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## **Nederland Community Library District Board of Trustees Meeting Minutes - Special Meeting**

8.1.17

The meeting was called to order at 7:00 p.m.

### ROLL CALL

Present: Emily Fidelman, Karen Fletcher, Lisa Ryder, Dana Edwards

Library Director: Jay Mann

Absent: John Adler, Andrea Begin

Kyle Thomas from George K. Baum (GKB) attended meeting to discuss details and review library district loan proposals to refinance bonds.

Non Callable not recommended because it doesn't allow for flexibility to pay off completely or refinance. 15 yrs is too long a period to predict what could happen.

Final payment needs to be 15 years to the day from date of issuance.

Potential savings on bond repayment is \$212,503.73 which is a present value benefit of 15.29%

NCL will make both the bond payment and Chase's interest payment until 2020. After 2020, only paying Chase.

JP Morgan Chase (Chase) has the most favorable terms and has fully approved the Library's credit. The other lenders have only done preliminary credit approval.

Tom Peltz will need to confirm that remaining capital fund will need to be spent on solar project or if it possible money can be escrowed. Target for closing date for loan finance is 8/31 and solar project will not begin until early September.

2 signatures and a quorum are required for approval.

Karen suggests creating a checklist of new annual reporting requirements associated with loan. Much of the information which is required to be reported is public and can be obtained via the Boulder County Treasurer's and or Assessor's offices. The Audit required is our normal annual audit. We can research whether the auditor can include



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the other required information (Annual disclosure of Assessed Value of District, Overlapping Debt, Property Tax Collection Rates, list of Top 10 Taxpayers, District Population) in the audit itself.

Richard Lyons will participate in review and provide his opinion as district counsel. He has been involved in bond refundings with other libraries.

Fees associated with refinancing are rolled into loan and savings shown is net of fees.

Emily moves to accept terms presented by JP Morgan Chase Option C. Karen seconds. Motion passes unanimously.

Bonds require defeasement. Only treasuries can be used to defease bonds. This requires a separate agreement with GKB so they can act as buyer agent. Fee is fixed at \$500.

Once the Loan closes, the proceeds will be used to buy the treasuries and pay closing fees. The Treasuries will be held by UMB Bank, which is the bank we currently make the Bond repayment to. UMB will use the treasuries to payoff the bond in 2020. From 2017 thru 2019 the Library District will make two payments: one to UMB for the bond payment (which payment will be significantly lower because the interest won't be accruing on the amount of the Treasuries UMB holds in escrow), and one to Chase for interest only payments. The total of the two payments will be approximately the same as the current payment we're making.

Karen motions to approve Fiduciary Engagement Agreement for municipal advisory services with GKB.

Dana seconds. Motion passes unanimously.

Old Business:

Gutter repair is \$1500. Jay seeks approval for this amount. Emily approves. Dana seconds. Motion passes.

ADJOURNMENT

Emily moves to adjourn the meeting at 8:02 p.m. Karen seconds and the motion passes.