

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

August 23, 2012

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 Lamb Library at 5:33 p.m. by President Sherri Baca.

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

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Diann Logie, Lamb Manager; Midori Clark, Community Relations Director; Bill Seidel and Todd Smith, Information Technology; others not recorded

Others Present: Jim Manire from BLX Group

II. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker indicated that guest speaker, Jim Manire, was enroute and may be delayed, and suggested item VII.B.1 be placed on the agenda based on Mr. Manire's availability.

Mr. Walker requested moving item VII.B.4 Intergovernmental Agreement immediately after VII.B.1 so Dr. Mancha may participate in that discussion.

Mr. Walker also requested adding item VII.B.8. to discuss a change in the date of the Work Session scheduled for November 6.

III. APPROVAL OF THE MINUTES

Ms. Baca said the Minutes of the Library Board Work Session held on July 17, 2012, Minutes of the Special Meeting held on July 23, 2012, and Minutes of the Regular Library Board meeting held on July 26, 2012 were provided to Board members prior to the meeting.

Ms. Bregar made a Motion, seconded by Ms. Gonzales, to approve the Minutes of the Library Board Work Session held on July 17, 2012. The minutes were approved by unanimous consent.

Mr. Stuart made a Motion, seconded by Ms. Bregar, to approve the Minutes of the Special Meeting held on July 23, 2012. The minutes were approved by unanimous consent. (*Mr. Quintana arrived at this point.*)

Mr. Stuart made a Motion, seconded by Mr. Quintana, to approve the Minutes of the Regular Library Board meeting held on July 26, 2012. The minutes were approved by unanimous consent.

IV. REPORTS

A. Executive Director Report

Mr. Walker introduced Diann Logie, Manager of the Lamb Library. Ms. Logie welcomed the Board back to the Lamb Library and said she would be reviewing the changes planned for the Lamb Library. Ms. Logie provided a presentation and discussed changes including removal of the service desk as it exists today, and her present office will contain the AMH (Automated Materials Handling) equipment which will feature a window allowing the public to see the equipment in operation. She provided floor plans and explained areas where new RFID self-checkout units will be available. Ms. Logie distributed copies of the plans to allow

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Board members to get a better idea of the changes to the floor plan. Ms. Logie described finishes and the possibility that each library will be assigned its own color scheme, and the pictures show Lamb with touches of yellow to provide a bright, welcoming environment.

Board members addressed concerns about having a single person at a service desk and whether the self-checkout stations would be readily identified. Ms. Logie said the changes to the service desks were designed to be more customer-service friendly. Ms. Logie explained the placement of the self-checkout units was sometimes limited to where they could get electrical power, but she expects to welcome customers back and give them brief tours to personally introduce the changes.

Ms. Baca asked about the transition, and Ms. Logie expects the library may be closed about a month during which time they will be retagging the collection. Ms. Baca asked if all the libraries will close, and Mr. Walker explained that only Barkman and Lamb will have to close, and the closings will be staggered, so one library will be closed two weeks, both will be closed two weeks, and the second library will be closed the next two weeks. During the weeks when the Barkman and Lamb are closed, the staff from those libraries will be tagging their own collections as well as the collections for Pueblo West and the Library @ the Y. The Rawlings collection will be tagged by a separate group of staff. Mr. Walker said the current schedule calls for design development to be completed in September, bids to be out in October, and the work will take place during the November-December time frame. Four libraries will be affected during the enhancement project, some more than others.

Ms. Logie returned to the presentation and reviewed the Summer Reading statistics and compared those with previous years. Lamb's program attendance exceeded both Barkman and Pueblo West.

Ms. Logie concluded with an introduction to the staff from Lamb which focused on recent changes and new employees.

B. Friends of the Library Report.

(Dr. Mancha joined the meeting by phone at this point.) Michael Voute, President of the Friends of the Library, explained that the Friends had just returned from its summer recess and had its first meeting earlier that week.

Mr. Voute announced that Mary Simmons had been nominated to represent the Friends on the Pueblo Library Foundation Board. Mr. Voute was also nominated to fill another term on the Pueblo Library Foundation Board. The Friends will provide representatives for both available Foundation positions if the Board of Trustees approves the nominations.

Mr. Voute said the Friends budget runs from May to April, and first quarter sales from Books Again were down about 15%, which they expect will be a continuing trend. The expenses for the book store are fixed, which means they will be scrimping a little this year. As a result, the Friends will limit its scholarship support from \$3,000 to \$1,000, although they hope to continue to contribute the amount budgeted for library projects. The Friends award half of the \$14,000 budgeted for library projects in July and the other half early next year.

Mr. Voute said the Friends also considered its support for the Foundation. The Pueblo Library Foundation has committed \$100,000 over five years to help the library acquire the site for the East Side Library, and the Foundation has asked the Friends to participate with \$50,000, and the Friends Board agreed with some modification. The Friends agreed to support the Foundation over five years, but it will include the \$10,000 already given to the Foundation in unrestricted money. The Friends have contributed \$10,000 in unrestricted funds to the Foundation, and another \$30,000 restricted for use on the new libraries. That money will be paid to the Foundation over the next five years, and the Friends will honor that commitment.

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Mr. Voute said the Friends are starting a public awareness committee because the Friends are not as well known as they should be. The committee will be under the leadership of Kim Furrh with involvement from the Friends Board, library staff and volunteers from Books Again to get the Friends better known which they hope will increase the amount the Friends are able to contribute to the library.

The Friends also discussed the idea of having someone from the Friends Board at the Board of Trustee meetings, who then reports to the Friends. The Friends of the Library would welcome having someone from the Board of Trustees attend their meetings to keep them informed of what the Board of Trustees is thinking about. The Foundation was built with that connection to the Friends and the Board of Trustees. Mr. Voute believes having a representative from the Board of Trustees attend Friends Board meetings would complete that loop to provide contact between the three Boards.

Mr. Voute said the Friends have received two additional membership applications, and Midori Clark has endorsed both of them.

Ms. Baca asked how often the Friends Board meets, and Mr. Voute said the Friends meet monthly except for June and July, and they sometimes skip the December meeting. The April meeting is short because it is held in conjunction with a dinner event. The Friends meet on the third Tuesday at 12:30 p.m. in Bret Kelly Room A at the Rawlings Library.

Ms. Baca thanked the Friends of the Library for its support for the library.

B. Pueblo Library Foundation

Mr. Stuart said the Foundation will not meet until October when they will be working on filling out the Foundation Board for next year.

Mr. Stuart is pleased to announce that the library will receive a grant of \$50,000 with a likelihood of an additional \$50,000, although he cannot yet make a formal announcement. Ms. Baca asked if that will be for the new libraries, and Mr. Stuart said it is. The Foundation hopes to raise \$100,000 for each of the new libraries, and this will give them a good start.

C. Attorney's Report None.

D. Financial Report

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

Ms. Brogan said there was nothing significant to report from the Balance Sheet. The target percentage for the end of July is 58%. Property taxes were 96% collected and specific ownership was 47% collected. July was another big month for collection of property tax at \$1.4 million. Interest income was 59% collected which was due to the increased earnings from property taxes. Other revenue items were within acceptable levels, and total revenues were 70% collected.

Ms. Brogan said total expenditures were 53% spent. Personnel was 53% spent with nothing unusual to report. Materials were 56% spent, slightly below target.

Facilities were 42% spent for the entire category and tracking as expected. Ms. Brogan pointed out that Utilities expenditures were on track in spite of increases from Black Hills, and she credited the installation of the solar panels. Ms. Brogan said last year, the addition of the solar panels resulted in a nine-month savings of nearly \$4,000, and this year the first seven-month savings were \$4,454. The total annual savings in 2012 are expected to reach \$7,000 which represents 3-4% of the total bill.

Ms. Brogan said Operating expenditures were 59% spent, just 1% over target, with nothing unusual to report. Information Technology was 73% spent with nothing special to report, but the excess was attributed to subscriptions paid early in the year.

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In Capital Project Funds, revenues were from interest earnings from ColoTrust, and revenues were 9% collected. Expenditures from the Capital Fund include expenses for the financial advisor and legal consulting expenses for the building project, a minor expenditure for the InfoZone, \$18,654 for IT to purchase computers for the Library @ the Y, and RFID expenses of \$2,524.52. Total expenditures were 9% spent.

Ms. Brogan referred to the Check Summary Report and noted that in the Comment field they had included a "CP" designation to identify payments from the Capital Project fund. Ms. Brogan pointed out the payment to Black Hills on page 6 would have been \$700 more without the solar panels. On page 7, there were two payments to Carnation Building, one payment was for June and one for July which was a timing issue. On page 11, the \$1,575 payment to UMB Bank was for administrative fees for management of the 2007 COP issue which is a semi-annual payment.

Ms. Brogan concluded that the total expenditures for the Board's approval include ACH payments of \$107,975.65, Payables of \$325,054.14, and Payroll of \$194,788.63, for a total of \$627,818.42.

Mr. Stuart asked about the payment to Provantage, and Ms. Brogan said it was one of the expenses to add computer equipment at the Library at the Y.

Mr. Miltner made a Motion, seconded by Mr. Quintana, that the Board approve the July 2012 bills and accept the July 2012 Fund Statement as contained in the August 23, 2012 Board materials. There being no further discussion, MOTION CARRIED 6-0.

V. PUBLIC COMMENT None

VI. OLD BUSINESS None.

VII. NEW BUSINESS

A. Announcements

- City Council will hold a public hearing on plans to contribute to the East Side Library on August 27 at 7:00 p.m. Ms. Bregar has agreed to represent the Board of Trustees at that meeting, and Board members were encouraged to attend.
- All libraries will be closed on Monday, September 3 for Labor Day.
- The next regular Board meeting is scheduled on Thursday, September 27 at 5:30 p.m. in the YMCA Board Room near the Library @ the Y located at 3200 Spaulding (off Pueblo Boulevard).
- All Pueblo Reads kick-off events will be held September 28 at the Pueblo West Library and on September 29 at the Rawlings 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. Resolution Authorizing a Lease-Purchase Transaction

Ms. Baca said the Board of Trustees reviewed a Resolution Authorizing a Lease-Purchase Transaction at the August 14 Trustee Work Session. The Resolution sets forth approval to lease certain property by PCCLD to the PCCLD Leasing Trust and the execution and delivery of a Lease-Purchase Agreement under which the District will lease certain library buildings and sites from the Trust.

Ms. Baca then welcomed Jim Manire from the BLX Group. Mr. Manire said he had been working with staff to prepare the financing, and he wanted to update the Board on a number of items including the results of the ratings on the Resolution presented

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for the Board's approval, financing costs, and the timeline expected to complete the process.

Mr. Manire said there was an outstanding outcome from the Moody's rating. Mr. Manire said the rating the library received in 2007 was delivered by Standard & Poor's, an A-, and they thought they were undervaluing the library's credit which is why they thought Moody's might take a more favorable view. Mr. Manire explained that the insurers had asked for a level of collateral that we would not have been able to deliver without being over-collateralized under the provisions of the law. There was further discussion explaining that the library would hold \$800,000 of the \$5.1 million in reserve, which assumes no interest earnings. The restricted funds would remain until the COPs are retired, and could be used as the final lease payment. In 2022 there could be another restructuring. Mr. Manire said they had provided for the flexibility if an insurer makes a reserve policy available in the future to substitute that financial instrument for the reserve, which would allow the library to release those funds from restriction.

Mr. Manire said the Resolution is the Board's formal approval, although not the final action, and it delegates authority to work with the underwriters to set the final terms subject to maximum terms outlined in the Resolution. There is an attachment on the back showing the maximum debt service payments. Mr. Manire said the Board is asked to make a finding that this is a reasonable rate to finance the debt at 4.5% interest, setting this up as the maximum parameter with which they can proceed as the pricing is completed.

The interest rate environment has held up well throughout the year, and they had not lost any significant ground, and a 3.6% or 3.7% interest rate will be a strong outcome.

Mr. Manire said if the Board is ready to proceed under the terms, the target is to be in the market in mid-September, and they will post a statement on an Internet site for potential investors. Pricing will take place around September 11-12, and they expect to close before the end of September, when the funds would become available.

Ms. Baca thanked Mr. Manire for his hard work. Dr. Mancha asked the total amount the library will be borrowing, and Mr. Manire said it will be \$11 to \$11.5 million, depending on technical factors and the actual investors.

Mr. Stuart made a Motion, seconded by Mr. Quintana, that the Board of Trustees approve the Resolution and authorize the Library Board President to finalize the transaction within the parameters specified. There being no further discussion, MOTION CARRIED 6-0.

2. Intergovernmental Agreement (IGA)

Ms. Baca said the Board of Trustees discussed an IGA between the City of Pueblo and PCCLD for the East Side Library project at the August 14 Work Session.

Mr. Walker said the Board is asked to authorize the Board President to execute the agreement. The City delivered copies of the agreement for the President to sign, and City Council will take it up on Monday, August 27. It is the same document reviewed by the Board at the Work Session.

Mr. Quintana made a Motion, seconded by Dr. Mancha, that the Board authorize the Library Board President to execute the Intergovernmental Agreement between the City of Pueblo and the Pueblo City-County Library District. There being no further discussion, MOTION CARRIED 6-0.

3. Board Development Committee Report

Ms. Baca said the Board Development Committee met in August, and Ms. Bregar would report on current developments including an invitation from the Friends of the Library, new Board member orientation, and upcoming advocacy opportunities.

Ms. Bregar said Mr. Voute mentioned it during the Friends of the Library Report, and the committee discussed the invitation from the Friends and felt it was important that the Trustee representative should be the same person rather than taking turns. The question was whether there was someone interested in doing that. At the Work Session it was suggested that Mr. Miltner be approached, but he declined at this time. Mr. Stuart offered to fill the role until an alternate is named.

Ms. Bregar said the committee also had a lengthy discussion on Board orientation. It was suggested the orientation material be provided in a spiral-bound format to make it more portable, a welcome letter be sent from the current Board President to the new Trustee, and to provide the new Trustee with a mentor with the Vice President serving as the mentor. Ms. Bregar said they agreed it would be nice to include a formal recognition and introduction of the new Trustee as part of the January Employee Recognition event. They also suggested that new Trustees should be offered a tour of the library facilities and to make sure new Board members know about conferences, planning retreats, and other opportunities.

Ms. Bregar said the committee asked Mr. Walker to look into making a website available with Board orientation information for easy, updated access because many of the documents are already posted.

Ms. Bregar said the committee talked about when a new Trustee officially takes office, especially with respect to when it would be appropriate to include the new Trustee in Executive Session discussions.

Finally, Ms. Bregar said the committee discussed upcoming advocacy opportunities for the Board of Trustees which include the CAL Conference in Keystone in October, fundraising activities will be gearing up, Kids Day Parade, and All Pueblo Reads kick-off events, and the Black Tie Ball on October 20.

4. Disaster Recovery Policy Revision

Ms. Baca said the Board of Trustees discussed a revision to the Disaster Recovery policy at the August 14 Work Session to include language relating to community involvement.

Mr. Walker added a phrase referring to collaboration with other community agencies, which had been discussed at the Work Session.

Ms. Bregar made a Motion, seconded by Ms. Gonzales, that the Board of Trustees approve the revision to the Disaster Recovery policy. There being no further discussion, MOTION CARRIED 6-0. (*Dr. Mancha discontinued his call at this point.*)

5. Library Enhancement Project

Ms. Baca said library staff members had been working with architectural design group, Studiotrope, to integrate the new RFID and AMH equipment and services into the Barkman, Lamb, Pueblo West and Rawlings Libraries.

Mr. Walker said the same process Ms. Logie described earlier for Lamb had been underway for each of the library locations, and Mr. Walker reviewed the background and experience with libraries provided by Studiotrope.

Mr. Walker provided a presentation and distributed schematic designs showing the planned changes to accommodate RFID and AMH equipment at each of the library

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locations. Features of the changes involve widening security gates, adding self-checkout stations to allow customers to also register for library cards and pay fines or fees using cash, coin or credit as well as checkin/checkout, and replacing large customer service desks with smaller staff desks situated in the center of customer activity to allow customers and staff to interact side-by-side. Space had been allocated for AMH equipment with windows allowing the public to watch the equipment in operation.

Barkman will open up more interior space for an additional computer pod, and the weeding project allowed them to remove some shelving so it will line up better with existing pillars in the building. AMH equipment will be located in the small meeting room, and another smaller tutor space will be created.

Mr. Walker referred to the color schemes shown, but noted it had not been decided whether to use separate colors for each library or use a single color for all libraries. The diagrams show words identifying different areas as a marketing initiative, spaces will be provided for power walls, automated book returns, technology bars, "beehives" to create openness while also creating a sense of some division, and "jump" areas. Mr. Walker said staff would still have to move materials from outside book drops into a container which will be rolled to the AMH equipment. Mr. Walker said self-service stations will not mean customers have to do everything themselves, but it will facilitate and empower them to be able to do more things themselves.

Board members addressed specifics of the schematic designs, and Mr. Walker said the library is moving to a roving-type model, which will be enhanced if employees are not tethered to a desk so they are investigating the use of wireless tablets and telephones.

Mr. Walker agreed that this is a very different concept, and there has been a lot of internal discussion of it being a culture change both for staff and the public, and there was additional discussion about the potential impact from these changes. Mr. Walker said the library is not on the leading edge of this technology so the library will be able to take advantage of the lessons learned by other libraries that have already been through this.

Ms. Bregar asked if there had been any thought to using the same configuration on the 2nd floor. Mr. Walker said it is contemplated for 2013. The plans were provided for RFID/AMH. In 2013, they would like to see it evolve to the 2nd floor, but it will have to be budgeted separately. There was a brief discussion of the benefits of positioning a greeter near the entrance, particularly at the Rawlings Library.

6. Board Source

Ms. Baca said PCCLD had subscribed to Board Source as support documentation for the Trustees. The subscription expires on September 12, 2012, and the Trustees were asked to discuss whether to renew the service.

Mr. Walker asked the Board of Trustees for input. After discussion, it was agreed that the library would let the subscription to Board Source lapse, and the Board Development Committee will look at other options.

7. Executive Session

Ms. Baca announced that the Trustees would 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)(e). The Board may return to open session for any action the Board desires to take as a result of the Executive Session discussion.

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Ms. Gonzales made a Motion, seconded by Mr. Quintana, to move into Executive Session. The public was excused at 7:26 p.m.

The Board reconvened in public at 7:44 p.m. upon Motion made by Ms. Bregar, seconded by Mr. Quintana.

Mr. Stuart made a Motion, seconded by Mr. Miltner, that the Board of Trustees authorize the Executive Director to take action in accordance with the Executive Session discussion with respect to property for the East Side Library. There being no further discussion, MOTION CARRIED 5-0.

8. Date Change for November 6 Work Session

Mr. Walker said he serves on the OCLC Global Council, and the November meeting conflicts with the November 6 Work Session. The OCLC Global Council will be held November 5-7, and Mr. Walker suggested that the Board could move the Work Session to either Thursday, November 8 or to Tuesday, November 13. The Regular Board Meeting is scheduled on November 15 as a result of the Thanksgiving holiday. After additional discussion, the Board of Trustees agreed to move the meeting to Thursday, November 8 at 3:00 p.m.

Mr. Stuart made a Motion, seconded by Mr. Quintana, to reschedule the November 6 Work Session to November 8 at the same time and location. There being no further discussion, MOTION CARRIED 5-0.

VIII. ADJOURNMENT There being no further business, the meeting adjourned at 7:49 p.m.

Respectfully submitted,

Jane Carlsen
Secretary