



Call to Order / Welcome – Kay Weston, Vice-President

Public Comments - *The public is invited to provide comment at the beginning of each regular meeting. Any person or group wishing to speak is requested to sign in prior to the meeting indicating the issue they are addressing. The time for comments is limited to 3 minutes. The Board will listen but may not comment and no action will be taken during the time period. However, the full Board may give direction to staff following a presentation.*

Consent Agenda

The President / presiding Officer will remove any Consent Agenda item upon request by any Board Member. Items removed upon request will be considered separately by the Board immediately following action on the remaining Consent Agenda.

1. Board of Trustees meeting Minutes: November 20, 2023

Strategic Discussion & Reports

- Gov't Affairs Committee – No Report
- Finance Committee – Krueger & Hemphill
 - Final 2024 Budget
- Policy Committee - No Report
- Facilities Task Force/Design Advisory Group - No Report
- Library Report – Director Perrault
- Library Friends & Foundation Report

Action Items

- Finance Committee - Krueger & Hemphill
 - Resolution to appropriate sums in the amount of \$235,000 from existing Reserves so as to not impair the operations of the District until the Budget can be approved on January 4, 2024.
 - Resolution for supplemental budget appropriation from the Library Friends & Foundation for the A/V upgrade project in the amount of \$86,343.99.
- Gov't Affairs Committee – Lawson & Weston
 - Resolution and Inter-Governmental Agreement to join the Colorado Special District (CSD) Property and Liability Insurance Pool.

Executive Session

To approve Library Director Claudine Perrault's Employment Contract and Job Description, pursuant to the provisions of CRS 24-6-402(4)(f) that permit executive session discussions of personnel matters.

Upcoming Meetings of the Board of Trustees

1. Regular Session: Thursday, January 4, 2024, 6:30p (Wasson / Hybrid)
 - Approval of 2024 Budget
2. Regular Session: Monday, January 15, 2024, 6:30p (Wasson / Hybrid)

LIBRARY MISSION STATEMENT:

To be a hub of community-driven resources for people to share



Other Events

- Holiday Closures
 - o Christmas Eve and Christmas, Sunday December 24 and Monday December 25, 2023
 - o New Year's Day, Monday, January 1, 2024
- Friends & Foundation
 - o Library Joint-Board Social at President Groesbeck House; January 9, 2024

Adjourn

Estes Valley Public Library District
BOARD OF TRUSTEES MEETING MINUTES
Monday, November 20, 2023 at 6:30pm
Estes Valley Library / Wasson Room / Hybrid

Call to Order / Welcome – Kay Weston called the meeting to order at 6:29 pm. The following were present:

TRUSTEES: Kay Weston, Vice-President; John Krueger, Treasurer; Anne Dewey, Secretary; Beth Ellis; David Hemphill; Cindy Morriss

ABSENT: Lynn Lawson, President

FRIENDS & FOUNDATION LIAISON: Sarah Walsh

STAFF: Claudine Perrault; Cindy Seckman; Joanna Stensland

GUESTS: Marlys Polson, John Kirkland

Public Comments: Marlys Polson expressed her support for a property tax rollback given the number of people in Estes Park struggling with housing issues.

Consent Agenda

1. Board of Trustees meeting Minutes: October 16, 2023
2. Income & Expense Year-to-date Reports: October 2023
3. 1st of 2 Public Budget Hearing Minutes

Krueger moved to approve the November Consent Agenda. Hemphill seconded the motion. Ayes all. (23-31)

Public Hearing of the 2024 Proposed Budget

At 6:33p Krueger called to order the 2nd of 2 public hearings of EVPLD of the 2024 proposed budget. The final budget will be approved by the Library Board of Trustees on December 11, 2023 at 6:30pm.

- Public Comment
Krueger outlined the procedure for public comments.
- 2024 Draft Budget Overview
The revised numbers are as follows:

Total **REVENUE** is **\$3,566,418**.

FUNDRAISING for Building Renovation **\$600,000**

Transfer from **Long Term Reserves** is **\$900,000**

Total Available Funds: \$5,066,418

Total **EXPENDITURES** are **\$4,859,268**. Expenditures are divided into two categories: Services and Support.

SERVICES includes Circulation, Youth, Adult and Technical expenses. Service expenditures total **\$1,719,294**.

SUPPORT includes Administration, Building and Capital expenses. Support expenditures total **\$3,139,975**.

Accountant Seckman outlined some of the changes shown in the latest draft versions. These included:

- Revenue increase of \$108,850.
 - Removed \$6,500 of grant money that went to the Library Friends & Foundation.
 - Long-term reserves were presented as a distinct item as well as the \$600,000 the Library is requesting from Friends & Foundation fundraising.
 - \$7,000 was added to the adult fiction budget so extra copies of popular titles can be purchased and hold wait times reduced. Legal expenses were increased to \$4,000. Duct cleaning was set at \$15,000.
 - Flood insurance costs are up 15%.
 - There is a 60% increase in air ambulance premiums
-
- Budget Hearing / Public Comment
There were no public comments

Comments from the public may be received until Monday, December 11th at 6:30p. The final 2024 budget will be presented to the Board of Trustees for adoption and appropriation on December 11, 2023.

Krueger adjourned the 2nd of 2 public budget hearings at 6:47p.

Strategic Discussion & Reports

- Gov't Affairs Committee – Weston & Lawson
 - Officers & Committees
President Lawson will be reaching out to trustees to discuss officer and committee positions for next year.

The Library's Property and Liability insurance has not been renewed by the provider. Staff is researching other insurance options including special district insurance pools.
- Facility Task Force - Hemphill & Krueger
 - The Design Advisory Group reviewed design proposals and discussed how they align with the Library's renovation priorities. We learned that the resources allocated (time and money) are not adequate to achieve the results we seek. As such, and with the intent of better using the design-build professionals' skill set, all while factoring in the busy holiday season, the group has decided to adjust the timeline back 6-8 weeks. The DAG will receive revised draft design in January and firm pricing in February, which will allow the plan to better meet the vision while we look at a phased approach for fundraising purposes. The ultimate goal remains constant: that we provide the best library experience while ensuring taxpayer and donor dollars are spent wisely.
- Finance Committee – Krueger & Hemphill
Accountant Seckman gave a legislative update. The Senate has passed a \$50,000 property tax exemption for residential property. Larimer County will soon announce the date of final valuations. The exemption means the Library will experience a \$109,000 revenue drop. There will also be no backfill going forward.
 - 2023 Budget Estimated Surplus

- o The estimated surplus has gone down. The estimated amount is now under \$100,000.
 - o Property Tax Revenue - Discussion of impact & options
 - There will likely be an increase in property tax revenue, but most of this increase is spent in the proposed budget. The Finance Committee recommends that the mill levy is not reduced, that instead the Library put some funds in reserves to prepare for the future. The Legislature may continue to seek a reduction in property tax rates. Staff has been preparing for messaging.
- Library Report – Director Perrault
 - o Monthly Admin Report
 - The new website release has been pushed back a month to align with the public calendar product launch. There were no other questions from trustees.
 - o Q3 Strategic/Operating Update
 - Krueger noted that there has been progress in almost every Objective. There was some discussion of circulation trends. There will be a full report on material acquisitions and circulation at the April Study Session.
- Library Friends & Foundation
 - Walsh reported that all 5 new Foundation Directors have been through orientation. Other activities are reported on in the Admin Report.

Action Items

- Gov't Affairs Committee – Weston & Lawson
 - No action items.
- Policy Committee - Dewey & Ellis
 - o Approve Internet Policy revision
 - Dewey moved to approve the Internet Policy revisions. The motion was seconded by Morriss.** These revisions were in response to changes in the nature of the Internet and the manner in which it is used in the Library and on the Library's computers. The Committee thanked Brad Maggetti who supported the revisions with research and edits. **Ayes all (23-32)** **STAFF ACTION:** *Perrault will add the edited copy of the Internet Policy to BoardShare.*
- Finance Committee
 - o Capital Reserve Fund Resolutions
 - Resolution to Recognize Insurance Proceeds for Roof Repair of \$44,012.25. **Krueger moved to approve the Resolution to Recognize Insurance Proceeds for Roof Repair of \$44,012.25. The motion was seconded by Hemphill.** Krueger explained that, at the direction of the auditor, 2 budgets were approved last year. Because of that, any extra funds coming out of the Capital Reserve has to be approved. The insurance proceeds affected the Capital budget. This resolution helps the Library remain consistent in its reporting to the State. **Ayes all (23-33)**
 - Resolution to Approve Final Roof and Siding Expenses of \$37,850. **Krueger to accept the Resolution to Approve Final Roof and Siding Expenses of \$37,850. Dewey seconded the motion. Ayes all (23-34)**

Upcoming Meetings of the Board of Trustees

- ~~Board Study Session: December 7, 2023, 6:30p~~
The Study Session has been canceled.
- Regular Meeting: December 11, 2023, 6:30p
- Hold January 4: Action Item: Trustees are requested to hold the date of January 4th, 2024 in case a supplementary Budget meeting is needed.

Other Events

- Friends & Foundation Board Meeting: Tuesday, December 5.
 - Colorado Gives Day
- Library CLOSED for Thanksgiving Holiday: Thursday & Friday, November 23 and 24, 2023

Adjourn

Weston adjourned the meeting at 7:42 pm.

Minutes prepared by Joanna Stensland

Respectfully submitted,
Anne Dewey, Board Secretary

[attachments]

**ESTES VALLEY PUBLIC LIBRARY DISTRICT
BOARD OF TRUSTEES**
Resolutions from November 20, 2023

(23-31) Krueger moved to approve the November Consent Agenda. Hemphill seconded the motion. **Ayes all.**

(23-32) Dewey moved and Morriss seconded a motion to approve the revised Internet Policy. **Ayes all.**

(23-33) Krueger moved and Hemphill seconded a motion to approve the Resolution to Recognize Insurance Proceeds for Roof Repair of \$44,012.25. **Ayes all.**

(23-34) Krueger moved and Dewey seconded a motion to accept the Resolution to Approve Final Roof and Siding Expenses of \$37,850. **Ayes all**

Lynn Lawson, President
Estes Valley Public Library District
Board of Trustees

Anne Dewey, Secretary
Estes Valley Public Library District
Board of Trustees

Estes Valley Public Library District - 2024 DRAFT v4

GENERAL FUND	2022 Budget	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
OPERATING REVENUE					
TAXES	\$2,143,706	\$2,157,830	\$2,106,526	\$2,106,745	\$2,800,315
FEES AND INTEREST	\$5,629	\$65,479	\$124,686	\$183,346	\$133,566
DONATIONS/OTHER REVENUE	\$350,228	\$236,868	\$372,996	\$381,422	\$523,714
TOTAL REVENUE	\$2,499,563	\$2,460,176	\$2,604,208	\$2,671,513	\$3,457,595
TRANSFER FROM LONG TERM RESERVES					\$900,000
FUNDRAISING FOR BLDG RENOVATION					\$600,000
TOTAL AVAILABLE FUNDS					\$4,957,595

OPERATING EXPENDITURES

SERVICES

PATRON SERVICES

PATRON SERVICES PERSONNEL	\$269,303	\$260,859	\$314,953	\$288,965	\$375,524
OPERATING SUPPLIES	\$1,000	\$993	\$1,500	\$1,402	\$1,250
INTERLIBRARY LOAN FEES	\$150	\$0	\$150	\$0	\$0
DURABLE SUPPLIES	\$750	\$173	\$500	\$0	\$500
TOTAL PATRON SERVICES	\$271,203	\$262,025	\$317,103	\$290,367	\$377,274

PROGRAMS & OUTREACH

PROGRAMS & OUTREACH PERSONNEL	\$404,940	\$320,747	\$491,187	\$391,025	\$489,736
CHILDRENS PROGRAMS & SUPPLIES	\$32,500	\$31,440	\$36,350	\$31,000	\$28,050
CHILDRENS PRINTED MATERIALS / BOOKS	\$14,000	\$9,021	\$14,000	\$12,020	\$11,000
CHILDRENS DIGITAL COLLECTIONS / EBOOKS	\$5,100	\$5,116	\$5,100	\$5,133	\$5,500
CHILDRENS MUSIC CD'S	\$3,000	\$1,465	\$4,000	\$3,830	\$4,000
CHILDRENS VIDEO / DVD'S	\$1,000	\$2,451	\$0	\$0	\$0
CHILDRENS BOOKS ON CD'S	\$0	\$0	\$0	\$0	\$0
CHILDRENS DISC PACKS/LIBRARY OF THINGS	\$3,000	\$1,030	\$1,500	\$877	\$1,500
CHILDRENS MATERIALS PROCESSING	\$4,500	\$3,499	\$4,340	\$3,924	\$3,300
TEENS PROGRAMS & SUPPLIES	\$10,100	\$10,395	\$13,400	\$14,765	\$24,620
TEENS PRINTED MATERIALS / BOOKS	\$2,000	\$2,723	\$3,500	\$3,785	\$5,000
TEENS DIGITAL COLLECTIONS / EBOOKS	\$1,900	\$1,175	\$3,500	\$4,457	\$4,000
TEENS VIDEO / DVD'S	\$360	\$424	\$3,000	\$3,513	\$4,000
TEENS MATERIALS PROCESSING	\$300	\$716	\$1,000	\$1,185	\$2,000
ADULT PROGRAMS & SUPPLIES	\$25,000	\$22,131	\$30,151	\$25,000	\$28,528
ADULT DISC PACKS/LIBRARY OF THINGS	\$6,400	\$4,308	\$4,600	\$4,550	\$6,000
ADULT PROGRAMS & SUPPLIES	\$0	\$0	\$3,000	\$1,200	\$10,000
MAKER SPACE SUPPLIES	\$3,500	\$3,495	\$6,100	\$6,750	\$7,320
TOTAL PROGRAMS & OUTREACH	\$517,600	\$420,135	\$624,728	\$513,014	\$634,553

GENERAL FUND cont.	2022 Budget	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
TECHNICAL SERVICES					
TECHNICAL SERVICES PERSONNEL	\$304,616	\$318,897	\$363,347	\$360,387	\$399,793
<i>TS: ACQUISITIONS/ADULT</i>					
ADULT OPERATING SUPPLIES	\$1,900	\$2,061	\$1,100	\$200	\$1,100
ADULT DIGITAL COLLECTIONS / EBOOKS	\$53,000	\$60,981	\$56,710	\$56,710	\$69,000
ADULT MUSIC CD'S	\$250	\$222	\$250	\$0	\$0
ADULT VIDEO / DVD'S	\$14,321	\$10,156	\$14,321	\$11,100	\$14,500
ADULT BOOKS ON CD'S	\$18,401	\$16,412	\$18,401	\$16,300	\$15,000
LARGE PRINT	\$9,200	\$9,135	\$9,200	\$9,200	\$9,400
ADULT FICTION	\$15,766	\$17,438	\$15,766	\$17,317	\$23,000
ADULT NON-FICTION	\$17,250	\$15,890	\$16,350	\$17,414	\$17,500
REFERENCE	\$0	\$0	\$0	\$0	\$0
PERIODICALS	\$8,600	\$9,238	\$9,500	\$9,915	\$10,000
ADULT MATERIALS PROCESSING	\$11,673	\$10,451	\$9,635	\$11,000	\$10,000
ARCHIVAL DIGITIZATION	\$15,000	\$15,413	\$10,000	\$11,919	\$10,000
<i>TOTAL ACQ/ADULT</i>	\$165,361	\$167,397	\$161,233	\$161,075	\$179,500
<i>TS: COMPUTER & DURABLE SERVICES</i>					
COMPUTER MANAGEMENT SYSTEM	\$22,450	\$17,053	\$19,500	\$19,064	\$19,400
ELECTRONIC SERVICES: PLATFORM	\$8,000	\$5,350	\$5,350	\$4,000	\$4,000
INTERNET SERVICE FEES	\$10,300	\$10,259	\$10,300	\$10,259	\$10,300
ON-LINE DATABASES	\$18,650	\$18,952	\$18,700	\$19,495	\$26,394
INTEGRATED LIBRARY SYSTEM	\$33,200	\$28,820	\$30,130	\$26,427	\$30,730
DURABLE SUPPLIES	\$28,800	\$23,895	\$16,900	\$16,600	\$19,200
COMPUTER SUPPLIES	\$4,000	\$3,918	\$4,500	\$4,600	\$5,500
COMPUTER SOFTWARE	\$5,097	\$5,613	\$11,862	\$11,708	\$13,667
MAKER SPACE DURABLES	\$3,000	\$5,218	\$2,300	\$943	\$0
<i>TOTAL COMPUTER & DURABLES</i>	\$133,497	\$119,079	\$119,542	\$113,095	\$129,191
TOTAL TECHNICAL SERVICES	\$603,474	\$605,373	\$644,122	\$634,556	\$708,484
TOTAL SERVICES	\$1,392,277	\$1,287,533	\$1,585,953	\$1,437,937	\$1,720,311

GENERAL FUND cont.**SUPPORT****ADMINISTRATION**

	2022 Budget	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
ADMINISTRATION PERSONNEL	\$585,185	\$574,303	\$610,298	\$610,685	\$671,956
ACCOUNTING	\$10,500	\$4,039	\$4,895	\$4,152	\$4,750
AUDIT	\$8,000	\$7,616	\$8,000	\$7,821	\$18,250
BANK SERVICE FEES	\$50	\$5	\$50	\$65	\$50
BENEFIT ADMIN (TOWN OF EP)	\$7,727	\$7,470	\$9,118	\$8,847	\$9,186
CATERING	\$2,000	\$2,491	\$2,500	\$3,119	\$4,000
COURIER	\$9,200	\$9,180	\$9,386	\$9,166	\$10,262
GENERAL LIABILITY INSURANCE	\$2,658	\$2,655	\$2,788	\$3,020	\$3,300
LEGAL FEES	\$1,000	\$0	\$4,000	\$2,514	\$4,000
PAYROLL SERVICES	\$8,500	\$8,642	\$8,700	\$9,854	\$11,850
PUBLIC RELATIONS / MARKETING	\$8,000	\$3,750	\$4,000	\$2,495	\$12,982
PUBLICATION FEES	\$3,000	\$4,259	\$3,500	\$2,173	\$2,000
COLLECTION FEES			\$1,500	\$1,216	\$750
STRATEGIC PROJECTS	\$37,600	\$37,065	\$8,600	\$6,199	\$6,810
TREASURER FEES - LARIMER CO.	\$40,234	\$40,293	\$39,491	\$39,491	\$53,166
VOLUNTEER SUPPORT	\$2,200	\$1,178	\$2,140	\$1,716	\$2,350
STAFF DEVELOPMENT	\$34,330	\$21,758	\$21,600	\$15,891	\$23,780
DUES AND SUBSCRIPTIONS	\$16,217	\$16,571	\$7,612	\$12,944	\$12,162
TRAVEL / MEALS / MILEAGE	\$5,600	\$1,413	\$2,500	\$1,703	\$9,200
MERIT POOL	\$5,000	\$4,000	\$5,000	\$4,200	\$9,000
REFERRAL BONUS PROGRAM	\$5,000	\$0	\$1,500	\$250	\$500
OPERATING SUPPLIES	\$6,000	\$5,563	\$7,000	\$4,250	\$5,000
POSTAGE	\$2,000	\$2,005	\$2,000	\$1,983	\$2,000
OVER / SHORTAGE	\$0	\$21	\$0	\$25	\$0
RENTAL / REAL PROPERTY	\$3,997	\$3,997	\$3,996	\$3,997	\$3,996
RENTAL / EQUIPMENT	\$2,300	\$2,805	\$3,200	\$3,004	\$3,704
TOTAL ADMINISTRATION	\$806,298	\$761,078	\$773,373	\$760,779	\$885,005

BUILDING

CUSTODIAL CONTRACT	\$36,000	\$36,000	\$36,000	\$36,000	\$39,156
PROPERTY INSURANCE	\$15,344	\$15,344	\$18,620	\$18,622	\$24,759
CYBER LIABILITY INSURANCE	\$0	\$2,985	\$3,284	\$3,060	\$0
FLOOD INSURANCE	\$4,820	\$4,820	\$5,661	\$5,661	\$6,627
JANITORIAL SUPPLIES	\$6,500	\$4,052	\$4,000	\$5,161	\$4,500
FURNITURE & FIXTURES < \$5K	\$7,000	\$11,140	\$9,200	\$8,630	\$5,000

GENERAL FUND cont.	2022 Budget	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
MAINTENANCE CONTRACTS	\$16,375	\$16,494	\$37,100	\$17,893	\$17,100
BUILDING MAINTENANCE	\$22,500	\$19,791	\$31,375	\$35,226	\$56,700
EQUIPMENT MAINTENANCE	\$2,300	\$2,600	\$3,336	\$3,348	\$5,456
TELEPHONE	\$4,200	\$4,105	\$4,200	\$3,987	\$4,255
NATURAL GAS	\$6,000	\$11,472	\$9,500	\$9,273	\$13,000
ELECTRIC	\$22,000	\$17,765	\$19,600	\$18,800	\$20,000
WATER	\$1,600	\$1,590	\$1,600	\$1,850	\$2,050
SEWER	\$1,000	\$1,223	\$1,600	\$1,635	\$1,750
TRASH DISPOSAL	\$4,500	\$5,066	\$5,220	\$5,720	\$6,000
TOTAL BUILDING	\$150,139	\$154,447	\$190,295	\$174,866	\$206,353
CAPITAL + RESERVES					
CAPITAL / BUILDINGS	\$61,145	\$26,526	\$15,370	\$28,826	\$2,050,500
TOTAL CAPITAL	\$61,145	\$26,526	\$15,370	\$28,826	\$2,050,500

TOTAL EXPENDITURES	\$2,409,859	\$2,229,584	\$2,564,991	\$2,402,407	\$4,862,169
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*Funds applied to Long Term Reserves to support 10-Year Financial Plan

CAPITAL RESERVE FUND	2022 Budget	2022 Actual	2023 Budget	2023 Estimate	2024 Budget
BEGINNING RESERVE BALANCE	\$0	\$229,082	\$233,000	\$239,230	\$0
ADDITIONAL RESERVES (Ins Proceeds & Contribution)				\$128,594	\$190,000
FEEs AND INTEREST	\$0	\$4,010	\$4,600	\$7,206	\$9,000
TOTAL FUND BALANCE & REVENUE	\$0	\$233,093	\$237,600	\$375,030	\$199,000
EXPENDITURES					
SINGLE ROOF & FLAT ROOF REPLACEMENT	\$0	\$0	\$84,000	\$154,016	\$0
PAINT & SEAL EXTERIOR WOOD SIDING	\$0	\$0	\$16,000	\$13,833	\$0
ARCHITECT	\$0	\$0	\$50,000	\$50,000	\$0
AV MEETING ROOM PROJECT	\$0	\$0	\$40,000	\$87,000	\$0
TOTAL EXPENDITURES	\$0	\$0	\$190,000	\$304,849	\$0
PROJECTED ANNUAL BALANCE		\$233,093	\$47,600	\$70,181	\$199,000

2024 Budget - Draft v4

Highlights of Changes

REVENUE:

- Reverted Property Tax Revenue back to the Prop HH estimate of **\$2,658,315** (Budget Draft v2). This is the best estimate available to correspond with the results of the Governor's Special Session. It should decrease slightly as the residential exemption was increased by \$5,000 and the residential assessment rate was further reduced by .05%. We'll know the final valuation from Larimer County by January 3, 2024.

EXPENDITURES:

- Wages: After the 6% overall wage increase plus market-specific position upgrades, a comparison was done against our internal Compensation Calculator that considers prior experience and service length, and a handful had fallen behind on their longevity pay increases. The overall impact of this adjustment, including payroll taxes and PERA, was \$13,553. An offset of \$10,000 is reflected in Budget Line 190, the replenishment of the Capital Reserve Fund, to account for this increased expense.
- We were recently notified by PERA that we have been chosen for a GASB audit that must be conducted by our outside auditor by March 29, 2024. Uli Keeley of Prospective Business Solutions has been notified and has provided an estimated cost of \$3,500.
- Minor fine-tuning was done in Children's, Teens, and Adult Programs and Supplies accounts, as well as Makerspace.
- The Technical Services Durables budget was increased by \$2,400 for study room Video Conferencing workstations.

2024 Budget - Draft v3

Talking Points of Changes

REVENUE:

- Proposition HH did not pass, therefore the preliminary Certification of Valuation that was received from the Larimer County Assessor on August 25th in the amount of **\$2,767,165** is the best estimate of property tax revenue and is reflected in the 2024 Budget Draft v3.
 - This is an increase of \$108,850 over Draft v2.

- An attempt was made to refine interest income estimates
- Removed \$6,500 – Grant Funds for ADA Website audit were received by F&F in 2023.
- A slight modification was made to the revenue tab to separate the renovation fundraising from operating totals, and instead include it as total available funds along with the transfer from LTR.

EXPENDITURES HIGHLIGHTS:

- Added \$7,000 to Adult Fiction for multiple copies to reduce patron wait/hold time.
- Increase Legal to \$4,000 from \$1,000 at the advice from the Board.
- Increased Staff Development by \$2,780 for employee presentation at CALCON and a Working Genius seminar.
- Increased Travel by \$3,350 for team library tours, CALCON and SDA conferences.
- Increase Dues and Subscriptions by \$1,000 for EDC.
- Added \$15,000 to Building Maintenance for Monster Vac Duct Cleaning.
- Reduced the Base amount for Building Maintenance to \$6,000. Most of this cost is covered by the Handyman budget.
- Updated Flood Insurance to actual. Estimated increase was 15%, actual increase was 17%
- MASA, ambulance service coverage was estimated in v2 at a 5% increase. Actual increase was 60%. Overall not a huge cost, but a significant increase nonetheless.

2024 Budget - Draft v2 Talking Points of Changes

REVENUE:

- Revenue increase by \$948 from v1 to v2. This change is due to the updated medical cost for the F&F Exec. Director. Please see change in Expenditures for further explanation.

EXPENDITURES HIGHLIGHTS:

- Medical costs have been updated to actual. The estimate was a 15% increase for medical and a 5% increase for all other health costs. Actual medical costs

increase between 20% and 21%, depending on the level of coverage. Dental costs increased by 5%, and EAP increase by \$.18 per employee per month. The only unknown health cost at this time is MASA, which is air ambulance service, still estimated at a 5% increase.

- A color copier/printer has been requested for public use in the Computer Commons. The estimate annual lease cost is \$700, and the estimated annual maintenance is \$1,200. This will be partially offset by the increase in charge for color copies, yet to be determined.
- The three members of the Program Team that were still at a Grade 14 were moved to a Grade 15 to align with the recommendations from the compensation consultant for an organization of our size. This will limit grade levels between similar staff from 3 grades to 2 grades. The total increase in overall wages, including increase PERA contribution and payroll taxes, is \$14k.

2024 Budget - Draft v1

Talking Points

REVENUE:

- No matter what happens with Prop HH on November 7th, revenue is *much* higher than expected. I had over-estimated the impact of the 'exemptions'.
- Revenue used in Draft v1 is the most conservative estimate received from Larimer County - which is \$2,658,315. This estimate happens to be estimated revenue under SB23-303 and Prop HH.
 - Per the Preliminary Valuation, revenue under SB22-238 (current law) would be \$2,767,165
 - Possible Backfill of lost revenue under this provision would be 90% ~\$58k.
 - Per a spreadsheet provided by Larimer County, the estimated revenue under SB23-303 is \$2,658,315.
 - There would be **NO** backfill under this provision.
 - The difference between these two is only 6.3% ($\$2,767,165 + \$57,978.89 - \$2,658,315 = \$166,828.89$). This amount, compared to the overall budget is de minimus. Therefore:
 - *It is the recommendation of the Finance Committee to only prepare one budget using the most conservative revenue estimate (\$2,658,315).*

- *It is also the recommendation of the Finance Committee to keep the Board meeting on December 11, 2023 as planned, and approve an appropriation of total expenditures as presented at that time. Any adjustment to revenue received on December 29, either up or down, will be put toward, or taken from, Long Term Reserves.*
- At this point it is our understanding that the 'Truth in Taxation' portion of SB23-303 (limitation of revenue based upon an inflation calculation that is not yet determined) does not apply to us as our Mill Levy is voter approved. We currently have an attorney reviewing this section. If he finds that we are subject to this section, there could be additional steps (votes and resolutions) needed by the Board as well as public notices and hearings to allow the Library to retain revenue under SB23-303 (if it passes) that is above the inflation limitation calculation.
- We have included \$900k from Long Term Reserves in the budget to be spent on the planned renovation.

EXPENDITURES:

- The staff is working diligently to align the new Strategic Plan and the resulting 2024 Operating Plan with the 2024 budget. Line items that are currently in focus of the Operating Plan are noted in Column AA of the Expenditures tab.
- \$1.5M is currently budgeted for renovation under the Depreciable Expense account #101-9100-591-5991.
- The budget includes \$350k to catch up on deferred maintenance from 2021 through 2025 as outlined in the 2020 Facilities Audit, adjusted by 20% to account for inflation. This amount is currently listed in Row 194 without an assigned account number. Some of these costs will need to be capitalized, and some will be accounted for as building maintenance. Please see the Deferred Maintenance Tab for more detailed information.
- Salaries increased by an average of 9%. Across the board increases include 3% market adjustment and 3% merit, for a total of 6%. We are proposing that several positions be moved up a Grade on the Compensation Structure. These positions received an additional 9% to 10% increase for moving up a grade.

FRIENDS & FOUNDATION:

- We plan to ask for more than ever before from F&F; a total of \$962k. This amount breaks down as follows:
 - Administrative Costs - \$161,238
 - Annual Operating Ask - \$200,000
 - Renovation Assistance - \$600,000



Monthly Administration Report December 2023

Financials - Seckman

November 2023 YTD Budget Report: The December Finance Committee meeting and Board meeting are too early in the month for November month-end to be completed and reviewed. Therefore, November month-end will be presented in January 2024 along with December month end.

Capital Reserve Fund Budget Report: With 91.67% of the year complete, total revenue is at 156%, and total expenditures are 134%, due to various budget amendments.

All 2023 Capital Reserve Budget Resolutions approved by the Board *to date* were submitted to the Department of Local Affairs (DOLA) in November, and approved by DOLA on 12/05/2023.

ColoTrust PLUS Account Daily Yield is up to 5.5604% on November 30th from 5.5465% on October 31st.

We were recently notified by PERA that we have been chosen for a GASB audit that must be conducted by our outside auditor by March 29, 2024. Uli Keeley of Prospective Business Solutions has been notified and has provided an estimated cost of \$3,500.

Insurance Update: In the fall of 2023 I met with our insurance broker regarding 2024 insurance renewal. The broker and I agreed the amount of coverage on the building was too low. When the broker requested a higher amount from our current carrier, Hartford Insurance, Hartford immediately issued a notice of non-renewal. It likely also had to do with our roof claim in 2023.

We received quotes from two Government Pools; Colorado Special Districts Pool (CSD) and Colorado Intergovernmental Risk Sharing Agency (CIRSA). Our insurance broker has yet to provide a quote since the non-renewal notice from Hartford.

1. The Insurance Task Force (Kay Weston, Claudine and Cindy) reviewed all information provided and are recommending that we go with CSD for property, liability, cyber and workers compensation insurance for the following reasons:
 - o CSD is for special districts only, and covers many libraries in the state.
 - o CSD came highly recommended by some of the most respected finance colleagues in the Colorado Library Finance Officers (CLFO) group.

- CSD received a AAA Financial Stability Rating (the highest rating possible for a pool or public entity). In reviewing their financial 2022 financial statement, their unassigned surplus is almost as much as the annual underwriting expenses, and the pool has over \$66 million in cash and investments.
 - The recommendation is to pay double coverage for Directors & Officers and Volunteer Accident, until additional time allows for a detailed comparison of the two coverages. The extra cost for 2024 would be \$3,300. Without this extra amount the premiums are only increasing by 5% from 2023.
2. CSD requires a Board Resolution and an Intergovernmental Agreement (IGA) be signed, unmodified, by the Board. This document was reviewed and approved by our legal council.

Property Tax and 2024 Budget Update:

Knowns:

- Proposition HH was voted down by Colorado voters.
- The Governor called a special session and passed legislation to provide property tax relief to homeowners that was similar to Prop HH, but without the controversial funding provisions. Therefore:
 - Tax Revenue for Budget Draft v4 is back to the best estimate received under Prop HH - **\$2,658,315** (the revenue in Budget Draft v2). Final revenue should be a bit less as the Governor added an additional \$5k exemption and rate reduction of an additional .05% for residential property.
 - The 2023 Budget Calendar reverts back to the January dates we were facing under Prop HH, meaning:
 - **Final Certification of Valuation** due from Larimer County by **January 3, 2024** (*instead of December 10*).
 - Final approval of the 2024 Budget to take place at the **January 4, 2024** Board Meeting (*instead of December 11*).
 - **Mill levy certification due** to Larimer county by **January 10, 2024** (*instead of December 15*).
- Due to the results of the special session legislation, the December 11 Board meeting will have one resolution related to the 2024 budget: to approve the use of Library district reserve funds for 2024 expenses, until the final budget can be approved on January 4, 2024.

Unknowns:

- What will happen legislatively in 2024, due to continued high property valuations.

Facilities - Antozzi

Monument Sign Lighting: The Library monument sign lighting is powered by a solar panel/battery pack system and has had intermittent problems. Kent Smith of Smith Sign Studio, who was the original installer, is in the process of repairing the problem.

Snow/Ice Removal: We have procured a handyman for snow removal when it is over 2 inches deep. This will help staff to better attend their to normal library duties.

Communications - Hazelton

No report.

HR - Stensland

Laurie Graves, the Library's Compensation Consultant, met with staff on November 16 to give an overview of the Library's annual compensation review process. The Library's Compensation Structure document was updated by the HR Team and sent to staff. This document describes the pay structure, what factors make up the compensation analysis and the place of merit and bonuses.

Acquisitions / Tech Services - Maggetti

In order to reduce hold wait times and favor what circulates, in 2024 we will shift the way we develop the collection with a seven-step plan:

1. Order multiple copies of bestsellers and other predictably popular titles from the start.
2. Lower the holds ratio *report* from 5:1 to 2:1, and purchase extra copies at a lower holds ratio particularly for parts of the collection with the longest hold wait times.
3. Improve how we market holds, e.g., "Let us (help you) get what you want."
4. Increase the lease quota we use for the Lucky Day Collection. This may require interfiling leases with other collections, re-evaluating the Lucky Day display or lending policy and procedures so that leased items would be treated consistently with the rest of the collection.
5. Expand the A/V collection with more Blu-rays. Although overall circulation of the DVD collection is lower year-over-year, high turnover of the limited and recently introduced Blu-rays is indicative of increased circulation over time.
6. Add 100+ digital periodicals in place of declining physical magazines.
7. Add streaming services for digital music/movies/TV shows, which have demonstrated greater demand amongst Estes Valley borrowers.

Total cost increase to the materials budget in 2024 for this shift is \$14,000. We will track progress on all seven approaches by monitoring general circulation and reports on average hold wait times following implementation of each part of the plan.

Programs & Outreach - Limmatis

The Growing Readers Together grant requirements were completed in November 2023. We are proud to report that we executed all of the items in the proposal on time and under budget. The grant request included:

1. Delivering "Book Baskets" to local Friends, Family and Neighbor (FFN) child care providers.
2. Hosting a Caregiver Cafe which provided breakfast and a variety of play stations for youth and caregivers to interact while promoting Library services.

3. Purchasing Spanish/English language Playaways Launchpads for the Children's Collection.
4. Incorporating bean bag chairs into the Children's Room for comfortable, fun seating options.
5. Creating and installing a Giant Light Bright in our Children's Room.

We identified five home care providers in our community and delivered "Book Baskets" which were overflowing with books, early learning tools and a flier with relevant Library programs and resources. They were all very happy to receive these and grateful for the personalized outreach. The Caregiver Cafe was a success with 47 patrons in attendance who shared a delicious meal while making new friends, receiving prizes, exploring a variety of early learning play stations and experiencing all our Library has to offer. The Giant Light Bright receives almost daily use from youth of all ages and their caregivers.

The biggest achievement of our participation in this grant program occurred after delivering the Book Baskets and hiring a Bilingual Youth Librarian. The Book Basket outreach effort opened the door for us to begin bilingual storytimes at several new locations in 2024. Children's Librarian Kozlowski has conducted storytimes at our child care centers for years. With the addition of Bilingual Youth Librarian Castillo to our staff, the Library has now been welcomed into the homes of child care providers to provide storytime to children who do not have consistent access to the Library. We are excited to build closer working relationships with these valuable community partners and learn how we can better support them to increase local children's early literacy skills.

Patron Services - Wisneski

No Report.

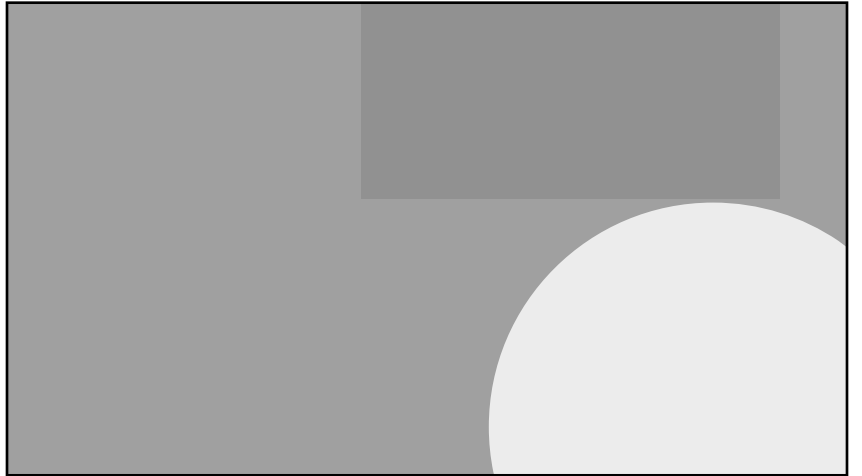
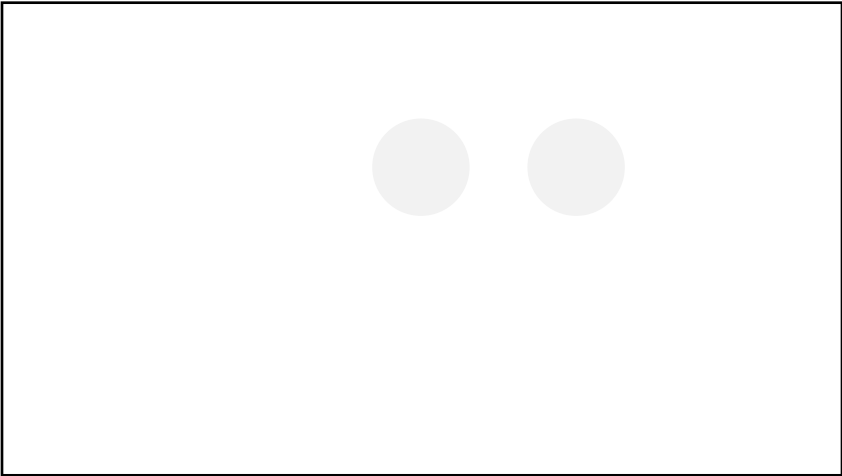
Director's Report - Perrault

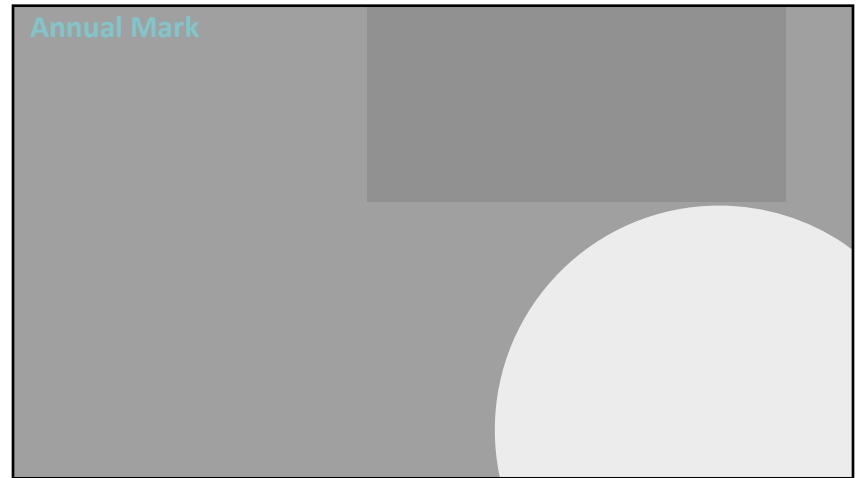
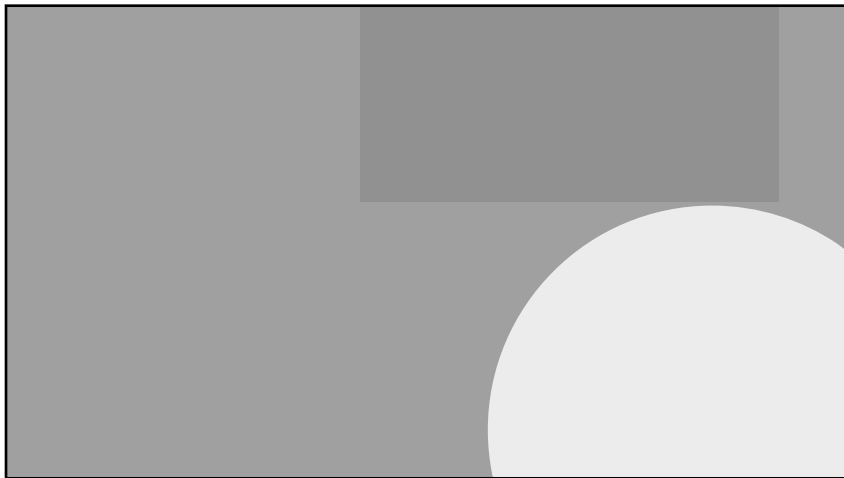
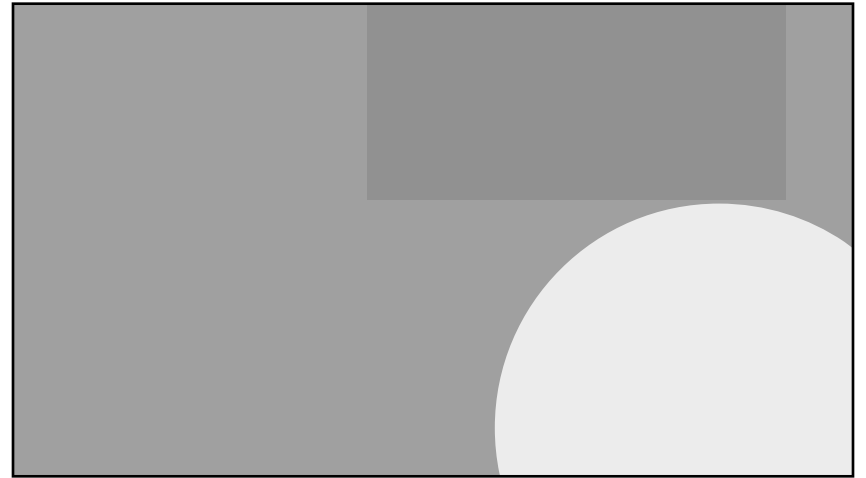
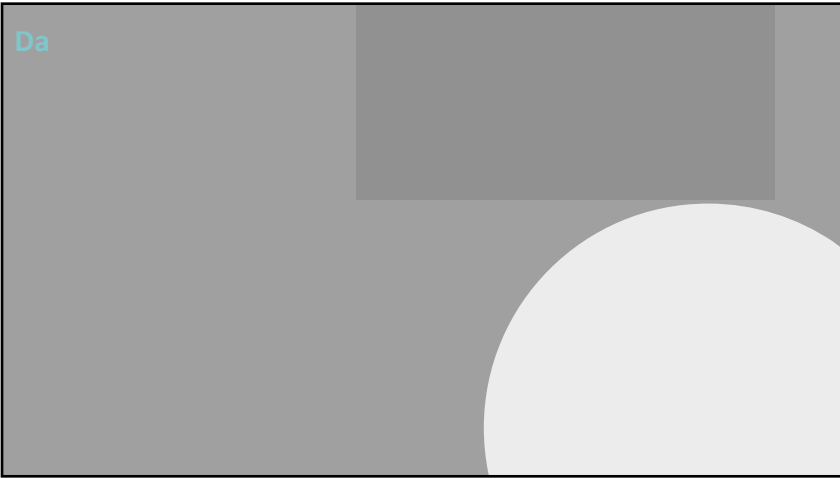
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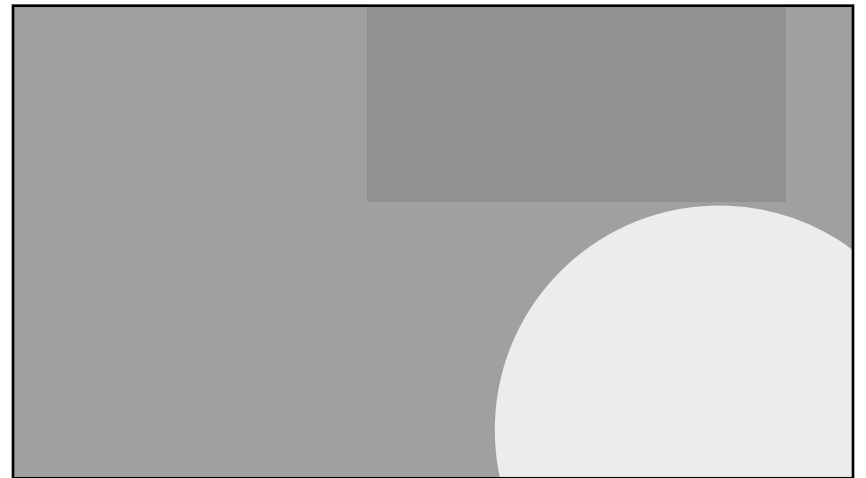
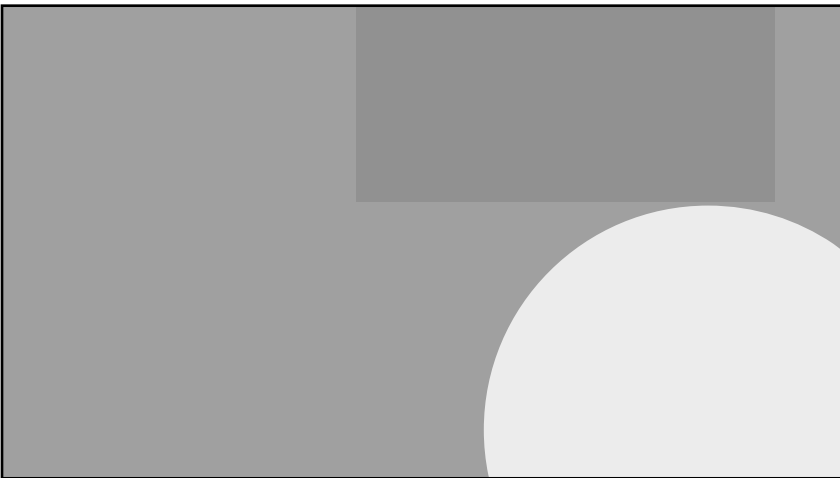
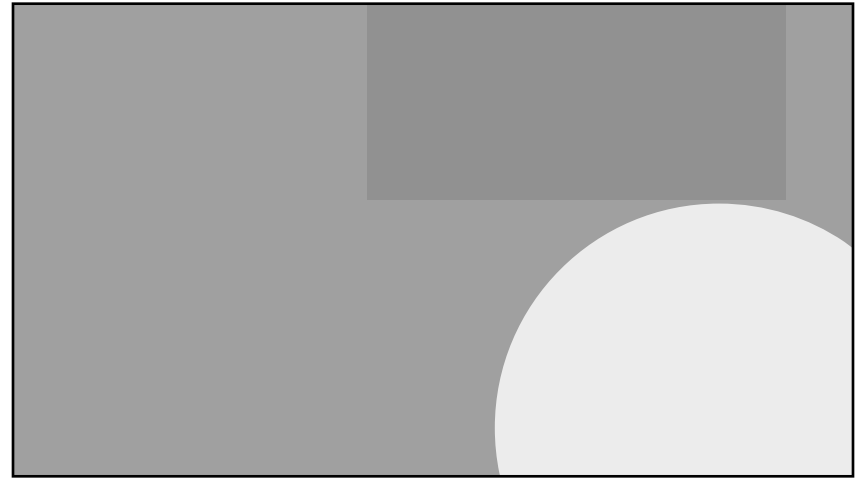
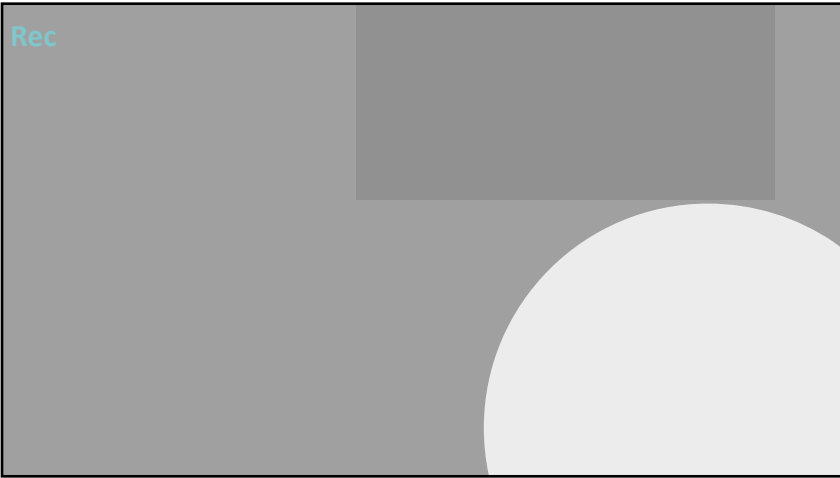
Library Friends & Foundation - Walsh

Thank you to Carol Whiteneck for baking sweet treats, and to Diane Shriver for brewing up a crockpot of hot cider, to celebrate Volunteer Appreciation Day on November 12. We gave away 428 books to the 35 volunteers in attendance.

Cliffhanger had its most profitable November since we opened our doors back in 2019. The construction in the parking lot has proven to bring us success. The Cliffhanger November sale on the Military section has come to end. The December special is History & Biography.









GRAVESCONSULTING
Sustainable People Focused Solutions

Compensation Structure Guidelines

Estes Valley Library

The Library provides a competitive compensation program. This organizational pay philosophy is outlined in the Employee Policy Handbook and approved by the Board of Trustees. It states:

The Library intends to attract, retain and motivate the best-qualified employees by establishing a compensation program in which rewards are based on individual, team and overall organizational performance. The types of rewards offered may include salaries and bonuses.

Pay Structure

Grades and Ranges

The Library's compensation structure is made up of a series of pay grades. Each position aligns with a pay grade and each grade represents a pay range that has a minimum, midpoint and maximum rate of pay. It takes about 20 years to move through the range from minimum to maximum.

Initial Placement in Pay Range

An employee's placement within their grade's pay range is determined by the amount of applicable experience they have in that position. This includes work experience prior to coming to the Library and their longevity with the Library.

Promotions

When an employee receives a promotion to a position in a higher pay grade, they will receive a pay increase that is equivalent to the minimum of the new pay range plus service credit for prior experience relevant to the new position.

Compensation Analysis

The Library's compensation structure is reviewed annually against data sources such as other Colorado libraries and local employers. This analysis includes recommendations for market, inflation, and longevity increases.

Market

Different positions may move faster in the market than others. Therefore, each year as a part of

the annual market analysis, some positions may move up to a higher pay grade to ensure they stay aligned to market. When this occurs, employees in those positions may receive an additional market-based pay increase to recognize the increase in market value.

Inflation

Inflation may impact the overall pay structure. These inflation adjustments increase the minimum, midpoint and maximum pay rate of each pay grade. When budget allows, employees will receive a pay increase equal to the inflation rate increase in order to remain in the same place in their pay range.

Longevity

Increases based on longevity are pay increases that move an employee through the pay range. These increases recognize an additional year of service/experience by the employee. These increases are generally a fixed percentage for all employees. In order for an employee to receive this increase, they must be performing at or above minimum expectations.

Employees who are at the maximum of their pay range will not receive longevity increases as an increase to base pay. They may instead receive a lump sum payment equivalent to the annual value of the longevity increase.

Merit

Base Increase

When an employee's annual appraisal shows outstanding achievement in all areas, they may be considered for a base increase, which moves an employee faster through the pay range of their pay grade. All appraisals will be evaluated at the end of the fiscal year with any potential base increase reflected in the following year's compensation package, before any market or inflation adjustments. These are given at the discretion of the Library Director and are dependent on the available budget.

Bonuses

Each year the Library may set aside funds to be used for staff bonuses to recognize exceptional performance for:

- A single event or project, or
- Annual appraisal goals

Bonuses will be distributed at the discretion of the Library Director with input from team Supervisors. The budgeted amount may or may not be fully distributed each year.

Resolution to Appropriate Sums of Money

WHEREAS, the Estes Valley Public Library District Board of Trustees plans to adopt the 2024 annual budget in accordance with the Local Budget Government Law, on January 4, 2024; and

WHEREAS, the Estes Valley Public Library District Board of Trustees has made provision therein for reserves to be used in an amount equal to one 12th of the total proposed operating expenditures as set forth in the budget Draft v4 until the 2024 budget is adopted; and

WHEREAS it is necessary to appropriate the reserves to and for the purposes described below, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE LIBRARY BOARD OF THE ESTES VALLEY PUBLIC LIBRARY DISTRICT, COLORADO:

That the following sum is hereby appropriated from the revenue to fund purposes stated:

General Fund **\$235,000**

Capital Reserve Fund **None**

ADOPTED, this 11th day of December, A.D., 2023.

ATTEST:

_____, President, Board of Trustees

_____, Secretary, Board of Trustees

**RESOLUTION/ORDINANCE FOR SUPPLEMENTAL BUDGET
and APPROPRIATION**

(Pursuant to Section 29-1-109, C.R.S.)

A RESOLUTION/AN ORDINANCE APPROPRIATING ADDITIONAL SUMS OF MONEY
TO DEFRAY EXPENSES IN EXCESS OF AMOUNTS BUDGETED FOR THE
ESTES VALLEY PUBLIC LIBRARY DISTRICT,

COLORADO.

WHEREAS,

(Describe the circumstances concerning adoption of this Resolution/Ordinance):

The
receipt of

CONTRIBUTION FROM ESTES VALLEY LIBRARY FRIENDS &
FOUNDATION IN THE AMOUNT OF \$86,343.99

(Describe the unanticipated revenue or revenues not assured at the time of the
adoption of the budget from any source **other than the local government's
property tax mill levy.**)

NOW, THEREFORE, BE IT RESOLVED/ORDAINED BY THE BOARD OF TRUSTEES
OF THE ESTES VALLEY PUBLIC LIBRARY DIST, COLORADO;

Section 1. That the 2023 appropriation for the CAPITAL RESERVE FUND
fund is hereby increased from \$ 277,012 to \$ 363,357 for the
following purpose:

repair and/or replacement of the roof and siding of the library building

ADOPTED, this 11th day of December, A.D., 2023.

Attest: _____
President

Director



Pool Administration
McGriff
1800 SW First Avenue, Suite 400
Portland, OR 97201
Phone: (800) 318-8870
Fax: (503) 943-6622

**INSTRUCTIONS AND CHECKLIST TO JOIN THE POOL BY PROPERLY EXECUTING
THE RESOLUTION AND INTERGOVERNMENTAL AGREEMENT (IGA)**

- ___ Please use the provided copies of the Resolution and IGA without alteration. When changes are warranted, please submit the modified draft Resolution (prior to Board action and signature) for review by the Pool Counsel for acceptance by the Pool Board of Directors.
- ___ The Board Chair must sign both the Resolution and IGA.
- ___ The Board's Secretary or other Board Director must attest to the Chair's signature on both the Resolution and IGA. If this attestation is not made by the Secretary, please indicate the name and position on the Board (if applicable) of the Director making the attestation.
- ___ Enter the current date on both the Resolution and IGA signature pages.
- ___ Enter the coverages and the effective dates on the second page of the Resolution. Subsequent renewal coverages or additions will be automatically recognized in the agreement.
- ___ Each District must designate on the Resolution specific individuals (not necessarily Board Directors) to be the Primary and Alternative Pool Representatives. These individuals may not be a company, and a single person may not serve as both the Primary and Alternative Representative.
- ___ Please enter a current email and mailing address for the Primary and Alternative Representatives. You may specify the individual's mailing address as being in care of a company.
- ___ Groups of related Districts must each provide separate signed documents if each is a separate legal entity. Each legal entity will have their own separate policy in the Pool.
- ___ Please indicate adoption of the Resolution by two Directors on Page 2 of the Resolution.
- ___ A copy of the Resolution and one original IGA document must be returned to McGriff Insurance Services, Inc., the Pool Administrator. If the District wishes to retain an original copy, please have duplicate originals signed at the same time.

**PLEASE NOTE IT IS IMPORTANT THAT CURRENT REPRESENTATIVE AND/OR
ALTERNATE INFORMATION BE MAINTAINED WITH THE POOL ADMINISTRATOR.
WE REQUEST ANY CHANGES BE SUBMITTED IN WRITING AS SOON AS POSSIBLE.**

RESOLUTION NO. _____, SERIES 20__

WHEREAS, the Board of Directors of _____ (hereafter referred to as "the District") has authority under Article XIV, Section 18(2)(a) of the Colorado Constitution, and §§ 24-10-115.5, 29-13-102, 29-1-201, et seq., and 8-44-204 of the Colorado Revised Statutes, as amended, to participate in a self-insurance pool for property and liability and/or workers' compensation coverages;

WHEREAS, the Board of Directors has reviewed a contract to cooperate with other Colorado Special Districts by participating in a self-insurance pool for property and liability and/or workers' compensation coverages entitled "Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool", a copy of which is attached hereto as Exhibit A and incorporated into this Resolution; and,

WHEREAS, the Board of Directors finds that participation in such a pool would be in the best interest of the District, its employees, and its taxpayers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby:

1. Approves the contract entitled Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool, a copy of which is attached hereto as Exhibit A and incorporated into this Resolution by this reference.
2. Authorizes and directs the Chair of the Board of Directors to execute Exhibit A on behalf of the District.
3. Directs the Secretary of the Board of Directors to transmit to the Colorado Special Districts Property and Liability Pool (hereafter referred to as "Pool"), McGriff Insurance Services, Inc., PO Box 1539, Portland, OR 97207-1539, an executed and attested copy of this Resolution and one original of Exhibit A.
4. Designates _____ as District's initial Representative to the Pool and designates _____ as the District's Alternative Representative.
5. Provides the following contact information for the Representative and Alternate Representative:
Representative Email Address: _____
Representative Mailing Address: _____
Representative Phone Number: _____

Alternate Representative Email Address: _____
Alternate Representative Mailing Address: _____

Alternate Representative Phone Number: _____

6. Understands that, with the adoption of this Resolution, the District becomes a member of the Pool, with coverage to be provided by or through the Pool on such date as determined by the District and Pool.

Director _____ moved the adoption of the above Resolution.

Director _____ seconded the adoption of the above Resolution.

This Resolution was adopted by a majority vote of the Board of Directors of the District
on the _____ day of _____, 20 ____.

Chair of the Board

ATTEST:

Secretary of the Board

**INTERGOVERNMENTAL AGREEMENT FOR THE
COLORADO SPECIAL DISTRICTS
PROPERTY AND LIABILITY POOL**

As Amended
SEPTEMBER 14, 2022

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**INTERGOVERNMENTAL AGREEMENT FOR THE
COLORADO SPECIAL DISTRICTS PROPERTY AND LIABILITY POOL**

ARTICLE 1. Definitions

As used in this Pool Agreement, the following terms shall have the meaning hereinafter set out:

- 1.1 **BOARD**: Board of Directors of the Pool.
- 1.2 **CLAIM YEAR**: Any twelve consecutive month period established by the Board. The "initial" claim year is the first claim year established for the Pool.
- 1.3 **DIRECTOR**: A person serving on the Board.
- 1.4 **MEMBER**: A Special District which enters into this Pool Agreement. An "initial" member of the Pool is a member which obtains coverage through the Pool during the initial claim year.
- 1.5 **MEMBER REPRESENTATIVE**: That person who is an elected official, employee, or other person designated in writing by a Member as its representative or alternate to the Pool.
- 1.6 **POOL**: The Colorado Special Districts Property and Liability Pool established pursuant to the Constitution and the statutes of this state by this Pool Agreement.
- 1.7 **POOL AGREEMENT**: This Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool.
- 1.8 **PUBLIC ENTITY**: A public entity pursuant to Section 24-10-103(5), C.R.S., as amended, and that is formed by this Pool Agreement by Member Special Districts as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(C) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S., as amended.
- 1.9 **SPECIAL DISTRICT**: A political subdivision of the State of Colorado that is a unit of local government pursuant to Article 13, Title 29, C.R.S., as amended, or an authority organized pursuant to Part 8, Article 25, Title 31, C.R.S., as amended, that is a public entity pursuant to Section 24-10-103(5), C.R.S., as amended, and that is eligible for membership in the Special District Association of Colorado according to the Association's bylaws as amended and in effect from time to time. "Special District" also includes any separate entity created by intergovernmental agreement authorized by Part 2, Article 1, Title 29, C.R.S., as amended, if at least one of the contracting entities is a special district and if all of the contracting entities are units of a local government pursuant to Article 13, Title 29,

C.R.S., as amended, and are public entities pursuant to Section 24-10-103(5), C.R.S., as amended.

1.10 SDA BOARD: The Board of Directors of the Special District Association of Colorado.

ARTICLE 2. Creation of Pool

- 2.1 The Colorado Special Districts Property and Liability Pool is hereby formed by this Pool Agreement by Member Special Districts as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(C) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S., as amended.
- 2.2 Each Special District entering into this Pool Agreement has the power under Colorado law to make provision for the property and liability coverages, workers' compensation benefits, and risk management, claims handling, and other functions and services which constitute the specific functions and services jointly provided by means of the Pool.

ARTICLE 3. Purposes

- 3.1 The purposes of the Pool are to provide defined property, liability, workers' compensation and associated coverages, and claims and risk management services related thereto, for Member Special Districts through a self-insurance pool.
- 3.2 It is the intent of the Members to use Member contributions to defend and indemnify, in accordance with this Pool Agreement, any Member against stated liability or loss to the extent of the coverage provided by or through the Pool.
- 3.3 All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its Members.

ARTICLE 4. Non-Waiver of Governmental or Other Immunity

- 4.1 All Pool money, plus earned interest, is money derived from its Members which consist solely of Special Districts and a Public Entity within the State of Colorado. It is the intent of the Members and the Public Entity that, by entering into this Pool Agreement, they do not waive and are not waiving any immunity provided by any law to the Public Entity, Members or their public employees, as defined in Section 24-10-103(4), C.R.S., as amended.

ARTICLE 5. Participation

- 5.1 The Board shall have the authority to limit the Members of the Pool to those Colorado Special Districts which are members of the Special District Association of Colorado and

which properly enter into and adopt this Pool Agreement.

- 5.2 New Members, including special districts which have previously withdrawn or been expelled from the Pool, shall be admitted only upon approval by the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.
- 5.3 A Member may participate in the Pool for either or both of the following purposes:
 1. The property and liability coverages authorized by Sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and risk management, claims handling and other functions and services related to such coverages;
 2. The workers' compensation coverages authorized by Sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended, and risk management, claims handling, and other functions and services related to such coverages.
- 5.4 A Member who is participating in the Pool for one of the purposes set forth in Paragraph 5.3 may be authorized to participate in the Pool for the other of those purposes upon further compliance, as necessary, with Paragraph 5.1 and approval of the Board, subject to the payment of such sums and under such conditions as the Board in each case or from time-to-time establishes.
- 5.5 Upon a vote of the Directors, the Board shall have the authority to approve a Public Entity to participate in the Pool for one of the purposes set forth in Paragraph 5.3. If a Public Entity is allowed to participate in the Pool, the Board must adopt rules, pursuant to Subparagraph 14 of Paragraph 8.2, to ensure that participation by the Public Entity will not interfere or conflict with the Board's obligations to its Members or impair the financial condition of the Pool. The Board shall also have the authority, upon a vote of the Directors, to remove the Public Entity from participation in the Pool. A Public Entity approved by the Board to participate in the Pool is not a Member, does not have powers of a Member under Article 9, and may not request binding arbitration under Paragraph 16.11.

ARTICLE 6. Board of Directors and Officers

- 6.1 The Pool Board of Directors shall be composed of nine persons to be appointed by the SDA Board. Directors shall be appointed from among the Member Representatives, each from a different Member. At least one (1) Pool Director shall be appointed by the SDA Board from among the SDA directors. Pool Directors who are not SDA directors shall be appointed by the SDA Board from nominations received from Members. In no event may more than three Pool Directors be appointed from any one of the following types of special districts: Ambulance, Fire, Metropolitan, Park and Recreation, Sanitation, Water, Water and Sanitation, Hospital, or Library Districts. Nominations from the Members shall be submitted to the SDA Board at such time as the SDA Board may provide, and any

nomination must be approved by the Board of Directors of the Member submitting the nomination.

- 6.2 The Executive Director of the SDA shall serve as an ex-officio, non-voting Director on the Board. Additionally, an employee of the SDA, as designated by the Executive Director of the SDA, shall serve as a non-voting Director on the Board in the role of Pool Liaison, to act as an intermediary between the Pool Board and its vendors for the purpose of coordinating services.
- 6.3 Terms of the Directors shall be two-year, overlapping terms or until their successors have been appointed, except as provided herein. The term of office shall begin on a January 1, and end at midnight on a December 31, except that the Directors appointed to the first Board following the formation of the Pool shall begin their term prior to a January 1 if the SDA Board so directs. Directors may serve successive terms. The SDA Board shall appoint to the first Board following formation of the Pool, three Directors to serve one-year terms and four Directors to serve two year terms, with the successors of each appointed for two-year terms. Of the two additional persons to be appointed to the Board upon expansion of the Board from seven to nine persons, one shall be appointed to serve a one-year term and one shall be appointed to serve a two-year term, with the successors of each appointed for two-year terms; the terms of office of the two additional persons initially appointed may begin prior to a January 1 if the SDA Board so directs.
- 6.4 The officers of the Pool shall be: president, one or more vice presidents, secretary, one or more assistant secretaries, and comptroller. The officers shall be elected annually by and from among the Directors at the first meeting of the Board following each December 31.
- 6.5 A vacancy shall occur on the Board when a Director:
 1. Submits a written resignation to the Board;
 2. Dies;
 3. Ceases to be a Member Representative;
 4. Fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences, except that such additional absence or absences shall be excused for temporary mental or physical disability or illness; or
 5. Is convicted of a felony.
- 6.6 A change in which Member has designated a Director as its Member Representative, including alternates, does not cause a vacancy on the Board unless the change causes there to be more than three Directors appointed from the types of special districts listed in

Paragraph 6.1.

- 6.7 Any vacancy on the Board shall be filled by appointment by the SDA Board for the unexpired portion of the term.

ARTICLE 7. Meetings of the Board of Directors

- 7.1 The Board may set a time and place for regular meetings which may be held without further notice. The Members shall be notified of the time and place set for regular meetings.
- 7.2 Special meetings may be called by the President or by a majority of the Directors by mailing written notice at least ten (10) days in advance to all Directors or by unanimously executed waiver of notice.
- 7.3 Five Directors shall constitute a quorum to do business. All acts of the Board shall require approval of a majority of the Directors present, except as otherwise specifically provided in this Pool Agreement.
- 7.4 One or more or all Directors may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence at the meeting.
- 7.5 Any action of the Board may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all Directors appointed to the Board. Such consent shall have the same effect as a unanimous vote. The consent may be executed in counterparts.

ARTICLE 8. Powers and Duties of the Board of Directors

- 8.1 The business and affairs of the Pool shall be managed by the Board which shall exercise all the authority and powers and discharge all the duties of the Pool, except as is otherwise provided in this Pool Agreement.
- 8.2 In addition to all other powers of the Board set out in this Pool Agreement, the Board shall have the power to:
1. Exercise all powers necessary to carry out the purposes of the Pool.
 2. Retain agents, independent contractors and employees necessary to administer and achieve the purposes of the Pool, including, but not limited to, attorneys, accountants, investigators, experts, consultants, and others.
 3. Purchase, sell, encumber, and lease real property, and purchase, sell, encumber or

lease equipment, machinery, and personal property.

4. Invest money as allowed for the Pool by Colorado statutes or by lawful regulations adopted pursuant to Colorado statutes, as from time-to-time amended.
 5. Purchase excess insurance, stop-loss insurance, and reinsurance as the Board deems prudent.
 6. Adopt and adjust the coverages provided through the Pool.
 7. Adopt and adjust contributions to the Pool.
 8. Enter into contracts including, but not limited to, contracts for risk management, claim adjustment, and brokerage services.
 9. Reimburse Directors for reasonable and approved expenses, including expenses incurred in attending Board meetings, and pay compensation to each Director for his or her services in a sum not to exceed the maximum sum which may by statute be paid as compensation for services of directors on Colorado special district boards of directors.
 10. Purchase fidelity bonds from an insurance company approved by the Insurance Commissioner of the State of Colorado to do business in Colorado.
 11. Establish reasonable and necessary loss reduction, prevention and risk management policies and procedures to be followed by the Members.
 12. Appoint committees from time to time as the Board considers desirable.
 13. Provide for claims and loss control procedures, and establish conditions to be met prior to the payment or defense of claims.
 14. Establish rules governing its own conduct and procedure, and the authority of its officers, not inconsistent with this Pool Agreement.
 15. Approve attorneys or firms of attorneys to represent Members in claims covered through the Pool.
 16. Delegate in writing fiduciary responsibilities or ministerial powers and duties to individual Directors or committees of the Board or to such agents, employees, and independent contractors as the Board considers desirable.
- 8.3 In addition to all other duties of the Board set out in this Pool Agreement, the Board shall have the duty to:

1. Have an audit of the financial affairs of the Pool be made annually by a certified public accountant in accordance with applicable laws and regulations, and provide a copy thereof to each Member.
2. Select a qualified actuary to conduct periodic reviews of the Pool's funds and any reviews required by the Insurance Commissioner of Colorado, and make recommendations to the Board based on such reviews.
3. Designate one or more persons or entities to administer the Pool.
4. Adopt a budget annually and report the budget to the Members.
5. Three persons shall be appointed annually to an expulsion committee to serve until January 1 of the year following the appointment. One person, to be appointed by the Board, shall be a director on the board, one person, to be appointed by the Board, shall be a representative of the person(s) or entity(ies) providing general administrative services to the Pool, and one person, to be appointed by the SDA Board, shall be a member of the SDA Board.

ARTICLE 9. Members' Powers and Meetings

9.1 The Members shall have the power to:

- a. Amend the Pool Agreement by a two thirds (2/3) vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least forty-five (45) days in advance of any vote on the amendment.
- b. Dissolve the Pool and disburse its assets by a two thirds (2/3) vote of the Members present at a meeting, pursuant to such notice and in keeping with such procedure as shall be established by the Board, and upon which question proxy voting shall not be allowed. Notice of the dissolution and plan for disbursement of assets and payment of the remaining obligations of the Pool shall be mailed to the Insurance Commissioner of Colorado at least ninety (90) days prior to the effective date of the dissolution. The plan for disbursement of assets and payment of the remaining obligations of the Pool shall not take effect until approved by the Insurance Commissioner of Colorado. Upon dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, as determined by the Board and subject to approval by the Insurance Commissioner of Colorado, shall be distributed exclusively to Special Districts which are members of the Pool prior to dissolution to be used for one or more public purposes.

9.2 Meetings of the Members shall be held as follows:

- a. Members shall meet at least once annually at a time and place to be set by the Board, with notice mailed to each Member at least thirty (30) days in advance.
- b. Special meetings may be called by the Board upon its own motion and shall be called by the Board upon written request of thirty (30) percent of the Members, with notice mailed to each Member at least thirty (30) days in advance.
- c. The president of the Pool shall preside at the meetings; a vice president of the Pool shall preside in the absence of the president.
- d. Twenty (20) percent of the Members shall constitute a quorum to do business.
- e. Except for action to dissolve the Pool, proxy voting shall be allowed, pursuant to such procedures as the Board may determine.
- f. Each Member shall be entitled to one vote on each issue, to be cast by its Member Representative. No Director may cast a vote for a Member under Article 9.
- g. Notwithstanding any other provision of the Pool Agreement, any amendment to the Pool Agreement, except an amendment relating to dissolution of the Pool, may be adopted without a meeting if an approval in writing, setting forth the amendment approved, is signed by the Member Representatives of at least two thirds (2/3) of the Members. The approval may be executed in counterparts.

ARTICLE 10. Obligations of Members

- 10.1 Each Member and any Public Entity participating in the Pool shall have the obligation to:
- a. Pay all contributions or other payments to the Pool at such times and in such amounts as shall be established by the Board. Any delinquent payments shall be paid with interest pursuant to a policy established by the Board and uniformly applied.
 - b. Designate in writing, a Member Representative and one or more alternates for the Members' meetings. The Representative and any alternate shall be an elected official, employee, or other designee of the Member, and may be changed from time-to-time. Any alternate may exercise all the powers of the Representative during a Member meeting in the absence of the Member Representative. No Public Entity Member may have a Member Representative or any alternates.
 - c. Allow the Pool and its agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Pool.

- d. Cooperate fully with the Pool and all agents, contractors, employees and officers thereof in matters relating to the Pool.
- e. Provide information requested by the Pool, and all agents, contractors, employees, and officers thereof, as reasonably required for the administration of the Pool.
- f. Allow the Pool to make decisions regarding, and to designate attorneys to represent the Member in, the investigation, settlement and litigation of any claim within the scope of coverage furnished through the Pool.
- g. Comply with the claims, loss reduction, prevention and risk management policies and procedures established by the Board.
- h. Promptly report to the Pool all incidents or occurrences which could reasonably be expected to result in the Pool being required to consider a claim, in any form required by the Board and in compliance with any applicable excess insurance or reinsurance.
- i. Promptly report to the Pool the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities or other acts, as directed by the Board and in compliance with any applicable excess insurance or reinsurance.

ARTICLE 11. Contributions

- 11.1 The Board shall establish Member and Public Entity contributions pursuant to guidelines established by the Board from time-to-time. The contributions may include an annual contribution and any additional contributions at such times and in such amounts as the Board deems necessary to insure the solvency and avoid impairment of the Pool or which the Board otherwise deems beneficial to protect the financial condition of the Pool. The Board may provide for disbursement of non-surplus credit balances which are, pursuant to guidelines adopted by the Board from time to time, due a Member, and such disbursements shall not be subject to the provisions of Paragraphs 11.2 or 15.1.
- 11.2 Any excess funds which the Board determines are not needed for the purposes of the Pool, may be distributed among the Members and former Members, subject to Paragraph 15.1, pursuant to the following:
 - 1. Any such distribution may be in the form of credits against future contributions or in the form of payments, or a combination thereof, as the Board may determine.
 - 2. Money distributed for any claim year shall be distributed only to those Members and former Members which were Members during that claim year and shall be distributed in order of claim year contribution, with Members and former Members

of the initial claim year to receive the initial credits.

3. The amount which may be distributed for any claim year shall be established by the Board which shall have discretion as to the amount and timing of any distribution. That amount may not exceed the net sum of (i) the net income of the Pool for that claim year less (ii) the portion of the Pool's net income which equals the amount of the excess loss reserve of the claim year prior to the claim year (which is subject to the distribution) which was taken into income in that claim year plus (iii) the excess loss reserve for the claim year which is subject to the distribution.
 4. For the purpose of this Paragraph 11.2, the term "excess loss reserves" means the amount by which the amounts credited to loss reserves and charged to operating expenses in any claim year exceed the actual losses (including loss adjustment expenses) for that claim year.
 5. The amount established by the Board for a claim year pursuant to Subparagraph 3 of this Paragraph 11.2, shall be distributed among each Member and former Member which was a Member during that claim year based on the ratio which each Member's and former Member's contribution (excluding any surplus contribution) for the claim year bears to the total contributions (excluding surplus contributions) for the claim year and less the contributions of former Members which are not eligible for a distribution pursuant to Paragraph 15.1.
 6. Excess surplus funds contributed by Members and former Members may be distributed only among such contributing Members or former Members, subject to the five year membership requirement of Paragraph 15.1. The Board has discretion to determine, from time to time, the amount and timing of any distribution of such funds. The amount established by the Board shall be distributed among each Member and eligible former Member based on the ratio which each Member's and former Member's surplus contribution bears to the total amount of surplus funds contributed to the Pool by Members and former Members.
 7. No distribution of excess funds, including excess surplus funds contributed by Members, shall be made to any Member or former Member which owes any amount to the Pool until the amount so owed is paid, and any amount so owed may be deducted from the distribution to the Member or former Member.
 8. No distribution of excess funds, including excess surplus funds contributed by Members, shall cause the Pool to become impaired or insolvent.
- 11.3 The total amount of surplus shall be determined by the Board from time-to-time, but in no event shall be less than that required by the Insurance Commissioner of Colorado, and the Board may require all Members to make additional contributions to surplus as the Board deem necessary, or the Insurance Commissioner of Colorado may require.

- 11.4 The Pool shall account separately for contributions made for the property and liability coverages authorized by Sections 24-10-115.5 and 29-13-102, C.R.S., as amended, and for contributions made for the workers' compensation coverage authorized by Sections 8-44-101(1)(C) and (3) and 8-44-204, C.R.S., as amended.
- 11.5 Notwithstanding any provision of this Agreement to the contrary, the Pool Board may establish from any contributions or other assets of the Pool the initial minimum surplus for workers' compensation coverage required by the Insurance Commissioner of Colorado; provided that contributions or other assets derived from coverages other than workers' compensation shall not be used to establish such minimum surplus unless and until the Board first determines that workers' compensation contributions are or will be insufficient to fund such surplus in the amounts and within the time required by the Insurance Commissioner of Colorado; and provided further, that such minimum surplus shall be established from contributions for workers' compensation coverage as soon as the Board determines practicable consistent with ensuring the solvency and avoiding the impairment of the Pool. The Board may issue subordinated debt to establish such minimum surplus consistent with applicable requirements of the Insurance Commissioner of Colorado.
- 11.6 The Pool shall repay the Special District Association of Colorado for its ongoing services to the Pool, provided subsequent to the creation of the Pool, within such time and in such amount as the SDA Board and Pool Board may agree.

ARTICLE 12. Liability of Directors, Officers and Employees

- 12.1 No Director, officer, committee member, Pool Liaison, or employee of the Pool shall be personally liable for any acts performed or omitted in good faith. The Pool shall indemnify each Director, officer, committee member, Pool Liaison, and employee of the Pool against any and all expense including attorney fees and liability expenses sustained by them, or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties performed for this Pool or omitted in good faith. This provision shall not be deemed to prevent compromises of any such litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.
- 12.2 The Pool shall obtain a fidelity bond or other bond to guarantee the faithful performance of each Director's, officer's Pool Liaison's, and employee's duties hereunder, and shall make reasonable effort to obtain errors and omissions coverage for each Director, officer, committee member, Pool Liaison, and employee of the Pool. The Pool shall obtain bonds for all Directors, officers, committee members, Pool Liaison, and employees who handle or have access to Pool funds, in an amount which the Board deems appropriate but no less than the minimum amount deemed necessary by the Insurance Commissioner of Colorado.

ARTICLE 13. Withdrawal of Members

- 13.1 Any Member may withdraw from the Pool by giving written notice to the Board of its intent to withdraw at least sixty (60) days prior to the Member's coverage renewal date. A Member which has different renewal dates for different coverages must give such written notice at least sixty (60) days prior to the first renewal date following any January 1. Unless a different date is agreed to by the Board and the Member, the withdrawal shall be effective on the Member's coverage renewal date but, if the Member has different renewal dates for different coverages, the withdrawal shall be effective the latest renewal date following the written notice of withdrawal. After the notice of withdrawal is given, no coverage will be renewed but all coverages will remain in effect only until their respective expiration dates.
- 13.2 Except as otherwise provided in this Paragraph, any Member which dissolves or which is consolidated with another Special District shall be considered a withdrawn Member with the same rights and obligations under this agreement as any other withdrawn Member, such withdrawal to be effective on the date of dissolution or consolidation, as the case may be. Notwithstanding Paragraph 15.1 and under the following circumstances only, a Special District shall receive the credits against its future contributions to the Pool otherwise allocable to a dissolved or consolidated Member pursuant to Paragraph 11.2:
1. If the Special District was formed by a consolidation which included such a Member, the Special District assumed all rights of that Member under this agreement, and the Special District is a Member no later than one year after the effective date of the consolidation; or,
 2. If the Special District assumed all rights of a dissolved Member under this agreement, and the Special District is a Member no later than one year after the effective date of the dissolution.

A Special District entitled to receive such credits of a dissolved or consolidated Member shall not be obligated for any liabilities to the Pool of the dissolved or consolidated Member in excess of the amount of such credits.

ARTICLE 14. Expulsion of Members

- 14.1 A Member which fails to make a contribution or other payment due to the Pool shall be automatically expelled from the Pool on the sixtieth (60) day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of failure to make a contribution or other payment due to the Pool shall be mailed to the Member at least thirty (30) days prior to the date of automatic expulsion. If payment is not made within any extended period, the automatic expulsion shall occur on a date, no later than twenty (20) days after the last day of the extended period, set by the Board. An expulsion under this Paragraph 14.1 shall not be subject to the provisions of Paragraph 14.2.

- 14.2 A Member may be expelled by the Board for failure to carry out any other obligation of the Member, or for failure to maintain its membership in the Special District Association of Colorado if such membership was required by the Board at the time the Member was admitted to the Pool, subject to the following:
1. The Member shall receive notice from the Board of the alleged failure and not less than thirty (30) days in which to cure the alleged failure, along with notice that expulsion may result if the failure is not so cured.
 2. The Member shall receive at least thirty (30) days prior notice from the Board, of the date, place and time when the Board will consider expelling the Member from the Pool, and the Member shall be entitled to be present at that meeting and to present evidence and reasons why it should not be expelled. The decision of the Board shall be effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies and otherwise specified by the Board, except as provided in Subparagraph 3 of this Paragraph 14.2.
 3. The Member may appeal the Board's decision to the expulsion committee, which shall schedule a hearing thereon. The Member and the Board shall be provided at least ten (10) days prior written notice of the date, time and place of the hearing. The appealing Member shall be entitled to be present at that hearing and to present evidence and reasons why it should not be expelled and the Board may present evidence and reasons why expulsion is proper. The decision of the expulsion committee shall be final and any expulsion effective as of the date and upon the terms and conditions set forth in the Pool Agreement and applicable excess or reinsurance policies, and otherwise specified by the Board.

ARTICLE 15. Effect of Withdrawal or Expulsion

- 15.1 No withdrawn or expelled Member shall be entitled to any reimbursement of contributions or distribution or excess funds, including excess surplus funds contributed by Members, unless the Member was a Member for at least five consecutive years.
- 15.2 A withdrawn or expelled Member shall remain obligated for all amounts owing at the time of withdrawal or expulsion for the years during which the member was an active member of the Pool and for all amounts which thereafter become owing for such years pursuant to the Pool Agreement and any other Pool documents which are in effect at the time of withdrawal.
- 15.3 A withdrawn or expelled Member shall be considered a Member of the Pool for the purpose of payment of the Member's claims and expenses related thereto which remain covered under the terms of coverage existing at the time of withdrawal. A withdrawn or expelled

Member shall remain subject to all conditions of coverage and obligations of a Member which are in effect at the time of withdrawal. A withdrawn or expelled Member shall have no right to vote on any matter pending before the Pool membership.

- 15.4 No withdrawn or expelled Member may be adversely affected by any change in the Pool Agreement or other Pool documents adopted subsequent to the effective date of the Member's withdrawal or expulsion.
- 15.5 Unless disapproved by an affected excess carrier or reinsurer, the Pool shall offer a withdrawing or expelled Member, no later than forty-five (45) days after the expulsion or Board's receipt of the written notice of withdrawal, at least twenty-four (24) months extended reporting period on any claims-made coverage provided through the Pool, at a cost reasonably calculated by the Board and subject to any contracts existing at the time of withdrawal or expulsion.

ARTICLE 16. Miscellaneous

- 16.1 This document constitutes an intergovernmental agreement among those Special Districts which become Members of the Pool. The terms of this agreement may be enforced in court by the Pool or by any of its Members. The consideration for the duties herewith imposed on the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein.
- 16.2 A certified or attested copy of the resolution of approval for each Member shall be attached to the Member's Pool Agreement on file with the Pool.
- 16.3 Except to the extent of the limited financial contributions to the Pool agreed to herein or such additional obligations as may come about through amendments to this Pool Agreement, the contracting parties intend in the creation of the Pool to establish an organization to operate only within the scope herein set out and have not otherwise created as between Member and Member any relationship of surety, indemnification or responsibility for the debts of or claims against any other Member.
- 16.4 The provisions of this Pool Agreement and of the other documents referred to herein, and the assets of the Pool, are for the benefit of the Members of the Pool only, and no other persons or entities shall have any rights or interest in this Pool Agreement or in any of the other documents referred to herein, or in any such assets, as a third party beneficiary or otherwise. The assets of the Pool shall not be subject to attachment, garnishment, or any equitable proceeding.
- 16.5 It is the intention of the Members that the Pool and any income of the Pool not be subject to taxation, and the Members shall cooperate in such respects, including amending this Pool Agreement, as reasonably necessary to establish and maintain the non-taxable status of the Pool.

- 16.6 The Insurance Commissioner of Colorado shall have such authority with respect to the formation and operation of the Pool as is provided by applicable Colorado law.
- 16.7 Except as permitted in this Pool Agreement, and amendments hereto, neither the Board nor any other person or entity is authorized to incur liabilities or obligations or enter into contracts on behalf of the Members.
- 16.8 "Insolvency" as applied to the Pool shall have the meaning as defined in Section 10-3-212, C.R.S., as amended, or as the Insurance Commissioner of Colorado may otherwise provide.
- 16.9 The statutory reporting period for the Pool shall be the calendar year or such other period as the Insurance Commissioner of Colorado may provide.
- 16.10 If any provision of this Pool Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the other provisions, and this Pool Agreement is expressly declared to be severable.
- 16.11 If the Board or its authorized representative and a Member disagree on whether a loss is covered through the Pool or on the amount of a covered loss, the Board or its authorized representative or the Member may request that the disagreement be submitted to binding arbitration as follows:
1. Unless otherwise agreed by the Board or its authorized representative and the Member, three persons shall be selected for the arbitration panel, one by the Board or its authorized representative, one by the Member, and one by the two so selected to act as umpire to decide the items upon which the other two disagree. If the two so selected fail for fifteen days to agree upon the umpire, the umpire shall be selected by a judge of a court of record agreed to by the Board or its authorized representative and the Member.
 2. The decision of the panel shall be binding on the Board or its authorized representative and the Member.
 3. The Pool shall pay the fees and expenses of the panelist selected by the Board or its authorized representative, the Member shall pay the fees and expenses of the panelist selected by it, and the fees and expenses of the umpire shall be shared equally by the Pool and the Member.

Dated: _____

By: _____

Title: Chairman, Board of Directors and President

Special District [name]: _____

By: _____

Title: Chairman, Board of Directors and President

Date: _____

Attest:

By: _____

Title: District Secretary