

Jefferson County Public Library Board of Trustees
Study Session
June 12, 2018 – 5:30 p.m.
Administration Conference Room

TOPICS:

- Operating, 5 Year CIP & County Budget Guidelines
 - 5 & 10 Year Financial Plan
- Executive Director Recruitment Update
- South County Alternative Services
- Roof Assessment AD/LK, BL, LSC – Information
- Belmar Owner’s Representative – Phase II Information
- Edgewater Sorter Contract Information
- Edgewater Naming Agreements Information
- Serial RFP Information
- Midwest Tape Renewal Information
- Financial Review
- 2020 Strategic Planning – Board

Call to Order

The Study Session was called to order at 5:30 p.m. by Julia Hill-Nichols, Chair.

Other Trustees present: Charles Naumer (Vice-Chair), Pam Anderson, John Bodnar, Deborah Deal and Brian DeLaet.

Trustees not present: Kim Johnson.

Staff present: Pam Nissler, Executive Director; Donna Walker, Director of Public Services; Steve Chestnut, Director of Facilities and Construction Projects; Barbara Long, Interim Director of Finance and Budget; Rebecca Winning, Director of Communications; Sandie Coutts, Director of Employee Relations and Development; Julianne Rist, Director of Public Services; Danny Lagage, Information Technology Operations Manager; Gloria Overholt, Consultant; and Amber Fisher, Executive Assistant, Office of the Executive Director.

Topics

The Chair advised the Board that two topics would be added to the agenda for the Study Session, Belmar Owners Representative - Phase II Information and Edgewater Sorter Contract Information.

2019 Proposed Budget: Operating, 5 Year CIP & County Budget Guidelines

Barbara Long, Interim Director of Finance and Budget, addressed the Board and presented an overview of the detailed budget information included in the information packet for the Study Session.

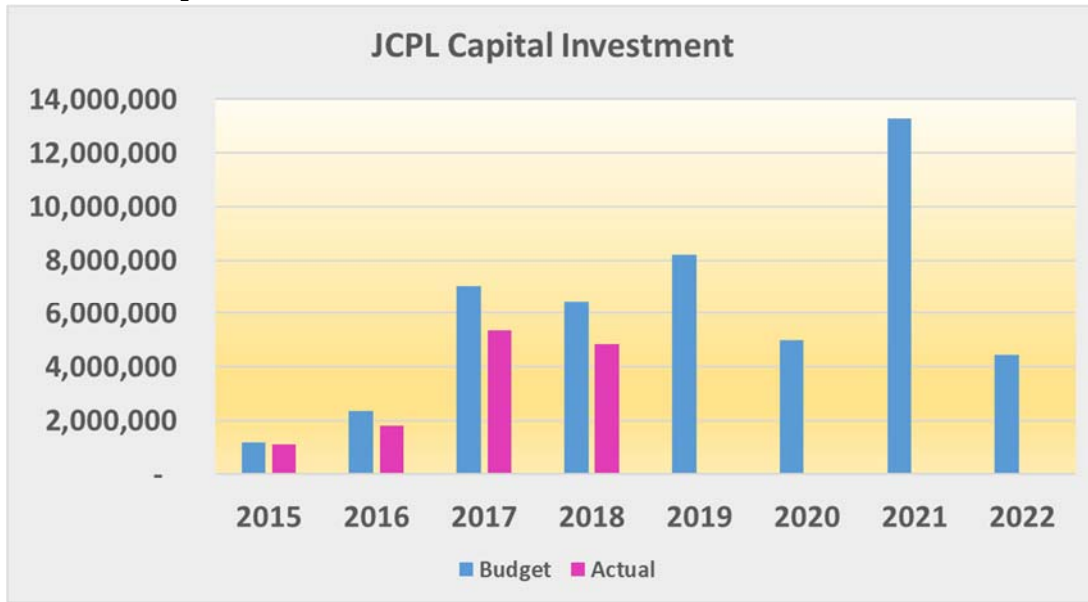
County Budget Guidelines have not been received and some assumptions were made to develop the budget. Updated information from the County on 2019 assessed value has been used to determine 2019 property tax revenue. Increase in salary cost is estimated at 3% and health insurance cost increase is estimated at 10%. The five and ten year financial model is based on 4.5 mills and 10% valuation increase. Expenditures include a phased implementation if the staffing plan and facility master plan. The Board's fund balance policy was applied throughout the plan.

The Big Picture – 5 & 10 Year Financial Model

5 & 10 Year Plan Summary	Actual 2017	Projected Actuals 2018	Proposed Budget 2019	Projected Budget 2020	Projected Budget 2021	Projected Budget 2022
Revenue	37,829,859	38,280,742	43,447,461	47,653,379	47,686,966	52,373,843
Operating Expense	30,270,787	33,779,003	36,280,026	38,296,718	38,664,067	41,011,661
Debt Service	1,519,238	1,486,667	1,448,432	1,410,421	621,818	621,944
Capital Investment	5,367,567	4,846,240	8,190,500	4,986,000	13,286,000	4,456,000
Total Uses of Funds	37,157,592	40,111,910	45,918,958	44,693,139	52,571,885	46,089,605
Change to Fund Balance	672,267	(1,831,168)	(2,471,497)	2,960,240	(4,884,919)	6,284,238

5 & 10 Year Plan Summary	Actual 2017	Projected Actuals 2018	Proposed Budget 2019	Projected Budget 2020	Projected Budget 2021	Projected Budget 2022
Beginning Fund Balance	17,491,968	18,164,235	16,333,067	13,861,570	16,821,810	11,936,891
Total Sources	37,829,859	38,280,742	43,447,461	47,653,379	47,686,966	52,373,843
Total Uses	37,157,592	40,111,910	45,918,958	44,693,139	52,571,885	46,089,605
Ending Fund Balance	18,164,235	16,333,067	13,861,570	16,821,810	11,936,891	18,221,129
Minimum Fund Balance	9,457,465	9,570,186	10,861,865	11,913,345	11,921,742	13,093,461
Maximum Fund Balance	18,914,930	19,140,371	21,723,731	23,826,690	23,843,483	26,186,922
Available Fund Balance	8,706,770	6,762,881	2,999,705	4,908,466	15,150	5,127,668

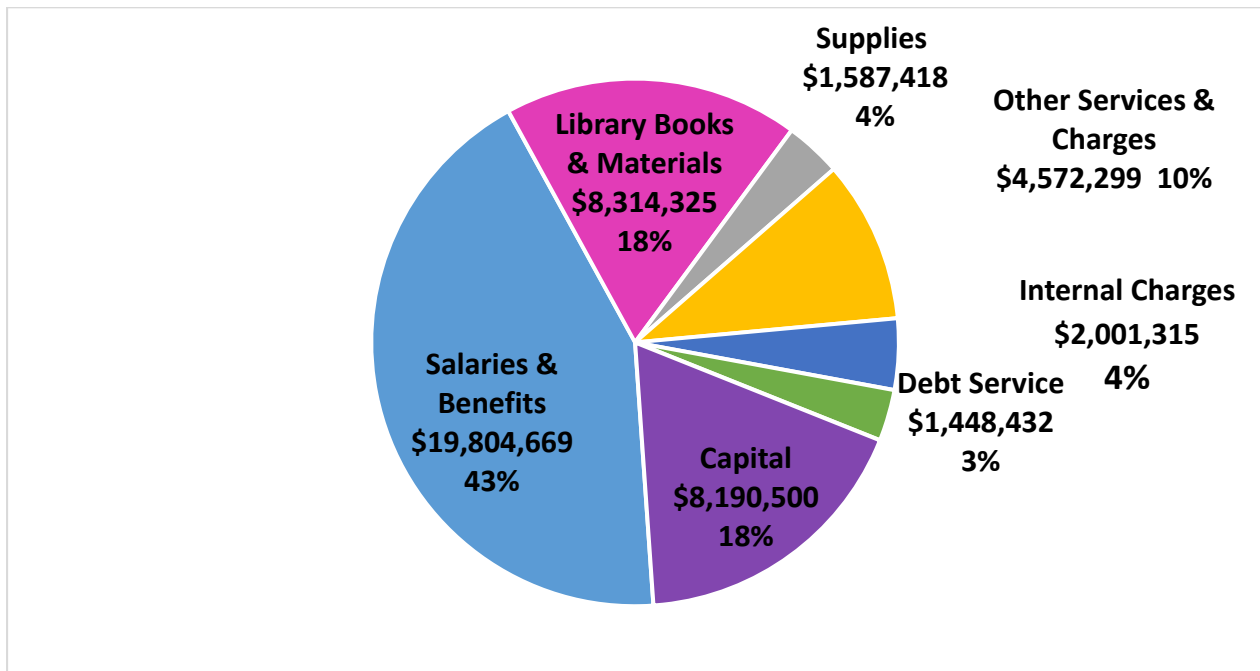
Focus on Capital Investment



2019 Total Projected Revenue

The Library’s 2019 revenue projection is \$43,447,461. Property tax makes up 98% of revenue. Other revenue includes Library fines at \$365,800; investment income \$241,000; federal and state grants \$130,000; other fees \$135,050, E Rate \$88,000; and contributions from private sources \$85,000.

2019 Total Projected Expenses



2019 Capital Investments

The focus is on capital investment, implementing the facility master plan and maintenance of capital assets.

Annual Replacement Plan	
ARM-01 Capital Maintenance	\$ 200,000
ARM-02 Furniture & Equipment	36,000
ARM-03 Computer 5-year Replacement Plan	250,000
ARM-04 Book Sorter Replacement – Golden	250,000
ARM-05 IT Infrastructure Replacement	200,000
Total ARM	\$ 936,000
5-Year Capital Improvement Plan	
16-14 High Availability Internet Redundancy	36,000
18-01 Belmar Library Remodel	6,773,500
18-07 LSC Garage & Loading Dock	150,000
18-08 Bookmobile Replacement	200,000
19-05 Standley Lake Clerestory Roof Replacement	35,000
19-06 Document Management System	60,000
Total CIP	\$7,254,500
Total 5-Year Capital Plan	\$8,190,500

Additional items of note in the presentation included budgeting to replace one sorter a year instead of utilizing a sinking fund and a significant reduction in debt service in the year 2021.

In response to questions, the Board was advised that:

- The Library checked in with the Assessor’s Office and they felt the 10% revenue assumption was reasonable and conservative.
- The Library will always have capital maintenance projects as long as there are properties and assets to maintain and protect. The capital projects are a one-time big expense. Operating and maintenance costs will continue. Capital expenses will start to level out as the Library addresses overdue capital projects through the remodels and/or annual replacement and maintenance program. There were discussions about a ten-year refurbishment schedule however, nothing was decided.
- The other services expenditure category includes heat and power, janitorial security, snow removal, grounds maintenance, etc. The Library will provide a complete list of these expenditures to the Board.

- The Board has the opportunity to reevaluate the five and ten year financial model every year to make adjustments and respond to changing economic conditions and/or opportunities.
- The budget for the Belmar Library remodel includes many capital infrastructure items that were not needed at the Columbine Library. The budget does not include space expansion which is not anticipated at Belmar. The budget does reflect the actual cost experience the Library gained during the Columbine remodel.
- The estimated health insurance increase includes all benefits (dental, vision, retirements, etc.).

The Trustees were advised to send any questions about the proposed 2019 budget to Barbara Long. The Board will be asked to authorize the Executive Director to submit the budget to the County at the June 21, 2018 Library Board meeting.

Executive Director Recruitment Update

Sandie Coutts, Director of Employee Relations and Development advised the Board that a memo is included in the information packet that notes an anticipated need for the Board to call a special meeting to announce the hiring decision at a public meeting. This anticipated timeline for the special meeting is prior to July 12, 2018. The Chair noted that the meeting will be called to address this specific topic and would not be of long duration.

Charles Naumer, Vice Chair, and a member of the Executive Director Search Committee, advised the Board that there were many good candidates and the Committee was comfortable with the quality of the candidates and the recruitment process. The finalists for the position of Executive Director are: Midori Clark, Roberta Phillips, Laurel Prysiazny and Donna Walker. More information on the finalist candidates will be sent to the Board by Bradbury Miller Associates. The deadline for the Board to make any suggestions on the interview questions is Sunday evening, June 17. Any suggestions should be emailed to Jobeth Bradbury with Bradbury Miller Associates.

The Board was advised that a document with more detailed information on the public forum was included in their red folder documents. The public forum will be held on Monday, June 18, 2018 from 6:30pm to 8:00pm at the Lakewood Cultural Center.

The Board expressed appreciation to the members of the Executive Search Committee.

South County Alternative Services

Donna Walker, Director of Public Services, addressed the Board. The Library reviewed the five and 10-year plans including the Belmar remodel and the timeline for the South County project. A full white paper on the types, trends, opportunities, and costs of Alternative Services is being developed. In order to meet timelines and requirements for the 2019 budget, the Library is bringing forward a recommendation for expanded alternative services to South County on an accelerated timeline. The recommended approach is a stop-gap measure that will double the number of people currently served with a small investment of resources.

Padma Polepeddi, Manager of the Lakewood Library and Library-To-You, greeted the Trustees and provided information on JCPL's current alternative services and recommendations for expanded alternative services. JCPL currently offers these alternative services in South County

- Weekly Bookmobile service
- Kids and Families programs during Bookmobile hours
- Book-A-Librarian appointments
- Community Story times at Ken Caryl Ranch
- Summer Reading
- Home Delivery Services (for patrons with a medical condition)
- Mail Delivery Services (for patrons with a medical condition)

Through these services, JCPL offers convenient physical access to materials, material requests, materials returns, holds pick-up, professional consultation, early childhood literacy and programming to approximately 300 patrons per month in South County.

Recommended expansion of alternative services in South County include:

- Expanded Bookmobile hours
- Free Mail Delivery (expanding criteria to include geographic distance as a barrier)
- 24/7 Library Book Drop
- Community Computer classes
- Book-A-Librarian appointments
- Kids and Families programs during Bookmobile hours
- Community Story times at Ken Caryl Ranch

- Summer Reading
- Home Services (for patrons with a medical condition)

Through these expanded alternative services, we can offer convenient, expanded physical access to materials, material requests, holds pick-up, materials delivery options, and 24/7 materials returns through expanded bookmobile hours. This expansion also will offer professional instruction through community computer classes, professional consultation, and programming to approximately 600 patrons each month in South County.

In response to questions, the Board was advised that:

- Mail delivery services currently uses criteria relative to medical conditions that prevents patrons from coming to a physical location. The proposed mail delivery pilot would be based on geographical distance criteria.
- All alternative services expenses are included in the 2019 budget.
- There are no fees – the services are free to the patrons
- The Library receives a special postal rate from the state for patrons qualified under the State blind and handicapped criteria. Approximately one-quarter of JCPL’s patrons receiving mail delivery services qualify under a Federally funded special rate program that is administered by the State.
- Last May there were 167 patrons on mail delivery services – now we are at 300. The Library expects to see continuing increases along with the aging population in Jefferson County.
- For the pilot program, the Library is looking at South County and will be developing and testing the geographic criteria.

Roof Assessment Information – Administration/Lakewood, Belmar and the Library Service Center (LSC)

Steve Chestnut, Director of Facilities and Construction Projects, addressed the Board and provided information on the status of the hail damage claims from May 2017. There have been two different adjusters working with County Risk over the last year to evaluate what needed to be replaced or repaired. There’s been some back and forth between the adjusters, the roof experts and County Risk as to the extent of the damage that requires replacement/repair. Following are the status updates for Lakewood/Administration, the LSC and Belmar.

Lakewood Library/Administration Building

There is significant disbonding of the EPDM membrane from the rigid insulation underneath. The structural integrity of the insulation seems to be intact but with

damage to the bond of the membrane could result in separation in high winds. (This is exactly what happened to Standley Lake when the roof membrane started separating from the wind and we developed leaks.) There is some discussion about adding a new hard deck on the old membrane and installing a new membrane on top of that. The Library asked for an engineering analysis from our roofing consultant to determine if that is 1) feasible from a weight perspective and 2) effective/desirable from a practicality perspective. Some of the flashing and surface items will need to be replaced.

Library Service Center (LSC)

The sheet metal roof at LSC will require replacement. The Library does not have information on the insurance dollar value and the recommendation is to delay any decision since the structural integrity remains intact.

Belmar

The small amount of EPDM (mostly over the staff area on the S/E side) on the building will likely need replacement. The big question is the copper flashing that was damaged. It has yet to be determined if and how much insurance is will to cover on that because of the expense of the product.

The Library is waiting for a final report from the insurance carrier. In addition, since the County will receive one lump sum for the storm, it is not known what amount will be distributed to the Library. The Library will advise the Board when the final report is received. In response to questions, the Board was advised that the Library will contact County Risk and ask for copies of the appraisals.

Belmar Owner's Representative Phase II Contract Information

Steve Chestnut addressed the Board and provided information on Phase II of the NV5 contract. On August 8, 2016, JCPL entered into a contractual agreement with NV5 for Owners Representative Services. The agreement outlined a description of services in two Phases. Phase I was to provide services for the Columbine remodel which has been completed. Phase II was for an additional project that NV5 would give us a proposal for labor rates based upon the project Scope of Work (SOW). The contract stipulates that if the conditions are acceptable to the Library, the Library will issue a notice to proceed with Phase 2 Services.

The Library was satisfied with the services received from NV5 on the Columbine project and finds the cost proposal/labor rates that they have submitted for Phase II (Belmar) to be customary and acceptable. This will be a multi-year budget as follows:

2018 - \$62,000; 2019 Estimated costs (estimated because schedule has not be solidified) are \$150,000. These costs are included in the Belmar project budget for 2018 and 2019. (2018 Capital Projects Budget, Belmar Remodel 18-01: \$350,000 in 2018 for soft costs to initiate design, engineering, owner services and consulting.)

This will allow us to move forward with planning and design of the Belmar remodel slated for 2019.

The Library will ask the Board to authorize the Executive Director to execute the Notice to Proceed to NV5 as stipulated in the August 2016 contract between JCPL and NV5 at the June 21, 2018 Library Board meeting.

In response to questions, the Board was advised that:

- The Library did go out for bid in 2016 and NV5 was the selected vendor.
- It is difficult to put a number to an imaginary design. The Library will issue an RFP for architectural services and design. When the Library receives the design schematics, a schedule and detailed costs are anticipated by the end of this year (2018).

Edgewater Sorter Contract Information – PV-Supa

Danny Lagage, Information Technology Operations Manager, addressed the Board and introduced the topic. The contract is for the Edgewater Library sorter and includes installation and maintenance. In 2016 JCPL went through the RFP process and selected PV-Supa to install and maintain the Columbine sorter. To maintain consistency, JCPL prefers to stay with the same vendor and equipment. PV-Supa has been very responsive to our needs.

The initial cost of the contract will be to complete installation in 2018 and is included in the construction budget. The cost of the sorter is \$225,219.00. Ongoing maintenance services will be addressed in the 2019 maintenance services budget with an amount of \$17,041.92. The budget for the installation is included in the Edgewater building budget. The Library will ask the Board to authorize the Executive Director to sign the contract with PV-Supa at the June 21, 2018 Library Board meeting.

In response to a question, the Board was advised that as part of the scheduled review of maintenance contracts, the Library would look into cost savings associated with combining PV-Supa sorter maintenance agreements.

Edgewater Naming Agreements Information

Rebecca Winning, Director of Communications, introduced the topic and advised the Board that the Library will ask for approval of the naming agreements at the June 21, 2018 Library Board meeting.

Serial RFP Information

Julianne Rist, Director of Public Services and Debbi Mikash, Collection Services Manager addressed the Board and provided information on the Subscription Services Vendor contract. Jefferson County Public Library (JCPL) sought a qualified vendor to provide periodicals and subscription services. An RFP for subscription services was published on April 18th and proposals were due May 7th. Only one qualified vendor responded, EBSCO, who is JCPL's current vendor for subscription services. EBSCO will provide periodical subscriptions published in the U.S. and abroad, including local magazines, and newspapers. Subscriptions services will include basic subscription order, renewal and related administrative services which include placing new and renewal orders for periodical subscriptions to publishers, and claiming missing or damaged issues. This five-year contract will be fully executed for fiscal year 2019, with preparation and ordering to begin in 2018. The cost of this contract will not exceed \$200,000 annually.

The Library will recommend that the Board Of Trustees authorize the Executive Director to enter into a contract with EBSCO for the purchase of periodicals and subscription services with up to five annual renewals, at the June 21, 2018 Library Board meeting.

Midwest Tape Renewal Information

Julianne Rist and Debbi Mikash addressed the Board and provided information on the MidWest Tape contract renewal. In 2016, the library entered into an RFP process to ensure we were receiving the best value for materials and processing, as well as streamlining our workflow by using a primary vendor for audiovisual material. In July of 2016, the Board of Trustees authorized Jefferson County Public Library to make MidWest Tape our primary vendor for media, DVDs, CDs and Audiobooks. The approved contract allows us to renew it annually for four additional years. The first renewal of this contract was in 2017. MidWest Tape continues to provide us with a quality product and the services outlined in the contract. This contract has a "not to exceed" amount of \$3,000,000

The Library will recommend that the Board of Trustees authorize the Executive Director to renew the contract for an additional year at the June 21, 2018 Library Board meeting.

Financial Review

There were no questions from the Board on the financial report that was presented at the May Library Board meeting.

2020 Strategic Planning – Board

Charles Naumer, Vice Chair, provided an overview of the Board's strategic planning work. In 2016 the Board modified bylaws to include a role for the Board in strategic planning and taking a more deliberate process to look at the ends statements. Setting 2020 as the goal for the Board to be more fully engaged with strategic planning, discussions were started in 2018. Those discussions included looking at the ends statements, working with the Senior Management Team on library trends and completing a survey and discussion the Board's opinions about the ends statements. The recommendation for going forward is to schedule time at each study session. At the August Study Session, the Board will select and discuss a topic. For example, the Board could select an issue around who we are actually serving (who the target audience is). Should we look to serve everybody (all the taxpayers)? Trustees Bodnar and DeLaet suggested narrowing it to the people using the library. The Board needs to know who our objective audience is. Another potential topic is the Aspen Study. If the Board schedules time at the August, September and October Study Sessions, in November the Board could address the ends statements and make specific recommendations. With three study sessions and three topics, the Board could come to consensus on what our strategic priorities would be for 2020.

There was wide ranging discussion, questions, responses and statements including:

- In response to a question about the goal of reevaluating the ends statements being an agreement that the ends statements are good or need to be rewritten, the Vice-Chair noted that the thought process is that the Board wasn't as deliberate as it should be in evaluating the ends and should spend more time on the thinking behind those ends statements.
- In response to a request for clarification regarding the role of the new Executive Director and the Board's role and in consideration that there were not a lot of deltas in the Trustees responses to the survey, the Chair noted that setting 2020 as the target date gives the new executive director time to get involved. The Chair noted that there are some legitimate questions and in the past the Board didn't own the ends statements and that discussion is essential.

- In response to the Executive Director's suggestion that Donna Walker and Julianne Rist, and their knowledge of the demographic studies, would be resources for the Board's target audience discussions, the Vice-Chair noted that the discussions would be more philosophical than looking into the data.

The Chair noted that it would be important for the Vice-Chair to provide the framework for the discussions. The Board reached consensus that the Vice-Chair should pick the topics for discussion at the Study Sessions.

ADJOURNMENT

The study session was adjourned at 7:09 p.m.

A handwritten signature in black ink, appearing to read "Kimberly Johnson". The signature is written in a cursive, flowing style.

Kim Johnson, Secretary