

SAN JUAN ISLAND LIBRARY DISTRICT BOARD OF TRUSTEES

Special Meeting via Zoom, San Juan Island Library

(access information provided at www.sjlib.org)

October 27, 2020

Members Present: Fred Henley, Barry Jacobson, Mark Madsen, Barbara Sharp, Karen Vedder

Members Absent: none

Staff Present: Laurie Orton, Floyd Bourne, Lisa Buckton, Carrie Lacher

FOL Present: none

Guests: Daniel Gottlieb, Bond Attorney; David Doughman, Library Attorney

Visitors: none

Call to Order: President Mark Madsen called the meeting to order at 3:00 pm.

Public Access: none

Agenda Approval:

MSC Barry Jacobson moved and Barbara Sharp seconded to accept the agenda as submitted. Carried.

NEW BUSINESS

Resolution #2-2020: Limited Tax General Obligation Bond-- A RESOLUTION of the Board of Trustees of San Juan Island Library District, San Juan County, Washington, providing for the incurrence of indebtedness and the issuance and sale of its \$2,075,000 Limited Tax General Obligation Bond, 2020, to finance the acquisition of certain real property located at 660 Spring Street, Friday Harbor, Washington, for future development of a new library facility, and the payment of incidental costs and costs related to the sale and issuance of such bond; providing for the date, form, registration, maturity, interest rate, terms and covenants of such bond; and providing for the sale and delivery of such bond to Heritage Bank.

Mark provided an update on securing financing including a review of negotiations with Islanders and Heritage Banks. Heritage Bank offered:

- an interest rate of 2.22% that will provide a savings in interest payments of \$30,000 over the next three years;
- no covenants;
- interest rate remains fixed over the 12 year period of the bond.

It was noted that Resolution #2-2020 regarding the issuance and sale of the bond was drafted by Daniel Gottlieb, Bond Attorney for the Library. The annual financial statements requested by the bank will be those usually provided by the Library to the State Auditor's Office.

Daniel spoke to various aspects of the bond including:

- Section 16 of Resolution #2-2020 that addresses limitations on the use of the funds and certain uses of the property due to federal tax law application to bonds. Discussion developed regarding the use of the new property by the Friends of the Library within these limitations.
- Daniel further noted that he would work with the Board and Laurie on closing documents for the bond.
- The Assignment Page of the resolution is for potential future use by the bank.
- The Authentication Page will be signed by US Bank.
- Daniel also pointed out that it will be necessary to build the interest costs of the bond into the budget for the 2021 Levy that needs to be submitted to the County by end of November; annual interest costs were estimated at \$46,065 but this will need to be verified with Heritage Bank.

MSC: Karen Vedder motioned and Barbara Sharp seconded to approve Resolution #2-2020 regarding a limited tax general obligation bond for the incurrence of indebtedness and the issuance and sale of a \$2,075,000 Limited Tax General Obligation Bond, 2020. **Carried.**

Resolution #3-2020: Real Estate Acquisition-- A RESOLUTION of the Board of Trustees of San Juan Island Library District, San Juan County, Washington, ratifying the actions heretofore taken by the Library Director in connection with the acquisition of certain real property located at 660 Spring Street, Friday Harbor, Washington, for future development of a new library facility, and authorizing and directing the President and the Library Director to execute and deliver such documents and to take such actions necessary to consummate such acquisition.

Daniel gave background information on this resolution that ratifies the actions of identified representatives of the Library, including Laurie, regarding the property acquisition. The Purchase & Sale Agreement also requires this resolution be approved and signed by the Board.

Daniel also noted that the bond closing needs to be set and completed before the end of November. Closing on the property needs to take place prior to year-end. The County will work with the Library on establishing proper accounting procedures and copies of the approved and signed resolutions need to be provided to the County.

Contingencies on the purchase were noted:

- financing contingency should be satisfied at the point that Heritage Bank funds the bond with the deposit of the monies with the County;
- feasibility contingency will focus on the title review, review of the property survey, and review of the environmental studies.

MSC: Barry Jacobson motioned and Karen Vedder seconded to approve Resolution #3-2020 ratifying the actions taken by the Library Director in connection with the acquisition of certain property located at 660 Spring Street, Friday Harbor and authorizing and directing the Board President and Library Director to execute and

deliver such documents and to take such actions as necessary to consummate this acquisition. **Carried.**

Title Report Discussion

Laurie gave a review of reports provided by Allied8 pertaining to 660 Spring St.:

- Phase 1 of Environmental Study has been received
- Phase 2 should be received by end of week
- Summary of results of preliminary survey
 - no concerns regarding limits of property
 - easements/encumbrances were as expected in NW corner of property
 - museum parking covenant does not apply to 660 Spring St.
- Laurie will request Allied8 provide a distillation of the Environmental studies; Laurie will also forward complete reports to the Board
- Laurie noted the 20-day deadline for responding to any title report issues or concerns (November 3)

David Doughman, Library Attorney, discussed the title report with the Board including the following topics:

- access easements and shared parking
 - neighboring property shares access; title company should be able to help with details
 - Karen Vedder raised a potential issue regarding a possible parking agreement between Island Convalescent Center and the Island West Retirement Center which is now the hotel
 - David suggested asking Greg King to follow up with the seller for more information on possible easements and agreements
 - Laurie raised question of access by neighbors behind the property
- confirming the plat map – Laurie will put David in touch with the surveyor
- possible leases and subleases as disclosed by seller must be terminated or otherwise addressed
- issue of encroachments that are not recorded need to be identified by the seller and may need to be formalized

Mark Madsen noted that it may be possible to close with the seller in November if all of the feasibility issues have been addressed by that time. A final Board decision is planned for either the November regular or special meeting.

Employee Assistance

Laurie reported that Laurie, Lisa, and Barry met to discuss this topic. Laurie also had small meetings with other staff to get their thoughts and feedback. Barry noted that staff expressed interest in access to more wellness-oriented activities but not necessarily limited to psychotherapy resources.

Possible compassionate assistance benefits suggested:

- a set dollar amount (\$400 proposed) that staff could use for identified wellness activities
- a hazard pay bonus to help support staff well being

Discussion developed regarding pros and cons of adding a supplemental benefit at this time, potential costs, and how to account for related costs. Laurie will consult with the Library Attorney regarding ability to award a one-time bonus and other applicable employment law.

Trustee Recruitment

Barry and Barbara continue to work on this including recently rewriting and updating the Trustee recruitment language. Lisa will be assisting with certain tasks. Information will be published by the end of the week. Submission deadline for applications will be Friday, November 20th. Submissions can then be considered by the Board at the November 24th special meeting. Applications can be submitted by mail, email, dropped by the Library when open, or put into one of the bookdrops.

ADJOURNMENT

MSC Barbara Sharp moved and Barry Jacobson seconded to adjourn the meeting at 4:59 pm. Carried.

Respectfully submitted:

DocuSigned by:
Karen Vedder
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Board Secretary

Approved:

DocuSigned by:
Mark Madsen
1F844812313548A...
Board President