

**Minutes of the Meeting of the
JEFFERSON COUNTY PUBLIC LIBRARY
BOARD OF TRUSTEES
July 16, 2020**

CALL TO ORDER – REGULAR MEETING

The regular meeting of the Jefferson County Public Library Board of Trustees was held online via WebEx on July 16, 2020. Library Board of Trustees Chair, Charles Naumer, called the meeting to order at 5:31 p.m. Other Trustees present: Kim Johnson (Vice-Chair), Pam Anderson (Secretary), John Bodnar, Jill Fellman, Jeanne Lomba and German Zarate-Bohorquez.

Trustees not present: All Trustees were present.

Staff present: Donna Walker, Executive Director; Steve Chestnut, Director of Facilities and Construction Projects; Julianne Rist, Director of Libraries; Rex Whisman, Director of Strategy and Engagement; Bernadette Berger, Director of Information Technology; Sandie Coutts, Director of People and Culture; Barbara Long, Assistant Director of Finance and Budget; Lizzie Gall, Assistant Director of Library Experience; Padma Polepeddi, Assistant Director of Library Experience; Deirdre Keating, Assistant Director of Community Engagement; Amber Oeltjenbruns, Employee Relations Manager; Brad Green, IT Security and Systems Manager; Amber Fisher, Executive Assistant, Office of the Executive Director; and Katie O'Loughlin, Administrative Coordinator.

There were additional Library staff members attending the online WebEx meeting.

APPROVAL OF AGENDA

MOTION: John Bodnar moved that the Library Board of Trustees approve the agenda as presented. Seconded by German Zarate-Bohorquez the motion passed by unanimous vote of all Trustees present.

PUBLIC COMMENT

Public comments are currently being submitted to the Board via a link on the Board of Trustee's webpage. Comments will be acknowledged in the minutes of the meeting. No public comments were received.

APPROVAL OF CONSENT AGENDA

The Chair asked the Trustees if any of the items should be removed from the consent agenda. There were no requests for items to be removed.

MOTION: Jill Fellman moved that the Library Board of Trustees approve the items on the consent agenda as presented. Seconded by Kim Johnson the motion passed by majority vote of all Trustees present with John Bodnar abstaining.

Items on the Consent Agenda for July 16, 2020

1. Approve June 11, 2020 Study Session Minutes
2. Approve June 18, 2020 Board Meeting Minutes

FOUNDATION UPDATE

Jo Schantz, Foundation Executive Director, provided an update on the activities of the Foundation. Highlights included reopening to the public on July 1, with volunteers and donations coming in and filling up the warehouse. The 2019 audit was completed and the support the Foundation provided to the Library is 10 times what the library provided in kind to the Foundation. Cash donations were \$196,795, a 2.5 to 1 ratio on cash donations. Jo noted that she took a trip to Estes Park to look at their Foundation's used books store to get details and information to make a decision if we are going to open bookstore at Colorado Mills. The Foundation Board will vote on that at the July 22 meeting. The Foundation is planning a pop-up tent sale and made a deal with the Brass Armadillo. They are allowing the Foundation to use the grassy area in front of their antiques mall for free. The pop-up sale is scheduled for August 20 and 21. The Foundation has so much inventory at this point and needs to find different methods of moving that inventory especially as they are coming up on the fall whale sale and if they can produce that or not. If they can, there will be a limited number of shoppers. With all 3 exhibit halls only 55 people can be in that large area at one time. Jo added marketing and communications under the office coordinator position and no longer has a contract worker. After submitting her report to the Trustees, Jo noted that she added 5 more grants at this point. Grants, naming opportunities, sponsorships etc. tallies up to \$637,742 in requests. Jo noted that she wished she could say all that will be coming back, but responses have been slow. In the meantime the Foundation did take on the \$150,000 from the economic injury disaster loan program. It was deposited into the Foundation's operating account and they are covered for the next 12 to 14 months even if they don't get funding in.

The Chair congratulated Jo on reopening. He noted that he did have a question about the formula Jo used in her report where she stated the return is ten times the Library's in kind. The Chair asked if this number is intended is to be represented as a return on investment number.

Jo Schantz responded, yes.

The Chair stated that we had many conversations about this in the past and wants to point out to the new board members, this is not the ROI number that the Trustees use. We report out the ROI number in our financials each month and ours is 1.62. There is a bit of confusion because we're not aligned on that number. The main factor, I believe, is that Jo reports out and includes operating expense as the return to JCPL. Can you explain the rationale for that as it is not something I understood fully?

Jo Schantz responded that if we didn't cover the majority of our own costs – the money that we get, the in kind in donations that comes from JCPL is about 15% of our operating budget. The rest of those funds that cover my salary, benefits, staff salary, liability insurance, mileage, training, website – all those ingredients that help us do what we do – we have to fund raise and cover those expenses ourselves. So that's where the return comes back because we only exist to serve JCPL. If you had to pay for those services that would be over \$500,000 a year that we give to the library because we cover those costs ourselves.

The Chair noted, so if your cost, your operating expenses goes up, the ROI that you report out to us actually increases, right?

Jo Schantz responded, right.

The Chair stated that this would be a very different way than we evaluate other relationships with vendors. For example, if we were to give our used books to another vendor, let's say Better World Books, they report to us what they would return to us on the value of those books that we give them. It would be very unusual for a vendor to report out their operating expenses. I want to point that out and want to make sure it's very clear and on the record. Because I do not believe that is the way we should be looking at ROI from the Foundation in consideration of our fiscal responsibility to the taxpayers of Jefferson County.

Jo Schantz responded, Well I guess the only difference there is that Better World Books is a for profit business, they don't exist solely to serve JCPL. We do, so that's where that comes in and this report came from our independent auditor so it's not a number that we just pulled out of our hats, it's actual, and of course that 10 times also includes the 2.5 to 1 cash ratio – so that's what it showed again the \$196,000 that we gave back to the library, that's cash.

The Chair noted, I certainly don't have a problem with the numbers reported, the issue is with the formula. Is your accounting firm representing that's a fair ROI?

Jo Schantz responded, absolutely.

The Chair noted, they are representing that's an ROI number?

Jo Schantz responded, absolutely, this is in our audit, it's in the last page of our financial audit.

The Chair stated, he just wanted to give everybody a history of the misalignment between the Foundation and Board of Trustees.

Trustee Fellman asked, can you tell me why do we have two firms in auditing? You have a separate auditing firm than the library does. Why is that?

Jo Schantz responded, yes we have an independent audit every year because we are a separate 501c3.

Trustee Fellman noted, in the past, the foundations I've been on, we've had the same auditor firm. For example, the food bank foundation has the same auditor firm that the food bank does.

Jo Schantz responded, it's never been a requirement and from time to time we send out the call for different bids from different auditors. We've been with JBS Professionals for about 5 years now. I know this next year we'll be casting out the net and looking for other bids so that we get different perspectives.

Trustee Fellman asked, Donna what firm do we use?

The Executive Director responded that we are part of the County's audit. The library doesn't hire our own auditor.

Trustee Fellman noted, oh yes that's the difference - we're part of the County.

Jo Schantz noted, one thing I did want to point out, as long as we're talking about these numbers, and Chic you mentioned if you were to sell books directly to Better World Books or someone else. I did send out a message to a couple of our vendors who buy our books in bulk since we're worried again we'll have so much inventory and will cause a lot of angst toward end of year if we're not able to move those books and CDs. I asked him to give us a bid on how much he would give us. So the result was rather startling. He would give me \$120 a pallet and we have 44 pallets that are waiting right now to go to the next

sales. So that means for all those books we would raise a little over \$5,000 and that would be horrible.

The Chair noted, and I don't disagree. A couple of years ago we did that analysis, where we reached out to Better World Books and we did a comparison in terms of what they would return to the Library versus what the Foundation returns, and the Foundation is providing us a better value. So there's not a dispute there at all. The dispute I have is that I've never, in all my years in business, never seen an ROI calculated that way and I don't think that's the way we should be looking at it. It doesn't make sense to me. If I was hiring an investment firm and I gave them \$1,000 and they returned at the end of the year \$1,100, I would expect that to be a 1.1 return, a 10% return. I can't imagine, even if I was their sole client, them saying, well we spent a million dollars to raise \$100 for you therefore it's a million to one or whatever that ratio is. That methodology makes no sense to me. I just want to make that clear and make it on the record, that the methodology that we are using and that we use from a financial perspective is about 1.62 to 1. This month that is what was reported out. I think that's a legitimate value, I think that's a good value, I have no problem with that. I just do not think the 10 to 1 is a fair way to look at it.

Jo Schantz responded, if you had to pay for all of our operating expenses that would really hurt the library's budget. But we provide that as a service so that's where I'm coming from and I think that's where our auditor is coming from as well. These are hard numbers. You're going to have to pay for somebody to do the fund raising, to manage all these books, etc. This is our gift then to the library because we covered those costs.

The Chair noted, and if we we're going out and we wanted to do an evaluation of another seller of our used books, that's how we would evaluate, we would look at what the return is in the way that I'm suggesting. And the same thing with grants. We could hire a grant manager to do the same thing and we could evaluate it in that way, and obviously we're not going to pick one with a high operating cost. We're going to pick one that is saying this is what I can raise for you.

Kim Johnson, Trustee Representative, noted that the Foundation Board meeting is next week. She stated that she is curious to hear how the store front walk went last week. In relation to the expense conversations, it is one of her concerns in respect to the store front. That would increase the Foundation expenses and could inflate what it appears you are giving back to JCPL, when in reality, those expenses are not ones that JCPL would choose to incur.

EXECUTIVE TEAM OPERATIONAL UPDATES

Executive Director Report

The Executive Director addressed the Board and provided an update to the Board. The report in the Board's packet includes the priorities for the third quarter, July, August and September. Examples of the focus for the third quarter include priorities around recovery response planning, 2021 budget and South County engagement. Another focus is serving the public in person and making sure there are enough staff to do all the work. Julianne Rist will be talking about opening up the buildings to the public. On Monday, Standley Lake opened with a mask requirement including patrons' age three and over. The next day Jefferson County issued a mask requirement for people age five and over and now the Governor has issued a mask requirement for people 10 and over. The Library is aware of those requirements and will stay with the safer requirements. The Colorado Association of Libraries conference (CALCON) will be held virtually and Amber Fisher will send out information. JCPL received a 22% response rate to a customer survey that showed a increased awareness of library services and a high satisfaction rate. Also in the Board's packet is a report on Spanish services and support during Covid-19 Pandemic.

In response to questions the Board was advised that:

- The Library was hopeful that the Raise-A-Reader event would take place in person, however, in consideration of current events, the Library will be looking at other options outside of an in-person event. Most metro area libraries have cancelled all in-person events through the end of the year. JCPL has not done that yet.
- The customer survey was sent to 8500 patrons.

Strategy and Engagement - Finance and Budget Department

Finance and Budget

The Executive Director introduced the topic and advised the Board that Barbara Long, Assistant Director of Finance and Budget, will present information and walk the Board through the draft 2021 budget. The Executive Director noted that the Board's input over the last couple of meetings are well represented.

Barbara Long expressed appreciation to the Board for the thoughtful discussions and direction around the long term plan scenarios and how the Library responds to economic changes. The heart of the budget information is in the tables in the Board's packet and the presentation is an overview to add to that and help further understanding.

The Goal of this budget is to respond to changing economic times: going from more than seven years of growth to predicted decline and preparing for a steeper drop in property tax revenue from Gallagher.

Assumptions for the 2021 proposed budget:

- Property Tax Revenue Based on 4.5 Mills
- Increase in Salary Cost Estimated at 2.6%
- Benefits, Interest Revenue and County Charges Estimated

The budget includes an estimate of some costs that will be revised when that information from the County is provided. This proposed budget estimates salaries, benefits and interest income.

5 & 10 Year Financial Model

- Financial Outlook 10 Years Out
- Property Tax Revenue Based on 4.5 Mills
- Assumes Gallagher Amendment in Effect
- Timing of Capital Projects: Alternative Services in 2021, Evergreen Begins in 2022, South County Begins in 2024

In June, the Board looked at long term planning scenarios and directed the Library to use timing of capital projects to provide flexibility as we wait for more information.

2021 Proposed Budget Highlights

- Preserve Financial Sustainability and Flexibility in a Changed Environment
- Pause on Large Capital Projects
- Scale Back on Staffing Additions
- Expand Alternative Services

This budget takes a conservative approach to preserve options in light of unknowns. The Library is also developing an alternative budget if Gallagher is repealed. The main difference will be in capital projects; taking a pause on large capital projects. Preserving financial flexibility means saving fund balance for the next big capital projects: South County and Evergreen. For the first time, JCPL’s budget includes a capital projects sinking fund. The Library will be funding alternative services to get library services to people now.

The Library is scaling back on FTE additions. The 10.5 FTE decrease reflects not filling new positions that were approved in the current year budget. The Library is not decreasing positions already filled. Those 10.5 positions will be held in reserve. One of the goals of the organizational assessment was to stabilize JCPL’s workforce. Stabilization of JCPL’s workforce is represented by more standard employees

2021 Budget: Total Projected Revenue

- Projected 2021 revenue is \$47,078,996
- 2021 is not an assessment year
- Investment income will likely decrease in the final budget.

- 2% of revenue is not property tax and includes investment income, federal and state grants, Foundation contributions, e-Rate, Library fees, etc.

2021 Total Projected Expenses

- Total 2021 projected expenses is \$40,347,456 and reflects the line items in the financial tables that are included in the Board’s packet
- Salaries & Benefits are 53% of operating expenses

2021 Capital Investments

2021 capital investments focus on taking care of what the Library has and investing \$350,000 in alternative services to bring services to underserved communities quickly.

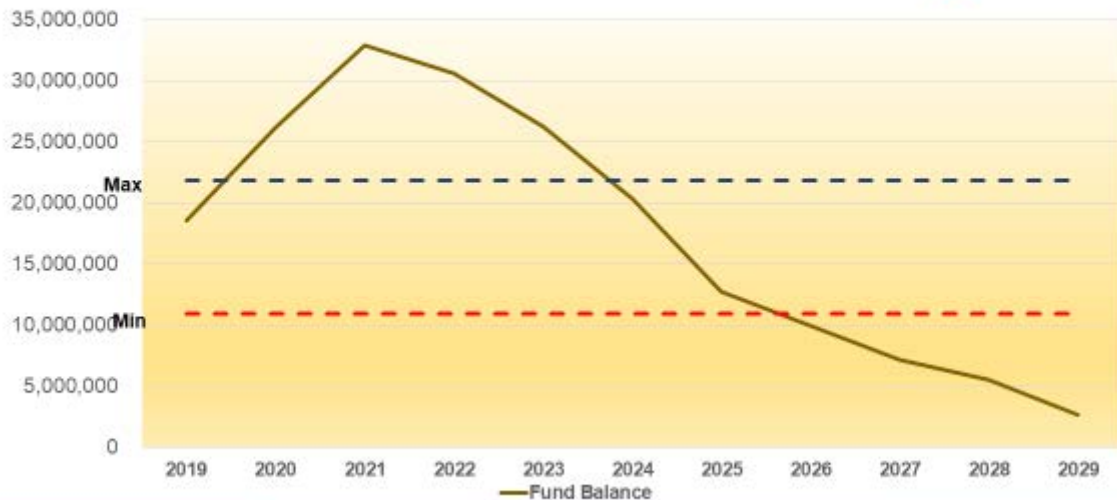
Annual Replacement Plan & On-Going Projects	
ARM-01 Capital Maintenance	\$ 250,000
ARM-02 Furniture & Equipment	36,000
ARM-03 Computer 5-year Replacement Plan	200,000
ARM-04 Book Sorter Replacement	300,000
ARM-05 IT Infrastructure Replacement	350,000
Total ARM	\$ 1,136,000
Capital Projects	
Alternative Services	350,000
Total Capital Projects	\$ 350,000
Total Capital Improvement Plan	\$ 1,486,000

Long Term Plan: Fund Balance

The long term fund balance chart reflects capital investments in the five-year plan over time with alternative services, Evergreen and South County. It reflects the middle road scenario for Gallagher which is a 15% projected decrease for 2022 – the next assessment year, and assumes that property tax revenue will increase by 5% for each assessment year thereafter. The fund balance cushions the decrease in future years. The chart shows the need to save fund balance when revenue is high and use that for future capital projects. One of the unique things about this budget is the commitment of funds to a capital sinking fund; to commit \$9 million to a capital sinking fund to formalize the Board’s intention to take the surplus and use it in future years. The purpose would be to fund the next two large capital projects which are South County and Evergreen. Funding for alternative services is in 2021, Evergreen starts in 2022 and South County starts in 2024.

The establishment of this sinking fund with the 2021 budget will formalize the Board’s commitment to future capital projects while maintaining compliance with the reserve fund policy (4.9.3). At the end of 2020, unspent capital project funds may also be committed to this fund.

LONG TERM PLAN: FUND BALANCE



The Chair expressed appreciation to the Library for their work on the 2021 budget and asked if there were any questions from the Board.

Trustee Bodnar noted and inquired that in looking over in the Board report in table 2, the fund balance 2019 actual beginning fund balance \$19,529 million is that correct?

Barbara Long responded that is just the budget and it is our practice for budget development to use the actual fund balance as of the end of the last completed fiscal year. So that \$19,529 is not the actual beginning fund balance at the start of 2020. That would be the \$18,467. That is just the measure that we use for budgeting. For right now, when we’re developing the 2021 budget, we don’t have 2020 completed yet.

Trustee Bodnar noted that is right, but at the top of the sheet it lists 2019 actual at 19 and it’s using the 2020 budget, it’s showing the exact same amount for the beginning fund balance and I don’t think those two numbers should be the same. You just referenced that you feel it should be \$18,467 as a place holding number. I’m just curious why those two are exactly the same. The beginning of 2019 is the same as the beginning of 2020

Barbara Long responded that's been our practice for budgeting. But if you look at our financial tables, and if you look at the actual 2020 results for fund balance, you will see the actual beginning balance for the year – it's just a different measure that's an estimate used for budgeting.

Trustee Bodnar stated that I fail to understand why you're sending out numbers to us that are not actual. It states there that it's actual beginning balance and I think we've been operating under the assumption that that's actual and the fact that – maybe I'll back up - do each year we just use \$19,529 as our fund balance whether it is or not?

Barbara Long responded that each year for the budget we use the beginning fund balance as the actual fund balance for the prior year. So if you look at the 2021 budget, that number \$24,364,583 you can find that in the 2019 actual column. That is ending fund balance not the reserve balance, just fund balance. It just rolls over from year to year to use as an estimate for budget purposes. Then we do report the actual each month in the financial tables so you can see how we're doing as the year progresses.

Trustee Bodnar stated, so you're reporting to us, or to me, that 2019 actual ending fund balance is \$24 million and you're using that as the beginning fund balance for 2021 but not the for the beginning fund balance of 2020?

Barbara Long responded that is correct.

Trustee Bodnar inquired why would we not show the actual beginning fund balance of what it is in 2020 since it's a known number.

Barbara Long responded that is right. It is a known number now, but it wasn't when we developed the budget. The column you are looking at is just faithfully reflecting the budget as it was approved. And that's all that it does – it just shows what the Board approved when you passed the budget at the time which was a while ago.

Trustee Bodnar asked to go back to the chart where you showed a screen with the fund balance and had a graph there. And, if that's an actual graph, it's showing that you're using the fund balance number reported at \$19 million to begin 2020 when it really should be at \$24 million on that graph – and that part I feel is confusing to me. We're reporting to the Board and to the public that we have lower fund balance than we actually have. Would you agree with that statement?

Barbara Long responded I don't think so, because if you go back to the graph – we're starting out around \$19 million which is our reserve fund balance. And when we look at

funds that are available for use in the future we don't want to count funds that we've already committed to capital projects because we've said these are set aside for a specific purpose. And we've been spending those funds. Those are the carry forward funds for Belmar and the Library Service Center (LSC) garage. Those are the components of that \$5.8 million that's reflected on that fund balance table as commitments to capital projects. So we're starting off the fund balance with reserve funds. Funds available and we don't want to say that \$5.8 million that we're using for Belmar, and a lot of that is spent by now, is available to fund projects in the future because we do plan on spending that this year.

The Chair recognized Trustee Kim Johnson.

Trustee Johnson noted that I think Barbara clarified it a little bit more then, but I just wanted to put it in a little bit different perspective to try to clarify what's going on. So in the budget chart, the 2019 actual table, the starting balance was the \$19,529,543 that was the actual fund balance at the beginning of the 2019 year. The reason that's used for the 2020 budget is because that's the best estimate that we had at the time when developing the 2020 budget because that was done in 2019. The ending fund balance in 2019 is actually only \$18,467,378. We actually used some of our fund balance in 2019 – that's the number that's reflected on the graph for 2019. The current estimate, if I'm understanding correctly Barbara, to end 2020 is the \$24,364,583 that you have as the starting balance for 2021. Am I understanding that correctly? There are just so many things that are going on, there are so many different steps in the fund balance process.

Barbara Long responded absolutely. And these tables just reflect the Library's practice, as you alluded to Kim, of using last year's ending numbers that we know to start the next year. And we know it's not going to be exact which is why we do look at that long term plan and we do our best to do a first projection of the current year so that long term plan 2020 – is not following the budget – that's our best estimate of where it's going to end up. So we do have a couple different measurements going on here and we also have the financial tables which fill out the picture as well by giving our actual year to date using year end reserve balance. So the hope is that altogether these different pictures and different ways of looking at fund balance will help you have a good picture of the Library's financial situation and be able to plan for moving forward and also to see where we are.

Trustee Bodnar noted that he would like to continue and thanked Trustee Johnson for getting that clarifying question in there. The second number that jumped out on me on the process here, is same table 2020 amended budget we're still showing \$16 million in capital projects to be spent in 2020. Based on last month's vote to table South County and Golden

and concentrate in a different direction, that's not an actual number any more. That \$16 million, is that correct Director or Chair or Barbara?

Barbara Long responded that's absolutely correct. Again this column on the fund balance table just reflects the budget as approved by the Board last year. It doesn't reflect any updates. But we can see that updated information in the current month financial tables.

Trustee Bodnar asked if we could switch to that somewhere and show where it's not showing \$16 million, I didn't notice that. I saw that that's carried through and I think that looking at this table that affects my mindset on how much our fund balance will be in 2021 at 4.5 mills. I feel we will be severely overfunded in violation of our fund balance policy which is the direction I'm going with. I think that either needs to be modified or be clear to the Board.

Barbara Long responded I truly appreciate you bringing that up John because this is one of the big points of the 2021 budget and absolutely a good discussion topic for the Board. Do we commit project dollars this year, and in the 2021 budget, to fund future capital projects in anticipation that this is the year that the money is available and it may not be in future years. So that is absolutely one of the most important points of this budget and a very appropriate topic for discussion.

Trustee Bodnar responded that's a good segue and I'll jump in and say that reviewing the numbers and eliminating the projects that were eliminated with the last vote of the Board – my review shows that the capital projects for 2020 will be closer to \$5 million rather than the \$16 million reported and if that adjustment was made it would show an increase to the fund balance at the end of 2020, not a decrease as this table is showing. And it would then bring our fund balance at the end of 2020 to over \$27 million which is \$15 million more than our minimum reserve requirement which is a lot of money given the current state of the economy, in my opinion, and we're holding on to a lot of money of the public. And I just want to be very good stewards and make sure that every Board member realizes that we have over \$15 million more currently in the budget we're currently dealing with in 2020. Then if you review the proposed 2021 budget it calls for a reserve balance increase of \$6,700,000 which would then, if all things hold true in our estimates, give us a fund balance of almost \$34 million at the end of 2021 which is over \$21 million above our minimum requirements. And I just feel that is way out of whack with our reserve fund policy and I was hoping we would have a copy of the reserve fund policy, and Chair I don't know if now would be a good time to get into discussion about that but I just feel we're way out of whack.

The Chair noted Trustee Bodnar's request and stated that Trustee Anderson has her hand up to speak. The Chair called on Trustee Anderson.

Trustee Anderson stated John, I think if I'm understanding correctly, the question I had written down gets to that question. When we do that commitment to the sinking fund, Barbara my questions was by making that policy decision is there any impact to the reserve, and so therefore does there need to be a discussion on the reserve policy and amendments because also what is true, if the projections are accurate, so we may be reserving it for out years which technically exceeds the reserve fund policy on the maximum side. The reverse will also be true in out years when we're utilizing the sinking fund potentially, I could be wrong about this, on the minimum side or by making this sinking fund decision does it protect us for a little bit more for longer on the minimum side?

Barbara Long thanked Pam for the question. To first address the reserve fund policy, the reserve fund policy would not need any amendments to pass this budget as presented because the reserve fund policy states that the reserve fund is equal to the fund balance less any commitment for carryforward and sinking funds.

The Chair asked if the reserve fund policy could be displayed if it was accessible.

The Executive Director noted that the reserve fund policy will be pulled up on the screen for the Board. And, as a reminder, that policy is on the public website. These policies are all posted and we did call that out in the memo to be sure the Board was aware.

Barbara Long addressed the Board and reviewed the displayed reserve fund policy. The policy says that our reserve balance is our fund balance less non-spendable, which is usually minimal accounts receivable. So the reserve fund balance is our fund balance less non spendable, less fund balance committed to sinking funds. That's the \$9 million that we have set aside for a new capital project sinking fund. Less fund balance committed to project carryforward for the next fiscal year. So if we start with our fund balance projection, subtract off those two items which represent the Board's desire to commit funds for specific purposes, then we arrive at our reserve balance which is really funds that are available for other things.

Policy 4.9.3 - Library Fund Reserve Balance (Displayed)

The Library Fund Reserve is the portion of fund balance that is available to meet current and future obligations. Reserve Balance equals Fund Balance less the portion of fund balance that is not spendable (prepaid expenses) and the portion that is committed for specific purposes. The calculation is:

Fund Balance

- Non spendable fund balance
 - Fund balance committed to sinking funds
 - Fund balance committed to project carryover for the next fiscal year
-

= Reserve Balance

So when we we're having this discussion about changing the fund balance policy to a reserve policy, one of the desires of the Board and, in terms of most public organizations, the practice is that your reserve should not include committed funds. It should include funds that are actually available to be spent and that we don't want to count money twice that is committed in our reserve. So the budget as presented is consistent with the policy as adopted by the Board and that capital project sinking fund, as you mentioned Pam, that allows the library to spend those dollars for specific capital projects in later years and not go below minimum levels. And, my recommendation would also be, looking toward the end of this year, to commit unspent capital project funds to that same fund as well so those are available for those next capital projects. Because as you see with the pictures of long term fund balance, the significant capital development for our next two large projects is not affordable unless we use the funds that we are saving this year and in 2021. And the budget formalized the Board's commitment which is a commitment to fund those two projects at a later date.

Trustee Anderson expressed appreciation to Barbara. I do think that's a really important clarification regarding one, the statement of policy commitment, but also how it intersects with the reserve. I think both those things are true at the same time. I know it's easy to say one or the other, and it's not in this situation. I feel like the discussion we've had over the last few months, particularly talking about these unique circumstances we're in, is the sinking fund is important to me because it is a public statement of commitment to the projects. But it also is important to say we recognize there's some uncertainty. We know these are projections and both those things are things we're going to be keeping an eye on. Which also made a difference to me. In the packet seeing those key milestones, the dates we're seeing this fall and into next spring when we're collecting more information and we'll have more data points regarding the economic impact of the pandemic.

The Chair noted, John, I shared the same sentiment with you, being uncomfortable with very large reserve balance but I've also acknowledge that I'm sure glad we have that right now during this pandemic because we have a lot more flexibility than we would have otherwise. Based on my understanding of the conversations we've had the last few months, it has been to commit to those projects in the sinking fund and staying aligned with our policies by approaching them in that manner

Trustee Bodnar noted, Chair, after all the discussion I just feel it's important to point out that if as a Board we can just put funds in a reserve for capital projects but then vote to delay or not do those capital projects at any point really. We're just stockpiling money somewhere and we're never really held accountable to any budget or fulfilling that policy, or the meat of the policy, which was to make sure that we just don't collect a lot of mil levies. This was a discussion that was had during the mil levy campaign on where these funds would go and these reserve policies give the impression that we wouldn't keep more than that. And I feel that we're violating that at this point and just want to make sure that's on the record that I don't agree with that. I like that we're going to be able to cash pay for some future projects and all, but I feel that those numbers are there already, so thank you for indulging my review.

The Chair expressed appreciation to Trustee Bodnar and noted, I will also point out though, that back in August 2019, when we adopted these and we talked about that sinking fund. I think that we were pretty proactive in terms of saying okay, we need to look at the way that we're accounting for those funds and we created the sinking fund to be more reflective of what we were actually holding on to in terms of committed funds.

Financial Report (June)

There were no questions from the Board regarding the June financials.

Belmar Project Financial Report

There were no questions or comments regarding the Belmar Project Financial report. The Chair noted that many of the Trustees got the chance to see the Belmar Library and it is really beautiful. He expressed congratulations to everyone involved in the project and stated that he was really impressed by thoughtful layout, attention to detail, opening up the ceiling that lets in the natural light and taking in the beauty of the lot that the building sits on.

In response to questions, Steve Chestnut, Director of Facilities and Construction Projects advised the Board that:

- Primarily, what is left to be done is minor internal facilities work. There is a little bit of furniture from shipments that were delayed. The building is complete from a construction standpoint and is fully operational. The Library expects to pay the final construction retainage this month. Right now the project is under budget. There are a few outstanding invoices, however, it looks like the project may be under budget between \$80,000 and \$100,000.
- Julianne Rist will be providing information on the anticipated opening date for in-person services at the Belmar Library.

The Board expressed appreciation for the hard work that went into the Belmar Library renovation.

Strategy and Engagement

2020 Mid-year Report

The Chair acknowledged that this has been a pretty unusual year and noted that he is sure that there has never been a mid-year report like this one. He recognized staff for navigating the changes during this unexpected year and, in terms of service numbers and measures of success, the report is different than in normal years. For example, patron visits are very different. The team has been very focused on providing services to the community and reprioritizing efforts in a way that is fiscally responsible.

The Executive Director acknowledged that this has been a very unusual year for everybody. A full quarter of the Library's report is on such unusual activity. She noted that Rex Whisman, Director of Strategy and Engagement, will provide a whistle stop tour of the mid-year report. There was a lot of detailed project information in the Board's packet. The Executive Director expressed appreciation to the team and noted this opportunity to celebrate the work of the team and the support of the Board in these difficult and unusual times.

Rex Whisman, addressed the Board and presented information on the 2020 mid-year report. In the Board's packet is a summary of the Library's 2020 – 2025 Strategic Plan which was presented to the Board at the January 16 Board meeting. Also included in the packet was an extensive narrative and timeline of JCPL's response to Covid-19, featuring a multitude of the accomplishments in 2020 to date. The packet also contains a management document of 2020 projects.

Rex noted that the Board might recall that at the March 12, 2020 Study Session each of the directors presented the 2020 projects from their respective divisions that were planned to support the eight initiatives from the 2020 – 2025 strategic plan. Shortly after that meeting, the Library closed the buildings to the public. Adjustments to the project plan were made to support the essential functions of the continuity of operations plan, and map back to the initiatives, strategic priorities and ends statements, and guide JCPL towards the next normal.

- New or Expanded
- Urgent and Important
- Important
- New or Reallocated Resources

The Board's packet presentation slides showed the projects that were added to JCPL's project list for 2020 and those projects that were have expanded. As JCPL navigated the past several months and set sail for the remainder of 2020 and beyond, the Library has embraced the Eisenhower Matrix of Project Time Management to help prioritize the growing list of projects and categorize them as urgent and important and those that are important. Staff have also identified which of the 2020 projects to date require additional and reallocated resources.

For example, a project plan for educating the public on the repeal of the Gallagher Amendment ballot initiative, the Gradual Return to In-Person Services Team (GRIST), Patron and Staff Safety, and Remote Work are some of the new projects that have risen to the level of urgent and important. These are priority projects and need immediate attention. Stakeholder engagement, emerging technology and mail delivery are examples of projects that have been expanded and also require staff's immediate attention.

There are numerous projects that have been identified as important, but not urgent, and most of those projects are currently in progress.

In summary, the Library has 12 projects that are new or expanded, 22 that have been identified as urgent and important, 32 important and 14 of the projects require new or reallocated resources. 13 projects have been delayed and are those projects that can be delegated or moved back.

The Trustees expressed appreciation to the Library staff for their proactive and comprehensive work on the 2020 projects. Rex noted that it validated the Board's Ends Statements and is representative of great team leadership and the support of the Board.

Amended Belmar Naming Agreement – Authorization - Fransen Pittman

There were no questions from the Board regarding the amended naming agreement.

MOTION: Kim Johnson moved that the Library Board of Trustees authorize the Executive Director to sign the amended donation and naming agreement between the Jefferson County Public Library, the Jefferson County Library Foundation and Fransen Pittman. Seconded by Jill Fellman the motion passed by unanimous vote of all Trustees present.

Public Services

Return to In-person Service

The Executive Director introduced the topic and advised the Board that as JCPL reopens its buildings, Library leadership is present to support staff and hear from patrons first hand. This situation is something that none of us have experienced before in our careers.

Staff are learning new scripts that they never had to say before. We are hearing from lots of grateful patrons who are also excited with our safety measures and feeling that the Library is keeping them safe. The Executive Director introduced Julianne Rist, Director of Libraries, to present information on the reopening plan.

Julianne Rist advised the Board that she had the privilege to be on site at Standley Lake Library and experience the heartwarming experience of welcoming patrons back into the Library. People came in immediately, some in tears as they expressed their appreciation. There were kids skipping and looking for books for summer reading and to take home. For the first two days of walk in services at Standley Lake, we saw 867 people come through, about 25 bookings for computers each day, and 3,295 checkouts. Curbside service was still going strong with 183 patrons and 830 items checked out.

Tiered Approach to In-person Services

Appointment & Walk In

The differences between the two tiers (appointment and walk-in and walk-in) is based on the building size. Appointment and Walk in Services are available at our larger locations and will meet the need for both those who preplan and those who simply show up. The larger building have more computers and study rooms, so some will be able to be reserved and some will be available for those who simply walk in. People will be able to reserve a computer or study room in advance through either the website or the call center just like they did before Covid 19. We will also be promoting our laptops that we check out as well to help with having to remove some desktop computers.

Walk in Services

Walk in services will be at our medium locations. Since we expect the reservations may outpace the demand, we will be reopening these buildings on a first come first served policy. You can simply come in and use the library, but there may be a wait. The physical set up will be the same due to social distancing placement of computers, seating will be removed and furniture rearranged to ensure social distancing.

At all locations that are welcoming public into the buildings we will:

- Limit the number of people in a building to 50% capacity
- Provide dedicated hours for dedicated hours for Seniors and other vulnerable populations

The Wheat Ridge Library will remain as curb-side only service.

What to Expect – Libraries Will Look Different

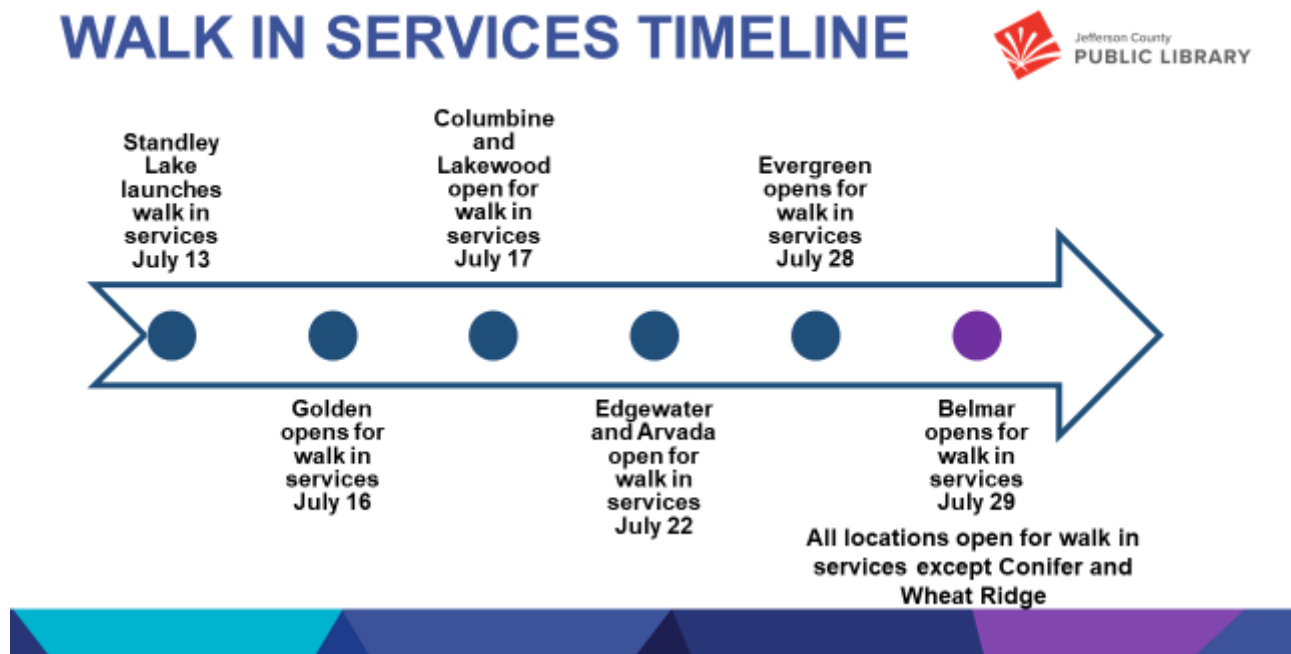
We are excited to welcome our residents back into our buildings. The health and safety of our staff and patrons is our top priority. We will be following current safety and cleaning

protocols in all our locations. JCPL will be offering limited indoor library services at most of our locations. Libraries will look different and staff has been working hard to be ready for our first visitors.

Information has been sent to patrons and posted on the website on what to expect when they come into the Library. Furniture and equipment have been removed or repositioned for social distancing. Buildings will be operating at 50% capacity so there may be a wait to come in. Staff will monitor the number of patrons at all times. Physical materials will continue to be quarantined

Services and Spaces Available

Patrons now have the choice to utilize curbside services or come in to pick up their holds. Computers are available for one 60-minute session per day. Copiers and faxing are available. Study rooms are available for one 60-minute session per day with limited numbers per room. Patrons are welcome to browse books, DVDs, audiobooks and other items in the collection and choose items they would like to check out and take home.



We have been making some adjustments to the timeline as we open locations. This timeline was confirmed this afternoon and will go to all card holders in tomorrow's email blast so that they will know when their location will be opening for walk in services. In the first two days of service at Standley Lake we can already see how patrons are using the in person services and how it allows us to reach so many more people than curbside alone.

Summer Service Hours

Walk In Services

- Monday – Saturday
10:00 am – 1:00 pm
2:00 – 5:00 pm
Closed 1:00 – 2:00 pm for cleaning
Special hours for vulnerable populations Mondays, Wednesdays & Saturdays 9:00 – 10:00 am

Curbside Services

- Monday – Saturday 10:00 am - 5:00 pm
- Sunday 12:00 – 5:00 pm

Continuation of Services

All of these services will continue as we begin the next phase of in-building services.

- Curbside
- Online & Dial In Programming
- Digital Services
- Alternative Services
 - Bookmobile
 - Books by mail
 - Hold Lockers & Vending
- Other Services
 - Book A Librarian
 - Outreach

Since we began offering curbside we have continuously expanded the service, or changed the way we provide it. We expect that this service will remain popular and we plan to continue to offer it after we welcome the public back into our buildings.

Programming pivoted to an online and dial in format. Summer reading has also gone online, sign up prizes and trackers are now available through curbside. Summer reading is now over 15,000 people registered.

In our Digital Experience area our website kept the community informed as we expanded and added services to the community, as well as responding to current events.

In Digital Resources, patrons had access to constantly expanded digital offerings and increased titles and copies. JCPL also leveraged temporary changes in content from vendors, making more resources available or certain databases available from home.

Alternative & Other Services

- Hold lockers and Vending will move from Belmar to South County and other areas

- Bookmobile stops and lobby stops resumed the week of June 8. Lobby stop numbers were 48 stops, 362 patrons, 1148 items checked out. KenCaryl numbers were 2 stops, 37 patrons, 81 checkouts.
- June 16 mail delivery patrons were contacted about resuming service 39 patrons, 201 items
- Beginning July 7, homebound patrons who received items via volunteers began being contacted about switching to mail delivery; approximately 269 patrons
- Book a Librarian has seen steadily increasing numbers. In June there were 195 appointments
- Outreach continues as we work with community partners.

In response to questions, the Board was advised that:

- We are not yet open for accepting donations. The Library is opening in stages until we're sure that we have a process to handle everything that we're doing
- The Library has set up book trucks for patrons to place materials. If a patron picks up a book and decides they don't want that book, they can place it in the book truck and those items go into quarantine with other returned items.
- At Standley Lake, Julianne was a greeter and counter for three hours on Monday. We never got to maximum building capacity so there was no wait. Patrons spent about 20-30 minutes in the building. Golden is a smaller library and the number that can come in is smaller, but no one had to wait on first day. The Library is monitoring to see if there are wait times to come into the buildings. We have received feedback from other Front Range libraries that not that many people are coming into their buildings.
- People who recently used Standley Lake received the email notifying them of the opening and the same for Golden. Tomorrow an email will go out to everyone with information on what libraries are open and what libraries are opening next week.

The Chair congratulated the Library and noted that it is exciting to be opening and that the preliminary reports are going smoothly. He expressed appreciation to staff for the hard work.

EBSCO Contract Renewal Information

There were no questions from the Board regarding the EBSCO contract renewal. The Board was advised that authorization for the contract will appear on the Consent Agenda for the August 13, Special Meeting.

Revised Intergovernmental Agreement with Foothills Parks & Recreation District

The Executive Director introduced the topic and advised the Board that there were some changes to the agreement that are indicated in the memo. There were no questions from the Board regarding the agreement.

MOTION: Kim Johnson moved that the Library Board of Trustees authorize the Executive Director to sign the revised Intergovernmental Agreement between the Jefferson County Public Library and Foothills Parks & Recreation District to place the alternative delivery systems at the Ridge Recreation center. Seconded by Pam Anderson the motion passed by unanimous vote of all Trustees present.

Information Technology

Master Services Agreement Information

Bernadette Berger, Director of Information Technology, addressed the Board. She noted that she and Brad Green, IT Security and Systems Manager, have been working on this contract to create agreement for a variety of projects. The agreement will allow IT to access support for a wide range of IT services at a fixed rate. The contract will encompass all consulting work provided by Sentinel, including projects that would otherwise be too small to require a formal contract. The agreement will also provide the ability, if the Library is short staffed, to hire someone to come in and assist. The Library has utilized Sentinel's consulting services for the past five years to assist IT with projects and they are a valuable partner. Sentinel was chosen due to our experiences with them on projects like the implementation of the Edge Router which was just completed. They will also work with the Library on SharePoint services, which is the internal intranet and a key component to our communication. The Board was advised that this contract will appear on the Consent Agenda for the August 13, Special Meeting for authorization.

The Chair noted that he can imagine that Bernadette Berger and Brad Green have had their hands full with a lot of demand for IT services and he understands the importance of this agreement.

ITEMS REMOVED FROM THE CONSENT AGENDA

No items were removed from the consent agenda.

EMERGING ISSUES

There were no emerging issues.

ENDS

No items.

BOARD GOVERNANCE

No items

BOARD SCHEDULE – NEXT MEETINGS

The Chair advised the Trustees that the Board will be taking an important action at the next meeting and he is scheduling it a Special Meeting, following protocols as regular board meeting including giving the public opportunity to comment.

- August 13, 2020 – Study Session – 5:30 pm - CANCELLED
- August 13, 2020 – SPECIAL MEETING – 5:30 pm – CONFIRMED FOR ONLINE via WebEx
- August 20, 2020 - Board Meeting – 5:30 pm – CONFIRMED FOR ONLINE via WebEx.
- September 10, 2020 – Study Session – 5:30 pm –To be determined – Pam Nissler Conference Room at Library Administration or Online via Web Ex
- September 17, 2020 – Board Meeting – 5:30 pm – To be determined – Belmar Library Meeting Room or Online via WebEx

CONFERENCES

- Colorado Association of Libraries 2020 Conference (CAL) – September 10-12, Loveland CO

ANNOUNCEMENTS/GENERAL INFORMATION SHARING

There were no announcements or correspondence from the Chair.

Trustee Bodnar stated that he wants his comments incorporated into the minutes as spoken. The Chair acknowledged Trustee Bodnar's request.

ADJOURNMENT

The Board meeting was adjourned at 7:21 pm.

A handwritten signature in black ink, appearing to read "Pam Anderson", with a long horizontal flourish extending to the right.

Pam Anderson, Secretary