

GRAND COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES
Regular Meeting
Tuesday, June 21, 2016
5:30 PM
Kremmling Library
300 S. 8th Street, Kremmling, CO 80459

Board members present: Kim Jensen, Roxane White, Sally LeClair, Nancy Knoohuizen, Ann Douden, and Mary Chance

Staff present: Stephanie Ralph, Shelly Kilgas, Matt Sutton, Jeanie Johnson, Tara Ingle, Cindy Hald, Michelle Grant, Sue Luton, Emily Pedersen, Heidi McNinch, Shelly Mathis, and Julie Guhl
Approximately 25 members of the public present.

- I. Call to Order and Consideration of Trustee Absences
Jensen called the meeting to order at 5:34 p.m.
Leslie Crosby has an excused absence.
- II. Amendments to the Agenda
There was one amendment. Move Discussion item B. Report by Finance Committee to B. and Presentation on Statistics to A.
- III. Approval of the Agenda—Unanimous approval
- IV. Board Minutes and Correspondence
Douden asked for clarification about the kiosk model. Jensen replied that it was a reduced services model at the smaller branches as discussed at the Board workshop. It has also been called service outlet model. LeClair moved to approve the minutes, Douden seconded, all in favor, minutes approved.

Ralph received the following correspondence: Marilyn Hunter requesting that her letter be part of the May BOT minutes, Bob McVay requesting GCLD to speak at Hot Sulphur Springs Town Board meeting, note from both Marla Gall and Marilyn Hunter in response to a news article in newspaper in early June, Christine and Steven Lee from HSS, expressing feelings about possible closure of HSS library, Georgia Noriyuki responded to legal question from Marla Gall, cc to Ralph, and a letter from Julie Hines regarding the decision to close HSS library. Ralph and White are in the process of responding to some of the letters.

- V. Public Comment

Mr. Abbott: Abbott stated that he moved into the Kremmling Library building 40 years ago as a classroom. He stated that libraries are local—not county—not state,

but local to each community, serving the local people. He suggested to the Board that each library have a local board, a local library district for the local community, each one with their own funding.

Tom Clark, Mayor of Kremmling: Would like to offer his services and expertise with financing to GCLD and the BOT. If financial problems are due to debt on the east end of Grand County, we can work together to solve the problem. He recommends a presentation to Kremmling Town Board and definitely wants to keep the Kremmling Library open.

J. R. Sherwin: The major debt of GCLD is the building in Granby, which either needs to be leased or sold. He believes that part of the problem is with the second home owners and the tax structure. He suggested a 10-year sunset clause on another mil levy proposal.

Merilyn Hunter: As a citizen of Hot Sulphur Springs, she has very strong ideas about the HSS Library, and appreciates the hard work of the Board. She spoke of the history of the library in Grand County, stating that in HSS, there had been a library for 74 years. In 1994, Grand County Library District was formed. Hunter spoke of the cost per patron visit in HSS. The savings to GCLD from closing HSS Library would be 3% of the total budget, an enormous loss to the citizens of HSS, the employees of the County, yet disproportional to the amount of savings realized. The solution is fair cuts across the board.

Jenna Haynes: Urged the Board to think about the logistics of Grand County.

Ken Haynes: Expressed appreciation for the volunteerism of the Board. The Kremmling Library provides opportunities for children of Kremmling. Since Kremmling has little recreation for kids, if they don't want to play sports, they can come to the library. He expressed willingness to support the library financially if needed.

Linda Haynes: agreed with all that has been said. She hopes that the Board looks at the entire county and the significance of each library to each community. Divide budget across the District.

Twila Ohoto: Reading is her passion, so the library is very important. If cuts are necessary, cut across the board. Do not just cut HSS and Kremmling.

Larry Gross: Would like a chance to look at finances of GCLD and might be able to review them.

Jan Gross: Agrees with Merilyn Hunter that we need fair and equal services for all libraries.

Nancy Abbott: Spoke in support of the HSS Library. She is sick of “east vs. west” and the attitudes of many that the western citizens of the county are uneducated.

Steven Lee: Expressed his support for the HSS Library since he grew up in a small town like HSS which had a larger library about 10 miles away. He used the smaller library in town when a child as he does now.

Elizabeth Gall: Read a letter from her mother, Marla Gall—The HSS Library is the lifeblood of the community. Expressed that HSS had had the most severe cutbacks each time GCLD had to cut services. HSS residents express their support through a pie sale.

Rich Rosene: Had questions—How did the large debt come about? What are the payments? What is the interest rate and can the debt be refinanced? How is it that we have two libraries with huge debts? Wants information disseminated to public through media outlets.

VI. Additions to GCLD Reports

A. Executive Director presentation on staffing statistics

Chance questioned how our administrative staff compares to other libraries and districts in the state. Ralph replied that it is hard to compare, as each library and district operates and reports in a different manner. Chance stated that we are very lucky that we have dedicated staff to take on the duties of technology and administrative work.

B. Departments

1. Finance – [May Budget to Actuals](#)

Ingle reported that GCLD is under budget. In July, will have six-month review. Ingle asked if the Board has anything specifically needed for the July review. White mentioned that she’d like to know about the technology bandwidth of each branch, each computer at each branch, also audiovisual surveillance and phone. White is wondering about a proposed technology budget for 2017. Jensen asked for a projection of budget information rather than just 2016 information to date. Knoohuizen stated that the Finance committee would like an updated forecast and to know where we are now.

2. Facilities

Nothing to add. Jensen asked, “How is the Fraser Moat?” Sutton replied that

water is not a problem. The building is built up, 6 feet above the water line of the creek.

3. Library Resources

Sarah Greenberg is away and Heidi McNinch will report later in the meeting. Chance asked which subscriptions are purchased through consortia and which by GCLD funding alone and the usage. Britannica and lynda.com are purchased by GCLD. Chance also had a question about standing orders.

4. Technology

Kilgas noted the new website redesign work by Anthony Leyba is being soft-launched tomorrow, June 22, to staff. She shared the new page with the Board. The highlight is mobile usability and view. The webpage is set to launch to the public by August 1. The gclid.org site which we have now is six years old—ancient in technology terms.

Kilgas also mentioned a Small Business Development Center partnership which gave us an opportunity to present to a small class of new business owners in Granby.

5. Public Services

a. Youth Services

Summer Reading registration totals: Fraser 92, Granby 107, Hot Sulphur Springs 57, Juniper 66, and Kremmling 175 (has been running the SRP two weeks longer since West Grand Schools dismissed two weeks prior to East Grand Schools.)

b. Fraser Valley

Cindy Hald reported that McDonald's of Winter Park has been added as a SRP sponsor. Sutton put up new flags for the Fraser Valley Library on Flag Day, June 14.

c. Granby

Nothing to add

d. Hot Sulphur Springs

SRP's Wildlife Conservation Program was great, with 22 attending

e. Juniper

Nothing to add

f. Kremmling

On June 7, used donations to pay for Wayne Wingnut's performance. Seventy-seven people present. Ran a sports theme throughout 100 years for the parade. Kids on the float were acting out a sport while reading a book.

VII. Friends of the Grand County Library, Inc.

Janet Scheyer from Kremmling created a Kaleidoscope quilt for an ongoing quilt raffle. The Friends have a new fundraiser, a pancake breakfast for Kremmling Days, organized by Monica Carey. Upcoming events: July 3 members-only book sale will be at the Granby Library Community room; July 4 book sale; July 9 Tops of the Rockies, and tickets are now available. Hunter applauded Connie Graham and Sue Luton who work for months getting Tops of the Rockies ready. The Friends will donate \$200 for the GCLD topper. Luton mentioned that the Progressive Dinner, held in May, was a sell-out.

Hunter wanted to take advantage of this time to discuss how possible changes in the libraries are affecting Friends of the Libraries. "I felt like the wind was knocked out of me". It is hard to be enthusiastic about the fundraisers. However, now she sees that there is a potential for Friends members, mayors, and others to form partnerships and go forward.

VIII. Action Items

A. Policy Committee --- [Purpose Statement](#)

Ralph stated that the gclcd website is being developed and the wording, motto, etc. can be updated. After discussion, Douden moved that the new mission, motto and purpose statements be adopted with "Connect" reading 'People and communities to the library's assets.' LeClair seconded, all in favor, motion passed.

IX. Information and Discussion Items

A. Presentation on Statistics relating to the District's Library Resource Department and the movement of materials: GCLD, Marmot libraries, Prospector and ILL Holds and pick-up. Check out Colorado State Park program introduced.
Heidi McNinch shared Check Out Colorado State Parks program materials with the Board. Each library has been given two backpacks, binoculars, state park passes, and a variety of guides. The value of the backpack and materials is \$130 each. Our libraries will check the backpacks out to patrons for one week.

McNinch began her presentation on Library Resources with an Overdrive Read-Along, a new format of audio book which shows the text with words highlighted as they are spoken. She discussed holds, demonstrating how holds work in the library, mentioning that about 1/3 of staff time is spent dealing with holds. We have about 150 libraries in the Marmot consortium, including 18 universities and colleges. This

give GCLD patrons access to a broad variety of items and topics.

Chance noted that staff time with the hold process is now definitely less than the traditional interlibrary loan (ILL). McNinch showed the number of holds related to total books circulated. She stated that we have an average of 38 new patrons using Overdrive each month. Though e-content costs more than traditional media, there is a huge savings in staff time. There is a growing population of online users who never come into a library.

B. Report by Finance Committee and recommendations on:

1. Reserve levels for capital and operating reserves

[Forecasting 2/ -100k & reserves funding](#)

Knoohuizen reported that the Finance Committee met on May 25 and recommended the following: 1)Technology reserve maintains \$50,000 as baseline with \$15,000 each year for ongoing replacements in operating budget 2)Facilities—reserve of \$100,000 to \$150,000 as baseline with \$20,000 per year refunding for ongoing work and repairs, and 3)Maintain the economic stabilization fund (ESF) at \$400,000, or 25% of the operating budget. This is a responsible way to approach an uncertain future.

Ingle added that most of technology expenses will be moved from capital expenses into operating with the change in capitalization policy. For instance, \$50,000 put into a technology reserve will be available for things outside our operating budget. She added that the facilities reserve fund of \$20,000 per year is just about what we need yearly for capital improvements, when we look at facility expenditures over a 5-year span. Regarding the economic stabilization fund, the question is do we maintain or spend down? We presently have a 25% cash flow reserve which our auditor says is a bit low for an organization of our size. On average, the recommendation is from 3-6 months of expenditures held in reserve. Our current amount, \$400,000 will meet the needs of 3-months of expenditures. A sixth-month reserve would actually be \$800,000. Presently 6 months of expenses is \$860,000. Recommendation vary from the high end at 2 years' worth, on the low end of the spectrum, we would be required to have 1 month of payroll.

In comparison, Eagle Library District has reserve of 43%, Garfield has 44% and has a debt, Estes has no reserves. They operate at \$200,000 under budget each year. Ingle averaged Estes' 2014, 2015, and 2016 budget and reserves to find that Estes is very similar to GCLD in total budget, except they have one building.

Ingle said our mission is to have a sustainable library district. What does that mean for reserves? We need to keep open hours, quality professional staff, and funding reserves; do not stay in deficit mode but move into a more balanced budget approach.

Chance stated that financial advisors recommend having 6 months reserve on hand.

Jensen said that we have an economic stabilization fund set up to get us through the hard times. Ingle replied that hard times are the new normal. Is it a timing or deficit issue? White responded that we went to the economic stabilization fund because we had reserves. We wanted to spend money for communities and citizens. White is comfortable reducing the economic stabilization fund in hopes that we can pass a mil levy in the future. She wants to spend the economic stabilization fund for operating expenses. Jensen stated that if we increase the economic stabilization fund, we decrease operating money.

Ingle stated that if we allocated \$450,000 to operating reserves, we'd run out of money by 2018. Jensen would like a written policy to vote on.

Chance would like to think further into 2019. She is not comfortable running a district with no reserves. In 2019, we would be talking about risking the entire district.

Jensen remarked that it is important to see what is happening to the expenditure/revenue, before we build in the 2018 loss from the Hendersen Mill.

Ingle said that based on purely assumptive information from Clear Creek, we might expect a 16% loss in 2018 as that is the loss they are expecting. This would mean another \$40,000 loss in 2018.

Thinking about the 1994 establishment of the District, Chance stated that the US dollar is now worth 68 cents in comparison to 1994, yet our mil levy is the same.

A discussion on the reserve amount for technology and facilities was held. There was a consensus that we would set aside \$50,000 for technology reserve and \$20,000 per year for facility reserves but percentage based to fluctuate with our budget.

Finance Committee will reconvene for drafting of resolutions for reserves to

be discussed at July's meeting.

2. Discussion continued on economic stabilization fund and spending for operating expenses.
3. Timeline for budget reductions 2016-2018—Finance committee

Knoohuizen urged the Board to think beyond 2017, looking together at the [timeline](#)

Jensen discussed the central service and Granby Library amalgam. There may not be economic gain from this action in this economy, may be better to wait. Grant stated that there would be a lack of efficiency for the central service staff, due to numerous interruptions while working in the Granby branch location.

A discussion ensued about bringing a mil levy vote to the county in the 2017 election. A successful mil levy result in 2017 would provide additional revenue in 2018. However, Jensen said that we have to plan for reduction unless we get tremendous valuation tax increases. We'd have to create two budgets before the election in order to be prepared, since the budget must be approved prior to November.

4. Capitalization policy proposed change

Goes back to the auditor's recommendation in May of changing from \$500 being a capital expense to the state recommended level of \$5000. Policy committee, Douden, moved that we change from \$500 to \$5000 identification of capital expense in order to meet state recommendation. Chance seconded, all approved, motion passed.

5. Leasing of Central Services office, 225 E. Jasper, Granby

Ingle has researched the efficiency of renting, leasing, or selling the central services building. It seems that there would be no real gain in renting or leasing. [\(Central Services Rental 2016\)](#)

C. Community Presentations:

1. Disseminating information to the public
Discussion followed: What is the benefit of additional public meetings?
What can we actually take on? We have regularly scheduled visits to town

meetings each year. Grand Lake and Fraser are both scheduled in July, HSS and Kremmling in August, and Granby in January, 2017.

Sky-Hi News might need to run an informational piece on debt on the east side of the county. Hunter said that a question and answer format in newspaper is valuable. There also should be publicity about the BOT meetings when they are meeting in the towns.

Do we want a community meeting in Kremmling or Hot Sulphur Springs before the next BOT meeting? The Fraser Town meeting is July 6. Knoohuizen will attend with Ralph and McQuade. Suggestion to have a round table discussion with the HSS Town Board.

C. Proposed closure of the Wells Fargo bank account.

Ingle would like to table this and take to the policy and finance committees.

E. Bids for the sealing portion of the Fraser Valley Library siding repair project

Sutton says that any expenditure over \$50,000 must be approved by the Board. He asked the BOT to approve contracting with Moore Brothers to repair and replace the siding on the Fraser Valley Library building. Douden moved this to an action, White seconded, all approved, motion passed to move to action. Chance moved for approval of the Moore Brothers as the contractors for the FV Library repair, Douden seconded, all approved, motion passed.

Adjournment

White moved for adjournment, LeClair seconded. All approved, motion passed. The meeting was adjourned at 9:20 pm