

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

November 21, 2013

I. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2014

President Marlene Bregar called the meeting to order at 5:31 p.m. and welcomed the audience to the public hearing on the proposed budget for fiscal year 2014. Ms. Bregar then turned the meeting over to Chris Brogan, Chief Financial Officer. Ms. Brogan distributed a revised 2014 Budget & Annual Plan prepared for the Public Hearing.

Ms. Brogan said notice of the budget and budget hearing was advertised in *The Pueblo Chieftain* on October 18, 2013. The library prepares two funds, the General Fund and Capital Project Fund. Ms. Brogan said property tax and general revenue operating expenses come from the General Fund, and the Capital Project is usually the less active fund with revenue and expense for capital asset acquisition, but that will change in 2014 as the library builds three new libraries. Ms. Brogan said 89% of the library's revenue comes from property taxes, and that is because other revenue sources have gone down with contributions now going through the Library Foundation, Specific Ownership tax down to 7% and had been closer to 9%.

In the General Fund, Ms. Brogan expects property tax revenue to only increase by \$247 with a mill levy of 5.258. Abatements and refunds are lower than last year, and the only reason the library's revenue did not go down is because the Rocla concrete tie plant will come on to the tax rolls in 2014. Specific Ownership tax is up by .2%. Contracts, grants and donations are up 17% due to the State Funding grants approved by the legislature in 2013, and the State Library has advised libraries to budget for that again in 2014. Interest earnings are down 2% due to the spend-down of investable funds. Remaining revenues, which include fines, photocopier and other fees, is down by less than 1%. Total revenues are up by only .35% or \$34,017 compared with the 2013 budget estimate.

Ms. Brogan expects total savings in the 2013 budget of about \$268,564. In 2014, the library will be using reserve funds, and there is usually vacancy savings, and most of the savings are from wages and benefits. Expenditures in personnel are a little lower because there is a big jump in materials for the opening-day collections for the new libraries. Total General Fund expenditures are up 11% with all annual plan initiatives included. Personnel has an increase of 3% which includes implementation of the Pay-for-Performance plan and allows the addition of 4.2 full-time equivalent employees, which is good considering there will be three new libraries. Workers compensation increases about 20%, and hopefully that will be the last year of the three-year look-back period, so there should only be one more year of higher rates. Ms. Brogan said unemployment is difficult to estimate, but the budget is close to 2013, which was about \$5,600. Health benefits decreased because Health Access Pueblo is no longer available for part-time staff. Training decreases 17% to focus on in-house leadership training and allows fewer outside conferences. Miscellaneous personnel expense decreases 23% with a reduction in annual plan initiatives and focus on Pay-for-Performance.

Ms. Brogan said Materials increases 45% and maintains the goal of keeping materials at 15% of total operating budget, and opening day collections for the new libraries added \$600,000. Programs remain at estimated 2013 budget levels. Facilities increase 9%, and a good part is due to the new buildings to include utilities at the new libraries. Operating increased by 8% and includes an increase of 9% in Contract Services to include annual plan initiatives; Community Relations decreased by 10% over estimated but will be adjusted

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before the end of the year; Office supplies increased 25% to provide supplies for the new libraries; Courier services increased 61% to provide services to the new libraries for the last 4-5 months but are expected to go up more the following year; Information Technology increased 11% to provide telephones and Internet for the new facilities.

The General Fund balance is expected to be \$2,431,331 at the end of 2014, a decrease of \$679,149 from the prior year due to operational funding for the new libraries. The budget expects the library to spend \$479,149 more than it will be bringing in, but still maintains a fund balance at 20% of operating expenditures.

The Capital Project Fund includes new building and capital projects, InfoZone expenses and upgrades, and Capital Asset acquisition in the Replacement Plan. Capital Project Fund budgets for total revenue of \$350,188 which includes grants from the Foundation's Capital Campaign fundraising efforts, from the City of Pueblo upon occupancy of the East Side Library, new grants from the Pueblo Library Foundation, and contributions from the Friends of the Library. No income is projected for the InfoZone, and interest earnings are based on investable funds.

Capital Fund expenditures include \$4,967,183 for completion of the new libraries, and the library has moved a large amount from 2013 into 2014 for those projects. The InfoZone will continue to enhance and upgrade the museum using \$100,000 money contributed by the Rawlings Foundation. A further breakdown of everything the library will be doing includes: the completion of new buildings, replacement plan computers, trailer replacement, and building improvements. Total expenditures in the Capital Project Fund total \$5,577,965. The ending balance is very low and includes a transfer from the General Fund of \$200,000 to the Capital Project Fund.

The assumptions are that revenues have been budgeted conservatively and expenses have been budgeted liberally. Due to a later construction start in 2013, about \$1.2 million was moved from the 2013 budget into 2014 for the new libraries. The combined fund balance budgeted is \$3,078,861 which is 20% of total combined annual expenditures.

This budget is still preliminary, and final adjustments will be made between now and December 12 based on new information on estimates in 2013 budget, end-of-year issues, assessed valuation changes, new information on costs, and adjustments between the General and Capital Project funds.

Ms. Brogan closed by welcoming comments from the public until 5:30 p.m. on Thursday, December 12, 2013 at which time the proposed 2014 budget will be presented to the Board of Trustees for adoption and appropriation.

Ms. Bregar opened the floor to any questions or comments.

Dr. Mancha congratulated the library on keeping salary costs at 48% of the budget which is very good because when it gets high it eats up the organization's ability to do much of anything else. Ms. Brogan responded that salaries are usually between 50-60% while schools are closer to 75%.

There being no further comments, Ms. Bregar concluded the public hearing on the budget.

II. CALL TO ORDER AND ROLL CALL

Ms. Bregar requested the Board Secretary call the roll.

Board Members Present: Marlene Bregar, President; Lyndell Gairaud; Philip Mancha; Roy Miltner; Donna Pickman; Jim Stuart

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Board Member Absent: Fredrick Quintana, Vice President
Attorney Present: Nicholas Gradisar
Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Michael Cox, Public Services Director; Teresa Valenti, Technical Services & Collection Development Director; Midori Clark, Community Relations & Development Director; others not recorded
Others Present: Doreen Martinez, Friends of the Library

III. CORRECTIONS AND MODIFICATIONS TO ADENDA None

IV. APPROVAL OF THE MINUTES

Ms. Bregar said the Minutes of the Library Board Work Session held on October 15, 2013 and Minutes of the Regular Library Board meeting held on October 24, 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 October 15, 2013. The minutes were approved by unanimous consent.

Dr. Mancha made a Motion, seconded by Ms. Pickman, to approve the Minutes of the Regular Library Board meeting held on October 24, 2013. The minutes were approved by unanimous consent.

V. REPORTS

A. Executive Director Report

Mr. Walker announced that Special Collections received word that it holds one of the top 15 artifacts in Colorado which is Kit Carson's will. There will be a competition for the public to select the top 10 artifacts. Mr. Walker then introduced Kayci Barnett who has been involved in the annual plan initiative to implement a call center to make things more effective for the district.

Ms. Barnett thanked the Board for their volunteer efforts. Ms. Barnett suggested there was a way to increase employee morale and give each library branch a full day of time to work on projects. Ms. Barnett said the library started looking at the best way to utilize the time savings created by AMH, and noted that customers disliked the automated attendant, and librarians were trying to answer account questions while Circulation staff were trying to answer reference questions, and both disliked having to choose between answering the phone or helping the customer in front of them. The call center allows callers to immediately speak to a human, gives librarians more time to help customers, and uses Circulation staff with the time savings from AMH to answer all the calls for the district. The challenges were to ensure all the calls were answered, train Circulation staff to answer ready reference questions, determine how it would impact branches, and figure out how much it would cost. Ms. Barnett explained that the library decided to use a blended model with calls first being routed to the Rawlings call center, if that line is busy, the call is then routed to the Library @ the Y, and if that is unsuccessful, the call is then routed to UIC (Unique Integrated Communications). UIC also handles the library's collections, and their customers are libraries so they understand library customers as well as library policies and procedures. UIC has access to the library's integrated library system so they can renew items, check the library's holdings. UIC also provided training for staff since they are already operator

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experts. Staff from UIC visited the all the library locations and took pictures so their staff could feel like they knew Pueblo's libraries.

Ms. Barnett said another result has been an increase in job satisfaction. Employees enjoy working the call center because it adds diversity to the job, provides an opportunity to learn reference skills, and prepares them for the facilitated customer service model. Employees at the branches enjoy having fewer calls and more time to help customers in the library.

Ms. Barnett provided a graph showing the change in call volume with varying decreases in every department, except the Library @ the Y where they experienced an increase. Ms. Barnett said the cost was limited to the amount charged by UIC which is a minimum of \$1,000 per month at \$1.25 per minute. In September, with 1871 call minutes, the cost was \$2,338.75. The library used existing staff and equipment for the call center at Rawlings. Ms. Barnett said the call center enabled Facilities to cancel its phone service at a cost of as much as \$180 per month. It would have required at least one additional full-time employee to manage the call volume handled by UIC.

Ms. Barnett said the call center was a good call, and using the blended model ensured there are enough operators to answer all the calls without having to hire new employees. The average time per call provided by UIC enabled her to calculate that Barkman went from spending 10 hours per month on the phone to 3 hours, gaining nearly a full day to work on projects. Ms. Barnett then showed an "infomercial" prepared for staff development.

Dr. Mancha asked if there had been any reaction from the public, and Ms. Barnett said the most common reaction was surprise at reaching a person. Others had learned exactly the right buttons to push and were getting used to the change. When the automated attendant was introduced there were a lot of angry calls right away, and that has not been the case with the call center, but people usually do not call unless there is a problem. There was additional discussion which concluded that the early results were very promising.

B. Friends of the Library Report

Doreen Martinez reported that the budget is on track with financial reserves being met and program obligations to be met on time. Books Again will have a half-off sale December 5-7 with a members-only day on December 5. The Scary Story Contest Award Ceremony was held October 30, and the Creative Writing Contest Award Ceremony will be held on December 5 at 7:00 p.m. in the Ryals Room. Plans are underway for the Friends of the Library Annual Meeting and Dinner on May 9 or 10. The All Pueblo Reads Black Tie Ball was a success with 225 in attendance, and over 300 attended the public event on Sunday. Carol King will serve on the Pueblo Library Foundation Board for the next board year. Ms. Martinez said members of the Publicity Committee have been working on a membership drive, and total members as of October was 868, and their goal is to reach 1,000 by the end of the Friends' Board year.

Ms. Martinez then presented a slide show of the history of the Friends of the Library in Pueblo that is being shared with community groups. Ms. Martinez encouraged everyone in attendance to become a member of the Friends of the Library.

C. Pueblo Library Foundation Report None

D. Attorney Report None

E. Financial Report

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

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On the Combined Balance Sheet, Ms. Brogan pointed out that General Fund Assets dropped about \$539,000 from September, and in the Capital Fund it dropped about \$228,000. This is to be expected because cash receipts from property tax have dropped significantly and will pick up again in March of 2014. Ms. Brogan said the library will be living on the balances in ColoTrust and CSAFE without dipping into any investments.

Target percentage for the end of October is 83%. Under Revenues, property tax was 99% collected. Specific Ownership tax is still short, and Ms. Brogan is working with officials to find out the reason. Government Finance Directors in Pueblo are also looking more closely at Specific Ownership, and it appears that it will be under budget by about \$100,000. Ms. Brogan believes there may have been a miscalculation, and there was additional discussion about the formula. Fines were 3% below target, and that category includes meeting room fees, replacement fees, and library card fees. The only category down was overdue fines. Miscellaneous sales were also down from last year.

Total revenues were 95% collected, just 1% lower than last year at this time, and Ms. Brogan predicted the library may be down about \$95,000 by year end.

Ms. Brogan said total expenditures were 72% spent which is 2% lower than last year. Personnel was 77% spent with most of the savings. Ms. Brogan expects savings of \$250,000 in Personnel. Materials was 72% spent, and she expects processing supplies to go over budget by \$14,991 as a result of the increased cost of RFID tags. Programs will exceed the budget by about \$40,000 due to higher expenses for the Black Tie Ball and All Pueblo Reads, and she expects to have a clearer picture by the end of November. Facilities was 72% spent, and Ms. Brogan expects savings of about \$100,000 due to the mild weather. Payment for the November debt service has been made and will be reflected in the November statement. Operating was 80% spent, and Ms. Brogan expects savings of about \$55,000 in this area. Information Technology was 84% spent, and Ms. Brogan believes it will be entirely spent by year end. Ms. Brogan estimated the total savings in the General Fund to be \$268,564.

Mr. Stuart asked about the Friends expenses, and Ms. Brogan said those are offset by revenue when the Friends allocate funds for a project.

In the Capital Projects Fund, revenues are 135% collected, but approval of the Budget Resolution will bring those numbers back in line, but even with that adjustment, Ms. Brogan expects actual to budget will be very close to even in revenues. Expenditures included the building projects, credit for shipping for return of defective equipment purchased for the InfoZone, the final payment to Sirsi-Dynix for RFID equipment, and design costs for the 2nd floor enhancement project. A lot of the 2nd floor enhancement project funding will move into 2014. Total expenditures were 39% spent. Ms. Brogan projected total savings of \$1,832,703 due to the delay in construction for the new libraries which will be moved to 2014.

In Other Funds, Ms. Brogan pointed out that deposits were made to the Chamberlain Fund in October. The 2nd and 3rd quarter dividends resulted in a \$2,000 transfer to the Foundation in October made at the Board's direction. The total amount transferred is \$41,500, leaving a balance of \$3,500 which will be transferred when received in 2014.

In the Check Summary Report, Ms. Brogan pointed out a donation payment of \$849.87 which was the Chamberlain Fund dividend that was deposited into the General Fund rather than to the Chamberlain Fund. Rather than pay for a wire transfer, a check was written from the General Fund to transfer the money to the right place.

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Ms. Brogan reviewed amounts presented for the Board's approval to include ACH payments of \$401,915.98, Payables of \$360,265.07, and Payroll of \$200,358.75 for a total of \$962,539.80.

Mr. Miltner made a Motion, seconded by Mr. Stuart, that the Board approve the October 2013 bills and accept the October 2013 Fund Statement as contained in the November 21, 2013 Board materials. There being no further discussion, MOTION CARRIED 5-0.

VI. PUBLIC COMMENT None

VII. OLD BUSINESS None

VIII. NEW BUSINESS

A. Announcements

- All libraries will be closed on Thursday, November 28 for Thanksgiving Day. All libraries will close at 6:00 p.m. on Wednesday, November 27.
- The Board of Trustees along with one guest are invited to join staff and volunteers at the 2013 Nesbitt Holiday Party on Saturday, December 7 at 7:00 p.m. at the El Pueblo History Museum at 301 North Union Avenue. RSVP to Jill Deulen at 562-5642 by November 29.
- The next regular Work Session is scheduled for Tuesday, December 10 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- The next regular Board meeting is scheduled on Thursday, December 12 at 5:30 p.m. at the Rawlings Library.

B. Action/Discussion Items

1. 2014 Library Closings

Ms. Bregar said the Library Board has approved holiday time off for all employees as listed in the Employee Guidelines for January 1 (New Year's Day), January 20 (Martin Luther King Jr. Day), May 26 (Memorial Day), July 4 (Independence Day), September 1 (Labor Day), November 11 (Veterans' Day), November 27 (Thanksgiving Day), December 24 (Christmas Eve), and December 25 (Christmas Day). The Board is asked to consider the additional customary library closures for 2014:

- Presidents' Day, Monday February 17, 2014 (All libraries closed for staff development day)
- Easter Sunday, April 20, 2014
- Columbus Day, Monday, October 13, 2014 (All libraries closed for staff development day)
- Thanksgiving Day Even, 6:00 p.m. (early closing, Wednesday, November 26, 2014)
- Sunday, December 21 and Sunday, December 28, 2014 (Sundays before Christmas and New Year holidays)
- New Years Eve, 6:00 p.m. (early closing), Wednesday, December 31, 2014.

Mr. Stuart made a Motion, seconded by Dr. Mancha, to approve library closings scheduled in 2014.

Dr. Mancha commented that the first list is from the Employee Guidelines, and there was discussion of the reasons for the separation.

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

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2. Resolution for Supplemental Budget and Appropriation

Ms. Bregar said the Trustees had discussed a Resolution regarding funds conferred upon the library as a result of the dissolution of the Colorado City Improvement Corporation at the November 19 Work Session.

Ms. Pickman made a Motion, seconded by Ms. Gairaud, that the Board of Trustees approve the Resolution for Supplemental Budget and Appropriation.

Dr. Mancha said his understanding was that the money was specifically designed to go to Colorado City. Ms. Bregar said the Resolution includes that it is “to increase available funds for completion of the capital building project in Greenhorn Valley, Colorado City.”

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

IX. ADJOURNMENT There being no further business, the meeting adjourned at 6:41 p.m. upon Motion made by Mr. Stuart, seconded by Dr. Mancha.

Respectfully submitted,

Jane Carlsen
Secretary