

MARIGOLD REPORT



Okotoks Mayor Bill Robertson welcomes Marigold

August 26, 2017: **At the Board meeting in Okotoks, Marigold Board members voted to support the co-location and building of a larger and better equipped headquarters facility in Strathmore in a joint venture with Western Irrigation District.**

MOTIONS and DISCUSSION

MOTION 1. *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.*

Feasibility Study stemmed from Marigold's Strategic Plan

- Intended to clarify if Marigold needed a larger building and if so, what that building might look like
- Probable costs listed in the Feasibility Study by H. Brzezinski (BRZ Architect) are estimates; actual costs will be determined with property purchase negotiation and tendering building contracts
- The sale of Marigold's current headquarters property is not factored into the estimated project cost

Three future expansion options were explored:

A. Expanding the building on the current site was not preferred as there would be minimal cost savings in a retrofit over a new build, and there would be significant challenges such as frequent service interruptions, safety issues due to phased construction, and property too small for parking and future growth. The Town of Strathmore has stated concerns about truck access to the existing location given the proximity of the Catholic school (900 students and staff) and busy streets.

B. Acquiring and retrofitting an existing building was ruled out as there were no buildings currently available or suitable for Marigold operations.

C. Acquiring property and having a facility built was recommended as the best option by the Architect who did the Feasibility Study. "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."

Marigold held a reception at the Crescent Point Regional Field House (Okotoks) on Friday evening, August 25. Board members were invited to come to learn more about the Feasibility Study findings in an informal setting. (see page 3)

Question: Does Marigold headquarters have to be located in Strathmore?

- Strathmore's central location within Marigold's region facilitates access to all member municipalities for delivery services, IT support, training and consultation
- Majority of staff live in Strathmore
- When a realtor checked several years ago, Strathmore had more affordable real estate than other centrally located communities

MOTION 2. *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.*

Marigold and WID will sign a Statement of Intent to construct and operate a co-located facility south of the Trans Canada Hwy in Strathmore. Marigold will retain ownership of its portion of the property and building. Marigold and WID may share common areas such as a large meeting room, reception area and parking. Cost savings for this project are possible by doing once instead of twice for tendering, acquiring professional services and permits. A joint planning Construction Committee will be formed, and each stage of the Work Plan will only commence with the assent of both organizations.

MOTION 3. *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.*

Marigold intends to spend the \$3,020,000 Alberta Infrastructure capital project funding by the deadline of December 31, 2020.

Marigold is seeking a long-term low interest rate loan from a member municipality. Payments would be made from the operating account. There is no intention to request a special levy to assist with the costs of building a new facility for Marigold

Question: Should the Executive have 'carte blanche' on spending?

- John Getz, Chair - Building Committee, explained that Marigold cannot spend more than available funds allow. The project budget is \$8 million
- Marigold Library System needs to be nimble to respond proactively when making financial decisions. The Board meets four times per year, whereas the Executive meets almost every month. The Executive Committee has 10 members from Marigold Board.

Question: Would municipalities be financially responsible for any loan defaults by Marigold?

- PLSB (Public Library Services Branch) consultants confirmed that this is not the case because Marigold is a separate corporate body and its members are not responsible for its debts.

Question: What if Marigold does not have sufficient funds to meet unexpected cost overruns and would require additional funding during the build?

- Contingencies have been built into the probable costs in the Feasibility study, which include property, structural work, building envelope, interior finishes, mechanical, electrical, data, site improvements, parking lot, landscaping, furnishings, relocation costs, permits fees and contingencies

- Although actual costs will be determined by negotiations and tendering, capable project management ensures that cost controls, legal agreements and adequate contingencies are all in place

MOTION 4. *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.*

Marigold would only borrow the amount that is needed to complete the new facility. The amount is expected to be less than \$3 million through effective negotiation, maximizing cost savings, and obtaining grant money.

Gary Billings, reminded members that municipalities can borrow from the ACFA (Alberta Capital Finance Authority) but Marigold cannot.

Marigold will follow up with a request for frequent communication from Executive to Board about progress. It was agreed that if something major were to take place, email updates would be sent to the full Board.

MORE HIGHLIGHTS OF MARIGOLD BOARD

MEETING August 26, 2017: at Okotoks Crescent Point Regional Field House.

Mayor Bill 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 dollars acquired from grants and is totally debt free. Mayor Robertson stated that "Libraries are a life line to the world and offer a gathering place to the community." He acknowledged that Marigold is a progressive system that offers a wide range of services and thanked us for all the hard work to keep libraries thriving.

Board Chair, Lynda Lyster, recognized new Board member Nancy Jackson - Town of Black Diamond and Town of Turner Valley and Kevin Broast - Town of Oyen. Lyster also welcomed PLSB Consultant Ken Faser and Kerry Anderson - Manager, Public Library Network Technology.

IMPORTANT DATES

Upcoming Board Meetings

Saturday, November 18, 2017

Drumheller, 9:30 a.m.

Saturday, January 27, 2018

Videoconference, 9:30 a.m. 4 locations

Airdrie, Hanna, Turner Valley, Strathmore HQ

MARIGOLD FINANCIAL STATEMENTS

Marigold unaudited Financial Statements to July 31, 2017 were accepted for information. Marigold Library System is in a good financial position.

- Materials and staffing expenditures are on target
- Marigold received a \$3,020,000 Capital Infrastructure grant from Municipal Affairs in June
- Marigold received an Indigenous Project Grant of \$93,624 for public library service for residents of Siksika and Stoney Nakoda Nations

RISE FINANCIAL STATEMENTS

Unaudited RISE Financial Statements to July 31, 2017 were accepted for information. The RISE Network has been busy this summer providing video-conferences for children's programming such as Library Storytimes, How to Run Minecraft Programs, and Kids Can Code. Positive feedback was received on all topics and presenters.

2018 BUDGET ESTIMATES

Budget Estimates for 2018 were accepted. The \$5,259,480 Budget Estimate is 3.5% above the Board approved 2017 budget

largely because of a growing population and increased demand for services.

Expenditures that are calculated on a per capita basis with current service population include subscription fees for online resources, TAL (The Alberta Library) and other organizational memberships, and the TRAC levy.

Salaries and benefits: A 6% increase includes salary grid step increases for eligible staff, cost increases because of changes to Employment Standards Code and expected increases for benefits.

Materials, processing, delivery: A 2% increase is projected mostly for eBook and digital purchases. Annual eBook and eResource 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 volume libraries.

Admin, Board, building, supplies, vendor services and contracts: A 6% increase anticipates rising contract costs for insurance, caretaking, landscaping & snow removal services, utilities, TRAC levy and TAL membership.

Key initiatives included in 2018 Budget Estimates

- Planning for website redesign for Marigold HQ and member libraries

- Delivery of management training course on advocacy to be developed and presented by Northern Lakes College

Capital and project expenditures under consideration for 2018 include:

- Delivery van replacement
- New website platform development

Available funds for capital and project expenditures are decreasing year to year as budgets get tighter.

Marigold's goals and objectives for its Strategic Plan 2016 - 2018 are supported in this budget estimate. Final 2018 Budget goes to the Marigold Board for approval in January 2017.

Contact Michelle Toombs, CEO, for more information on budget estimates michelle@marigold.ab.ca

POLICY APPROVAL & DECISION

Policies / Bylaws / Schedules reviewed and approved by the Marigold Board:

- Collection Management, Schedule B Distribution of Materials
- Schedule C Paperback Shared Collections
- Programs
- Records Management Policy
- Records Management—Library Service Points

Marigold is poised for a bright future in Strathmore

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