Pueblo Library Foundation

Board of Directors Meeting
Meeting: 11:30 a.m., Jan. 9, 2019
Bret Kelly, Room A, 1st Floor
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004

M I N U T E S

A. Welcome and Call to Order..Lyndell Gairaud

Ms. Gairaud called the meeting to order at 11:35 a.m.

B. Roll Call and Verification of Quorum ....Gloria Madrill

Board Members Present–Lyndell Gairaud, President; Jim Stuart, Vice President; Carol King, Secretary; Dustin Hodge and Jessi Ones (who joined meeting when noted below)

Absent–Michael Voute, Treasurer; Lyndsay Moore and Gala White

A quorum is met with 5 out of 8 (62.5%) members present.

Staff Present–Jon Walker, Midori Clark, Sherri Baca, Jeanette Cortez and Gloria Madrill

C. Modifications to Agenda for Jan. 9, 2019 Meeting .... All

No modifications made.

D. Approval of Minutes of Oct. 17, 2018 Meeting.. All

Ms. King made a motion to accept the minutes. Seconded by Mr. Hodge. All in favor. Motion passes.

E. Treasurer's Report...Sherri Baca

4th Quarter 2018 Raymond James Investment Statement Report

Ms. Baca welcomed Mr. Salardino who made a presentation on investments and annualized returns. Mr. Salardino commented that we are making some headway and he is optimistic about the future of the market although he does see some bumps along the way. If we look at the overall performance at a 15 year outlook the total weighted average return is 6.99%. Compared to the S&P 500 (currently at 6.75%) our return on investments is slightly better and has less risk than the S&P 500. Mr. Salardino noted after meeting with the Investment Committee the long view has become shorter and there might be an immediate need of $50,000 for the remodeling project in 2019. With a choppy market and the possible need for funds sooner he also recommends moving part of the portfolio into more conservative markets. For the $50,000 amount needed, Mr. Salardino suggests pulling a proportionate amount from each investment so the Foundation stays balanced and diversified. He then recommend placing it into cash and withdrawing it so a fee is not charged. In addition, he recommends adding Calamos interest fund to our portfolio. Calamos has decent returns with less volatility. He suggests placing 15 percent of our remaining portfolio into Calamos. Mr. Stuart asked when would be the best time to do this transfer and Mr. Salardino answered now.

Ms. Baca recommended we hold off on the $50,000 transfer. At the last Finance Committee meeting a little more than $41,000 was recommended for transfer from cash to the investment account. Mr. Walker agreed saying it will be best to hold off on giving Mr. Salardino direction until we have a Finance Committee meeting in the next month or so to discuss Calamos and the transfers made at the last meeting. Mr. Walker noted there is a long view for a lot of the money as an endowment and that some would be eligible for capital expenditures and could be directed that way. As it is discussed further we can keep that in mind. Ms. Ones joined the meeting during this discussion.

December 31, 2018 Financial Report

Ms. Baca stood in for Mr. Voute today and began the financial review by going over the Balance Sheet. She reminded the board the Balance Sheet shows current year to date totals and the Investment Fund will show we marked the financial statement to market. Gains and losses aren't shown on this line item until the end of the year when the value is marked to market. Ms. Baca noted we have no accounts payable, debt or bills we have to pay and said these are preliminary financial reports. They are going through accounts and will post adjusting entries if needed.

Ms. Baca continued the review going over the Statement of Revenues and Expenditures. She reviewed unrestricted amounts, temporarily restricted amounts and the three categories of expenditures. She noted an unrealized loss appears on the report in the amount of $22,383. Ms. Baca reported revenues were close to budget with a variance of only one percent. She pointed out the top line of General & Administration Expenditures called Professional Fees and noted this category includes now investment fees. Investment fees were previously included with Bank Charges. Contributions to PCCLD (or pass throughs) totaled $5,470. Fundraising fees include the Enterprise Zone fee and Colorado Gives Day fees. Total expenditures for the year were $40,812 which again was very close to budget with a -3% variance. Overall we are in the black and have $37,011 in revenue over expenditures.

Ms. Baca then reviewed the Summary of Restrictions. Restrictions are held and tracked until we satisfy donor restrictions and intent. Shaded items are currently sitting in the investment account. The total restrictions are $126,456.12 with $108,766 in the Raymond James investment account and $17,690.12 in the Bank of the San Juans checking account. Mr. Stuart made motion to accept the December 31, 2018 financial report. Seconded by Mr. Hodge. All in Favor. Motion passes.

F. Director's Report.. Midori Clark

Q4 Fundraising Report

Ms. Clark presented the Q4 Fundraising Report sharing a list of gifts received for both entities. She thanked members of the board for some generous gifts given this quarter. We also received a number of generous donations to the Foundation and had a number of new donors come in through Colorado Gives Day. Through Colorado Gives Day the Foundation received a total of $4,822.48 in gifts from 74 donors. Donors included Trustees, Foundation Board Members, Friends Board Members, staff and members the public. The majority of gifts were received that day but some came in after. During this time, the Annual Campaign ran concurrently and we received a number of nice gifts from the direct mail solicitation as well. The total amount raised from the Annual Campaign was $2,615 from 12 donors. The two campaigns brought in just over $7,400. Last year the end of year campaign brought in around $2,500 so we increased the end of year giving greatly with Colorado Gives Day.

This quarter we also received a number of generous gifts to the district including a few large grants, All Pueblo Reads Sponsorships, Booklovers Blacktie Ball bringing the total for the district to $84,818.09. At the Finance Committee meeting held Jan. 7, the committee voted to transfer the amounts listed in the report $41,226.94 to the investment fund. After the discussion today the money may not be transferred depending on what is decided. Mr. Stuart asked if the gift received from the trust was restricted and Ms. Clark answered no. In addition to the investment fund transfer, $800 was approved at the Finance Committee meeting to be transferred back to the district for the Lucero and Greenhorn Valley Library. Overall the total for 2018 was $313,951.83 and it was a large increase compared to 2017 when we started tracking the data.

Booklovers Blacktie Ball Revenue Report

Ms. Clark continued her report and reviewed the Booklovers Blacktie Ball Revenue Report. Guests this year were Craig Johnson and Lou Diamond Phillips. This year was the most financially successful Booklovers Ball in the event's history and saw a 40 percent increase over 2013 (the previous highest attended year). The district received a large amount of money in tickets including over selling reservations for the celebrity table. Overall revenue was up about $5,000. The revenue received in 2017 includes a grant for $9,000 that wasn't received this year.

Leadership Institute Update

Ms. Clark provided a brief update on the Leadership Institute. The early application deadline of December 7 was extended and the new deadline is Feb. 1. The Pueblo Chieftain published an article about the program. So far a total of $4,360 has come in to the Foundation in support of the 2019 program.

G. Announcements .... Lyndell Gairaud

Ms. Gairaud shared a couple of announcements. Nominations for the Outstanding Women Awards are due Feb. 8. Please review the information and think about possible nominations. Ms. Gairaud also invited the board to participate in the Heart Our Donors appreciation event. For the event we will invite donors that have given five gifts or more and first time donors to learn about the library and library's future plans. They will also be able to take a tour of the vault. Board members will have the opportunity meet donors face to face. It was suggested that name tags for Foundation board members would be beneficial for events like this. Ms. Madrill will get an order placed.

H. New Business .... Lyndell Gairaud

Ballot Issue………………………………………………………………………………..…Jon Walker

Mr. Walker spoke about the success of the library saying we are at a crossroads. Sustaining and building on that success will take some effort. The Rawlings renovation planning has started. The cost for the refresh will be between four and five million dollars. In addition to Rawlings our other six libraries need support and attention too. To ensure excellence, so we can focus on literacy, learning and lifelong access to information it takes on going investment to properly maintain community assets. Many of the libraries were built and expanded a long time ago. Barkman Library was built 30 years ago. Lamb Library opened it 1984 and expanded in 2000. Pueblo West Library opened in 1997 and expanded in the 2007-2008 period. In 2014 we added the three new libraries. Mr. Walker proposes to engage a design firm to prepare concepts and program plans for these libraries. There will be cost estimates with these libraries with the goal to have a plan to renovate, refresh all libraries for the next 20 years. The upgrade plan would be for Rawlings, Pueblo West, Lucero (with possible expansion), Barkman, Lamb renovation, Giodone then Greenhorn Valley. Lucero would be higher on the list because it is so busy and has aged faster than other branches. Ms. Gairaud asked about the land in regards to expansions. Mr. Walker said the lot size is restricted so it would be an opportunity for a modest expansion and we would need to work with the design firm. Mr. Walker said we also want to invest $250,000 a year on books over the next 10 years. The total cost is 14 million dollars.

Mr. Walker said we can do this with our current tax revenue. In 1990 voters approved a 14 million dollar bond issue in Pueblo County. The money in large measure helped build Rawlings. Final payment for the bond is in 2019. There is an opportunity to ask voters to renew this bond expenditure for 2020 for the purpose described here. A mil (0.1 of one cent) is assessed against property values. The average home price is $160,000. To determine how much the average home owner is paying in property tax, apply the residential assessment rate of 7.2%. That amount ($11,520) would be the assessed value on this home. Multiplying the assessed value by the mill (0.000603) will give the total amount the average homeowner is paying and has been paying the last 20 years. The average amount is $6.95 per year (or about 58 cents per month). We can sustain and continue this service of excellence we have been able to provide for seven libraries for the cost of a newspaper per month.

Mr. Walker proposes a Library election in 2019. Trustees have authority to refer measure to the ballot. The timeline would include the following items. Q1 would focus on design, cost estimating, polling the community and developing a community engagement campaign. Q2 would include focus groups on key influencers including Trustees, Friends of the Library, elected officials, Foundation Board members, power users and influential community members. Legal counsel on the measure would occur with the Board of Trustees adopting a resolution to refer library funding measure to voters. Q3 would include a political action committee campaign. Important pieces of the plan include community engagement, design, polling, legal counsel, marketing and advertising and there are costs associated with these steps. There are costs with these events that are known at this time. Mr. Walker would like for the Foundation to consider supporting part of the project, particularly the $67,000 needed for the Project Plan. Mr. Walker referenced the Summary of Restrictions page of the financials. The amounts shaded in orange for enterprise zone and capital campaign restrictions are both items that can be applied in whole or in part to the project as it is aligned with restrictions and donor intent. Mr. Walker requests that we adopt a budget that attributes $50,000 into this project. There are consequences for doing nothing. Sustaining is not a given and without a measure like this one our current revenue will not be sufficient to maintain buildings and collections and operate at our current level. Absent a successful campaign, PCCLD will be looking at some kind of reductions (to be decided). It is important we have the opportunity to create a foundation for sustaining and improving on the library district's record of outstanding library service in this community.

Ms. Gairaud commented that we are on a roll and on the front of people's minds with what our library system has accomplished and now would be a good time to move forward. We would be not asking for more taxes, just to continue current support that will make us more successful. Ms. King agreed. Mr. Stuart asked if we could do the polling first prior to finishing the design plan instead of simultaneously. Mr. Walker answered if we don't do them at the same time we wouldn't have enough time to do the plan and ballot measures that succeed paint a picture of what will be done. Mr. Hodge also commented that we wouldn't be able to get it for voting until 2020 if they don't run simultaneously. There is a good message to the public that they are paying for it now why not keep it the same asking for a renewal and continue to support us (not suggesting a new cost). Ms. Baca mentioned its best to leverage that timing.

Mr. Hodge commented the mil may go down as time goes on. As valuation changes the mil may float. It was discussed that bonds can be structured differently they can pay less in early years and more further into the future. Mr. Walker thinks it will poll higher if it is for specific items for a specific period of time. Ms. Baca commented whatever has the most likelihood of passing is how we should structure the bond and Mr. Walker agreed. It is a pretty modest and not a new ask and strength and timing is important. Mr. Walker is asking the Foundation to support the plan to the amount of $50,000.

2019 Budget

Ms. Baca was asked to speak about the budget. She noted the three columns showing the estimated budget, 2018 budget and 2019 budget. There were some adjustments (increases and decreases) in the revenue section. With a total of $64,500 budgeted for revenue and $90,650 for expenditures. The expenditures include an expenditure in programing of $56,000 (the typical amount being $6,000). With the proposed budget there would be an operating loss in 2019 but the $50,000 for the project plan would be spending cash from retained earnings in prior years. Mr. Stuart made a motion to accept the proposed budget including the approval of the $50,000 expense as part of the budget. Ms.King seconded. All in favor.

Board resignation, term and prospects

Ms. Gairaud shared that Ms. Moore has moved and submitted her resignation in a letter to the board. Her husband accepted job in Oregon. Ms. Gairaud moved to accept the resignation. All in Favor. Motion passes.

Officer Elections

Ms. Gairaud shared the current officers would like to continue their positions. Ms. King made motion to approve the slate of officers presented (Ms. Gairaud, President; Mr. Stuart, Vice President; Mr. Voute, Treasurer; Ms. King, Secretary). Seconded by Mr. Hodge. All in Favor. Motion passes. At this time Mr. Hodge had to leave the meeting at this point.

Committee assignments

Committee assignments will occur through email.

2019 and 2020 board meeting dates

Ms. Gairaud shared the list of suggested meeting dates with the last meeting of the year moved to November to help finalize budgets and Booklovers Blacktie Ball. The dates were agreed upon. The meeting include April 10, July 10, November 13 for 2019 and January 8 for 2020.

I. Old Business .... Lyndell Gairaud

None.

Next Meeting: Wednesday, April 10, 2019

Adjourned 1:16 p.m.

Respectfully submitted,

Gloria Madrill
Recording Secretary