

**Meeting of the Jones Library, Inc., and the Town Libraries' Board of Trustees**  
**August 11, 2022 4:00 p.m. meeting conducted via Zoom webinar**

Members Present: Austin Sarat, Farah Ameen, Alex Lefebvre, Tamson, and Lee Edwards, Bob Pam  
Also Present: Sharon Sharry, Lewis Mainzer, Kent Faerber, and members of the public (9 attendees)

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- I. Meeting called to order at 4:03 p.m.
- II. Changes/Additions to the Agenda
- III. **MOTION:** To approve the minutes of June 22, 2022. *Approved 5-0 (Edwards absent).*
- IV. Public Comment: None
- V. President's Report
  - A. JLBC and Town did a revised cost estimate, one retained by the library and architects and one by the town. Cost estimate for 'hard costs' was substantially higher than the one received back in April (\$30M). The new estimates were \$36M and \$41M. Reconciliation involved averaging costs, came out to about \$38M. Discussed possible alternatives to design to save costs. No decision reached yet. Would like to spend today thinking about where we are and what we might do to deal with cost escalation.
  - B. Lee Edward joined the meeting at 4:08 pm.
  - C. One estimator used an assumption for escalation to the start of construction. More costly estimate uses assumption of escalation to midway through construction. Would like to make a motion and then table vote for a meeting on the 22<sup>nd</sup>. Trustees have an April 21 MOA with town to backstop the endowment against fundraising. In order to have a possibility of financing the escalating costs, going to have to reduce some of the costs of construction and consider repledging the endowment (Friends raised more than \$3M to date).
  - D. **MOTION:** To enter a new agreement with the town pledging the value of the endowment to help fund the Jones Library building project. *Vote tabled for next meeting.*
  - E. Presentation given by Library Director
    1. Soft Costs calculated by OPM for presentation
    2. 2.5%, 3.5%, 5% contingency is the difference between low, medium and high numbers. 3 – 5% range is the customary contingency.
    3. Fundraising to date
      - a. \$1.8M in hand
      - b. \$3.7M in process (believe high probability)
      - c. \$1.6M planned
      - d. \$8M total in hand, in process, and planned
      - e. Assuming \$8M above, Trustees would need to raise additional \$9M to \$15.6M
    4. Proposed
      - a. \$4M cuts to project
      - b. \$750k cut - OPM states possible that escalation costs are high (now 11% or \$3.7M of the costs, could be more 'normal' of 4% \$1.3M) - choose conservative number to 'cut'
      - c. \$1.75M from FFE that has a total budget of \$2.5M
      - d. If earmarks, grants come through (\$8M and cuts made) additional cost to raise based on value of Endowment as of July 22 would be between \$2.7M – \$9M

- e. FY26 expansion of project extended out, which gives additional year to fund raise
  - f. If endowment is decreased because we need to payout differential, potentially loose \$90k - \$330k annually from current draw level. Have had occasion to cut ~\$90k from the budget in the past, however the larger numbers of \$210k and \$330k would be much more difficult.
  - g. Questions for the Director - What does proposed cut in budget to NAL mean? Will address in memo to Trustees for next meeting.
- F. If total cost is higher, how will payment structure be modeled in terms of difference between what has been raised and what is due (HPR and final MBLC paid after built) ... all milestones are pushed back but would need to work out with town what new agreement would look like.
- G. At one point endowment was much lower, what was that amount and impact? Endowment has been in \$7M range in the past. Did an analysis in past of losing \$2M from the endowment which is doable in the short term.
- H. Believe need to look at middle cost rather than lower, concerns about how real it is to think about this.
- I. How will any of this impact our project timeline? Numbers received are based on an October 23 construction start date, not going to meet that now, because would have had to start DD this week. Because \$4M in cuts, extra design work will add on an additional 6 weeks.
- J. Kent Faerber (Friends Capital Campaign Committee)
1. Reviewed memo from the Friends Development Committee regarding new fundraising. Have known for some time that they would need to raise in excess of the \$6.6M. Potential funding in climate bill that library can access and other possible avenues of state funding that can be explored.
  2. Of individual gifts received, significant portion are from people who have never given to the library before. Believe it is indicative that many people in town with capacity to give who haven't thought of the library before.
  3. Momentum – believe best thing we can do is put skin in the game again by repledging endowment.
  4. What experience has there been in town around fundraising and what have we learned? Every campaign is different but what Hitchcock raised, large portion was government funds. Initially not really thinking about government funds for the Library, but now they are exploring. The Library has a broader reach in terms of who it touches which increases fundraising potential.
  5. Newly identified prospects? Capacity?
    - a. To get to \$14M, typically you would create gift tables, typically would start with a 20% lead gift of \$3M. Have some large individual gifts already, some of which stated could potentially be larger. Not \$3M but see lots of opportunities.
  6. Environment currently around fundraising? Threat of a recession is possible and real but have experience fundraising in prior market downturns.
  7. JLBC is a town committee, what is the relationship between what Trustees decide and what will happen? Charge to JLBC – make recommendations to town manager and Library Trustees. JLBC will make decisions and recommendations about cuts to be made. Town will reach its own decisions about how to proceed, as will the Library Trustees.
  8. Of the possible reductions outlined, including FF&E & IT, that takes them out of a bond funded project and eventually shifts it back to the town? It shifts it back to the Library. FF&E can be added over time, could fundraise for that but likely to come through the town's process. It would be like a deferred maintenance request.
  9. Where will cuts come from – in the packet from the OPM in Tuesday's meeting. Primary concern is to assure we don't lose functionality and sustainability. Aesthetic is lower on the list

and felt the remaining proposed cuts impacted aesthetics (e.g., all brick). Would like a memo of what the cuts would entail. Would there be changes in the interior design? e.g., the Burnett Art Gallery?

10. Architects and OPM also stated that there may be potential other savings in the project.
11. Inquiry to Director to reach out to other libraries in similar position about what they are dealing with and how they proposed to proceed.
12. If have to dip into the Endowment, need clearer idea what those cuts would mean.

## VI. Committee Reports/Questions for Committees

### A. Buildings and Facilities Committee

1. Met on 7/28/22, working with the Town on the CPA Agreement for the funding for Special Collections.
2. Leak in Special Collections again, tech was out to fix and no damage to collections but monitoring.
3. NAL – don't have a reopening date yet, key staff member resigned, need to rehire and working on the space. Very excited for opening but don't have date yet.

### B. Development

1. Annual Fund for the year closed out at 942 unique gifts and a total of \$146,533.
2. Would like to do some type of acknowledgement to people giving to both Annual Fund and Capital Campaign.

### C. Budget

1. Audit for FY20-21, reviewed and recommend the Board accept the audit. The audit found no shortfalls or recommendations.
2. **MOTION:** Motion to accept FY20-21 audit as presented. *Approved 6-0.*
3. Thank you to Bob, Sharon, and Business Manager for work on budget. Audits consistently come back now without issues or recommendations.
4. FY22 ended and balanced.

### D. Investment

1. As of July 31, endowment is at \$8,602,048, Woodbury \$692,759. Next meeting on 8/19.

### E. Personnel, Planning, and Policy

1. July 27 – finalizing the questions to ask of candidates for the Equity, Justice and Inclusion subcommittee. Sent out 'advertisement' for seeking positions. September 1<sup>st</sup> deadline for submitting applications. Farah will be the Trustee representative on the subcommittee. Appreciate her volunteering.
2. PPP Chair has an injury that has precluded completion of the Director Evaluation. Still in process and will be behind schedule.

VII. Friends of The Jones Library System Report – Golf spree August 20 – hope everyone attends

VIII. Director's Report – summer reading is winding down; staff is doing an amazing job.

Meeting adjourned at 5:39 p.m.

Respectfully submitted by Alex Lefebvre