

Jefferson County Public Library Board of Trustees
Study Session
April 14, 2016 – 5:30 p.m.
Administration Conference Room

TOPICS:

- Carpet Cleaning Contract Discussion
- Fehringer Ranch Information
- 5-Year Strategic Plan and Financial Projections
- 2017 Budget Update
- Draft Financial Policies
- Fehringer Ranch Land Use Request

Call to Order

The Study Session was called to order at 5:30 p.m. by Brian DeLaet, Chair.

Trustees present: Julia Hill-Nichols (Vice-Chair), Travis Blacketter, Ben Davis, Deborah Deal and Charles Naumer.

Trustees not present: John Bodnar.

Guest(s): None.

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

Fehringer Ranch Land Use Request

The Board reviewed and discussed the proposed Fehringer Ranch Land Use guidelines. In response to a question from a Trustee, the Board was advised that the guidelines were developed with Jefferson County Risk Management. It was noted that the Library Board is addressing this topic in response to a request from board member of Rocky Mountain Deaf School to use the Fehringer Ranch property for a fundraising event.

MOTION: Julia Hill-Nichols moved that the Library Board of Trustees approve the Fehringer Ranch Land Use Guidelines as presented and authorized the Library to grant use of the property as long as the conditions of the guidelines were met.

Seconded by Travis Blacketter the motion passed by unanimous vote of all Trustees present.

Carpet and Upholstery Cleaning Contract Discussion

Steve Chestnut advised the Board that a two-week going out of business notification was received from the Library's carpet and upholstery cleaning company effective March 31, 2016. The Library issued a Request for Proposal (RFP); received eight responses and selected three companies to review. Walk-throughs with the three finalists have been completed. The "old" contract was \$85,000 per year. The Library anticipates that the amount of the new contract will be around \$100,000 per year. Background checks on the finalists are being conducted and the Library expects to ask the Board to authorize the Executive Director to sign a carpet cleaning contract at the April 21, Library Board meeting. These services are critical to ongoing maintenance of the libraries and cannot be deferred.

Fehringer Ranch Information

At the March 17, Board meeting the Trustees asked the Library to provide a summary report on the Fehringer Ranch property including ownership, history and any other information related to the property that would be important for the Trustees to have available. The Trustees asked that this information be provided at the April 14, Library Board Study Session. The Trustees were provided with a summary of all Library Board and Senior Management Team discussions and actions related to the Fehringer Ranch property from June 2011 to present day. Included in the summary was information on the Special Warranty Deed showing the conveyance of the Fehringer Ranch property from the Jefferson County School District to the Board of Trustees of the Jefferson County Public Library (an entity formed pursuant to Colorado Revised Statutes Section 24-90-101, *et seq.*) in consideration of the payment of \$162,315.00. The Board was advised that there were additional costs incurred associated with roadway costs, water and sanitation and a small amount in closing costs for the purchase. The total asset cost for the Fehringer Ranch property is \$261,050.00. Originally the plan was to build a 30,000-35,000 square foot library to take the pressure off the Lakewood and Columbine Libraries. Around the same time, the Library was presented with an opportunity to partner with the City of Lakewood on the Belmar Library and plans for Fehringer Ranch were delayed. In 2013, at the Board's direction, the Library issued an RFP for a commercial appraisal on the Fehringer Ranch property and budgeted \$3,000. The Library received two responses to the request for proposals for the appraisals of the Fehringer Ranch and Library Service Center properties. The costs quoted in the responses exceeded the budget available to perform the appraisals and due to budget constraints the Library decided not to move forward with the appraisals at that time. Also in 2013, the school district included the property in their appraisal and the property was appraised at \$600,000. The Trustees were advised that the Fehringer Ranch property is included in the

long range facility plan the Library is preparing. In response to questions from the Trustees, the Executive Director will try to find out what the property was zoned for prior to the current A-2 zoning designation and the amount of the bids received in response to the appraisal RFP the Library issued in 2013.

5-Year Strategic Plan and Financial Projections

Gloria Overholt reviewed the 5-year strategic plan and financial projections with the Board. It was noted that it is an evolving document and the numbers, especially for 2017, will change. Library staff is working on their 2017 business unit budgets and they have not been finalized. Assumptions are based on the Colorado Legislative Council Economic and Revenue forecast. Several assumptions were made in the development of the model including:

- 4.5000 mills for the years 2017 to 2021
- Modest increases to Assessed Valuations
- No Fines for Children's Materials – reduction of \$80k per year 2017-2021
- Salaries and Benefits increase 2.6% each year
- Vacancy savings 7.50% (2016 5%)
- Library Books & Materials – increases to move items per capita

In 2017, the Library anticipates using \$2 million out of the fund balance. The Library expects to utilize 4.5 mills for the next five years just to catch up on all the delayed projects and maintenance. The Library and the Board has spent considerable time on identifying the priorities of need and the 5-year plan reflects those priorities. In response to a question from the Trustees, the Board was advised that the Library would like to maintain its position that of equal importance is the ability to be flexible and participate in opportunities that may present themselves. One of the highest priorities is related to the Edgewater Library and having the ability to respond to that opportunity with the City of Edgewater when it develops. In response to a question from a Trustee regarding vacancy savings, the Board was advised that the Library budgets for a certain number of positions and some of those positions may be vacant for a period of time throughout the year. In response to a question from a Trustee, the Board was advised that to the extent possible, the Library's budget process includes contingency planning that would include items like proposed legislation regarding adjustments to the minimum wage.

2017 Budget Update

Gloria Overholt reviewed the 2017 budget development calendar with the Board. The cost allocation meetings with the County are scheduled. The Library will present more information on the development of the 2017 budget in the coming months.

Draft Financial Policies

Gloria Overholt advised the Board that staff have been developing several financial policies for the Board's input, review and consideration. The Trustees reviewed the following draft financial policies:

- Budget Cover Letter to the County Commissioners
- Library Books and Materials Policy
- Fixed and Controlled Asset Management Policy

After some discussion, the Trustees were advised that the Library will review the Library Books and Materials Policy to reflect the related criteria (holdings per capita, circulation per capita, etc.) and move the benchmark from the 50th percentile to the 75th percentile. The revised draft Library Books and Materials Policy will be presented at a future Board meeting for the Board's review.

It was noted that the Library Board of Trustees reserves the right to modify or adjust policies each year during the budget process as the Board believes to be in the best interest of the Library.

The Board was advised that the results of the Capital and Controlled asset audit will be presented at the May 19, 2016 Library Board meeting. The Library anticipates recommending to the Board that a complete asset inventory is performed every five years.

ADJOURNMENT

The study session was adjourned at 6:32 p.m.

A handwritten signature in black ink, appearing to read 'John Bodnar', written in a cursive style.

John Bodnar, Secretary

