

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
MINUTES FOR THE REGULAR MEETING**

July 26, 2012

I. CALL TO ORDER AND ROLL CALL

Following an Employee Recognition Event, the regular session of the Pueblo City-County Library District Board of Trustees was called to order at the Rawlings Library at 5:30 p.m. by President Sherri Baca.

Board Members Present: Sherri Baca, President; Marlene Bregar, Vice President; Philip Mancha; Fredrick Quintana; Rhonda Gonzales

Board Members Absent: Roy Miltner, Jim Stuart

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Jane Palmer, Public Services Director; Al Perea, Facilities Superintendent; Sara Rose, Human Resources Director; Teresa Valenti, Technical Services & Collection Development Director; Dan Romero, Information Technology; Theia Bravo and Amy Nelson, Reference & Readers Advisory; Jay Boyle, Special Collections & Museum Services; Elizabeth Flores and Abby Koehler, Technical Services & Collection Development; others not recorded

II. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker proposed that the Board of Trustees add an Executive Session to the agenda as item VII.B.4 for the purpose of discussing matters that may be subject to negotiations, development of strategy for negotiations and instruction to negotiators pursuant to C.R.S. 24-6-402(4)(a) and (e).

III. APPROVAL OF THE MINUTES

Ms. Baca said the Minutes of the Library Board Work Session held on June 19, 2012 and Minutes of the Regular Library Board meeting held on June 28, 2012 were provided to Board members prior to the meeting.

Mr. Quintana made a Motion, seconded by Dr. Mancha, to approve the Minutes of the Library Board Work Session held on June 19, 2012. The minutes were approved by unanimous consent.

Mr. Quintana made a Motion, seconded by Dr. Mancha, to approve the Minutes of the Regular Library Board meeting held on June 28, 2012. The minutes were approved by unanimous consent.

IV. REPORTS

A. Executive Director Report

Mr. Walker indicated there was a written report for the Board's review. Mr. Walker said for the last few years the Friends of the Library have provided an annual scholarship for an employee pursuing a Masters Degree in Library Science, and there have been five recipients. Mr. Walker then introduced the recipients: Jay Boyle, Theia Bravo, Elizabeth Flores, Abby Koehler, and Amy Nelson. Mr. Walker then asked each of them to provide a brief report about why they pursued the library profession.

Mr. Boyle is currently employed as the Archive & Special Collection Coordinator. Mr. Boyle said he began working in libraries in 2005 first as a shelver, but he had no intention of making it

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his career at that time. He later worked as a branch clerk and library assistant at PPLD before coming to PCCLD. Mr. Boyle began working on his MLIS degree in 2009 and graduated in 2011. Mr. Boyle said he is enjoying work in Special Collections and commented on the digitization project that will be launched shortly. Mr. Boyle particularly wanted to thank the Friends for the scholarship. When he applied there were two other colleagues who applied at the same time, and he expected to either be denied or have the scholarship money split between them, but the Friends awarded full scholarships to all three of them.

Ms. Flores said she loved reading as a child and was inspired by Kathy Knox at the Lamb Library, and she enjoys passing on the love of reading today. Ms. Flores said her first degree was teaching, and she worked as a Library Assistant at Pueblo West where she really enjoyed presenting story times. She was the first Friends of the Library scholarship awarded and earned her MLS at Texas Women's University. Ms. Flores said the Friends asked her to let them know the tuition costs, and when they saw the actual cost they increased the amount awarded. Ms. Flores said she splits her time between the Pueblo West Library where she is the children's librarian and Technical Services & Collection Development where she selects children's material for the district.

Abby Koehler said she is currently the ILS Software Administrator and expressed her appreciation for the Friends of the Library scholarship. Ms. Koehler said she graduated in 2008 and had been involved in projects throughout the district. Ms. Koehler said the scholarship gave her a reason to stay in Colorado. After moving here in 2005, she was pleased to see the community interest in young professional people, and she enjoys see what her young colleagues are accomplishing.

Ms. Nelson said she currently works in Reference & Readers Advisory as a librarian with literacy emphasis, and she also works with government documents. Ms. Nelson said the library is in the middle of its first GED class with 20 enrolled and 30 on the waiting list. Ms. Nelson started with the district in 2003 at the Beulah Satellite Library when it became evident that she needed to pursue a career in libraries. Ms. Nelson said at a CAL Conference she learned she could get her MLS through Emporia State University while living in Beulah and working in Pueblo. She described some of her educational focus on archive collections which also gave her an opportunity to work in Tucson at the National Parks Conservation Center. Ms. Nelson expressed her appreciation to the Friends of the Library for giving her that opportunity, and she looks forward to being the branch librarian for the new Greenhorn Valley Library soon.

Ms. Bravo said she is working as a Library Assistant in Reference & Readers Advisory and works closely with Ms. Nelson on government documents. Ms. Bravo said she is in her second semester at Emporia State University and explained how her classes help with her daily work in reference. Ms. Bravo had a Masters degree in English when she started work at the Lamb Library, and Susan Peterson encouraged her to get an MLS degree. Susan Peterson died of breast cancer in 2008, and shortly thereafter Ms. Bravo received an email encouraging staff to apply for a Friends scholarship.

Mr. Walker said he wanted the Board to have an opportunity to meet these young people who have or are becoming librarians, and it is an important contribution from the Friends of the Library to help in "growing our own" librarians.

Dr. Mancha said he was impressed and pleased by each one of them and thanked the Friends of the Library for supporting them. Dr. Mancha believes the individuals, library and community will all benefit.

B. Pueblo Library Foundation No report.

C. Attorney's Report

Mr. Gradisar provided a brief update with respect to the litigation with CCIC (Colorado City Improvement Corporation). After last month's Board meeting there was a mediation attended

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by Mr. Stuart, Dr. Mancha, Mr. Walker, but they had not been able to get it resolved. CCIC filed for Summary Judgment saying that there were no disputed issues, and the library is going to dispute that, and they are waiting for the court's judgment. They will have an opportunity to reply to that response pending Mr. Walker's deposition which was held earlier this week for four hours and forty-five minutes. The other side has more they want to ask and are working to get that scheduled. The case is set for trial in April of next year if the court does not grant the Summary Judgment.

E. Financial Report

(1) Ms. Baca announced that the Board is asked to ratify the June 2012 bills and accept the June 2012 Fund Statements. Chris Brogan, Chief Financial Officer, provided a detailed report.

Ms. Brogan said the library was able to move another \$500,000 to invest with CSIP. Ms. Brogan pointed out that Investments in the General Fund went from \$2 in May to \$1 due to the use of 68 cents of the certificate fund towards the semi-annual bond payment.

The target percentage for the end of June is 50%. Property taxes were 78% collected and specific ownership was 39% collected. Ms. Brogan said June had been the biggest collection month for property tax, and she pointed out \$1.8 million in current month revenue. Approximately one-quarter of the annual revenue from property tax is received in June. Interest was 42% collected, jumping from 27% last month due to the influx of investible funds as well as a slightly higher interest rate from CSIP. Other revenue items were within acceptable levels for this point in the year. Total revenues at the end of June were 73% collected.

Ms. Brogan said personnel and materials were both on target. Digital materials were 94% spent, and it is expected to exceed the budget by \$14,000 which was the amount of the PEAK grant received for purchasing additional circulating laptops. The laptops were purchased using funds from Digital Materials, but the grant money must be recorded as revenue so it will not show as a reimbursement to this line item. Ms. Brogan said at the end of the year they may need to do a resolution or just a line-item adjustment to account for that. Facilities were 36% spent. Lease/Purchase of Buildings only shows 23% spent because additional debt service was included in the budget in anticipation of new financing, and Ms. Brogan expects to see some savings there. Operating was 48% spent with nothing unusual to report. Information Technology was at 63%, although a little high due to contract services, it was not a concern.

In the Capital Project Fund there were some interest earnings from ColoTrust, and revenues remain at 9% collected. Expenditures were for payments to the financial advisor and for legal fees for the building projects with total expenditures 8% spent. Ms. Brogan expects that to be ramping up as the projects get underway. Ms. Brogan had nothing unusual to report in the Check Summary Report.

Ms. Brogan concluded that the total expenditures for the Board's approval include ACH payments of \$105,217.45, Payables of \$296,537.30, and Payroll of \$195,950.97, for a total of \$597,705.72.

Dr. Mancha made a Motion, seconded by Mr. Quintana, that the Board approve the June 2012 bills and accept the June 2012 Fund Statement as contained in the July 26, 2012 Board materials. There being no further discussion, MOTION CARRIED 4-0.

(2) Ms. Baca announced that Chris Brogan will provide an update on the library district's long-range financial forecast.

Ms. Brogan distributed a packet of spreadsheets, noting that the 2011 figures were updated slightly when the CAFR was finalized which now shows as audited rather than budgeted. Ms. Brogan pointed out line 46, Ending Combined Fund Balance, as it is projected, and the fund balance percentage only drops below the 20% required by policy in 2015 and 2016 which

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would require further budget adjustments. Ms. Brogan pointed out that there is an increase shown in property tax revenue between 2013 and 2014 because Black Hills revenue comes on then. Ms. Brogan later learned from the Assesor that because Black Hills went online the first day of 2012, the library will actually see that increase in 2013, and having that increase earlier trickles throughout the subsequent years on the spreadsheet. Ms. Brogan then referred to the second page which had been adjusted for Black Hills revenue in 2013, and the projected fund balance percentage never drops below 20% as a result. Each spreadsheet includes borrowing to build three new libraries.

Ms. Brogan said the third spreadsheet includes an additional \$700,000 for a debt service reserve fund, and she explained that the money belongs to the library but cannot be spent. Even with the additional \$700,000 borrowed, the fund balance still looks good.

After responding to questions, Ms. Brogan distributed another spreadsheet projecting what would happen if the library borrowed a little more and added \$500,000, borrowing a total of \$5 million. Ms. Brogan pointed out that the lowest the fund balance with that projection is 33%, which shows that the library can borrow that much and stay well within the reserve fund balance policy.

There was a brief discussion of the potential for additional business revenue, but the library is not aware of any future revenue increases.

Dr. Mancha expressed concern about the fund balance seeming especially high and questioned whether that high of a fund balance could be justified. There was additional discussion on the advantages of having additional cushion for unexpected expenses, additional initiatives, or possibly prepayment. Ms. Brogan said she works on the projections all year making adjustments, but she cautioned that it is difficult to project accurately beyond two or three years. Ms. Gonzales said she was pleased to see the library was able to build three new libraries and do good things with the money for the community.

Mr. Walker said the library can afford to increase borrowing and still be in a healthy position. He had considered the implications of the numbers and what that means for the services the library provides or in terms of benefits and compensation. The library is in a strong position, and the library does have a responsibility to make sure the funds are doing the best they can to provide the services the library is obligated to provide and meet the needs of strategic possibilities moving forward.

Ms. Brogan pointed out that every percentage point makes about a \$100,000 impact, but that can move down dramatically as well. Ms. Gonzales emphasized that the library would never want to drop below 20%. Dr. Mancha thanked Ms. Brogan for putting the library in this position.

V. PUBLIC COMMENT None

VI. OLD BUSINESS None.

VII. NEW BUSINESS

A. Announcements

- ☐ The next regular Work Session is scheduled for Tuesday, August 14 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- ☐ The next regular Board meeting is scheduled on Thursday, August 23 at 5:30 p.m. at the Lamb Library.
- ☐ The PCCLD 2013 Annual Planning Retreat is scheduled for Thursday, August 9 from 9:00 a.m. to 4:00 p.m. in the CSU-Pueblo University Library, LARC 108. Please RSVP Jane Carlsen at 562-5633 or jane.carlsen@pueblolibrary.org. Mr. Walker thanked Ms. Gonzales for helping make arrangements to use the CSU-Pueblo University Library.

- ☐ The 2012 CAL Conference is scheduled October 18-20 in Keystone. Early registration ends August 31. Contact Jane Carlsen at 562-5633 to make arrangements to attend.

B. Action/Discussion Items

1. Disposal of Property Request

Ms. Baca said a disposition of fixed assets represents the physical removal of an asset from custody or accountability. In accordance with Colorado State Statutes (C.R.S. 24-90-109), any asset with a value of over \$1,000 can be disposed of in one of four different ways: donated, scrapped, sold or traded. The conveyance of an asset to any outside business or commercial entity must be approved by the Board of Trustees. The Board of Trustees discussed the recommendation for disposal of a surplus 2007 Suzuki ATV with trailer at the July 17 Board Work Session.

Mr. Walker referred to the Disposal of Property Request provided in the Board packet with the full details. Mr. Walker said plans are to sell it on Craig's List, and the library will accept bids. The estimated value is \$3,000. This document had been discussed during the Work Session.

Dr. Mancha made a Motion, seconded by Ms. Bregar, that the Board of Trustees approve the Disposal of Property Request to for a 2007 Suzuki ATV with trailer. There being no further discussion, the MOTION CARRIED 4-0.

2. CM/GC (Contract Manager/General Contractor) Selection

Ms. Baca said a CM/GC Evaluation Committee had been working to review and evaluate submittals and interview selected firms. An update on committee activities was presented for discussion at the July 17 Board Work Session.

Mr. Walker provided a Report and Recommendations for CM/GC Services, noting that he was not able to provide the details at the Work Session due to timing issues. Mr. Walker reviewed the issuance of the RFQ (Request for Qualifications) and provided copies of the RFQ. Six submittals were received in response to the RFQ from Bassett Construction Company in Pueblo, Fransen-Pittman General Contractors in Englewood, Golden Triangle Construction in Colorado Springs, H.W. Houston Construction Company in Pueblo, Mass Service & Supply in Pueblo, and M.W. Golden Constructors in Castle Rock. A six-person committee reviewed the submittals which included: Jim Bershof from OZ Architects, Roy Miltner from the Library Board, Michael Cox, Al Perea, Teresa Valenti and Mr. Walker.

In the first round the committee individually scored the submittals based on criteria in the RFQ, and Mr. Walker distributed the score sheet used and reviewed the results. The scoring included compensation to the CM/GC for its services. The committee agreed to invite H.W. Houston and Fransen-Pittman for onsite interviews.

During the second round, each of the firms interviewed were asked to respond to a standard set of questions, and committee members were able to ask follow-up questions for clarification. Committee members scored the results of the interviews, and Mr. Walker distributed the score sheet and discussed the compiled interview points.

Mr. Walker said the scores from both rounds were combined. H.W. Houston provided the lowest-cost quote, scored at the top on each committee member's score sheet as well as the combined scoring, and H.W. Houston is a local firm. Mr. Walker also said the library district has a history with H.W. Houston.

Mr. Walker said the recommendation is for the Board of Trustees to select H.W. Houston at a cost not to exceed \$375,000.

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Ms. Baca asked if the CM/GC cost will be included in the amount borrowed. Mr. Walker said there is a budget for some expenditures this year, but most of the cost will come further down the road with the funds from the COPs. The cost for subcontractors will also be paid from borrowed funds, but approval for the total project will come later and will be closer to \$3 or \$4 million, and the Board will be asked to approve a contingent maximum price. Ms. Gonzales asked about the CM/GC process with respect to subcontractors, and there was discussion that the library will pay the CM/GC and they will hire and pay the subcontractors. The library will pay H.W. Houston \$375,000 to manage the project.

There was a question whether it was too early to ask about total project costs, and Mr. Walker said part of the CM/GC's service will be to provide cost estimating which is a big part of the reason for getting them started early. There will be discussions between the architect and CM/GC and the library, and the CM/GC will provide cost estimates to see what the library can afford.

Ms. Baca asked whether H.W. Houston had been given a local preference in the scoring, and Mr. Walker said all three of the bidders from Pueblo were given a local preference during the first round of scoring. Mr. Walker said the library was fortunate that H.W. Houston provided such a good cost proposal.

Dr. Mancha made a Motion, seconded by Ms. Bregar, that the Board of Trustees authorize the Executive Director to negotiate and execute a contract with H.W. Houston to provide Construction Management/General Contractor services to oversee construction of new libraries at an amount not to exceed a price of \$375,000 to include estimated costs for CM/GC services (\$312,000) plus contingency. There being no further discussion, MOTION CARRIED 4-0.

3. Revisions to Bylaws

Ms. Baca said the Board Development Committee reviewed proposed revisions to the Bylaws at the July 17 Board Work Session and made additional recommendations.

Mr. Walker said there was a lot of time spent at the Work Session going over the recommended revisions, and the additional revisions made were shown in gray.

Dr. Mancha asked whether the financial statements and reports provided to the Pueblo Board of County Commissioners and Pueblo City Council were required. There was discussion that it is what the library has been doing, and some are required by law, but the library has tried to keep them informed because they are the appointing authorities.

After further review, Ms. Gonzales made a Motion, seconded by Mr. Quintana, that the Board of Trustees approve the revisions to the Bylaws. There being no further discussion, MOTION CARRIED 4-0.

4. Executive Session

Ms. Baca announced that the Trustees will enter into Executive Session for the purpose of discussing matters that may be subject to negotiations, development of strategy for negotiations and instruction to negotiators pursuant to C.R.S. 24-6-402(4)(a) and (e). The Board may return to open session for any action the Board desires to take as a result of the Executive Session discussion.

Mr. Quintana made a Motion, seconded by Ms. Bregar, to move into Executive Session. The public was excused at 6:38 p.m.

The Board reconvened in public at approximately 6:59 p.m. upon Motion made by Ms. Bregar, seconded by Dr. Mancha.

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Ms. Gonzales made a Motion, seconded by Ms. Bregar, that the Board of Trustees allow the Executive Director of the Pueblo City-County Library District to enter into negotiations regarding property acquisition located on the East Side of Pueblo as discussed in Executive Session, subject to contingencies in the contract, not to exceed \$125,000. It was noted this was a separate transaction from the one passed at the Special Meeting on July 23, 2012. There being no further discussion, MOTION CARRIED 4-0.

VIII. ADJOURNMENT There being no further business, Mr. Quintana made a Motion to adjourn at 7:01 p.m.

Respectfully submitted,

Jane Carlsen
Secretary