019 Statistical Report (laydown)
 - ii. 2018 Statistical Report

Library Director Berry provided his staff report and facilitated discussion with the board on the following items:

- Upgraded library software to new version, and working out the bugs from that update.
- Received a \$300 grant from Google to hold a Google CS First Hour of Code class.
- Facility upgrades/maintenance including replacing LED light bulbs and drainage pipe at the front entrance.
- Coordinated efforts with Boardmember Schmidt and Student Representative Greear on increasing student card registration.
- Improvements to the library trail are planned for the spring to clear underbrush and possibly add lighting to help mitigate drug use in the forested area by the library. The recently approved Wayfinding-Streetscape Plan could potentially include new signage for the trail as well.
- 2019 statistics weren't available but would be emailed out tomorrow.

PUBLIC HEARING

PENDING BUSINESS

- A. Library Endowment Fund Proposal
- i. Library Endowment Fund Options: Pros & Cons Chart
 - ii. Administrative Fee Chart for Juneau Community Foundation
 - iii. Revised Draft Endowment Fund Proposal to City Council
 - iv. HCC 3.10 Investment & Collateralization of Public Funds

Library Director Berry spoke to the memo outlining what he learned on how the City manages funds. He reminded the board that there is a joint worksession scheduled with City Council January 13th and what the board's six options are to recommend to them. Mr. Berry's staff recommendation is to create a permanent endowment fund with The Homer Foundation. Failing that, his second recommendation

would be to create a non-endowed fund with The Homer Foundation, which may be a new option offered by THF in the future.

Boardmember Finn noted that the Juneau and Alaska Community Foundations did recommend the Homer Foundation, and she takes their recommendation seriously given their experience. She is open to other boardmembers' ideas but is willing to go with THF, especially since they are the only foundation that has socially responsible funds and that is important to her.

Boardmember Peterson shared her reservations with THF due to their small staff size and the possible lack in checks-and-balances. Mr. Berry responded, noting that the JCF is not any bigger than THF.

SCHMIDT/FAIR MOVED TO SUSPEND THE RULES TO ALLOW MIKE MILLER, THE HOMER FOUNDATION, TO PARTICIPATE IN THE DISCUSSION ON FOUNDATIONS.

Boardmember Vernon inquired on if an audience member could also participate. Deputy City Clerk Tussey clarified if the board is wishing for the THF representative to participate or if they're wanting to open the discussion to the public, which wasn't appropriate at that time. The board agreed to just have Mr. Miller participate.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Mike Miller noted that it's very common for foundations to have small staff sizes. He answered other questions from the board regarding accreditation, mix of stocks and bonds (Vanguard) and how those are invested. He explained the foundation's operations and who is on the THF board that makes decisions. Discussion ensued on how people can donate on THF's portal and issues with how available funds are listed on their website, and ways they could be presented to prevent confusion.

Boardmember Kuszmaul opined on recommending they create a non-endowment fund with THF, with the option to later convert it into an endowment. Discussion ensued on how the Library Endowment Fund should be organized and how the board foresaw the funds being used/managed. Mr. Miller explained the following:

- Differences between an endowment fund vs. non-endowment fund.
- The three fund options THF provides (Agency Endowment, Field of Interest, Donor Advised).
- What a "Field of Interest Fund" is and how it's the most applicable to the LAB's goals/situation.
- That the library will be limited on their starting option to what's called an "Acorn Fund" given the fact they have less than \$10,000 for their initial investment; "Acorn Funds" have a minimum investment of \$2,500 with the caveat that the fund must reach \$10,000 within two years or the money is forfeited to THF.

Mr. Berry referenced the draft ordinance that lists the purposes the earnings derived from the Library Endowment Fund would be appropriated towards. He noted that the vision for these funds has always been to provide a permanent stream of revenue that can be counted towards core library operations. There was brief discussion on whether the LAB wanted to maintain what was written out in the draft

ordinance, or if they wanted to significantly alter the document to change the type of fund and its uses. Mr. Berry emphasized that the establishing ordinance needs to specify the kind of fund, it can't be left blank, and what code amendments would be required to change it if the board opted to create a non-endowed fund and then switched it to an endowment fund later. He also noted that partnering with THF is not just about managing money, but also about managing donors and community relationships as well.

Discussion continued on the options available to the LAB, with questions directed to Mr. Berry and Mr. Miller for clarification. The board thanked Mr. Miller for his participation.

KUSZMAUL/SCHMIDT MOVED THAT THE LAB AND LIBRARY WORK WITH THE HOMER FOUNDATION TO ESTABLISH AN ACORN FUND TO START FUNDRAISING, AND THAT WE EXECUTE AN AGREEMENT WITH THE HOMER FOUNDATION.

Boardmember Kuszmaul opined to the board on whether they're establishing it as an endowment or non-endowment fund. Mr. Berry asked for clarification on if the motion was to establish an Acorn Fund with THF and defer the decision on whether it should be endowed/non-endowed. Mr. Miller clarified that THF does not have a non-endowment fund option available at this time; it is something their board is working towards having possibly by February 2020. He suggested that the LAB authorize the Library Director to work with THF on developing a fund agreement to recommend to City Council. He and Mr. Berry could work out the parameters of an Acorn Fund with the anticipation of it either being an endowment or non-endowment fund, and would then have a document to consider.

Per questions posed by the board, Mr. Berry reiterated the following:

- That the LAB needs to decide on their recommendation to City Council, who makes the ultimate decision.
- To remember that any concept proposed at the January 13th worksession will also go through the City Attorney for review.
- That the Friends of the Homer Library already has an endowment fund with THF but theirs is focused on programs outside of the library; they do not want to be involved in core library operations such as purchasing materials or equipment.

The board took turns voicing their opinion on if they prefer endowment vs. non-endowment and where they stand in the process; majority of the boardmembers felt going with an endowment fund initially is the better option. There was discussion on how the motion can be amended.

FAIR/FINN MOVE TO MAKE AN AMENDMENT TO RECOMMEND TO CITY COUNCIL THAT WE ESTABLISH AN ACORN FUND WITH THE HOMER FOUNDATION IN THE FORM OF A "FIELD OF INTEREST" ENDOWMENT FUND.

There was brief clarification on just stating endowment fund, rather than "fully endowed" fund.

VOTE (amendment): NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Vice Chair Springer requested Deputy City Clerk Tussey read back the main motion with the amendment for clarification. Ms. Tussey noted that Ms. Kuszmaul, seconded by Mr. Schmidt, moved that the LAB establish an Acorn Fund with The Homer Foundation, then was amended to include in the form of a "Field of Interest" Endowment Fund.

VOTE (main motion as amended): YES: PETERSON, SPRINGER, SCHMIDT, FINN, FAIR, KUSZMAUL
NO: VERNON

Motion carried.

Vice Chair Springer called for a four minute recess at 7:24 p.m.

The meeting was called back to order at 7:28 p.m.

Mr. Berry requested the board to clarify if he needs to work with Mike Miller with THF to draft a fund agreement to bring to the worksession.

FAIR/PETERSON MOVED TO DIRECT LIBRARY DIRECTOR BERRY TO MEET WITH MIKE MILLER OF THE HOMER FOUNDATION TO CREATE A ROUGH AGREEMENT FOR AN ENDOWMENT FUND.

Boardmember Finn asked when the other boardmembers would be able to review the draft agreement before the City Council worksession. Deputy City Clerk Tussey noted that she could distribute any prepared draft to the boardmembers and they could submit comments directly to staff. Mr. Berry reminded the board that the point of the worksession is to hammer out the details of an agreement; they do not have to have a polished presentation ready to go.

Ms. Kuszmaul opined that the material they have prepared so far, plus the items from THF, would be sufficient to have a discussion on with Council and all the info about the other foundations should be removed from the proposal. She recommended that the details of the agreement should be worked out at the worksession with Council, instead of crafting the agreement without their input, and then bring forward a more finalized proposal at another Council meeting.

Discussion ensued on whether a draft agreement should be prepared before the worksession, or if it should be worked out with City Council at the worksession. There were concerns of getting too far ahead of Council.

VOTE: NO: PETERSON, SPRINGER, SCHMIDT, FINN, FAIR, KUSZMAUL, VERNON

Motion failed.

Mr. Berry stated that he will contact and update Mr. Miller after the January 13th City Council worksession.

B. LAB Goals for 2020

- i. Draft of LAB Goals for 2020
- ii. LAB goals from 2019

Vice Chair Springer introduced the agenda item by reading of the title and opened the floor for discussion.

Boardmember Kuszmaul spoke to the draft 2020 LAB goals in the packet, sharing background information on each item and the reasoning for having it on the list:

- Finalize Revision of Library Gift Acceptance Policy
- Establish Library Endowment Fund
- Develop and Initiate Planned Giving Program for the Library
- Advocating for Library Budget
- Explore Opportunities to Increase Library Card Registration and Use by High School-Age Students

Boardmember Finn opined that much of their efforts will be directed towards building the endowment fund from “Acorn” to full. Boardmember Fair agreed and shared his thoughts on the wording on the other goals. He stated that he likes the list, thinks it good.

PETERSON/FAIR MOVED TO SUPPORT THE LAB GOALS FOR 2020 AS WRITTEN.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

INFORMATIONAL MATERIALS

- A. Friends of the Homer Library November & December 2019 Newsletters
- B. LAB 2020 Calendar
- C. Boardmember Attendance at 2020 City Council Meetings

Vice Chair Springer noted the informational materials that were provided. Discussion ensued on who will attend the upcoming City Council meetings:

- January and April – Kuszmaul
- February – Finn
- March – Peterson

COMMENTS OF THE AUDIENCE

Thelma Gower, city resident, noted her years of financial experience and voiced her concerns regarding The Homer Foundation.

COMMENTS OF THE CITY STAFF

Library Director Berry and Deputy City Clerk Tussey had no comments.

COMMENTS OF THE COUNCILMEMBER

COMMENTS OF THE CHAIR

Vice Chair Springer noted that she will be absent for the month of January.

COMMENTS OF THE BOARD

Student Representative Greear noted that she will be absent from the January 13th worksession.

Boardmember Finn thanked the board for a good discussion; she understands that everyone is doing their best with the information they have and thanked everyone for the thoughtful participation and input.

Boardmember Peterson highlighted the section in the FHL Newsletter regarding the Giving Tree, which is now up in the library. She encouraged the board to stop in and support our library.

Boardmember Fair thanked Library Director Berry on all the work he has done on the endowment fund. He also voiced his appreciation for Ms. Gower's insight and input.

Boardmember Schmidt thanked the board and announced that this will be his last meeting; he will be submitting his resignation shortly. He shared his experience serving on the LAB and thanked everyone.

Boardmember Vernon commented that he will still be here.

Boardmember Kuszmaul thanked Mr. Schmidt for his contribution.

ADJOURN

There being no further business to come before the Board, the meeting adjourned at 8:00 p.m. A regular meeting is scheduled for Tuesday, February 4, 2020 at 5:30 p.m. and a joint Worksession with the City Council on Monday, January 13, 2020 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

RACHEL TUSSEY, DEPUTY CITY CLERK I

Approved:_____