

MARIGOLD LIBRARY SYSTEM
 Board of Management
Saturday, August 26, 2017
 Crescent Point Regional Field House
Okotoks, Alberta
MINUTES

MARIGOLD BOARD MEMBERS IN ATTENDANCE

ACADIA	Maxine Booker	1
ACME	Daniel Leronowich	2
AIRDRIE	Kayla Jessen-White	3
BEISEKER	Sharon King	4
M.D. BIGHORN	Lynda Lyster	5
CANMORE	Judith Smith	6
CARBON	Guss Nash	7
CEREAL	Elaine Michaels	8
CHESTERMERE	Lennox Gomes	9
COCHRANE	Susan Roper	10
DELIA	Janice Hoover	11
DRUMHELLER	Margaret Nielsen	12
GHOST LAKE	Donna Bauer	13
HANNA	Jerry Kruse	14
HIGH RIVER	Darlene Goodwin	15
HUSSAR	Kristen Anderson	16
I.D. #9	Ghada Wirth	17
KNEEHILL COUNTY	Bob Long	18
LONGVIEW	Jan Dyck	19
OKOTOKS	Marian Walsh	20
OYEN	Kevin Brost	21
ROCKYFORD	Gary Billings	22
SPECIAL AREA# 3	Helen Veno	23
STANDARD	John Getz	24
STRATHMORE	Denise Peterson	25
THREE HILLS	Ron Howe	26
WAIPAROUS	Janine Jevne	27
WHEATLAND COUNTY	Berniece Bland	28

MARIGOLD HQ STAFF IN ATTENDANCE

Michelle Toombs
Laura Taylor
Lynne Thorimbert
Caleigh Haworth
Carlee Pilikowski
Nora Ott (recording)
Alida Pituka
Richard Kenig
Jessie Bach
Nicole Talsma
Jane Fisher

REGRETS WITH NOTICE

BANFF	Corrie DiManno
CROSSFIELD	Jo Tennant
FOOTHILLS M.D.	Eleanor Chinnick
IRRICANA	Shannon Simmons
KANANASKIS I.D.	Susan Billington
MORRIN	Karen Neill
LINDEN	Wendy Marsh
ROCKY VIEW COUNTY	Dimitri Dimopoulos
SPECIAL AREA # 2	Bob Gainer
STARLAND COUNTY	Lil Morrison
TROCHU	Bill Cunningham
TURNER VALLEY/ BLACK DIAMOND	Nancy Jackson

GUESTS

Kerry Anderson	Public Library Services Branch
Ken Feser	Public Library Services Branch

REGRETS WITHOUT NOTICE

CONSORT	Dale Kroeger
EMPRESS	Sheila Howe
MUNSON	Lyle Cawiezel
SPECIAL AREA #4	Lisa Vert
YOUNGSTOWN	Leann O'Connell

MINUTES

1. **CALL TO ORDER** - L. Lyster called the meeting to order at 9:30 a.m. and acknowledged that the meeting was situated on Treaty 7 territory, traditional lands of Indigenous peoples of Southern Alberta

1.1 Greetings from the Town of Okotoks

- Mayor Bill Robertson brought and distributed gifts, from the Town of Okotoks, to all those in attendance at the meeting. Mayor Robertson informed everyone that the Crescent Point Field House was a joint project between the Town of Okotoks and the Foothills M. D. The building was funded with \$22 million acquired from grants and is totally debt-free. He stated that Libraries are a life line to the world and offer a gathering place to the community. Marigold was acknowledged as a progressive system that offered a wide range of services and was thanked for all its hard work to keep libraries thriving

1.2 Delegates, guests, and Marigold staff introduced themselves

1.3 Recognition of new Board members

- Nancy Jackson – Town of Black Diamond/Town of Turner Valley
- Kevin Brost – Town of Oyen

There are no vacancies

2. **APPROVAL OF AGENDA**

MOTION: J. Getz/G. Nash

-To approve the agenda

CARRIED

3. **MINUTES OF THE April 22, 2017 MEETING**

MOTION: D. Peterson/D. Leronowich

-To accept the Minutes of the APRIL 22, 2017 Board Meeting as presented

CARRIED

4. **MINUTES OF THE April 22, 2017 AGM**

MOTION: J. Dyck/M. Nielsen

-To accept the Minutes of the APRIL 22, 2017 AGM as presented

CARRIED

5. **CONSENT AGENDA**

5.1 Transfer of agenda items from consent agenda

-There were no items to be transferred from the consent agenda

5.2 Motion to accept remaining consent agenda items

MOTION: K. Jessen-White/K. Anderson

-To approve agenda items 5.1 to 5.5.

CARRIED

6. **DECISION**

6.1 Financial

6.1.1 Marigold Financial Statements to July 31, 2017

MOTION: E. Michaels/G. Billings

-That subject to audit, the Marigold Financial Statements to July 31, 2017 be accepted as presented

CARRIED

6.1.2 RISE Financial Statements to July 31, 2017

MOTION: J. Dyck/M. Walsh

-That, subject to audit, the RISE Financial Statements to July 31, 2017 be accepted as presented

CARRIED

6.1.3 Budget Estimates 2018

MOTION: S. Roper/G. Billings

-To accept the Marigold Budget Estimates for 2018

CARRIED

6.2 Policies/Plans

6.2.1 Collection Management Policy – Standards & Services

MOTION: M. Booker

- To approve the Collection Management Policy

CARRIED

6.2.2 Collection Management Policy, Schedule B – Distribution of Materials – Standards & Services

MOTION: M. Booker

-To Approve the Collection Management Policy, Schedule B – Distribution of Materials

CARRIED

6.2.3 Collection Management Policy, Schedule C – Paperback & Shared Collections – Standards & Services

MOTION: M. Booker

- To Approve the Collection Management Policy, Schedule C – Paperbacks & Shared Collections

CARRIED

6.2.4 Programs Policy – Standards & Services

MOTION: M. Booker

- To Approve the Programs Policy

CARRIED

6.2.5 Records Management Policy – Governance

MOTION: K. Anderson

- To approve the Records Management Policy

CARRIED

6.2.6 Records Management Policy, Library Service Points – Governance

MOTION: K. Anderson

- To Approve the Records Management Policy for Library Service Points

CARRIED

7. ITEMS FROM THE CONSENT AGENDA

-There were no items from the Consent Agenda

8. FEASIBILITY STUDY

MOTION: D. Peterson/ J. Getz

- To accept, for information, the recommendations in the Feasibility Study, and to use this information as a guide to proceed with planning for a new headquarters facility for Marigold Library System in a different location in Strathmore, Alberta

CARRIED

MOTION: J. Kruse/ K. Anderson

- To authorize Marigold Library System to enter into a joint venture with Western Irrigation District (WID) and to negotiate with WID to purchase property for a co-located facility

CARRIED

MOTION: K. Jessen-White/ G. Wirth

-To grant the Executive Committee of Marigold Library Board clear authority to proceed with negotiations, enter into binding agreements to buy land and build, and to commit to the expenditure of funds for the property purchase and building project

CARRIED

MOTION: M. Booker/ H. Veno

- To approach the Town of Strathmore and/or Wheatland County to provide Marigold with a loan of up to \$3,000,000. Marigold is prepared to negotiate and enter into binding agreements for a repayment plan and mortgage security

CARRIED

9. GROUP DISCUSSION

Q. Why doesn't Marigold expand to two storeys on the existing site?

A. Expanding upwards does not decrease costs, and for Marigold operations, two storeys would impede efficient workflows and collaboration

Q. Does Marigold have to be located in Strathmore?

A. Yes: Strathmore is ideal for equitable access to municipalities across system for delivery services, IT, training and consultation. It has required services for daily operations. Most staff live in Strathmore and have indicated that they will not re-locate. Strathmore property is more affordable than other options investigated

Q. Does Option C, in the Feasibility Study estimated costs, include the sale of the current building?

A. Estimated costs do not include the sale of Marigold's current headquarters property

Q. Will WID will make a lot of money on this?

A. WID has lots of money, it's not about that. WID wishes to save building costs and believes that by partnering with Marigold it can achieve this. WID and Marigold are in alignment in terms of cost controls. "Looking for a Chevy not a Cadillac" when it comes to the build. The WID Board voted unanimously to work with Marigold, at their last board meeting. WID has also expressed a desire to contribute to the community. They think this might be achieved by providing a shared green space/garden or much needed meeting space that could be rented (bringing in revenue). Co-locating with an appropriate partner may make Marigold eligible for certain grants

Q. Will there be someone looking at this from outside Marigold?

A. Marigold and WID will each have separate legal representation during the entire process. Marigold will look to hire a legal firm that specializes in condominium agreements. A real estate estimate from a licenced appraiser will be obtained to ascertain a realistic value on the proposed land parcel before negotiations begin

Q. Is there a conflict of interest?

A. J. Getz, Vice Chair and Feasibility Steering Committee member, stated that there was no conflict of interest with any current committee members and that if there was anyone involved with WID they should withdraw and refrain from voting

- Q.** Is WID invested in this facility long-term? Will it be their primary building in Strathmore?
- A.** WID's current headquarters is in Strathmore, but is not in an ideal location. WID is aligned with Marigold in seeking a new headquarters by the end of 2020. Both the Town of Strathmore and Wheatland County have had a long term, successful relationships with WID
- Q.** It was stated that WID provides grants. Would WID provide funding or grants to Marigold?
- A.** If WID issues grants it is unlikely that Marigold would become a recipient. Marigold will investigate.
- Q.** Should all major decisions come back to the Board?
- A.** Many decisions must be made quickly. The full Board only meets four times per year. The Executive meets monthly. Marigold must move forward. If the Provincial grant money is not spent before the end of 2020, then it is slated to go back to the Province
- Q.** Why not modify the third motion so that it ends at "buy land?"
- A.** The term "build" includes getting RFPs, hiring an architect, developing plans, acquiring permits, and other administrative projects. It was explained that to proceed in a timely fashion, the term "build", would need to go beyond just buying land
- Q.** Will this mean that the Executive will have carte blanche on spending?
- A.** The Executive cannot spend more than available funds allow. One member stated that the Executive has demonstrated that they make sound financial decisions
- Q.** Will municipalities be financially responsible for any loan defaults?
- A.** No: PLSB confirmed that Marigold is a separate corporate body. Marigold's ability to pay back a loan using operating funds was explained in detail by G. Billings, Board Treasurer and Chair of the Finance Committee
- Q.** What if Marigold does not have sufficient funds and would require additional funding during the build?
- A.** Contingencies have been built into the recommendations of the Feasibility Study which includes soft and hard costs. To further defray costs, Marigold will apply for funding through grants and will receive funds from the sale of their building
- Q.** Would it be possible to have more frequent communication from Executive to Board about progress?
- A.** If something major were to take place, it was agreed that an informative email would be sent to the full Board

10. INFORMATION

10.1 PLSB (Public Library Services Branch)

-Ken Feser and Kerry Anderson provided an update from the Public Library Services Branch

- PLSB offers Board Basics, a training workshop for Board members
- The province will not "top-up" Hoopla in 2017. Hoopla service may end because of the exorbitant costs associated with its pay-per-use platform
- Marigold is participating in a pilot project using Canada Post. The project is being initiated to discover whether using Canada Post is more cost effective. PLSB also would like more information supplied on invoices so they can determine what they are paying for
- The PLSB has been short staffed with two vacancies
- TRAC became disconnected from the ME Libraries database. This problem will be fixed by the end of August
- PLSB has been going through a rigorous procurement process to acquire e-resources and RFPs may be in place before the year's end

10.2 Library Month

-C. Pilikowski outlined ways that libraries can promote Library month in October.

-Marigold will again be taking advantage of some of the marketing materials from the American Library Association's library card sign up campaign. Bookmarks and stickers have been purchased

10.3 Updates – Michelle Toombs

- The demolition of the old washroom in the basement and its renovation as a meeting/training space is complete. This will increase the resale value of the building and will give HQ staff another flexible workspace
- The garage floor has been reinforced with steel beams. A new concrete floor will be installed so the garage will be functional before the temperature drops and the snow flies
- Marigold is partnering with Peace and Northern Lights Library Systems to develop an Advocacy training course. This will be helpful to member libraries so they can learn skills that will help them to communicate effectively with councils and other stakeholders
- Marigold will need to re-form the Schedule C Committee. The two-year schedule expires at the end of 2018
- Marigold is investigating new website platforms
- Marigold is investigating options for a new logo
- The system reception at the Alberta Library Conference in Jasper will be cancelled in 2018. This will save money for the seven library systems.
- The Alberta Library has been audited for GST and is assessed for ~\$1.2 million in arrears. TAL will contest this assessment and is currently engaged in the objection process. They have also hired a lawyer. Members and Directors will not be personally responsible for any part of the assessment

10.4 Upcoming Board Meetings

- The November meeting will be held in Drumheller on Saturday, November 18, 9:30 am, at the Badlands Community Facility.
- The January meeting will be held on Saturday, January 27, 9:30 am, 2018 in 4 locations via videoconference at Airdrie, Hanna, Sheep River Library in Turner Valley and Marigold Headquarters in Strathmore

10.5 Information Sharing - Roundtable

- The Strathmore Municipal Library has moved into a temporary space while their permanent location is increased in size by 35 – 40 %
- Airdrie received a 1200 sq. ft. expansion
- Hanna's newly renovated library is now open
- Drumheller lost 3 employees. They now have a staff that they hope will stay for a few years. The Drumheller Library Society donated \$10,000.00 for library cards and \$10,000.00 for the library to purchase Canadian content

11. BOOK DRAW

The book, "Canada 150 Panoramas", Photos by George Fischer was won by:

- Ghada Wirth - ID#9

Okotoks Mayor, Bill Robertson, donated five cookbooks. The winners of the cookbooks were:

- Darlene Goodwin - Town of High River
- Judith Smith - Town of Canmore
- Kayla Jessen-White – City of Airdrie
- Bob Long – Kneehill County
- Marian Walsh – Town of Okotoks

12. ADJOURNMENT - L. Lyster declared the meeting adjourned at 12:35 pm

CEO

Board Chair

**Marigold Board Meeting
August 26, 2017 Background Notes**

1. Marigold and RISE Financials

Marigold Balance Sheet and Income Statement (unaudited) to July 31, 2017:

Balance Sheet:

The \$3,020,000 (Capital Infrastructure grant) arrived from Municipal Affairs in June and was invested in a GIC maturing in 2018 when we anticipate needing this money for the new building project.

Furniture and equipment assets decreased substantially after the inventory list was updated and because remaining assets were almost fully depreciated.

The deferred Indigenous Grant fund amount (\$67,544) was unspent as of December 31, 2016. This fund was totally spent by March 31, 2017 to coincide with the Provincial government financial year-end. The Indigenous Project report was sent to Public Library Services Branch (PLSB) on May 18 after receiving Executive approval.

The Establishment Fund was decreased by almost \$64,000 because of the annual amortized value of the Bell wireless system that was installed in 2013. The Establishment Fund has \$389,000 in expendable funds after annual amortizations.

The total money allocated to reserves increased by \$369,813 after the 2016 audit was approved by the Board in April. The Building reserve increased by \$300,000 to \$2,223,987. The vehicle reserve increased by \$24,000, and then \$42,710 was withdrawn for a replacement delivery Ford Transit van, leaving \$5,850. The Videoconferencing reserve was increased by \$80,000 by Executive Motion in July 2016. \$80,000 had been budgeted for three-year maintenance agreements for videoconferencing equipment at Marigold Libraries; however, those maintenance agreements were no longer available from the vendor, so \$80,000 was invested in this capital reserve for possible future replacement of videoconferencing equipment at Marigold libraries. The Executive may reallocate this amount to another reserve or expend this money for a different purpose if they choose. The operating reserve at \$996,467 would theoretically cover expenses for 2.4 months (using a rough estimate of annual budget divided by 12 months).

Excess Revenue Over Expenditures for 2017 includes the capital infrastructure grant of \$3,020,000. That is why it is so much more than the amount in 2016.

Income Statement:

Revenue: Marigold is in a good financial position. Provincial grants were deposited in June and July as follows:

- a. **Capital Infrastructure Grant** = \$3,020,000 (posted to Other Grants, line 12)
- b. **Indigenous Project Grant** = \$93,624 (+\$ 3,977 because 2016 population for Siksika and Stoney Nakoda residents increased)
- c. **Library System Operating Grant** = \$1,394,358 (+\$30,122 because 2016 population increased)
- d. **(Rural) Library Service Grant** = \$456,227 (no \$ increase because 2016 populations did not change according to Municipal Affairs)

Marigold also received a grant of \$2,882 to cover the wages of a summer student employee. Marigold received two grants for summer students. The remainder of the grant funding payout will be received after the completion of the two students' employment.

Please note that Reimbursements are listed for information on the Income Statement under Revenue and Expenditures even though they are not included in the 2017 budget as agreed by Executive upon the advice of the auditors. These reimbursements include \$24,378 for the Hussar Remote (hold pick-up) Lockers which Hussar paid for, as well as the cost of the service agreements for the new RISE central site equipment. Marigold staff are much busier this year purchasing supplies and computer equipment/consumables for our member libraries.

Miscellaneous income is already over budget for the year because of auditor-approved changes to how travel reimbursements are recorded.

Expenditures: 58% of the year has passed to the end of July; 57% of the Expenses budget has been spent.

Expenditures are on track, including salaries at 55%. Staff salary increases went into effect on July 1 following a salary grid review that was approved by Executive on May 17.

The additional \$10,000 that was budgeted for a new venue for the Member Library Workshop on May 10 was well worth the investment. Everyone raved about the Clarion Hotel convenience, ample space and food, and we easily accommodated a 25% increase in attendance, which we hope to grow in the future with more sessions and attendees.

Although we are concerned about the escalating cost of our electronic resources, especially hoopla, our electronic resources expenditures are on track at 45%; however, we are waiting for several large annual invoices that are due for payment in the Fall.

RISE Balance Sheet and Income Statement (unaudited) to July 31, 2017:

Balance Sheet: Prepaid accounts include \$34,950 for three years of maintenance support for the new RISE central site equipment that was purchased in 2016. The auditors have adjusted the RISE balance sheet following the approval of the 2016 Marigold financials.

Income Statement: Nothing new to report. Everything on track.

2. 2018 Marigold Budget Estimates for Councils

Marigold's estimated budget for 2018 is \$5,259,480, which is 3.5% above the Board-approved 2017 budget. Expenditures follow revenue projections because of the higher cost of goods and services for a service population that is expected to increase in 2018.

Marigold managers began compiling the 2018 budget in May and the draft budget will go through several more intense reviews and updates before the final budget is presented and approved at the January 2018 Board meeting.

Factors affecting the 2018 budget projections include:

- **Revenue:** Official municipal populations published by Municipal Affairs in January 2018 are expected to mirror recent federal census results for counties and smaller municipalities; however, revenue is expected to increase by a small amount. Public Library Services Branch recommends using the past year's provincial grant amount because any grant increases are unknown until March.
- **Marigold Expenses:** Marigold's Service population has increased year over year and patron use of Marigold services has steadily increased as well; therefore, there are increased costs for materials, resource sharing, van deliveries, supplies and more. Some contract costs are based on current population (e.g., electronic resource subscriptions; TRAC levy; TAL membership; licenses).
 - **Salaries and benefits:** + 6% includes salary grid step increases for eligible staff; cost increases because of changes to Employment Standards Code (e.g., banked time); and expected increases for benefits. A salary grid review was completed in Spring 2017 (four years after the last review) and most salaries were adjusted on July 1, 2017 after comparison with salaries in similar organizations. Marigold's staff costs are partially paid with Indigenous Project Grant funding, transfers from the RISE account and government grants for summer students. Marigold's staff complement totals 33 people during the summer, and this year there are four students.
 - **Materials, processing, delivery:** + 2%, mostly for e-book and digital purchases. Annual e-book and e-resource subscription costs set by US vendors are increasing faster than inflation. Delivery costs are expected to increase because of increased mileage, larger vehicles and more frequent trips to high transaction volume libraries.
 - **Transfer payments:** + 2%. Service grants for communities near Calgary are based on population, while a set amount for communities with smaller populations have not changed.
 - **Admin, Board, building, supplies, vendor services and contracts:** + 6% anticipates rising contract costs for insurance, caretaking, landscaping & snow removal services, utilities, TRAC levy and TAL membership. Shelf-ready cataloguing service costs are expected to increase because Marigold will be acquiring more shelf-ready collection materials from vendors, thus maintaining and improving turn-around for materials purchased through HQ.
 - **Computers, peripherals, licenses, network costs:** + 8%, mostly because of scheduled replacement of Fortigate devices at our member libraries. These devices communicate with the SuperNet to enable all online services. A new Website platform is coming soon, although the cost is substantial. IT Manager, Richard Kenig advises that the telephone system at headquarters needs to be upgraded. Last year, the overall computer budget expenditures were lower than expected because the new TAL online catalogue cost a lot less. This year, however, computer hardware and licensing costs are generally increasing and are an essential part of our service.
 - **Consultation, programs, marketing:** + 4% will cover increased travel costs for Marigold consultants, IT staff and program staff to travel to member libraries. Increasing cell phone costs are also included because cell phones are provided for all Marigold staff who travel on Marigold business.
- **Capital and project expenditures** are based on available funds after operating costs have been subtracted from revenue projections. This budget will be used to replace a delivery van in 2018 and to

assist with a new website platform development. Available funds for capital and project expenditures are decreasing year to year as budgets get tighter. It is expected that there will be about 35% less in available funds for capital and project expenditures in 2018.

3. Marigold Library System Feasibility Study

A Feasibility Study is a study designed to determine the practicability of a plan (dictionary definition).

The recommendations and probable costs contained in the Marigold Library System Feasibility Study report are not final or written in stone.

At the August meeting, Board members will be asked to vote on a motion to authorize the Executive Committee to proceed with negotiations and to authorize the expenditure of funds for the building of a new Marigold Library System headquarters facility. If this motion is approved, negotiations will begin to purchase property and issue RFPs (Requests for Proposals) for various building contracts. This competitive bid process will inform final costs. Because Board meetings occur infrequently (November, January, April and August) and because all of the infrastructure grant funding from the province has to be spent by 2020, Marigold needs the Executive Committee to have this flexibility and authority to commit to business plans and decisions in a timely manner.

After the Executive Committee decided in September 2015 to proceed with a Feasibility Study using the professional services of an architectural firm, an RFP (Request for Proposal) was prepared by Marigold staff and sent to six architectural firms with experience designing library facilities. BRZ Partnership Architecture was chosen by the Marigold Board Building Committee in April 2016 to conduct the study and prepare a report.

A Steering Committee of Marigold Board members, Headquarters staff, Hank Brzezinski and BRZ staff was formed, and ten meetings were held in 2016 to provide background and input for the report findings and recommendations, which were presented to the Executive Committee in May 2017. The report was distributed to all Board members for information on July 24, 2017.

The Feasibility Study had the following objectives:

- a. To provide an expert opinion on whether Marigold Headquarters needs a larger facility:

Report findings:

The recommendation from the Space Requirements / Program in the Feasibility Study is for 20,000 sq feet, which is in line with other library system headquarters of similar size in Alberta. Currently Marigold has 9,600 sq ft.

- b. To identify issues with the current facility and property:

Report findings:

- i. Inadequate garage and shipping & receiving workspace
- ii. Inadequate security and infrastructure to support IT work
- iii. Inadequate meeting and training space
- iv. Inadequate space for future growth and changing roles for Marigold, such as supporting library programs
- v. Not enough parking spaces
- vi. Unsafe egress for large delivery trucks near a large school with 900 students and staff, and not enough space on the property to safely turn around

- c. To analyze and compare three building options, including:
 - i. Option A) -- renovating and expanding the current building
 - ii. Option B) -- renovating an existing facility elsewhere in Strathmore
 - iii. Option C) -- purchasing property and building a new building

Report findings:

- i. **The Feasibility Study recommendation is to construct a new building on a different property (Option C, starting on page 41 of the Feasibility Study report) because Option C has no major planning or construction issues and has good access / egress for delivery trucks and the SuperNet. In addition, the property and building should be large enough to support future expansion if required.**
 - ii. The Feasibility Study does not recommend renovating and expanding our current HQ building (Option A) because there are serious planning and safety issues.
 - iii. The Feasibility Study does not recommend renovating and adding facilities such as garages to another existing building in or near Strathmore. There is no appropriately sized facility in the real estate inventory, and a two-storey facility is not well suited to Marigold's operations.
- d. To provide probable costs for a new headquarters building:

Report findings:

- i. Option A (existing property and building): \$ 7,417,593
(\$120/sq ft for renovation and \$250/sq ft for additions)
 - ii. Option B (another office building in Strathmore): \$ 8,307,374
(\$110/sq ft for renovation and \$250/sq ft for addition)
 - iii. Option C (new property and new building): \$ 7,697,279
(\$213 per square foot for just the new construction).
- e. These probable cost estimates include the estimated costs for a suggested property purchase, structural work, building envelope, interior finishes, mechanical, electrical, data, site improvements, contingencies, furnishings, relocation costs and permit fees.
 - f. The actual cost of the project will depend on the cost of the property, the results of the design and construction RFPs and the potential for a joint venture with another organization in Strathmore.
 - g. The conceptual floor plan in the Feasibility Study (page 48) is not set in stone either. It was useful to have a floor plan to identify work spaces and adjacencies to other workspaces for operational efficiencies.

Priorities for a new building and property

1. Headquarters facility to be all on one level to facilitate workflows and movement of materials and to maintain effective oversight of daily operations
 - a. An elevator is expensive to maintain; an out-of-service elevator impedes productivity; and there are delays in servicing outside a major urban area
2. Good access and egress on and off the property for delivery trucks.

3. Large enough property for future expansion if needed and for enough parking stalls. Town Planning Dept. will guide the decision on how many parking stalls are required. Feasibility Study recommends 50 and there is a preference for wide stalls
4. Acoustic treatments and noise abatement throughout the building, especially for offices and meeting spaces
5. Shipping & Receiving
 - a. Side-by-side garages for four vehicles so that vehicles can fit inside and staff can walk around the vehicles for loading and unloading. Marigold has six vehicles, which are all in use most days
 - b. Loading dock with good access and egress for freight trucks
 - c. Larger shipping receiving area for an efficient workflow and accessible storage for bins and bags; adjacent to loading dock and garages
 - d. Recycling bin
6. IT Dept
 - a. Adequate, accessible and secure space for IT network equipment
 - b. Server room must be secured, have environmental controls, and be large enough for expansion
 - c. Functional area for staging and testing IT equipment and storing IT equipment, supplies and consumables; long work bench to spread out computer equipment and work on more than one computer at a time (e.g., loading software)
 - d. Functional area for managing videoconferencing network and providing helpdesk IT support
 - e. Flexible power and conduit connections to support future IT capacity and functionality
 - f. Flexible workspaces to allow for additional IT staff; IT staff need to have enough space for multiple computers and screens, and convenient access to see what is going on in the server room
 - g. SuperNet and Internet connections with convenient access to network equipment
7. Multi-purpose Meeting Room
 - a. Large enough meeting room to accommodate at least 60 people; partitioned for smaller meetings with enough sound protection to have concurrent meetings
 - b. Meeting room equipped with Wi-Fi, videoconferencing, projection and sound equipment; able to accommodate multiple laptops for training events, meetings and programs
 - c. Kitchen adjacent to the meeting room large enough to cater a Board meeting
 - d. Bathrooms to accommodate staff and meeting room needs
 - e. Storage space for tables, chairs and meeting room supplies
 - f. Adjustable lighting to allow for presentations
8. Storage and Equipment
 - a. Adequate space for staff to sort and organize shipments of materials, supplies, programming supplies/equipment, board materials, communications/marketing materials; to sort and store donated materials; and to prepare recycling
 - b. Adequate storage space for equipment and supplies for Marigold and for member libraries; convenient access to store and retrieve supplies
 - c. Adequate space to manage interlibrary loans, Library 2 You (mail service), remote locker service and paperback deposits; chairs for public visits
 - d. Secure and accessible storage for confidential personnel, business-related files and archived materials
 - e. Separate fire-rated rooms for production equipment (copiers) with enough space to collate materials and store paper/supplies, and to house a humidifier
 - f. Staff room with kitchen facility and space to relax

9. Offices
 - a. Fifteen offices for professionals and staff members to conduct confidential business; offices large enough for a small table and chairs
 - b. Quiet and well-lit space for staff involved with bibliographic workflows; book truck parking lot and enough space surrounding desks to allow for several book trucks
 - c. Space for the Accounting Administrator and HR Coordinator to have confidential printing and files close at hand; offices located near CEO and Deputy CEO
 - d. Space for Communications Specialists to design and prepare communication, training, promotional and marketing materials; space to store give-aways for trade shows etc
 - e. Four more workspaces for seasonal employment of staff members (usually during the summer)
 - f. CEO and Deputy CEO to have offices that are large enough to have a table and chairs for 4 people
10. Nice to have list

Suggestions for nice-to-have amenities (if affordable) include:

 - a. Welcoming reception space with comfortable chairs and display space; feature art in the entrance
 - b. Larger meeting room with outside entrance that could be used by other organizations; locked access to areas where staff work
 - c. Leed certified building standards to save on future heating and cooling costs
 - d. Built-in infrastructure for future energy savings
 - e. Wellness room for staff
 - f. Bicycle rack and storage
 - g. New furniture (not used furniture, recycled from other businesses)
 - h. Outdoor patio
 - i.

4. Funding for a new building

a. Co-ownership

Marigold Board members and staff have met four times with Western Irrigation District (WID) Board members and staff to explore our mutual interest in working collaboratively towards construction and operation of a co-owned facility. We have come to the mutual agreement that our organizations are a good fit because we are both not-for-profit, service-based organizations with approximately the same number of staff and each has a need for a new building that is approximately the same size. The benefits of co-ownership include reduced costs of planning, construction and operating a joint facility; alignment with the strategic priorities of all levels of government; enhanced community engagement; opportunity to demonstrate leadership in efficiency, governance and environmental stewardship; and, of course, delivery of better and more cost-effective service to our members.

WID has property just south of the TransCanada Highway in Strathmore that we believe is well-suited for Marigold. If Marigold Board approves the motion: *To authorize Marigold Library System to enter into a co-ownership project with Western Irrigation District (WID) and to negotiate with WID to purchase property for a co-located facility*, a Statement of Intent will be signed by both parties and planning and negotiations will begin with WID. Marigold does not intend to lease this facility; ownership is a priority so that Marigold has an asset if relocation or rebuilding becomes a necessity in the future.

b. Project Funds

Marigold Library System received a \$3,020,000 capital infrastructure grant this year from the Alberta Government to cover the costs of replacing Marigold Library System headquarters. This unexpected announcement came in March and the money was deposited and invested in June. The purpose of the grant, as stated in the Agreement with Municipal Affairs, is to cover costs associated with the maintenance and renovation, or replacement, of the Marigold Library System headquarters, and it must be spent by December 31, 2020.

For ten years, Marigold has invested its operational surpluses, as determined by the annual audit, into a capital reserve that currently sits at \$2,223,987. There are small savings in other capital and restricted reserves that may be used to top up this amount to nearly \$2.5M. When added to the capital infrastructure grant, the total comes to \$5,500,000.

With the savings and capital infrastructure grant, Marigold is able to pay for a substantial portion of the estimated \$7.7M project cost to build a new headquarters facility. This probable cost estimate from the Feasibility Study includes the estimated costs for a suggested property purchase, structural work, building envelope, interior finishes, mechanical, electrical, data, site improvements, contingencies, furnishings, relocation costs and permit fees.

The actual cost of the project will depend on the cost of the property and the results of the design and construction RFPs, as well as the potential for a joint venture. There may also be unexpected project costs even though a reasonable contingency has been built into the estimate of \$7.7M. Marigold's need for additional funding to go ahead with the project may range between \$2,000,000 and \$3,000,000, and it is Marigold's responsibility to acquire this funding. There is no more funding available from the provincial government.

The Town of Strathmore has been approached to take out a loan for Marigold because The Libraries Act of Alberta allows a municipality to borrow funding for capital purposes for a library system facility. There is no provision in the Act for a library system to borrow funds directly from a financial institution and Library Systems cannot borrow from the Alberta Capital Financing Authority. Marigold needs to be prepared to enter into a formal agreement with this municipality to repay the loan with Marigold providing mortgage security. Marigold is seeking a long-term low interest rate that would be affordable to repay with annual operating funds; however, this remains to be seen as this municipality must achieve Council consensus and municipal approval to proceed with such a loan. If this municipality cannot provide a loan, other options for requesting a loan have been proposed.

Marigold Library Board will also be applying for grants and, at an appropriate time, intends to list its property for sale. The proceeds from these fundraising activities will hopefully lower the amount of the loan.

c. Marigold Headquarters Building History and Future

The headquarters building, which Marigold currently occupies, was originally built as an armory in 1953. Marigold Library System began its operations in Strathmore in 1981. An extension was added in 1989 to increase the footprint to 9,600 sq ft. Since 2006, Marigold's service population has grown 2 ½ times, whereby Marigold has gone from the smallest to the largest regional library system with a service population exceeding 300,000 Albertans. Although the building is structurally sound and well maintained, the small building footprint and inefficient layout for Marigold's purposes, as well as potentially unsafe egress for large delivery vehicles, limits Marigold's ability to meet future regional library system standards for public library service delivery and personal safety.

Retaining a headquarters facility in Strathmore, where it has been since 1981, is deemed to be the best business decision for Marigold's future. Strathmore is centrally located within Marigold Library System's area of 53,646 sq. km., and this facilitates IT network and support, van delivery services and consultants' work with 36 libraries, 44 municipalities, 2 remote locker installations and 12 book deposits. Retaining skilled workers who have made a home for themselves and their families in Strathmore is also good for Marigold. Marigold has developed mutually beneficial vendor relationships with local business, bank and professional services in Strathmore.

5. **Garage Floor and Shipping and Receiving**

At the end of March, Headquarters staff noticed that the garage bay floor was sinking and that the concrete was cracking badly with rebar fully exposed. The deteriorating condition of the garage floor, which is suspended over a basement room, was identified as a serious hazard. Staff were notified that vehicles could not be backed into the garage and that delivery items could not be stacked on the floor until engineers confirmed that the floor was structurally sound. Our one-bay garage is used to store interlibrary loan boxes and bags and to load delivery vans (one at a time).

The structural engineering assessment completed by Mike Pyra of Kassian Dyck Associates (Consulting Engineers) confirmed the cement slab cannot safely support Marigold operations in its current condition. Every work day, 11,000 pounds are placed on the front of the garage (full vehicle plus staging), plus 5,500 pounds on the back half of the floor (bins, government courier bags, people, dollies, etc.). The engineers investigated several options and were unable to find a workable solution using the existing floor and underlying support. The rebar in the slab is very small at 8mm (the smallest rebar you can buy today is 10mm, so the floor is not to code regardless).

At the direction of the Marigold Executive, Kassian Dyck prepared engineering designs and drawings for a steel beam reinforcement solution, and is tendering and negotiating RFPs on Marigold's behalf. Marigold Executive agreed to two motions to install new steel support beams below Marigold's garage bay and to replace and resurface the concrete pad at a cost not to exceed \$10,000. Construction will begin the week of August 21 with the installation of the steel beams. The concrete repair will follow in early September. Whether or not Marigold Headquarters remains at the existing site, this repair work is necessary.

6. **Basement Renovation**

Marigold completed renovations of the long-abandoned bathrooms in the basement to provide much-needed storage and meeting space. In May, the linoleum floor tile was tested and came back positive for asbestos residue underneath. Asbestos remediation was completed for \$3,275 in July. Then, fixtures and plumbing were removed, and a jackhammer was used to clear some areas for environmental reasons and to level the floor. The renovations included patching and paint, lighting, outlets, data drops and flooring at a total cost of \$16,950.

7. **Canada Post Pilot Project with select Marigold Libraries and Public Library Services Branch (written by Lynne Thorimbert)**

The following announcement from PLSB was shared with Marigold member libraries in July.

Delivery Review

PLSB is reviewing the interlibrary loan delivery ecosystem in Alberta, with a specific focus on delivery via the government courier service. The review and its ensuing recommendations (in process) hope to create efficiencies and equitability in access to library resources for all Albertans. In the 2016/17 fiscal year, PLSB paid \$764,806 for the government courier service. Government courier serves approximately 90 of the 322 library service points in Alberta. The review has uncovered various problems and inefficiencies with the service, such as inequitable service, damaged items, tense relationships between library staff and provincial government staff, OH&S concerns, and a higher than anticipated cost for the service. A complete report will be available once PLSB develops its recommendations.

Canada Post Pilot

Based on a close analysis of the cost for government courier and on an evaluation of other comparable delivery services, PLSB is conducting an interlibrary loan delivery pilot with Canada Post. The primary purpose of the pilot is to do a direct and actual cost comparison of delivery services. The secondary purpose

for the pilot is to troubleshoot unanticipated problems that may arise if PLSB introduces a new or a supplementary delivery service. The expected outcome is a more efficient and more equitable delivery model. The pilot is being run in partnership with Marigold Library System who will be using the Canada Post Parcel Service. Please be aware that this is not the Canada Post Library Book Rate; it is an entirely different service. The participating service points include: Marigold Library System, Okotoks Public Library, Oyen Municipal Library, Canmore Public Library, Three Hills Municipal Library, and Drumheller Public Library. The pilot will begin in September and run for six months. We are very excited to be running this pilot. We sincerely hope that it helps to improve interlibrary loan efficiency in Alberta.

Canada Post Pilot Details

The participating pilot libraries and system headquarters will be sending everything they normally send out through government courier through Canada Post instead. They will still be receiving items through government courier. Marigold headquarters will begin sending out items through Canada Post in July in order to adjust to the software and to create some best practices for the member pilot libraries. The rest of the participants will join the pilot on September 1. After running the pilot for six months, we should have a good idea of the cost of shipping library items throughout the province with Canada Post. A major concern with government courier is that the prices are not based on numbers of actual items shipped but on estimates. With the Canada Post pilot, we will be able to gather real numbers and the actual costs associated.

Pilot Implications For libraries

The pilot should have minimal impact on libraries. Please note that the parameters of the pilot will not necessarily translate into process if another delivery service is adopted. The pilot is meant to provide a cost analysis and the process will be developed along the way.

Future of Delivery Service in Alberta

Although interlibrary loan delivery service is under review, PLSB is committed to supporting an equitable resource-sharing environment for public libraries in Alberta. We are not seeking to eliminate a delivery service; we are hoping to improve the current delivery model and make it more efficient. It is in the spirit of fiscal responsibility and equitable library service that PLSB is undertaking both the delivery review and the Canada Post pilot project.

8. Hoopla

Marigold Executive has discussed the unpredictable escalating cost of the PLSB-sponsored streaming media service 'hoopla.' Hoopla costs are billed to Marigold on a "pay-per-transaction" basis each month. Because of the substantial costs, estimated to be around \$100,000 in 2017, Marigold has decided to reduce hoopla downloads (check-outs or transactions) per patron per month. Executive passed a motion on June 21 to support the recommendation from Standards & Services Committee to reduce the monthly patron download limit from 5 to 2 on September 1, 2017, and to report back to Executive in January with additional cost-controlling measures if needed.

A decision to scale back service to patrons is always difficult; however, the concern about uncontrollable cost is shared among all hoopla subscribers including Alberta's regional library systems. Our concerns have been clearly communicated on a number of occasions to the vendor. Marigold HQ has communicated to member libraries and to patrons via the website about the upcoming changes and the rationale for those changes. The Marigold Advisory Committee, led by Marigold Library Managers, was asked for their recommendations and preferences for communicating this change. Based on their feedback, the following has been done to communicate the change to member libraries and patrons: a message was sent to member libraries which includes library managers and staff through an email message on August 1. The hoopla link on the eResources section of the website for all libraries was updated to make users aware of the change. The hoopla brochure and a banner on the website promoting the service have also been updated. Some libraries are already communicating the change to their patrons via social media.

Other library systems in Alberta have employed cost containment measures, such as reducing the number of downloads per month, placing a limit on the cost per downloaded title (which now ranges up to \$4.99 per title), or setting an expenditure cap per year. After analysis, the only effective cost containment measure for Marigold is to reduce the number of downloads per month. Because Marigold’s contract for hoopla does not expire till May 9, 2018, Standards & Services Committee suggested applying other cost controls starting with the above recommendation before deciding to cancel hoopla.

9. Advocacy Training Proposal

Marigold, Peace and Northern Lights Library Systems are partnering to develop an advocacy course for member library staff and board members. Because these three library systems are funding partners, the course will be offered at a discounted rate for participants from these library systems. The course will be developed for delivery starting in March 2018 by an instructor with Northern Lakes College. Northern Lakes College has previously provided Marigold members with ‘live online’ training for Marigold members: leadership and supervision, budgeting and reading financial statements.

Course deliverables will include: self-paced resources to prepare those who are new to advocacy; a customized advocacy program for participants to employ after the course; and a toolkit for advocates in the future. This will be timely with upcoming elections and the need to increase stakeholder support. Top of mind is how and when to ask for financial support in a competitive environment where resources are limited. There is no better time than the present (March 2018) to begin advocacy training.

While updating the hand-out to explain how libraries get revenue from municipal and provincial sources, Carlee redesigned the allocation chart to clearly illustrate that Marigold libraries are receiving less than the provincial average for municipal allocations

