

Jefferson County Public Library Board of Trustees
Study Session
June 10, 2021 – 5:30 pm
Online Meeting via WebEx

TOPICS:

- Financial Review (April)
- Standley Lake Trailhead Intergovernmental Agreement Information
- Baker and Taylor Contract Renewal Information
- D-Tech Contract Extension Information
- Accelerating the JCPL Facility Master Plan
 - Long Term Financial Plan Revisions

Call to Order

Kim Johnson, Chair, called the Study Session to order at 5:30 p.m.

Other Trustees present: Pam Anderson (Vice-Chair), Jill Fellman (Secretary), Jeanne Lomba and Charles Naumer.

Trustees not present: German Zarate-Bohorquez.

Staff present: Donna Walker, Executive Director; Julianne Rist, Director of Libraries; Bernadette Berger, Director of Information Technology; Steve Chestnut, Director of Facilities and Construction Projects; Barbara Long, Assistant Director of Finance and Budget; Padma Polepeddi, Assistant Director of Library Experience; Lizzie Gall, Assistant Director of Library Experience; Amber Fisher, Administrative Services Coordinator, Office of the Executive Director; and Katie O'Loughlin, Administrative Coordinator.

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

Guests: None.

Financial Review (April)

The Chair asked if there were any questions about the April 2021 financials. In response to a question, the Board was advised that only January revenue is currently showing in Workday as under \$900,000 for the year which does not truly reflect the Library's financial position.

Standley Lake Trailhead Intergovernmental Agreement Information

Steve Chestnut, Director of Facilities and Construction Projects, addressed the Board and provided a summary of the memorandum in the information packet for the meeting. The IGA for the Rocky Mountain Greenway Trailhead between the City of Arvada and JCPL outlines each party's responsibilities for the construction and maintenance of the trailhead. In response to a question, the Board was advised that this item will be on the consent agenda for the June 17, 2021 Board meeting.

Baker and Taylor Contract Renewal Information

Julianne Rist, Director of Libraries, addressed the Board and provided information on the third renewal of the Baker and Taylor contract. Baker and Taylor is the Library's primary vendor for all physical materials. The contract amount is budgeted and the contract does not obligate the Library to spend the entire budgeted amount with Baker and Taylor. The Library has a good working relationship with Baker and Taylor and is pleased with their product. There were no questions from the Board. The Board was advised that this item will be on the consent agenda for the June 17, 2021 Board meeting.

D-Tech Contract Extension Information

Julianne Rist introduced the topic and advised the Board that the contract extension with D-Tech locks in our pricing and doesn't obligate the Library to buy any additional lockers. The extension allows us to know the price and prevent any increases in case JCPL wants to add additional lockers to the four that are currently planned for this year. In response to questions, the Board was advised that:

- The pilot of the lockers at Columbine Library started on May 26. On June 4, the Library published the e-connect newsletter regarding the new locker service. JCPL is evaluating the service. If it proves useful to our community the Library does plan to expand the locker service to other locations.
- Usage for the Columbine lockers over the last two weeks, without a lot of publicity, is 63 items checked out and 170 holds for that locker location.
- The usage is what the Library expected given the community only found out about the service six days ago.
- There are four more lockers in the plan that the Library has been waiting on since last year. Receipt of those lockers was scheduled for December 2020 but due to supply chain issues delivery was delayed. The Library has been advised that all the metal from the fabricator is on site to complete our order. Once the lockers are ready they will need to have computers installed and programmed.
- Under the contract extension, should the Library order additional lockers, there would be no increase in the price from what was charged for the initial lockers.

The Board was advised that this item will be on the consent agenda for the June 17, 2021 Board meeting.

Accelerating the JCPL Facility Master Plan

Long Term Financial Plan Revisions

The Executive Director addressed the Board and introduced the topic. The Library has a presentation and, in anticipation of conversation and questions, has planned for time to allow a full discussion. At the May 20, 2021 regular Board meeting, there was productive conversation about the new revenue forecast and what it would look like to compress the Facility Master Plan (FMP) schedule. Staff took on that challenge to create a new vision and is excited to share that information with the Board.

Prioritize New Library Space

As the memorandum in the information packet provided, the Library's response is that we prioritize the addition of new library space in Jefferson County to improve access to library services in a compressed time span.

Topics

- Keep our Promises
- Increase Square Footage per Capita
- Accelerate Facility Master Plan
- Prioritize Northwest Arvada
- Create Flexibility & Opportunities
- Meet our Mission, Ends and Priorities

Keeping Our Promises

What we'll go over tonight is how the Library feels this plan will keep our promises made to the voters with the 2015 mill levy ballot initiative. Increase Square Footage per Capita to meet peer library benchmarks faster; Accelerate meeting our Facility Master Plan; Prioritize services in the Northwest Arvada region of the county; Create flexibility and opportunities for future maneuverability and financial strategies; Contribute to the Library meeting the mission, vision, ends and the Strategic Priorities of our 2020-2025 plan. The Library will review each topic to give an opportunity for Board conversation on the vision this model brings forward. We're eager to hear your feedback.

In 2015, Jefferson County voters approved a 1.0 mill levy increase in large measure based on the promises made to them to address these issues in this order:

- Restoring hours, collection, technology
- Repairing and refurbishing existing facilities
- Improving service in underserved areas

- Stabilizing long term finances

The Library has restored and expanded hours, significantly increased and improved the library collection of materials, and improved replacement cycles and upgraded technologies for patrons and staff. Our focus then was on repairing and refurbishing our existing facilities. We redesigned and renovated the Columbine and Belmar Libraries, and have Evergreen Library slated next as you see on the financial plan. When it comes to improving service in underserved areas, the Library greatly improved the Edgewater Library experience with the new library in the civic center, and at the urging of our Board, have invested in robust new alternative offsite services.

During this time, the library also invested in a facility master plan to help guide growth and refurbishment where it is needed most. Along with the increase in revenue due to the mill levy, new financial policies are in place that have addressed stabilizing long term finances.

The Executive Director advised the Board that Steve Chestnut will share more information about the Facility Master Plan in a moment, and asked the Board for comments about what they have heard so far.

Board comments:

- Keeping promises - love that you put that first – front and center it's the first thing we talk about.
- Appreciate that this reflects the discussion we had at our last meeting. Balancing and being flexible with what the current state is – keeping focused on what the charge was and touching back on that. The investments so far are part of the master facility plan and that plan talked about maneuverability – that touchstone is super important and appreciated.

In response to a question, the Board was advised that the Library considers the South County library part of the promise to improve service in underserved areas.

Accelerate Space and Facility Master Plan

Steve Chestnut, Director of Facilities and Construction Projects, addressed the Board. One of the outcomes of the Facility Master Plan (FMP) was the peer library benchmarking around library space per capita to aim for .5 to .6 square feet per capita which we use as a standard. The recommendation to prioritize the addition of new spaces moves JCPL from .39 square feet per capita to .51 in 2025. This plan completes the entire FMP in 2030 which is two years earlier than forecast. Steve Chestnut asked

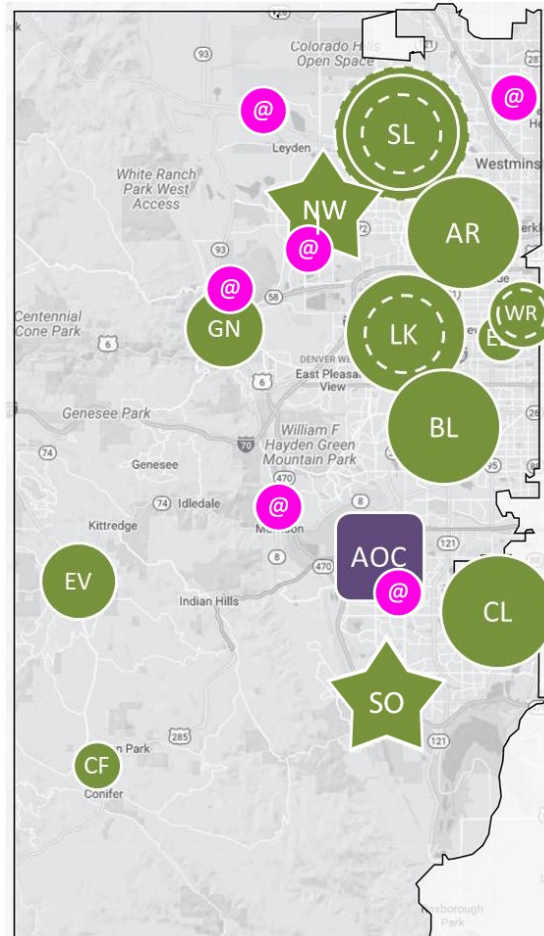
the Board if there were any questions or comments. There were no questions or comments from the Board. Steve advised the Board that Julianne Rist will present information and a map to show the alignment between this recommended prioritization and the Facility Master Plan.

Library Square Footage

Year	Population	Sq. Ft.	Sq. Ft. Per Capita
2020	583,081	229,407	0.39
2021	587,617	229,407	0.39
2022	593,199	229,407	0.39
2023	598,834	269,407	0.45
2024	604,522	299,407	0.50
2025	610,264	309,407	0.51

Facility Master Plan Map

Julianne Rist, Director of Libraries, addressed the Board and shared the Facility Master Plan map.



Prioritize Northwest Arvada Location

On the map, the stars are the new libraries. You will see that Northwest Arvada was a dotted line star that we are proposing as a full service location. We are recommending that a new library is built in Northwest Arvada to service the growing population. This recommendation follows the Facility Master Plan (FMP) in building a destination library, and would follow the 1-2 net new locations suggested in the plan. This would be a potential substitute for a major expansion of Standley Lake. The FMP recommended the option of expanding Standley Lake or building a new branch in Northwest Arvada. We have been in conversations with developers in the area and we looked at those two options. The recommended approach would better meet the needs of that community and the opportunity now is better to find a site while that area is still growing versus when it is built out.

We are still recommending that all system wide administrative services be consolidated at the Fehring Ranch property. When this occurs the library would no longer need the Library Service Center (LSC) building or leased office and warehouse space for facilities. The original FMP proposed that some type of alternative service be co-located with the administrative space. The change we are proposing is that a library similar to the size of the Edgewater Library is located in this same administration building.

In response to questions, the Board was advised that:

- The recommended size of the library service point at Fehring Ranch would be similar to Edgewater. That service point would be co-located with the administration building. The Library has heard from the community that it is a long way from Belmar to Columbine. The preliminary size for just the library services at that location would be about 10,000 square feet. The Fehring Ranch land was bought about twenty years ago.
- The recommendation in the Facility Master Plan for Standley Lake was to look at that library again when it came time to refurbish that location. The Library is not saying we don't need expansion or redesign, particularly a drive up service. However, we don't know that adding 15,000 square feet more to that library meets the needs of that community. While the Library has not had time to do a deep dive, the preliminary finding is that the most likely approach for Standley Lake is a redesign, but probably not a 15,000 square foot expansion.
- The Library is still planning on interim services in that area. Hold lockers fit a certain need and patron type but they don't replace a library service point. JCPL is still in discussions, and are close to bringing something before the Board, for hold lockers in northwest Arvada.
- The Library is also looking at a staff-less express library with browsing capability in that area. The current plan is for a 5-year lease.

- Conversations with developers in northwest Arvada have been around lockers and finding a partner location. In that process over the last two years, the Library has noticed the development and amount of construction in the area. The Library has not had conversations about larger facilities in the area until the Board indicates a direction.
- It has been awhile since the Library talked with Candelas about a library. We have been visiting that area since 2012 or 2013.
- The \$15 million in the draft plan is the assumption that northwest Arvada would be a new build, not a building purchase, with a land purchase in 2022. The recommendation is for a full service library in northwest Arvada.
- The co-located administration and library service building would be at Fehringer Ranch, not northwest Arvada.
- The Library is planning for a full presentation to the Board on alternative and off-site services including the new express library that we think would be the first in the State.
- The Library only does evidence based decision making. We are planning a refresh of the Facility Master Plan in the fall. The northwest Arvada area is becoming its own community and Standley Lake doesn't appear to be the connection. The Library would do a full analysis of the data including population and other demographics, drives times, all service areas and square feet per capita, etc. Doing that check in for each area is part of our data gathering.
- Space for Library administration is approximately 40,000 to 50,000 square feet. That would include all administration, collections processing, facilities, graphics, technology and innovation. All areas that are currently located in the Library Services Center building (LSC), facilities leased space and warehouse space, space for library vehicles including Library-2-You and the Lakewood administration building would be co-located in one location at Fehringer Ranch. One of the reasons the Library likes the timing in this recommendation is that right now work has changed dramatically due to the pandemic. There was a pendulum shift that may shift back in 2023. We will know more about what remote and flexible work looks like so we don't overbuild administration space. We want to know what kind of space we need for administrative services and staff in the future.
- The 5 and ten year plans include the dollar amount for the combined library administration and library service building.

Create Opportunity and Flexibility

The Executive Director addressed the Board and provided information on how the recommended approach provides for opportunity and flexibility. The reason the

Library recommended this approach to accelerating the FMP in this way, is that prioritizing new library space gives flexibility in the long run. There are several locations in flux that are future opportunities. The Executive Director had a conversation with the Deputy City Manager regarding plans for The Heart of Golden on June 1, and with the City of Wheat Ridge Mayor and City Manager on June 4, regarding the Lutheran Hospital campus that is up for sale. We also have had conversations with the Conifer Area Council and there is opportunity in the plan to have more discussions sooner. The plan also considers a variety of financial strategies including opportunity cost with the land availability and potential sites in northwest Arvada. The Fehringer Ranch property was purchased twenty years ago and the Library is having trouble finding space in South County. Finding new space at today's cost is a financial strategy and funding these new spaces at today's costs with the unknowns of cost escalations and inflation. There are synergies with our fundraising development strategic project that could fund amenities, that is underway and there are other financial strategies the Board might consider. Grouping all these things in a way to create opportunity. Our financial plan is to commit to our three large projects that add new public library square footage faster –we feel this recommendation is perfectly aligned with our mission, vision, Board Ends, and Library Strategic Priorities. Barbara Long, Assistant Director of Finance and Budget, will walk the Board through what the financial plan for this recommendation looks like.

Long Term Financial Plan

Barbara Long addressed the Board and provided information on the long term financial plan. The assumptions in the plan are the same revenue growth assumptions we looked at the last time. We have not accounted for impact of reduced assessment rate of the ballot measure and the State bill. Also, the numbers presented in the financial plan are not going to be exactly the same as the numbers in the 2022 budget. The administration/Fehringer Ranch location numbers show that we own the land. The sites for South County and Northwest Arvada have not been identified. Project costs will most certainly change. This financial plan is directional.

Revenue versus Expenses

This chart shows financial performance over time with significant changes in operating costs in opening new facilities. Last year the pinch points reflected the Gallagher issue and a prediction of recession. Under the new assumptions there is a pretty comfortable margin between revenue and operating expenses. South County opens in 2023 and Northwest Arvada opens in 2025 and we are still maintaining that gap between revenue and expenses. This also included continued capital maintenance and new capital projects as well. One of the key pieces of information in the financial plan is the

comparison of projected operating expense and revenue. When revenue exceeds operating expenses by a comfortable margin, JCPL can fund capital maintenance and projects. The planned addition of a new, larger library in NW Arvada will also increase operating costs. These costs are shown in a separate line of the financial plan for transparency.

Revenue vs. Operating Expenses

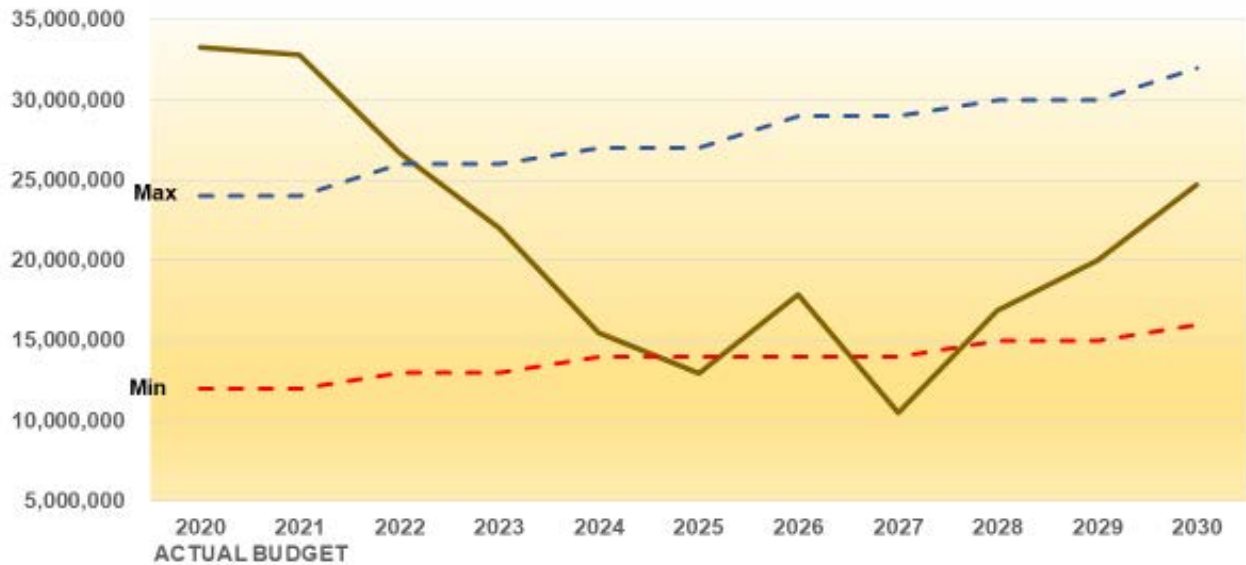


Fund Balance

This chart shows the total fund balance with a good portion, \$10 million, reserved for capital. The total fund balance at the end of year 2020 is over \$33 million, with about \$10 million set aside for capital projects, South County in particular. This plan has the Library using that fund balance for the big three capital projects presented to the Board tonight, adding additional square footage for library service. In 2025 there is a little dip after most of that big development is done, with around \$13 million left in the fund balance. The second dip is due to the planned concurrent renovation of Lakewood and Standley Lake libraries. Before the second dip there are multiple opportunities to revise the plan based on new information, spread things out and maybe see revenue even higher including two assessment periods. This chart shows the impact of the big three projects. All of them would start, to a certain extent, next year in the 2022 budget. Planning, acquisitions and, in South County, constructing and finishing up that library. If revenue ends up being lower earlier in the planning period, JCPL can acquire land in

Northwest Arvada and not develop it immediately. The plan is directional. The 2022 expenses will be refined before you see the proposed 2022 budget.

Fund Balance



In response to questions, the Board was advised that:

- One of the big areas where we have flexibility is with Northwest Arvada. We are looking at purchasing vacant land and can certainly hold that land. We don't have to begin development when we make that purchase. The Library is exempt from property tax and it doesn't cost us to hold on to that land much like we are with Fehringer Ranch.
- The plan has a commitment to the big adds now and doesn't leave much space until later. However, after the big adds we have Standley Lake and Lakewood concurrently. We could shift the timing of those projects and move them around. If the Board directs the Library to continue with this recommended plan and pursue high impact project square footage, it would constrain some flexibility until 2025 or 2026. That is where the flexibility lies if other opportunities were to present.
- With what we know now about Golden, it looks like it will be 2023 before they would have funds to pursue their project and there is no guarantee. In looking at phasing the projects, we do have a library in Golden serving that community. We could be part of a phase 2 which is further down the road.

- For Wheat Ridge, they are looking at the Lutheran Hospital campus. They are planning to start community conversations about master planning and that full move out by the hospital isn't until 2024.
- There are lots of opportunities and other financial strategies that we haven't talked about that could even out those dips. When planning this recommendation we were looking at a base of no dip in the fund balance below \$10 million and looking at the points where we can pause the plan. In 2022 there is the land acquisition for Northwest Arvada and in 2023 there is lots of planning that goes on as we go into the next phase in assessment year or ballot initiatives to reduce assessment rates. It would be hard to move Golden forward fast, but Lakewood and Standley Lake could switch places. There are libraries in those communities now so there isn't an urgent need like other areas.
- In terms supporting this recommendation and resource loading on the operational side, the Library has been having conversations with lots of people who have done this. There are many ways to approach the operational resources needed including outsourcing and other models. The Library did not want to get too far ahead until we heard from the Board and has not identified the exact approach and cost. However, for the 2022 budget we have built in accommodations in terms of additional operational costs. There is a new line item in operating expenses of \$500,000 for transparency. Also, some of the project costs have been inflated by a percentage to account for management of those projects. Those costs are based on scale and scope of the projects and included in the model presented.
- Before this recommendation, the two unidentified or unspecified projects were further out and not included in the 10 year financial forecast. While they are not identified, certainly the Library can consider those projects as having been moved up since they now appear in the 10 year plan. With \$5 million for each, Wheat Ridge and Conifer could be done for that amount. We want to have flexibility with Conifer and we have heard from that community that they view it as a community center. With South County going in, we did receive a lot of input from residents along 285 and travel in that area and we will look at that data in relation to Conifer. We are also looking at alternative service options that could benefit them as well. Conifer and Wheat Ridge are not specifically named in the 10 year plan.
- The planning for the Lakewood and Standley Lake projects is farther in advance of the renovation budgets because those projects are in concert with other projects. Moving out of Lakewood will take until 2025 and planning that in concert with Golden; for example will Golden become a bigger facility. And for Standley Lake, is that a bigger location or more amenities to make it better.

Lakewood operates fine if we have to wait a little bit. Lakewood, Golden and Wheat Ridge can operate fine as they are. Some of it has to do with money, that's when the biggest dip occurs in 2027. There is some risk in planning something that far ahead of when we could afford to build it.

Board comments:

- Trustee Anderson: It is quite a shift. Aspirational leadership is very valuable to me as a board member, and as a board member you look for opportunities to be aspirational – not just oversight and decision making. We are relatively conservative and it's hard to come off of a year like we all had. I'm grateful to be on a board that can have such vision. Being data driven – updating the FMP will be helpful and to again recommunicate what that long term plan is – it was so well done to begin with. A refresh of data might inform us. Disparities between more densely populated areas and less densely – I know that you are data driven and appreciate that. We're out on this a few years – do have a little bit of time – policy and ballot issues may change things again. I'm excited to hear more about how alternative services are going – and I get the supply chain thing. Having the data sooner than later as we are making decisions. Garnering more demographic information. The timing is good – a 5 year refresh on the FMP, population, census, mobility, drive time – all those things – would be helpful in making choices around the county and having more informative pieces of the plan. A data refresh and new census data to reconfirm. I agree that anyone who has been to the area knows where the growth is. Would like to see data broken down by service area and that square footage per capita – have it county wide and equitably assessed. I support the proposal – super excited. The distinct communities of interest – Evergreen and Conifer – with information we currently have, the renovation of Evergreen will benefit both communities. When we get updated data it might change that perspective. The board communicating what that vision is – and also responding to not only economics but our citizenry. If we issued the same survey county-wide it would come back that all communities want something sooner. That co-location is also creating some opportunities. At first blush that second dip is scary – but we do have some uncertainties – it is a conservative outlook so thank you. 10% for the first few years guaranteed - that assessment has already happened so we know that next two years is relatively certain. Then looking out 5 years - maybe conservative unless in a bubble and I don't feel this area is. Taking all of that in, I feel comfortable with this outlook and assumptions. I do think, as always, we are an initiative state – there are always uncertainties around revenues – will certainly look at that again – maybe different decision making. Given the shift we threw at you – the second dip doesn't have the same concern as I would ordinarily have – do think it will be shallower

unless things change. I am comfortable with the plan and looking at opportunities to be creative with service provision.

- Trustee Naumer: I'm not concerned with the second dip. The fund balance minimum and maximum are arbitrary numbers but we put a lot of thought into setting those. It's not like we're running deficits and taking on debt – I would look at that differently. This is probably what we should be doing in terms of fund balance – I'm comfortable with that. The things we need to be concerned about are assessment rates that would significantly impact our finances for the long term and we would have a heads up on those ballot measure events that would allow us to make adjustments. I would also like to take a look at the data – that would be very helpful. I'm very comfortable with this recommendation.
- Trustee Fellman: Living in northwest Arvada and seeing the changing demographic. I am interested in the census data – what is the change, is it growing and is it consistent growth – do we expect more – when does it cap out. This continues to make sense. Such a change in the area – I agree we should look at the area now and think about the location now. As things continue to grow we may have more certainty in our plan.
- Trustee Johnson: Thank you for putting this together in such short order – appreciate the work. I'm personally very excited – a little nervous for you but I have confidence we can do this. It is a great opportunity for us to serve our communities and it speaks to all communities. The plan has enough flexibility to take advantage of other things. For the unspecified projects, we can have conversations about alternative services and other options that could benefit them as well. I feel like we can communicate to that community without specifically naming it in the plan and I understand the desire to leave them as unspecified. In terms of that first look at the dips, it is visually shocking. For me, the length of time we are away from those dips and how many points there are where we can adjust the plan makes me more comfortable. I would like to take a look at the data again.

The Chair asked the Executive Director if she had the information she needed based on the comments from the Board. The Board indicated support for moving forward with the recommendation.

The Executive Director thanked the Board for being visionary and putting trust in the team. What went on the past week to put this recommendation together was impressive team work. We certainly hope the Board feels that their confidence is well placed in this team. With this new direction, the timing for the 2022 budget shifted. Next week the Library will bring the 2022 budget information forward and is taking the Board's comments and support to mean consensus from the Board to move forward with this

plan. By best practice, the Board's vote to submit the budget does not come at the same time the budget is presented. Approval to submit the budget will be in July.

The Executive Director asked Barbara Long if she had the information she needed. Barbara responded that the discussion was very helpful, she has what she needs, and she does have some work to do to refine the costs for the budget presentation next week.

Next Board Meetings

The Chair asked the Board for a show of hands regarding attendance at the July Board meeting. All Trustees indicated that they could attend with Trustee Fellman noting that she can attend if the meeting is remote.

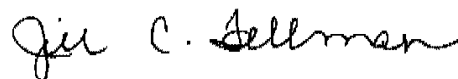
The Executive Director advised the Board that the County has a task force working on hybrid meetings. It is the Library's understanding that the task force bought the technology and will be bringing a proposal around hybrid meetings forward to the Board of County Commissioners next week. In the June Board meeting packet the agenda shows "to be determined" for the location of Library Board meetings. We wanted to make sure we follow procedures and laws for a public meetings, and if we weren't ready to do a hybrid meeting for approval of our budget, we would have flexibility to continue remotely while we find out more information from County.

The Chair stated that she agreed with the approach and that for the budget meeting in particular, providing for proper public input and participation was important.

The Executive Director advised the Board that the Library will build the 2022 budget based on what was brought forward in the recommendation this evening. That budget, the mil levy budget letter, and capital plan, will be presented at the Board meeting next week.

ADJOURNMENT

The Study Session was adjourned at 6:50 p.m.



Jill Fellman, Secretary