



## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Homer Public Library

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### Memorandum 20-030

TO: Mayor Castner and Homer City Council  
THROUGH: Katie Koester, City Manager  
FROM: David Berry, Library Director  
DATE: February 7, 2020  
SUBJECT: LAB's Process on Endowment Fund

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Per the City Manager's request, the following summarizes the research and discussion the Library Advisory Board has undertaken regarding creating an endowment fund for the Homer Public Library.

MAY 2019: At the regular LAB meeting on May 7, the board discussed options for creating a planned-giving program. The board agreed to contact other library systems to solicit their advice and draw up a list of best practices. The board also discussed revising the library's gift-acceptance policy to provide for accepting larger gifts. Over time, the planned-giving program and the gift-acceptance policy came to be seen as two parts of a larger project.

AUGUST 2019: At the LAB meeting on Aug. 6, Chair Kuszmaul presented her research on planned giving, with materials from the American Library Association. The LAB discussed how to change the gift-acceptance policy to accommodate unusual bequests such as real estate, stocks or other noncash goods.

SEPTEMBER 2019: At the LAB meeting on Sept. 3, Library Director Berry presented the results of contacts with other libraries around the state and in the Lower 48. These contacts unanimously described an endowment fund as the simplest and most efficient means of accepting large gifts. The LAB also debated a very rough draft of a revised gift policy and recommended numerous changes. The board agreed on its next steps:

- Director Berry and Boardmember Finn would contact community foundations to ask about their experience with managing endowments
- Director Berry and Chair Kuszmaul would draft a proposal for an endowment fund, laying out the benefits for City Council and the City Manager

OCTOBER 2019: At the LAB meeting on Oct. 7, the board voted to table the gift policy and focus on the endowment fund. Chair Kuszmaul and Director Berry presented the draft endowment proposal for critique. Director Berry presented the results of interviews with the Alaska Community Foundation and the Homer Foundation. Mike Miller from the Homer Foundation answered questions from the LAB.

On Oct. 16, Director Berry met with the City Manager to work out the next steps and, following his understanding of the discussion, began drafting a rough ordinance to establish an endowment fund. Chair Kuzmaul and Director Berry met with Councilor Aderhold on Oct. 23 and Councilor Venuti on Oct. 25 to ask their advice on proceeding.

NOVEMBER 2019: At the LAB meeting on Nov. 5, Director Berry presented the rough draft of an establishing ordinance and included sample ordinances from other libraries, along with a revised proposal on the endowment fund. The LAB expressed a strong desire to hear from the Alaska Community Foundation before making a recommendation to City Council.

DECEMBER 2019: At the LAB meeting on Dec. 10, the board heard presentations from the Homer Foundation, the Alaska Community Foundation and the Juneau Community Foundation. Director Berry presented a chart laying out the board's options and recommended creating an endowment with the Homer Foundation or, failing that, creating a non-endowed fund with the same foundation. The LAB voted to recommend that City Council create an endowment fund with the Homer Foundation.

JANUARY 2020: On Jan. 13, the LAB met with City Council in a joint worksession to present the proposal for an endowment fund.

FEBRUARY 2020: At the LAB meeting on Feb. 4, the board again discussed the pros and cons of an endowment with the Homer Foundation. The LAB voted to advise City Council to proceed with negotiating a contract, this time with the added recommendation that negotiators consider inserting an escape clause for "failing to match minimum investment goals."

## **RECOMMENDATION**

For information.