

***April 18, 2023 Board of Trustees***

✓ Barbara Bolton X Gail Bowden XChris Britt ✓ Todd Bruce ✓ Margaret Egli ✓ Barbara Forney ✓Dan Gannon X Michael Guttman ✓ Will Majarian ✓ Brenda Mercomes X Claire Murray ✓ Barbara Necarsulmer ✓ Loren Pearson ✓ Brad Peiper XLeah Reynolds ✓ Lee Sausen ✓ Corrine Sweeney ✓ Collis Townsend ✓ Jeff Yetter

*14 present (19 Trustees)-Quorum achieved*

Guests: Chris Manna, Mary Hutchins, and Joe Mulry

<b>Agenda items</b>
<b>OPENING OF MEETING/PUBLIC COMMENTS</b>
Brad opened the meeting at 5:00 p.m. There were no public comments.
<b>PRESIDENT’S COMMENTS</b>
Brad reminded Trustees that the Board Retreat is April 28. The Retreat Agenda will be issued this week. The day will start with a Library Tour prior to meeting at Longwood Gardens. The Retreat will offer an important face to face meeting and allow us to explore strategic objectives and key services. Brad noted that he will ask Collis to update us on the sale of the current building later in this meeting.
<b>MOTION TO APPROVE THE MARCH 2023 BOARD MINUTES</b>
Brad asked for a motion to approve the March minutes. Barbara Bolton made the motion which was seconded by Jeff Yetter, and the motion passed.
<b>DIRECTOR’S REPORT</b>
Chris commented that the Board Retreat will give us an opportunity to develop a bridge for our strategic plan, setting markers until 2025. Joe Mulry will host a partner event at Grain on April 20 <sup>th</sup> . This event will focus on community engagement while developing summer activities and future programs. Chris was happy to report that 4,798 have registered for the Imagination Library since November of 2022. Chris introduced a new program - Chat with a Librarian- which will be available on the website via phone, chat, email, and text 24/7. There will be a French Consulate event on the Terrace on July 15 <sup>th</sup> . PhilaFLAM and the Consulate will be in attendance to celebrate our new Library and donate French books for our collection. Chris reminded us that the Legislative Breakfast is this Friday and there is still time to register for this opportunity to meet legislators. Chris told us that he is planning a book sale as a fundraiser in the fall. The Friends will help sort books. The Customer Service Story of the Month evolved from a Tom Swett organized tour. The participants were so impressed with the new Library that they want to become volunteers.
<b>PRESIDENT’S REMARKS</b>

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Brad reminded Trustees that they have an open invitation to join the Executive Committee meetings held every Monday (except Monday prior to Board meeting). The meetings cover what's happening – a weekly review of activities for alignment and organizational purposes.

**COMMITTEE REPORTS**

Finance (Lee) - Lee reported that the Library's bookkeeping team consists of himself, Jeff, Paul Sapko and Chris. They reconcile financial matters and send them to CCLS. Our main financial contact at CCLS has moved, therefore we do not have a direct contact. As a result of this gap, Lee is only able to provide an abbreviated report for March. He will not have a real analysis for Q1 until the next Board meeting. Our cash position at the end of March is \$3.4 million. Net operating revenue year to date is \$27,174. There will be more information to come when we publish Q1 results. Lee commented that the Longwood Executive Tour was impactful and created a buzz on the bus ride home.

NBC (Brad) – Brad remarked that he will address grant status later. First, he updated us on the work status. Items completed include site concrete, curbing, site lighting, asphalt, and elevator installation. He reported that there had been a quality issue with some of the flooring which should be resolved tomorrow. Interior signage is in process. The work forecast for April includes completion of the PECO underground cable, sidewalks, landscaping, datestones, and the elevator inspection. The internet is already active in the new building. The materials for the donor wall have been received and should be installed this week. The punchlist review is in process and is being done in steps. Other key activities include AV/IT installation, lining up movers, and property line restoration. Security systems should be installed by June, which will require training for the staff. Currently the building budget is \$22.3 million, which will be reduced by \$300 in unspent contingency funds for a final budget of \$22 million. Next Brad gave the government grant update. PA RACP authorized \$3.9 M of which \$2.5 M have been qualified. Reimbursement is expected by November 2023. We expect to receive a Federal HUD grant of \$750K by August 2023. The PA LSA grant of \$799K we expect to receive in October of 2023. He asked Collis to comment on our other funding source – the sale of the current Library. Collis is optimistic that we are gearing up for a June 1<sup>st</sup> settlement. The buyer has strong financials. There may be a need for an easement due to parking issues. Brad did ask Collis to keep us updated on the sale and let him know if any concerns arise.

Capital Campaign (Jeff, Mary) – Jeff announced that the campaign is now \$19.3M. He and Mary continue to focus on key prospects. Currently they have a dozen large prospects. Our goal is within reach; however, it is hard work to close the funding gap. Jeff encouraged Trustees to reach out to friends and neighbors for Tours. Mary reported that a recent tour generated a \$10K anonymous donation. A Kendall Crosslands Tour is on the calendar. Public Tours are filling up. A champagne brunch is scheduled for Sunday, June 25<sup>th</sup> for donors and Trustees. This will be held the day prior to our soft opening Monday, June 26<sup>th</sup>. Claire Murray is hosting an event at her farm on Sunday, May 21<sup>st</sup>. A Capital Campaign newsletter will be sent out in May.

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Next Brad addressed the cash flow issue. He explained that there is a 2Q and 3Q 2023 mismatch between available cash and funding due to a \$2.7M gap in the campaign goal, the timing of pledges and grant receipts, and high interest rates on our construction financing. Final project costs will be coming due in June/July 2023. The current interest rate on our loan is 7%, which means our monthly interest bill would be \$35K per month. We have negotiated with WSFS to lock into a 6.50% fixed interest rate, which would reduce the interest expense to \$32.5K. In addition, a better cash strategy to address this shortfall is to tap into unrestricted Library reserves, which will help us get through this period. Brad forwarded a Motion to request that the Library Board approve the withdrawal of up to \$2M from the unrestricted Library Reserves to meet the cash shortfall/mismatch between the new Library project expenses due and the timing of pledge/grant funding with the requirement that the Library Reserves be repaid in full following the debt satisfaction of the WSFS construction loan. Barbara Necarsulmer seconded Brad’s motion. After a discussion regarding any concerns, overall Trustees expressed optimism in our project. A vote was taken and the motion passed unanimously.

**In order to obtain a fixed interest rate of 6.50% a financial document will need to be signed with WSFS. Therefore, Brad introduced a second motion which will authorize Brad to sign as President on behalf of the Library regarding financial commitments with WSFS. He made a motion to approve the following resolution – Being duly elected as President of the Kennett Library Board of Trustees for a term of one year at the Kennett Library Reorganization Meeting on January 17, 2023, Bradley Peiper is authorized to sign financial commitments during that period on behalf of the Kennett Library. Barbara Bolton seconded the motion. Brad asked for any discussion and there was none. The motion passed unanimously.**

Personnel (Brenda) – No report.

Communications (Claire, Amanda) – No report.

Friends of the Library (Gail)- Brad reported in Gail’s absence. The Shop and Dine fundraiser has been pushed back to August. The Friends are continuing efforts to obtain sponsors.

**OTHER BUSINESS**

None

**ADJOURNMENT**

Motion to adjourn by Will Majarian, seconded by Barbara Bolton. The meeting was adjourned at 6:24 p.m.

Respectfully submitted,  
Margaret Egli, Secretary