

THE WESTPORT LIBRARY
Westport, Connecticut
Approved Minutes of the Board of Trustees Meeting
May 17, 2017

Trustees Present: Joe Pucci (presiding), Jocelyn Barandiaran, Russ Baris (by phone), Ken Bernhard, Iain Bruce, Jonathan Cunitz, Emily DiMiceli, Holland Dunn (by phone), Lori Goertz, Dan Gross, Adrian Hinojos, Lucy Johnson, Marianna McCall, Maggie Mudd, Celeste LaCroix, Susan Ross,

Trustees Absent: Rob Haroun, Julie Belaga, Carole Orland, Cindy Zuckerbrod

Joe Pucci called the meeting to order at 7:36 pm.

Minutes from the April 19, 2017 meeting were reviewed. Maggie Mudd made a motion to approve the minutes and Lori Goertz seconded the motion. The motion was unanimously approved by the Trustees present.

President's Report:

Joe Pucci deferred to Bill Harmer's report so as not to duplicate.

Executive Director's Report:

Bill Harmer noted that there were three months to go before the groundbreaking for the Transformation Project during the first week of August. Bill shared the planned reconfiguration for the main and upper floor plans of the Library for Phase One of the project.

In preparation for Phase One, all the art in the building has been appraised, taken down and packed for storage for the duration of the project. The marble bust of Morris Jesup will be moved to Town Hall where it will be on display for the duration of the project as well.

Rachel Reese, Director of Marketing & Communications, presented a Community Campaign Communications Timeline to the Board, outlining events that will take place leading up to an August 1st GroundBreaking Ceremony.

Bill stated that, after the last Board meeting and the event brain-storming session at Holland's home that followed, it became apparent that the Library would need to engage a producer/event planner to assist with planning and managing the series of high-profile campaign fundraising events being planned for October. He stated that \$10,000 of the funds allocated for a campaign consultant would be applied to initiate engagement of an event professional for this purpose, and that a proposed budget for the October events will be presented to the Board next month.

Bill reported that Rob Haroun has been assisting in locating rental space to replace the site currently being rented by the Library for storage of books donated for the Library's book sales, as the lease for the current space would be ending soon. Bill reported that Rob has successfully located and negotiated a lease for new space nearby on the Post Road, which is large enough to also accommodate storage of additional library materials during project construction. Bill noted that during Phase One, the periodicals room between the Sheffer Reading Room and the Large Reading Room would be designated for book sale volunteers to use for book sorting.

Booked for the Evening is sold out and Bill shared that there will be a new layout/floor plan that will be able to accommodate up to 520 guests this year.

Ann Pisetzner gave an update on the Construction Budget. The overall budget and timetable continue to remain as planned.

Treasurer's Report:

Jonathan Cunitz reported that the full year forecast remains modestly positive.

Finance Committee Report:

Russ Baris reported that the RTM reviewed and approved the Town's budget, which included the Library's revised budget that, at the request of the First Selectman, had been reduced by \$75,000 from the budget originally submitted by the Library. Wafaa noted that the budget also included an additional reduction of \$35,000, due to the anticipated termination of the State's Connecticut program. Russ requested a motion to approve the Operating Budget as so revised. Jocelyn Barandiaran made a motion to approve the revised Operating Budget for the fiscal year 2017-2018 as presented, and it was seconded by Joe Pucci. The motion was unanimously approved by the Trustees present.

Paul Mazzaccaro reported that the State Bond Commission met the preceding Friday and that bonding for the \$1M State Library Grant for Library Construction was approved. He then presented a board resolution required by the State in order to enable the Library to execute a grant agreement. Jocelyn Barandiaran moved that the Library adopts the following resolution, which was seconded by Joe Pucci, and unanimously approved by the Trustees present:

RESOLVED, that the duly appointed Executive Director, William H. Harmer, is empowered to execute and deliver in the name and on behalf of this organization a certain contract with the Connecticut State Library, State of Connecticut, for State Public Library Construction Grant.

Development Committee Report:

Lori Goertz gave a YTD update regarding the Annual Appeal.

Cindy Clark gave an update on Booked for the Evening Sponsorships, which are at the highest level ever. The event is sold out.

Governance and Nominating Committee Report

Susan asked that all Board members complete the annual surveys sent out by Robin by the end of the week.

The Library's Nondiscrimination policy was reviewed and Iain Bruce made a motion approve the policy in accordance with Section 2.6 of the Library's By-Laws. Jocelyn Barandiaran seconded the motion. The motion was unanimously approved by the Trustees present.

The Library's Request for Reconsideration of Library Materials Policy was reviewed. Adrian Hinojos made a motion to approve the policy in accordance with Section 2.6 of the Library's By-Laws, and Lori Goertz seconded the motion. The motion was unanimously approved by the Trustees present.

Joe Pucci then entertained a motion to go into Executive Session to discuss construction contract issues. Jocelyn Barandiaran made a motion to go into Executive Session and Ken Bernhard seconded the motion. All trustees unanimously approved, and the meeting went into Executive Session at 8:55 pm.

At 9:25 pm, Iain Bruce motioned to come out of executive session, seconded by Joe Pucci. All Trustees unanimously approved.

Jocelyn Barandiaran then made a motion to adopt the following resolutions and the motion was seconded by Iain Bruce. The Trustees present unanimously approved and adopted the following resolutions:

SECURED BANK LOAN

RESOLVED, that the Westport Library Association (the “Company”) be and hereby is authorized to enter into a Loan Agreement (the “Loan Agreement”) with First County Bank (“FCB”), providing for a loan by FCB to the Company in an amount not to exceed \$5 million (the “Loan”), to provide the Company with financing for the Company’s transformation project (the “Transformation Project”), such loan to be secured by the Company’s interest in capital campaign pledges made to the Company, and by certain Cash Collateral of the Company more particularly described in the Loan Agreement, and otherwise substantially on the terms and subject to the conditions set forth in the April 21, 2017 term sheet between FCB and the Company reviewed at this meeting, with such changes and additions thereto as the Executive Director of the Company, in his discretion, deems necessary or advisable; and it is further

RESOLVED, that each of William Harmer, in his capacity as Executive Director of the Company, and Joseph Pucci, in his capacity as President of the Company, and either of them singly, may enter into any agreement of any nature with FCB on behalf of the Company in order to effectuate the Loan, including without limitation:

- a. Deposit Accounts. To open deposit accounts.
- b. Borrow Money. To borrow such funds from time to time and on such terms as may be agreed upon between FCB and the Company for such sums or in such amounts as such individual shall sign for without limitation.
- c. Execute Notes and Guarantees. To execute and deliver to FCB the promissory note or notes, guarantees, or other evidence of credit accommodations of the Company, on FCB forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any indebtedness of the Company to FCB, and also to execute and deliver to FCB one or more renewals, extensions, modifications, refinancing, consolidations, or substitutions for one or more of the notes, guarantees, or other credit accommodations.
- d. Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to FCB, as security for the payment of any notes, guarantees, loans or credit accommodations (including any amendments to or modifications, renewals, and extensions thereto), or any other or further indebtedness of the Company to FCB at any time owing, however the same may be evidenced, any personal property now or hereafter belonging to the Company or in which the Company now or hereafter may have an interest. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated, or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any

other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated, or encumbered.

e. Negotiate Items. To draw, endorse, and discount with FCB all drafts, checks, withdrawals, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Company in which the Company may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the account of the Company with FCB, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable; and it is further

RESOLVED, that any and all acts authorized pursuant to these Resolutions and performed prior to the passage of these Resolutions are hereby ratified and approved, that these Resolutions shall remain in full force and effect and FCB may rely on these Resolutions until written notice of revocation shall have been delivered to and received by FCB. Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given; and for purposes of clarification and the avoidance of doubt, it is further

RESOLVED, that in accordance with Section 2.4 of the By-Laws of the Company, the authority granted to the Executive Director under these Resolutions includes a delegation to the Executive Director by the Board of Trustees of the power and authority, in the name and on behalf of the Company, to take all such actions provided for in such Resolutions, and to execute and deliver the Loan Agreement and any and all other agreements, certificates and other documents necessary in order to effectuate the Loan, including but not limited to those described in the preceding Resolutions.

CHARTER AMENDMENT

WHEREAS, the Company is desirous of obtaining loan financing for the Company's Transformation Project, which borrowings may be secured by an interest in certain assets of the Company; and

WHEREAS, the Company charter (the "Charter"), adopted by the Connecticut General Assembly in 1907 (and amended June 29, 1973) (the "Special Act") and incorporating the Company, does not explicitly provide for the Company to engage in borrowings, or to pledge assets as security therefor; and

WHEREAS, in order to avoid any doubt with respect to the Company's authority to borrow money or to pledge its assets as collateral security for borrowings, the Company desires that the Connecticut General Assembly amend the Company Charter to specifically provide for such activities;

NOW, THEREFORE, IT IS:

RESOLVED, that the Company shall request that the Connecticut General Assembly adopt legislation that will have the effect of amending the Special Act and the Company's Charter, or augmenting the Company's powers and authority thereunder, to provide that the Company may borrow funds or obtain loans or grants from the State of Connecticut, the Town of Westport, and institutional or other lenders, and may, to secure any such loans or grants, grant liens, pledges, mortgages or other encumbrances on any assets,

real or personal, of the Company, and, in addition, that the Company may engage in any lawful act or activity for which corporations may be formed under the provisions of sections 33-1000 to 33-1290, inclusive, of the general statutes of the state of Connecticut;

ALTERNATE FINANCING

WHEREAS, prior to being able to obtain funds from FCB under the terms of the Loan Agreement, the Company may find it expedient or advisable to obtain temporary or substitute financing, or some other form of financial support or commitment, from the Town of Westport or some other third party, in order that the Transformation Project may proceed on a timely basis;

NOW, THEREFORE, IT IS:

RESOLVED, that the Company be, and hereby is, authorized to enter into one or more borrowing agreements or financing arrangements with the Town of Westport or any other third party, to obtain financing, on terms substantially no less favorable to the Company as the terms of the FCB Loan Agreement, in order for the Company to proceed with the Transformation Project on a timely basis; and it is further

RESOLVED, that William Harmer, in his capacity as Executive Director of the Company, and Joseph Pucci, in his capacity as President of the Company, and either of them singly, be and hereby is authorized to enter into, in the name and on behalf of the Company, one or more loan or other financing agreements or arrangements with the Town of Westport or any other third party in support thereof, together with all such ancillary agreements, certificates and other documents as he in his discretion deems necessary or appropriate, in order for the Company to proceed with the Transformation Project on a timely basis.

GUARANTEE AGREEMENTS

WHEREAS, in connection with the obtaining the financing necessary to complete the Company's Transformation Project on a timely basis, it may be necessary or advisable for the Company to obtain a guarantee or guarantees of the Company's debt obligations from a third party or third parties;

NOW, THEREFORE, IT IS:

RESOLVED, that the Company be, and hereby is, authorized to accept and be a beneficiary of one or more third party guarantees of its debt obligations, in such form and on such terms as William Harmer, in his capacity as Executive Director of the Company, in his discretion, may deem necessary or advisable, in order to obtain necessary financing for the Transformation Project, and the Company is authorized to become a party to, and the Executive Director and the President of the Company, and each of them singly, is further authorized to execute and deliver, in the name and on behalf of the Company, such documents as he, in his discretion, deems necessary or advisable to obtain and effect such guarantees, and to commit the Company to reimburse any such guarantors for any payments of Company obligations made by any such guarantors to any creditor of the Company on the Company's behalf.

There being no further business to come before the meeting, at 9:30 pm Adrian Hinojos made a motion to adjourn and Jonathan Cunitz seconded the motion. The motion was unanimously approved by the Trustees present and the meeting was adjourned.

Respectfully submitted by,

Adrian Hinojos
Secretary