

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

August 22, 2013

I. CALL TO ORDER AND ROLL CALL

The regular session of the Pueblo City-County Library District Board of Trustees was called to order at the Rawlings Library at 5:31 p.m. by President Marlene Bregar.

Board Members Present: Marlene Bregar, President; Fredrick Quintana, Vice President; Lyndell Gairaud; Philip Mancha; Roy Miltner (*participated by phone*); Jim Stuart

Board Member Absent: Donna Pickman

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Michael Cox, Director of Public Services; Janina Goodwin, Youth Services Manager; Kayci Barnett, Circulation Manager; Andrew Bregar, Lead Reference Librarian; others not recorded

Others Present: Doris Kester, Southern Colorado Community Foundation; Doreen Martinez, Friends of the Library

II. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker suggested three additions to the agenda: Add a new item IV.A. Presentation from the Southern Colorado Community Foundation from Doris Kester; add two new items to New Business, VII.B.2. Letter from Colorado City Improvements Corporation, and VII.B.3 Report on Annual Planning Retreat

III. APPROVAL OF THE MINUTES

Ms. Bregar said the Minutes of the Library Board Work Session held on July 16, 2013 and Minutes of the Regular Library Board meeting held on July 25, 2013 were provided to Board members prior to the meeting.

Mr. Stuart made a Motion, seconded by Ms. Gairaud, to approve the Minutes of the Library Board Work Session held on July 16, 2013. The minutes were approved by unanimous consent.

Dr. Mancha made a Motion, seconded by Mr. Quintana, to approve the Minutes of the Regular Library Board meeting held on July 25, 2013. The minutes were approved by unanimous consent.

IV. REPORTS

A. Presentation from the Southern Colorado Community Foundation

Doris Kester announced that she was pleased to present a check for \$1,000 in support of the Southern Colorado Community Foundation Nonprofit Resource Center at the library. Ms. Kester shared a story about a friend of her daughter's who was passing through Pueblo from Phoenix. Her daughter's friend was so impressed with the library she put together a book of 50 photographs of the library. Ms. Kester said seeing her photos reminded her how beautiful this library is.

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Ms. Bregar and Ms. Kester posed for a photograph, and the Board expressed their appreciation for the ongoing support from the Southern Colorado Community Foundation.

B. Executive Director Report

Mr. Walker introduced Janina Goodwin who has been the Circulation Manager but recently moved into a new role as the Youth Services Manager. As a last official act as Circulation Manager, he asked her to present a report on Unique Management Services (UMS).

Ms. Goodwin introduced Kayci Barnett who is the new Circulation Manager. Ms. Goodwin provided a presentation on the library's collections process to get materials back. Ms. Goodwin pointed out that children's unreturned materials do not affect their credit or their parent's credit. The process includes credit reporting for adults, but only after six months, and she showed a timeline of the collections process. Ms. Goodwin described the library's internal efforts over the initial 49 days, and when the account is turned over to UMS, the library is charged a flat rate of \$9.45 per customer which is passed on to the customer with a \$10 fee charged even if the materials are returned. If the customer does not return or pay for the overdue material, at 200 days UMS turns the customer over to collections. UMS provides the library with updates and helps identify customers in bankruptcy or with new addresses. UMS is only provided the amount owed, not the titles, to maintain the customer's confidentiality. UMS refers customers back to the library to find out about fines for specific titles.

Ms. Goodwin said in October 2012 the library began sending customers to collections with balances of \$25, instead of \$50 because \$25 balances were easier for customers to manage than \$50 balances. The average account paid in full was \$80 per customer in July this year, compared with \$215 in August of last year because it is easier for more customers to pay off smaller balances. Ms. Goodwin then showed a spreadsheet showing how many accounts were referred to collections each month, the accounts paid in full, and the amount recovered in cash and/or materials. Ms. Goodwin emphasized the goal is to have the materials returned.

Ms. Goodwin then reviewed the return on investment, and in the ten months from December 2011 to September 2012, the cost to refer 723 accounts to UMS was \$6,832.35, and \$8,477.80 cash was recovered. From October 2012 to the present, 3,640 accounts were referred to UMS at a cost of \$34,398, but only \$31,048.90 cash was recovered, but Ms. Goodwin expects that to improve.

Ms. Goodwin then reviewed potential considerations for future UMS activity. One would be to eliminate having UMS send a library letter as its first step which could save 50¢ per letter or approximately \$85 per month. UMS has suggested adding fines to the \$25 minimum, but the library is reluctant to punish people for checking out materials, and it could affect over 11,000 customers. Another option might be to reduce the balance to \$10, but that would affect even more customers.

Ms. Goodwin then offered to respond to questions.

Board members discussed concerns about the dollar amount cancelled, whether it was appropriate to affect credit of customers with economic challenges, the percentage represented by overdue DVDs, and the tone of the collection process. There was also discussion regarding how long the library has been using UMS and whether the library should look at using a different service; however, Mr. Walker explained that UMS serves a niche market for libraries throughout the United States, and he would not recommend a change due to the unique nature of library collection efforts to get materials returned.

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C. Friends of the Library Report

Doreen Martinez, Friends of the Library Secretary, provided the report. Ms. Martinez said the Friends of the Library Board had been on a summer break in June and July, and reconvened on Tuesday. The budget is on track with financial reserves for the Friends to meet program obligations on time. Membership was at 814 in July. The Hardback Sale was a success with income of approximately \$3,100 and 12 new members. The Friends of the Library will give away a wagon full of books to children attending the Kids' Day Parade. The Scholarship Committee awarded three scholarships. Jaclyn Baros and Nathaniel Petrov were awarded \$1,500 scholarships, and Susan Wolf received a \$3,000 scholarship; all are pursuing master degrees in library science.

The next contest will be the Scary Story Contest in October, and the awards ceremony will be held on October 30. The Publicity Committee is working on a membership drive, and a slide show prepared by Joanne Dodds several years ago has been revamped to provide a nice presentation to community groups. The first presentation is scheduled for the Junior League of Pueblo. The Project Selection Committee has a deadline for fund requests of August 23, and projects receiving funding will be announced at the September meeting. The Foundation reported \$12,000 raised to support the new library branches at two recent fundraising events, and groundbreaking events began yesterday with the Greenhorn Valley Library. The Summer Reading Program has wrapped up. All Pueblo Reads will kick off on October 4, and author events will be held on November 9 and 10.

Mr. Stuart suggested the Friends present their slide show to the Board of Trustees at the October Board meeting.

D. Pueblo Library Foundation Report

Mr. Stuart distributed information showing the amount of pledges received for the three new branch libraries. The Foundation has raised just under \$700,000 that has been pledged, and needs to raise another \$270,000 to complete the goal before the new libraries open. Mr. Stuart said it has gone very well. They have completed all the Point of Entry meetings in each neighborhood where \$17,447 was raised. The Foundation will be meeting in October to strategize and plan how to raise the remaining funds needed.

E. Attorney Report

Mr. Gradisar reported that the documents were signed last Friday to transfer the Greenhorn Valley property. The deed has been signed, and all documents were provided to the County, although it has not yet been recorded. The deed was transferred to the library prior to the groundbreaking. They still need to get the title policy issued as soon as the documents are recorded.

Mr. Stuart asked if the building permit hinges on that, and Mr. Gradisar responded that it does. Mr. Walker said he signed the construction contract with H.W. Houston today, and he expects it will take about three weeks to have the building permits issued. Construction is expected to start in about four weeks.

F. Financial Report

Ms. Bregar said the Board is asked to ratify the July 2013 bills and accept the July 2013 Fund Statements.

Ms. Brogan distributed a booklet, "An Elected Official's Guide on The New Pension Accounting" issued by the Government Finance Officers Association (GFOA), and it explains a change in financial reporting of pension plans. It will not appear in the 2013 CAFR unless

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it is implemented early. This new requirement has to do with how the library presents the liability for defined benefit plans, which is PERA. PERA is currently only 62% funded, so the library would have to reflect the remaining 38% on the financial statements. It will have a negative effect on the library's balance sheet, but would not impact the budget except for the current year's expense. PERA is working on gathering the actuarial data to supply all its members at year end. The liability will be reflected on the Balance Sheet under General Long-Term Debt as deferred outflows. Ms. Brogan said it will be a lot of money for the library.

Ms. Bregar asked if it will affect the fund balance, and Ms. Brogan said it will not, but it will be a report the library will have to produce. Dr. Mancha asked if the library is acknowledging that it is responsible for the other 38%, and Ms. Brogan responded that PERA has always been able to make those payments, but that has not been the case with other state benefit plans, and GASB wants to make sure the liability is reported. Dr. Mancha expressed concern whether at some point this might encourage PERA not to fund it at 100% and whether it could be an incremental step. Ms. Brogan said they are still learning about it, but the Board should be aware that it is a national requirement.

Ms. Brogan noted that the target percentage for the end of July is 58%. In revenues, property tax was 97% collected which will be the last big payment this year. Specific ownership was 43% collected which is right on target since there is a month lag in collections. Total fines were slower this month at 54%, but should level out by year-end. Total revenues were 90% collected.

Total expenditures were 52% spent. Personnel was also at 52%; since personnel is 53% of the total budget, it is the largest driver of total expenditures. Materials were 55% spent, and processing supplies were 89% spent which Ms. Brogan attributed to the increased expense of RFID tags and may require an adjustment by year-end. Facilities were 38% spent for the entire category. There is a credit of \$133 in vehicle maintenance which reflects receipt of an insurance payment for damage to the van a few months ago, and expenses incurred to repair the building in that incident were also recovered. Operating was 61% spent, and Ms. Brogan explained the increase was due to attorney fees for the CCIC (Colorado City Improvement Corporation) lawsuit, shown as an expense in Contract Services. The revenue will be shown in the Capital Project Fund. Information Technology was 68% spent.

In the Capital Project Fund, \$102,547 was received from CCIC, and Ms. Brogan expects this may cause revenues to exceed budget and require a resolution to amend the budget later this year. Expenditures included \$12,588 for the new building projects and \$865 for sprinkler repair. Ms. Brogan explained the \$6,889 credit to correct a previous June entry for landscaping from IT to Building Improvements. Total expenditures were 30% spent.

Ms. Brogan said there was nothing to report under Other funds because the Chamberlain Fund gets quarterly receipts.

In the Check Summary Report, Ms. Brogan pointed out the payment of \$1,590 to the American Library Association to send Janina Goodwin and Kimberly Young to "Boot Camp" which is a prestigious workshop requiring application with an essay. The \$2,880 payment to BCS Prosoft was an annual payment for telephone support for the accounting system.

Mr. Stuart asked about the payment to the Colorado Library Consortium, and Ms. Brogan responded it is a database subscription payment.

Ms. Brogan pointed out the amounts presented for the Board's approval include ACH payments of \$106,106.75, Payables of \$343,997.71, and Payroll of \$200,568.83 for a total of \$650,673.29

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Mr. Quintana made a Motion, seconded by Dr. Mancha, that the Board approve the July 2013 bills and accept the July 2013 Fund Statement as contained in the August 22, 2013 Board materials. There being no further discussion, MOTION CARRIED 4-0.

V. PUBLIC COMMENT None.

VI. OLD BUSINESS None.

VII. NEW BUSINESS

A. Announcements

- Groundbreaking Events for the new libraries have been scheduled as follows:
 - St. Charles Mesa Library – Tuesday, September 10 at 10:00 a.m. (Highway 50 and 24½ Lane near fire station)
 - East Side Library – Tuesday, September 24 at 10:00 a.m. (Corner of 7th Street and Monument Avenue)
- Ms. Bregar commented that the Greenhorn Valley groundbreaking was a great event with a nice turnout.
- All libraries will be closed on Monday, September 2 for the Labor Day holiday.
 - The next regular Trustee Work Session is scheduled for Tuesday, September 17 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
 - The next regular Trustee meeting is scheduled on Thursday, September 26 at 5:30 p.m. at the Library @ the Y, 3200 Spaulding.
 - The CAL Conference will be held October 17-19 in Loveland, Colorado. Deadline for room reservations is September 15.

B. Action/Discussion Items

1. Real Estate Contract

(Mr. Miltner joined the meeting by telephone at this point.) Ms. Bregar said PCCLD has 7.5 acres of land on the St. Charles Mesa that is surplus and to be sold. Real Estate contracts to facilitate the sale were reviewed and discussed by the Board of Trustees at the August 13, 2013 Work Session.

Mr. Walker distributed the contracts, and noted that there was a change made to the Contract to Buy and Sell Real Estate in paragraph 30 to clarify the obligation for earnest money.

Mr. Walker said he is asking the Board to authorize the Executive Director to enter into these contracts with the real estate broker and the seller as discussed during the Work Session.

Dr. Mancha made a Motion, seconded by Mr. Stuart, that the Board of Trustees authorize the PCCLD Executive Director to enter into contracts to facilitate the sale of surplus land on the St. Charles Mesa.

There being no further discussion, MOTION CARRIED 5-0.

2. Letter from Colorado City Improvements Corporation (CCIC)

Mr. Walker distributed a copy of the letter sent by CCIC to its members. Mr. Gradisar explained that one of the terms when settling the litigation was, because of statements made that were not complimentary to the library, that specific language be included in any communication about the litigation to its members. That language was included in the third paragraph of the letter.

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There was further discussion that the letter was one-sided, trying to make CCIC look as good as they could. The letter does not indicate that CCIC broke the law, nor does it talk about the \$1,700 per month paid in management fees for minimal work; however, it was agreed that the library should not respond.

Dr. Mancha questioned whether the letter was actually sent to its members, and Mr. Gradisar responded that CCIC was not required to send a letter, but if they did send a letter, it had to include that language. There was discussion of how the letter had been obtained, and Mr. Walker offered to contact others to verify receipt of the letter.

No further action was required by the Board.

3. Report on Annual Planning Retreat

Mr. Walker distributed the top ideas generated during last week's planning retreat. Most of the Board members have participated in a planning retreat, and he explained the retreat is a brainstorming session with staff about what the Library District might consider as objectives in the coming calendar year. The ideas listed had consensus that these were ones the library should seriously consider. Mr. Walker said it does not mean the library will not be doing other things or that the library will definitely do these things, but he wanted the Board to see what rose to the top during the process.

After some discussion, Mr. Walker said the library will continue to work on this as it ties into budget planning. Mr. Walker commented on expectations for flat revenue and budget considerations to fund new libraries, but emphasized that the library will focus on providing the best possible customer service, and he was optimistic about the library being able to manage a shortfall of about \$190,000.

Mr. Stuart complimented the staff and the way the planning retreat was run, and he commented on the energy and enthusiasm expressed by staff as reflected in the great ideas that were developed. Dr. Mancha noted that the library is at a turning point as it nears completion of its building plan, and commented that it is probably wise that there were no new major directives at this point.

No Board action was required.

VIII. ADJOURNMENT There being no further business, the meeting adjourned at 6:47 p.m.

Respectfully submitted,

Jane Carlsen
Secretary