



# LIBRARY BOARD OF TRUSTEES

CITY OF PALM SPRINGS, CALIFORNIA

[www.palmspringslibrary.gov](http://www.palmspringslibrary.gov)

## SPECIAL MEETING AGENDA

**RESCHEDULED: WEDNESDAY, JUNE 24, 2020**

**5:30 P.M.**

Pursuant to Executive Order N-29-20, this meeting may be conducted by teleconference and there will be no in-person public access to the meeting location.

- To view/listen to the meeting live, please use the following link: <https://us02web.zoom.us/j/84404463873> or call 1-669-900-6833.
- Submit your public comment to the Library Board of Trustees electronically. Material may be emailed to [jeannie.kays@palmspringsca.gov](mailto:jeannie.kays@palmspringsca.gov). Transmittal prior to the start of the meeting is required. Any correspondence received during or after the meeting will be distributed to the Board and retained for the official record.
- You may provide telephonic comments by calling the Library Director at (760) 322-8375 by no later than 4:00 p.m. to be added to the public comment queue. At the appropriate time, a staff member will call you so that you may provide your public testimony to the Board.
- The meeting will be recorded and the audio file will be available from the Office of the City Clerk and will be posted on the City's YouTube channel, as soon as practicable.

### TRUSTEES

**Craig Borba, Ed. D.**

**Vacant**

**David Kelly, J.D., M.B.A.**

**Ed McBride**

**Kathy Weremiuk**

*Palm Springs is an inclusive world-class city dedicated to providing excellent and responsive public services to enhance the quality of life for current and future generations.*

Staff representative: Jeannie Kays, Director of Library Services, Palm Springs Public Library

- 1. CALL TO ORDER - ROLL CALL**
- 2. PUBLIC COMMENTS:** This time has been set aside for members of the public to address the Library Board of Trustees only on Agenda items. Three (3) minutes are assigned to each speaker.
- 3. LEGISLATIVE ACTION**
  - 3. A.** Consideration of extending due date of Promissory Note to Library Foundation in the amount of \$90,000 for the purpose of fundraising in support of Palm Springs Public Library.
- 4. ADJOURNMENT:** The meeting of the Library Board of Trustees will adjourn to its next regularly scheduled meeting at 5:30 p.m. on Wednesday, July 1, 2020 in the Large Conference Room at Palm Springs City Hall or virtually.

THE PUBLIC IS INVITED TO PARTICIPATE

The Palm Springs Public Library Board of Trustees meets at 5:30 p.m. on the 1st Wednesday of every month, unless noted otherwise, in the Large Conference Room at Palm Springs City Hall, 3200 East Tahquitz Canyon Way, Palm Springs, CA.

**COMMITTEES:**

**STANDING:**

ADVOCACY	KELLY
BUDGET	KELLY/MCBRIDE
BUILDINGS	BORBA/WEREMIUK
POLICIES/BYLAWS	BORBA/MCBRIDE

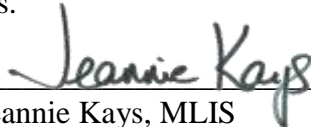
**AD HOC:**

FOUNDATION	BORBA/MCBRIDE
FRIENDS	KELLY
MEASURE J	KELLY/MCBRIDE

**AFFIDAVIT OF POSTING**

State of California            )  
County of Riverside         ) ss.  
City of Palm Springs         )

I, Jeannie Kays, Director of Library Services of the City of Palm Springs, California, hereby certify this Agenda was delivered to each member of the Library Board of Trustees, provided to all parties who have requested such notice, posted at City Hall before 5:30 p.m., on June 11, 2020, and posted on the City's website as required by established policies and procedures.

  
\_\_\_\_\_  
Jeannie Kays, MLIS  
Director of Library Services

**PUBLIC NOTICES**

Pursuant to G.C. Section 54957.5(b)(2) the designated office for inspection of records in connection with the meeting is the Office of the Library Director, Palm Springs Public Library, 300 S. Sunrise Way. Complete Agenda Packets are available for public inspection at: Palm Springs Public Library. Agenda and staff reports are available on the City's website [www.palmspringsca.gov](http://www.palmspringsca.gov). If you would like additional information on any item appearing on this agenda, please contact the Director of Library Services at (760) 322-8375.

It is the intention of the City of Palm Springs to comply with the Americans With Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, If you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact Julie Warren at 760-416-6731 to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

**AGREEMENT AND PROMISSORY NOTE**

Principal Amount: \$100,000

Date of Note: April 23, 2015

<p><b>Borrower:</b> PALM SPRINGS PUBLIC LIBRARY FOUNDATION, a California non-profit corporation</p> <p><b>Maturity Date:</b> July 1, 2020</p>	<p><b>Lender:</b> BOARD OF LIBRARY TRUSTEES, PALM SPRINGS PUBLIC LIBRARY, a municipal library board organized under Section 609 of the Palm Springs City Charter</p> <p><b>Interest Rate:</b> One Quarter Percent (0.25%)</p>
---	---

FOR VALUE RECEIVED, the undersigned Palm Springs Public Library Foundation, a California non-profit corporation ("Maker"), with its principal place of business located at 300 South Sunrise Way, Palm Springs, California 92262, promises to pay to the Board of Library Trustees of the Palm Springs Public Library, a municipal library board organized under Section 609 of the Palm Springs City Charter ("Board"), located at 300 South Sunrise Way, Palm Springs, California 92262, or such place as the Board may, from time to time, designate by written notice to the Maker, the principal sum of One Hundred Thousand Dollars (\$100,000), as set forth in this Promissory Note. This Promissory Note is made and given for the purpose of providing "seed" funds for the start-up of the Foundation and the initial solicitations, receipt, and administration of funds and property, and to disburse such funds, property, and income to, or for the benefit of, the City of Palm Springs Public Library System in order to provide and enhance the free access to information, educational, cultural, and recreational materials and activities, and lifelong learning opportunities of its patrons. The principal sum is derived solely from Board's Trust Funds and the Board specifically finds that the expenditure of these funds for the purposes provided in this Note are in furtherance of and consistent with policies and goals of the Board. The Maker acknowledges that the Note is funded from such Trust Funds and that these funds will only be used for the purposes described in this Note.

1. Disbursements.

- a. This Promissory Note is made to evidence the Board's loan of One Hundred Thousand Dollars (\$100,000) (hereafter, "Board Loan"). The Board Loan shall be deemed disbursed upon transfer of funds from the Board to the Foundation.

2. Term of Loan, Loan Payment, Right of Prepayment, and Annual Reports.

- a. Maturity Date. All accrued interest, if any, and any remaining principal that is due shall be due and payable in full without any further demand or notice on July 1, 2020 ("Maturity Date").

- b. Prepayment. This Promissory Note may be prepaid in whole or part without penalty or premium, but such prepayment shall not relieve Maker of its obligation to use the Board Loan for the purposes provided in this Agreement and Promissory Note.
- c. Annual Reports. Maker shall provide at least annually reports on solicitation activities undertaken and revenues, including funds, assets, and properties received, and the disposition thereof, during each reporting period.

3. Security for Note; No Recourse.

- a. This Promissory Note is unsecured.
- b. The indebtedness evidenced by this Note shall be nonrecourse to the individual members of the Board of Directors of the Maker.

4. Costs Paid by Maker.

If Maker is adjudged to be in default, Maker agrees to pay the following costs incurred by the Board, or as adjudged by a court of competent jurisdiction: (a) reasonable costs, fees and expenses of collection, including attorneys' fees paid or incurred in connection with the collection or enforcement of this Promissory Note, whether or not suit is filed; and (b) costs, fees and expenses of suit in such sum as the court may adjudge reasonable, including attorneys' fees in any action to enforce payment of this Promissory Note.

5. Waiver.

Maker hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this instrument, and expressly agrees that, without in any way affecting the liability of Maker hereunder, the Board may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder or release any security now or hereafter securing this Promissory Note.

6. Indemnification.

Maker shall indemnify, defend, protect and hold the Board harmless from and against any and all loss, damage, liability, action, cause of action, cost or expense, including, without limitation, reasonable attorneys' fees and expenses incurred by the Board hereof, arising as a result of any (i) fraud or material misrepresentation by the Maker under or in connection with any solicitation, receipt, payment, or disbursement of the Board Loan under the terms of this Note; (ii) any waste or inappropriate use of all or a portion of the Board Loan; and (iii) losses resulting from Maker's use of the Board Loan.

7. Severability.

If any provision of this Promissory Note is determined by a court of competent jurisdiction to be void or unenforceable, such determination shall not affect any other provision of this instrument, and all other provisions hereof shall remain valid and in full force and effect.

8. Non-Waiver.

No delay in demanding or failure to demand performance hereunder shall constitute a waiver by the Board hereof of its right to subsequently demand such performance or to exercise any other rights or remedies for any default hereunder. Further, in order to be effective, any waiver of any of the Board's rights and remedies hereunder shall be expressed in a writing signed by a duly appointed representative of the Board hereof.

**MAKER:**

**PALM SPRINGS PUBLIC LIBRARY FOUNDATION**

By: Fred E. Jandt  
Name: Fred Jandt  
Title: President

**BOARD:**

**BOARD OF LIBRARY TRUSTEES  
PALM SPRINGS PUBLIC LIBRARY**

By: Linda Fetterer  
Name:  
Title: Chair



June 5, 2020

Mr. Ed McBride  
President, Palm Springs Public Library Board of Trustees  
300 S. Sunrise Way  
Palm Springs, CA 92262

RE: REQUEST FOR CONSIDERATION AND DISCUSSION REGARDING CURRENT AGREEMENT AND PROMISSORY NOTE

Dear Ed and Honorable Trustees,

In response to the request and discussion at the Trustee Meeting on March 4<sup>th</sup>, 2020 and June 3<sup>rd</sup>, 2020, the Executive Board and Board of the Palm Springs Public Library Foundation apologizes for the delay in providing an update to our report. As you are aware the COVID 19 Quarantine prohibited the Foundation from meeting and formulating this report and request.

The Executive Committee of the Foundation met on June 2, 2020 and based on input from the Board we are requesting the following financial support from the Board of Trustees:

The PSPL Foundation and the Board of Trustees have the same common interest which is a world-class Library for the citizens of Palm Springs! Because, over the last five years the New Library Project has been postponed and delayed these delays have restricted our ability to execute on fundraising goals. In addition, the delays have resulted in rebuilding the Board and updating our goals and objectives. Unfortunately The PSPL Foundation still remains in the infancy stages of the reorganization but we are in a strong position to execute on a modified fundraising goal. The impact of the COVID 19 Pandemic on the Library budget has in our understanding delayed a new Library facility.

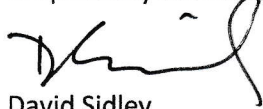
As you are aware an Agreement and Promissory Note executed on April 23, 2015 for \$100,000 provided the funding to start the PSPL Foundation. The current balance of this agreement is \$90,000. That note is now due as of July 1, 2020 and the PSPL Foundation Board is respectfully requesting that the agreement be forgiven so that we may now turn our focus to the next phase of fundraising. Knowing this note is due in July, The PSPL Foundation has not spent any funds towards our Development Plan and forgiving this note would allow us to quickly start executing and implementing the plan. The PSPL Foundation currently has approximately \$86,130.00 of the original loan remaining and has repaid \$10,000. At this time The Foundation has not specified or spent the balance for any fundraising or organizational goals.

The Foundation is significantly more organized and now has a clear 36 month Development Plan. The organization is poised to raise money as soon as the national situation warrants, including funds to help establish an endowment for the Library that will potentially replace the Trust Fund. The Board of Directors feels that this is a tremendous opportunity and a wise investment for the Trustees. With a new facility being postponed, we will turn our focus on fundraising for an endowment that may be used to supplement or complement the Library budget and to be the foundation for future fundraising goals and programs. The Board's Fundraising Committee is now fleshing out this program and we hope to present details in the coming weeks. The Board will establish the endowment in July 2020 with an initial deposit of \$30,000 and will seek matching funds from the community.

If this request is not acceptable, the PSPL Foundation is requesting an extension of 36 months in order to pay the agreement. In good faith I am authorized to make a payment on July 1, 2020 of \$5,000 to reduce the balance to \$85,000. We are confident in our fundraising plan and will execute that plan in the fall of 2020 or as soon as possible thereafter if COVID-19, etc. cause further delays, and we are also confident we can replace this payment and deposit even more in to our endowment.

The Palm Springs Public Library Foundation is ready to begin the next phase of fundraising and to secure funds that will allow the Library to meet facility, service and program goals in the coming years. We believe this request shows our progress and commitment and we welcome questions and comments from the Board of Trustees.

Respectfully Submitted



David Sidley

President

Palm Springs Public Library Foundation

Palm Springs Public Library Foundation Executive Board

David Sidley, President—Pacific Sotheby's Real Estate Executive and Community Leader

Ed McBride, Vice President—Local Business Owner and Library Trustee Representative

David Engen, Treasurer—Community Leader

Terry Dean, Secretary—Community Leader

Palm Springs Public Library Foundation Board of Directors

Sharon Appelbaum—Community Leader

Craig Borba, Ed. D.—Educator and Library Trustee Representative

Michael Braun—Local Business Developer

Tracy Conrad, ex officio—Community Leader

Eula Harris—Community Leader

Sean Heslin—Edward Jones Financial Advisor

Doug Hudson—Retired Librarian and Community Activist

Nanci Morrison—US Bank Executive and President of the Friends of PSPL

Robyn Metzler—Community Leader

Ken Pengelly—Retired Librarian/Educator and Community Leader

William "Bill" Wylie—Community Leader

SELECTION CRITERIA: genledgr.fund='151'  
 ACCOUNTING PERIOD: 11/20

FUND - 151 - LIBRARY ENDOWMENT			
ACCOUNT	TITLE	DEBITS	CREDITS
11010	Cash	1,932,701.18	
11110	Unrealized Investments	.00	
TOTAL Cash		1,932,701.18	.00
12120	Accounts Receivable	.00	
12215	Accrued Interest Rec	4,981.69	
12418	Notes Receivable	90,000.00	
TOTAL Receivables		94,981.69	.00
16151	Prepaid Expenses	.00	
TOTAL Other Assets		.00	.00
TOTAL ASSETS		2,027,682.87	.00
21100	Accounts Payable - System		.00
21112	Sales Tax Payable		.00
TOTAL Accounts Payable		.00	.00
21201	Accrued Wages Payable		.00
TOTAL Wages Payable		.00	.00
23287	Deposits Payable		.00
TOTAL Other Liabilities		.00	.00
TOTAL LIABILITIES		.00	.00
29306	Budgeted Transfers-Out		.00
29322	Transfers to Other Funds		.00
29341	Reserves for Encumbrances		.00
29342	Resrv for Continuing Appr		.00
29348	RESERVE FOR LIB ENDOWMENT		.00
TOTAL Fund Balance		270,844.63	2,298,527.50
TOTAL EQUITIES		270,844.63	2,298,527.50
TOTAL LIBRARY ENDOWMENT		2,298,527.50	2,298,527.50
TOTAL REPORT		2,298,527.50	2,298,527.50



SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER  
 DATE: 06/10/20  
 TIME: 11:02:25

CITY OF PALM SPRINGS  
 EXPENDITURE STATUS REPORT

PAGE NUMBER: 1  
 EXPSTA11

SELECTION CRITERIA: orgn.fund='151' and orgn.orgn1='50' and orgn.orgn2='2752'  
 ACCOUNTING PERIOD: 11/20

SORTED BY: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL,2ND SUBTOTAL,ACCOUNT  
 TOTALED ON: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL  
 PAGE BREAKS ON: FUND,FUNCTION,DEPARTMENT

FUND-151 LIBRARY ENDOWMENT  
 FUNCTION-50 LIBRARY  
 DEPARTMENT-2752 LIBRARY TRUST  
 1ST SUBTOTAL-4200 MTRLS, SUPPLIES & SVCS

ACCOUNT	TITLE	BUDGET	PERIOD EXPENDITURES	ENCUMBRANCES OUTSTANDING	YEAR TO DATE EXP	AVAILABLE BALANCE	YTD/ BUD
42195	SPECIAL DEPT SUPPLIES	125.16	.00	.00	72.35	52.81	57.81
42530	DUES & SUBSCRIPTIONS	3,750.00	.00	.00	.00	3,750.00	.00
44051	FRIENDS OF THE LIBRARY	6,323.80	.00	.00	6,023.80	300.00	95.26
	TOTAL MTRLS, SUPPLIES & SVCS	10,198.96	.00	.00	6,096.15	4,102.81	59.77
50004	FUTURE LIBRARY PROJECTS	1,545,441.27	.00	.00	.00	1,545,441.27	.00
51026	TRUST FUND BOOKS	42,356.54	.00	925.68	29,074.32	12,356.54	70.83
51031	KROPITZER TRUST DONATION	216,665.74	.00	.00	.00	216,665.74	.00
51036	WELWOOD PATIO	151,128.36	.00	147,308.36	3,820.00	.00	100.00
51039	STRATEGIC PLANNING	67,180.78	.00	17,254.32	46,926.46	3,000.00	95.53
51040	PR LIBRARY CAMPAIGN	25,000.00	400.00	.00	13,415.54	11,584.46	53.66
	TOTAL CAPITAL	2,047,772.69	400.00	165,488.36	93,236.32	1,789,048.01	12.63
	TOTAL LIBRARY TRUST	2,057,971.65	400.00	165,488.36	99,332.47	1,793,150.82	12.87
	TOTAL LIBRARY	2,057,971.65	400.00	165,488.36	99,332.47	1,793,150.82	12.87
	TOTAL LIBRARY ENDOWMENT	2,057,971.65	400.00	165,488.36	99,332.47	1,793,150.82	12.87
	TOTAL REPORT	2,057,971.65	400.00	165,488.36	99,332.47	1,793,150.82	12.87





SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER  
 DATE: 06/10/20  
 TIME: 11:03:30

CITY OF PALM SPRINGS  
 EXPENDITURE STATUS REPORT

PAGE NUMBER: 2  
 EXPSTA11

SELECTION CRITERIA: orgn.fund='001' and orgn.orgn1='50' and orgn.orgn2='2710'  
 ACCOUNTING PERIOD: 11/20

SORTED BY: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL,2ND SUBTOTAL,ACCOUNT  
 TOTALED ON: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL  
 PAGE BREAKS ON: FUND,FUNCTION,DEPARTMENT

FUND-001 GENERAL FUND  
 FUNCTION-50 LIBRARY  
 DEPARTMENT-2710 LIBRARY  
 1ST SUBTOTAL-4900 SPECIAL CHARGES

ACCOUNT	TITLE	BUDGET	PERIOD EXPENDITURES	ENCUMBRANCES OUTSTANDING	YEAR TO DATE EXP	AVAILABLE BALANCE	YTD/ BUD
TOTAL LIBRARY		2,695,164.60	208,571.15	30,714.23	2,289,454.14	374,996.23	86.09
TOTAL GENERAL FUND		2,695,164.60	208,571.15	30,714.23	2,289,454.14	374,996.23	86.09
TOTAL REPORT		2,695,164.60	208,571.15	30,714.23	2,289,454.14	374,996.23	86.09

SUNGARD PENTAMATION - FUND ACCOUNTING MANAGER  
 DATE: 06/10/20  
 TIME: 11:02:57

CITY OF PALM SPRINGS  
 EXPENDITURE AUDIT TRAIL

PAGE NUMBER: 1  
 AUDIT21

SELECTION CRITERIA: orgn.fund='151' expledgr.key\_orgn='2752' and expledgr.account='50004'  
 ACCOUNTING PERIODS: 1/20 THRU 11/20

SORTED BY: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL,2ND SUBTOTAL,ACCOUNT

TOTALED ON: FUND,FUNCTION,DEPARTMENT,1ST SUBTOTAL

PAGE BREAKS ON: FUND,FUNCTION,DEPARTMENT

FUND - 151 - LIBRARY ENDOWMENT  
 DEPARTMENT - 2752 - LIBRARY TRUST

ACCOUNT DATE	T/C	ENCUMBRANC	REFERENCE	VENDOR	BUDGET	EXPENDITURES	ENCUMBRANCES	DESCRIPTION	CUMULATIVE BALANCE
50004								FUTURE LIBRARY PROJECTS	
151-50-2752-2752								- LIBRARY TRUST	
50004					.00	.00	.00	BEGINNING BALANCE	
06/28/19	11-1				4,900.00			POSTED FROM BUDGET SYSTEM	
09/23/19	13-3				1,648,041.27			BUD ADJ 9/23-1CA LIB 151	
10/01/19	25-3		10/1-08B		-23,500.00			BUD ADJ 10/1-08B	
10/01/19	25-3		10/1-09B		-39,000.00			BUD ADJ 10/1-09B	
10/16/19	25-4		10/16-14		-20,000.00			BUD ADJ 10/16-14B	
10/16/19	25-4		10/16-15		-25,000.00			BUD ADJ 10/16-15B	
				TOTAL FUTURE LIBRARY PROJECTS	1,545,441.27	.00	.00		1,545,441.27
				TOTAL 1ST SUBTOTAL - CAPITAL	1,545,441.27	.00	.00		1,545,441.27
				TOTAL DEPARTMENT - LIBRARY TRUST	1,545,441.27	.00	.00		1,545,441.27
				TOTAL FUNCTION - LIBRARY	1,545,441.27	.00	.00		1,545,441.27
				TOTAL FUND - LIBRARY ENDOWMENT	1,545,441.27	.00	.00		1,545,441.27
				TOTAL REPORT	1,545,441.27	.00	.00		1,545,441.27

\* THERE IS A NOTE ASSOCIATED WITH THIS TRANSACTION

June 8, 2020

Mr. David Sidley  
President, Palm Springs Library Foundation  
VIA EMAIL

Dear Mr. Sidley,

I am in receipt of your letter to Ed McBride and the Library Board of Trustees dated June 5, 2020 and as Treasurer of the Trustees, I feel it is my responsibility to respond in kind.

Like you with the Foundation, I am relatively new to the Trustees. In my review of the minutes of the Trustees, it was announced in September 2018 your predecessor resigned. The next month I attended my first Trustee meeting before being sworn in as a Trustee and Treasurer in January of 2019. It was an exciting time for the Library. On January 29, 2019, The City of Palm Springs and the Library held a Library Retreat at the Convention Center. Participants included representatives from nearly every imaginable constituency. This community engagement and a legal settlement propelled the City Council appointment of a committee to examine possible sites for a new library. By the end of the year, all parties agreed to renovate and perhaps expand the Library's existing site.

It was in April of that year that you first came before the Trustees with plans to "reestablish the [Foundation] Board and to organize and update all formal filings and required financial reports" (from the Palm Springs Public Library Foundation 2018 Annual Report, July 1, 2017 through June 30, 2018). The report noted that Foundation Board members participated in the January Library Retreat and provided feedback in the final plan document. It further stated that the Foundation expected to accept a request for a "preliminary design of a capital campaign" following action by the City Council. Finally, the report stated that \$10,000 of the \$100,000 loan from the Trustees has been repaid.

A year later, at the March 2020 Trustee meeting, we received the Foundation's 2019 Annual Report. The report stated a fundraising goal of \$50,000 in 2020 and \$100,000 in 2021. Among the \$13,500 in expenditures to attain these goals \$1,000 is attributed to database development and management; \$10,000 to hire a contractor (Buzz Factory) for an awareness campaign, marketing plan, and Annual Fund collateral materials; and \$2,500 for Annual Fund solicitation letters. Financial statements dated February 16, 2020 showed \$33,779 in checking and money market balances and an annuity (Forethought) valued at \$53,436.29. Assuming the \$86,130 referenced in your letter of June 2, 2020 is the current total of your combined assets, the Foundation has reduced total assets by \$1,085.47 since your February 16, 2020 statement date.

Further, the report showed total income of \$1,308.29 for the period of 1/1/2019 through 2/16/2020 and expenses of \$2,813.40 for a total deficit of \$1,505.11.<sup>i</sup> The report shows no cash donations from Foundation Board members. Expenses included payments to President David Sidley--likely consisting of reimbursements for other expenses of the Foundation (e.g. advertising, postage and delivery, and taxes).

The 2019 Annual Report states the Foundation “is on track with its timeline to be ready when the City announces its final plans.” Among the accomplishments stated in the report are: (1) appointment of three new board members; (2) formation of a Finance Committee; (3) the election of a new Treasurer and Secretary; (4) sponsorship of the Foundation’s participation in The Legacy Wall at the Library by two Foundation Board members; (5) the same board members donated 10 children’s magazine subscriptions for a Foundation promotion; (6) and preliminary discussions with Buzz Factory on an awareness and marketing campaign.

## **FOUNDATION’S REQUEST**

Your letter of June 2 asks the Trustees to either (1) forgive the remaining \$90,000 owed on the existing \$100,000 note or (2) accept a payment of \$5,000 towards the balance owed and extend the note an additional 36 months to July 1, 2023 (the current note is due on July 1, 2020).

The letter references Foundation plans to place \$30,000 in an endowment fund and have the public match it. The Foundation currently has an annuity (Forethought) valued at \$53,436.29 as of 2/16/20 which could be set aside for such a purpose. If matched, this would complete the Foundation’s 2020 fundraising goal of \$50,000. The current checking and money market balance of \$33,779.18 (as of 2/16/20) could be used to finance debt reduction and the \$13,500 in fundraising expenses already anticipated for 2020.

## **RECOMMENDATION**

The Foundation experienced management challenges over the five-year life of the loan. In your recent letter and the 2019 Annual Report, the Foundation expressed confidence the management issues are part of its past. However, the Foundation is an all-volunteer organization and there is no guarantee that any agreement made today will be completed by current management within a 36-month time frame.

The two years of financial statements show no cash donations directly to the Foundation from past or present board members. Past marketing campaigns have been financed to raise community awareness of the Foundation, but without any fundraising effort behind them. Past Foundation fundraising has been promised primarily in response to City Council proposals which have yet to materialize. The Foundation has now set fundraising benchmarks of \$50,000 for 2020 and \$100,000 in 2021. It should be held accountable for those benchmarks.

I am recommending the Library Board of Trustees accept a second \$10,000 payment towards the original note of \$100,000 due July 1, 2020. I also recommend that upon receipt of payment, a new note in the amount of \$80,000 be agreed to between the Foundation and the Trustees to retire the old note with a new expiration date of July 1, 2021 (one-year maturity, again without provision for interest). The new note will give the Foundation the flexibility to continue its current operations, finance its initial fundraising plans, and provide much-needed experience for its Board to perform the functions intended to benefit the Library.

I expect upon execution of the new note, the Foundation will continue to make periodic reports to the Trustees about its operations, fundraising, and financial reports. I also expect the Foundation will make a timely presentation of its 2020 annual report for the period July 1, 2019 through June 30, 2020 at the March 2021 Board of Trustees meeting, if not sooner.

It is my hope that the Foundation grows into the organization it was always meant to be. These are challenging times. Draw strength from the knowledge that in the recent City Council budget meetings, dozens of citizens wrote letters and testified in public in support of the Library. Our Library is a beloved institution and deserves the energy and attention an actively-run Foundation can provide. I wish you well and will continue to provide counsel and support.

Sincerely,

David Kelly  
Treasurer, Library Board of Trustees

cc: Ed McBride, President, Library Board of Trustees  
Jeannie Kays, Director of Library Services, Palm Springs Public Library

---

<sup>i</sup> The 2019 report has three columns: one for the period 1/1/19-12/31/19, the second for the period 1/1/2020-2/16/20. To get my figures these two columns need to be added together for a representation of the period 1/1/19 to 2/16/20 expressed in the title of the chart. The third column shows "Amount Difference" between the first two columns and is not used in my discussion.