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## MEMORANDUM

TO: Poudre River Public Library District

FROM: Seter & Vander Wall, P.C., Kim J. Seter, Esq., Elizabeth A. Dauer, Esq., and Cameron J. Richards, Esq.

DATE: April 8, 2021

RE: Legal Status Report for April 12, 2021, Trustees' Meeting

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### Board Officer Positions

**Task:** Assist with election of Board officers at the April meeting.

**Status:** The Board has designated its April meeting as the annual meeting at which certain items of annual business are dealt with, including the election of Board officers for the following year. The Board elects a President, Vice-President, Treasurer and Secretary.

At the March meeting the following proposed slate of officers was presented:

President: Fred Colby  
Vice-President: Matt Schild  
Secretary/Treasurers: Corey Radman

The Board can vote on the proposed slate, or new nominations can be made. Nomination requires a nomination, a second and acceptance of the nomination.

If there are no new nominations, the Board can approve the proposed slate be elected by motion, second and majority vote.

**Action:** Elect 2021/2022 officers of the Board.

### Annual Administrative Resolution

**Task:** Review and approve the 2021 Annual Administrative Resolution.

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**Status:** A draft 2021 Annual Administrative Resolution is included in your packet for review. The Annual Administrative Resolution is a housekeeping matter we bring to the Board each year. The Resolution reviews and delegates responsibility for a number of annual actions the District must take. The majority of the duties are delegated to Library Staff or legal counsel. The Resolution provides documentation that you are aware of your responsibilities and have taken action to ensure compliance.

**Action:** Review the resolution and approve upon motion, second and majority vote.

### **Executive Session**

**Task:** An executive session will be held on April 12, 2021 pursuant to §§ 24-6-402(4)(b) and (3), C.R.S., to discuss personnel matters and receive the advice of legal counsel related to personnel matters.

**Status:** In order to get into executive session, the following steps are necessary:

1. Announce that the agenda calls for an executive session pursuant to §§ 24-6-402(4)(b) and (3), C.R.S., to discuss personnel matters and receive the advice of legal counsel related to personnel matters.
2. Make a motion to enter executive session. A second and majority vote of the quorum are necessary to move into executive session.
3. At the end of executive session, a motion must be made to exit executive session followed by a second and majority vote of the quorum.
4. If there are any motions or actions to be taken resulting from the executive session, they should be made or done at this time.
5. Adjourn the meeting.

**Action:** Additional details and information will be presented in the executive session.

### **Options for Funding Future Facilities Development**

**Task:** Summarize financing options the District can consider to fund future facilities development.

**Status:** **No change. This item is for informational purposes.**

The District has three options to pay for the construction of new libraries or the improvement of existing branches: (1) Cash out of reserve/budgeted funds; (2) General obligation bonds; and (3) Lease/purchase financing with or without certificates of participation. Each is summarized below.

We recommend use of certificates of participation as a simple and cost-effective approach.

Cash on Hand: Availability of this “pay as you go” option depends on the scale of the project, the District’s financial position, and budget considerations for not only the next year, but in years to come. It is often best to utilize cash on hand to provide current services.

General Obligation Bonds: The most common form of government financing. Bonds are secured by the full faith credit and taxing power of the government issuer. Bonds offer low interest rates and are attractive to investors due to their double tax-exempt status. However, the issuance of debt through general obligation bonds requires an election as does the corresponding increase in taxes pursuant to Art. X, §20 of the *Colorado Constitution* (“**TABOR**”).

Lease/Purchase with or without Certificates of Participation (“COP”): Libraries are in a unique position to take advantage of sale/lease back financing. From a legal perspective, this method involves selling or leasing a property that is owned by the District. The funds received are used to buy new or improve old facilities. The property sold/leased by the District is leased back to the District which pays rent consisting of principal and interest to the investor[s]. The lease back to the District contains an option to purchase the property at the end of the lease for a nominal fee, often \$1.00. Lease/purchase financing does not constitute long-term debt obligations of the issuing authority, and is therefore exempt from state and local laws that require voter approval under TABOR.

We recommend lease/purchase financing as the best option. However, we are ready to assist on any method the District may ultimately pursue.

**Action:** No action is required at this time. This item is being retained as placeholder for future considerations.