

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

April 28, 2016

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 Fredrick Quintana.

Board Members Present: Fredrick Quintana, President; Donna Pickman, Vice President (participated by telephone); Marlene Bregar; Lyndell Gairaud; Philip Mancha; Doreen Martinez; Jim Stuart

Staff Present: Jon Walker, Executive Director; Sara Rose, Chief Operating Officer; Sherri Baca, Chief Financial Officer; Midori Clark, Community Relations/Development/Strategic Initiatives Director; Terri Daly, Human Resource Manager; Todd Smith; AV Technician; others not recorded.

Attorney Present: Nicholas Gradisar

II. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker requested adding item VIII.B.3. Urban Renewal Authority Commission Appointment Update, which was accepted.

III. APPROVAL OF THE MINUTES

Mr. Quintana said the Minutes of the Library Board Work Session held on March 15, 2016 and Minutes of the Regular Library Board meeting held on March 24, 2016 were provided to Board members prior to the meeting.

Mr. Stuart made a Motion, seconded by Ms. Bregar, to approve the Minutes of the Library Board Work Session held on March 15, 2016. The minutes were approved by unanimous consent.

Dr. Mancha made a Motion, seconded by Ms. Gairaud, to approve the Minutes of the Regular Library Board meeting held on March 26, 2016. The minutes were approved by unanimous consent.

VI. REPORTS

A. Executive Director Report

Mr. Walker shared an article which recently appeared in *The Pueblo Chieftain* titled, Museums and libraries connect communities and said he was proud of what Maria Tucker had contributed.

Mr. Walker then invited Sara Rose, Chief Operating Officer, to provide an update report on the Pay for Performance system.

Ms. Rose started by introducing the Human Resource Manager, Terri Daly.

Ms. Rose reviewed the concept developed as a goal in 2011. She reviewed in detail the consultant work, meetings, market salary survey, and staff survey and input used to redesign the compensation structure in 2012. She reviewed the difference in the new pay-for-performance structure which had organizational groups with ranges rather than steps allowing more flexibility. In 2013, a monthly "walk around the block" was implemented, revised performance appraisal tools, updated job descriptions to reflect purpose and impact, and implemented Paychex online performance reviews and

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completed the transition from step increases to pay-for-performance while continuing the inclusive process for staff. Performance reviews were prorated from anniversary date to a single point in time. The first pay-for-performance was issued on January 1, 2014, SMART goals were implemented, there was performance data available, and there was a lot of training of staff, all while building three new libraries.

Ms. Rose said the performance pay had a 2.5% budget in 2014 which was aided slightly by the delayed opening and staffing for the new libraries. Compensation was distributed with new hires receiving a prorated increase, and employees receiving promotions were not eligible for the bonus. A 2.5% increase to base went to 95% for highest scores, 2% increase for 4% lowest scores, and 1% to “needs improvement”. Those under review received no increase. A merit award of 1% was given as a one-time bonus to the highest performers with 42% of eligible Management Team and 61% of eligible non-supervising staff receiving a merit award.

Ms. Rose commented on the impact of having no number identification in the compensation structure, and the organizational levels are positive to identify individual roles. Because employees participated in the process there was buy-in. Job descriptions were changed to include the reason for their duties, e.g., “accurately place books on shelves” was changed to “accurately place books on shelves to increase circulation” and employees began speaking a new language.

In 2015 there was not as much funding available, but consistency of “walks around the block” and timing improved, while training continued to achieve consistency in scoring, and the goals management process improved. The compensation distribution issued in January 2016 had a 2.5% increase provided to top 70% scores, 2% increase to 29%, 1% increase to 1%. In addition a \$200 merit bonus went to top 20% and a \$100 merit bonus to next 30%. The practices continued to pro-rate increases for new hires and promoted employees were not eligible for the merit bonus.

Ms. Rose said employees accept and seek greater pay differential, and lower scoring employees seek feedback to improve performance. The real-time feedback from “walks around the block” has been useful. Currently the library is looking at options for eliminating the annual review and developing a system for monthly scoring to create a 12-month rolling score to provide real-time awareness of performance and an opportunity to plan for improvement. They are also looking for more options for the future such as group rewards, new tools for managing goals, maintain fresh recognition programs, more non-monetary rewards, employee development, and a digital badge program.

Mr. Stuart said there has been a lot of work over a lot of years, and Ms. Gairaud said she appreciated the update. Dr. Mancha asked how the new approach had affected the actual salary line, and Ms. Rose said the library might not always have 2.5% available, and it can be adjusted as necessary. Ms. Rose also commented that professional levels have a larger bandwidth to encourage longevity.

Mr. Quintana noticed the first year 95% achieved the base increase, but the second year only 70%, and he asked if the library was setting a hard bell curve for where those fall. Ms. Rose said in the initial years it has been a gradual process to find out what the curve might be. There was discussion that people are beginning to understand there is a base pool as well as a bonus pool. Mr. Walker pointed out the goal is to have flexibility to recognize performance and set goals, but the level of the award depends on how the scoring plays out as well as the budget. At any given point employees can see where they are and how they need to improve, and it is much more collaborative than an annual evaluation.

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Mr. Quintana said he appreciates the work and the way the library is going with it, and he will be interested to see how it continues to grow.

Mr. Walker said one of the advantages has been the library's size, and he emphasized the importance of communication noting it would have been more difficult in a larger institution.

Mr. Stuart commented on the importance of training evaluators to evaluate in a uniform fashion which is an ongoing effort. Ms. Rose agreed and said in the first year scores had to be adjusted, but after working with evaluators the second year it was not necessary.

B. Friends of the Library Report

Ms. Martinez said the Friends of the Library had a busy month. There will be two new Friends Board members: LeRoy Miltner, who will be working on history and a new membership drive; and Leslie Carroll, who is interested in serving as the new treasurer so the current treasurer can step up into the role of Vice President. The Scholarship Committee met and awarded three scholarships to Nate Petrov, Rachel Salazar and Midori Clark to continue pursuit of MLS degrees. The Project Selection Committee met to review \$15,875.41 in project requests. Ms. Martinez said librarians are in sync with the kinds of things the Friends want to fund, and the Friends will fully fund almost every project and partially fund two projects, and she reviewed a number of the projects funded. Ms. Martinez reminded Board members the funding grants are made possible not by the Friends of the Library Board, but by the book store volunteers who treat their work at Books Again as a full-time job. Ms. Martinez encouraged everyone present to visit the book store which makes it possible for the Friends to support the library.

The Friends of the Library Annual Dinner will be held on Friday, May 13 at 5:30 p.m. with dinner at 6:00 p.m. Craig Eliot will be the emcee, and David Wagner will be the guest author who writes mysteries. The event will have a mystery vibe with an Italian dinner. Tickets are \$25.

Mr. Stuart said the Friends of the Library are only ten short of having 1,100 members, and Ms. Martinez challenged each Board member to bring in one new member.

C. Pueblo Library Foundation Report

Ms. Gairaud said the Foundation had its quarterly meeting in April. The newest member, Dustin Hodge, was there. Gloria Madrill is the library staff member recording minutes.

There was discussion whether contributions to the Foundation qualified for the Enterprise Zone tax credit, and the answer is yes as long as the donations are used for capital projects, but not specific gifts to the endowment fund. Those donations are treated separately.

There was a review of the 2016 preliminary budget, and the Foundation had a current balance of \$87,828.65. Ms. Gairaud said the Foundation was provided an update report on fundraising. The Leadership Institute is going well, and the girls seem to be enjoying it. They were provided with Leadership Institute Investor forms to donate to help fund a scholarship for next year. "Together We Read" was a big success that worked well. There will be another event on July 16 with tickets \$75 a plate.

The next Foundation meeting will be held in July.

D. Attorney Report None

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E. Employment Changes

Mr. Quintana said the Board is asked to ratify the March 2016 Employment Changes as presented by the Executive Director.

Ms. Bregar made a Motion, seconded by Mr. Stuart, to approve the Employment Changes contained in the April 28, 2016 Board materials.

Mr. Walker said there was one new hire, two promotions and two retirements in March. Mr. Walker commented further on the retirements at Pueblo West. Steve Antonuccio, who came out of retirement to manage the Pueblo West Library, will be retiring in early May and has been a huge asset there. Susan Wolf will be the new Pueblo West Library Manager.

There being no further discussion, MOTION CARRIED 6-0.

F. Financial Report

Mr. Quintana said the Board is asked to ratify the March 2016 bills and accept the March 2016 Fund Statements.

Dr. Mancha made a Motion, seconded by Mr. Stuart, that the Library Board approve the March 2016 bills and accept the March 2016 Fund Statement as contained in the April 28, 2016 Board materials.

Ms. Baca welcomed the new Human Resource Manager, Terri Daly, who comes to us with over 20 years of HR experience. There is now a fantastic HR team in place.

Ms. Baca reminded the Board this is still a preliminary report because there will be adjustments for year-end 2015 that affect March's balance sheet amounts. Revenue from property taxes have started flowing.

In the General Fund, the target percentage for the end of March is 25%. Revenues are on track and included over \$2,011,000 property taxes received in March. There was some variation in the revenue line items. The 2016 budgeted revenue for fees was lowered, but were 37% collected which exceeds the target. Total revenues were on target at 25% collected overall. Total expenditures were 23%, the same as last year. Personnel expenses were 23% spent, the same as last year, with 22% for salaries. Workers Compensation shows 103% spent because it was paid in a lump sum, but deductibles had not been added and that may work itself out. Materials were 30% spent compared with 22% last year, but it is not a concern. Facilities were 12% spent, and tracking close to last year. Operating expenses were 23% compared with 28% last year. Professional memberships were high because those were paid up front and will work down as the year progresses. Information Technology was 51% spent compared with 46% in 2015. Ms. Baca said it is still early in the year, and there were no budget concerns at this time. Revenue over expenditures was \$107,159 for March.

Ms. Baca said in the Capital Projects Fund, revenue was 17% collected with a little bit of interest income. Expenditures were 39% spent. InfoZone expenses included installing theatre drapes and upgrade design work. Capital asset purchases included acoustic panels and media room expenses for Greenhorn Valley, LED lighting for Lamb and call center relocation. Spending was as anticipated.

In the Special Revenue Fund, Ms. Baca said the library received a small distribution from the Chamberlain Fund.

The Nesbitt Employee Fund remains stable with \$3,000 permanently restricted. Nesbitt recognized employees for National Library Workers Day on April 12 this year.

In the Check Summary Report, Ms. Baca said there were a number of subscription and capital purchases made in March. The payment to 1000 Bulbs was for LED lighting.

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The payment to Alarid & Son was remodeling the call center. ATS Acoustics were for acoustic panels. BCS Prosoft was a renewal subscription.

Mr. Stuart asked about the payments to Michelle Martinez, and Ms. Baca explained the first check to the artist working on the Lucero art project had been sent to her California address and was voided and reissued to her here.

Ms. Baca concluded with the amounts presented for the Board's approval to include ACH payments of \$126,968.75, Payables of \$471,313.89, and Payroll of \$226,174.20, for a total of \$824,456.84.

There being no further discussion, MOTION CARRIED 6-0.

V. BOARD COMMENT

Mr. Stuart noticed in the newsletter that the library is moving from the previous carrier for ebooks and asked how the library will be notifying customers.

Mr. Walker said there will be a separate app, and there is a transition plan which will provide some overlap when both are available. At this point there is staff training underway. The timeline calls for public announcements starting in May. Those customers using Kindles will have more challenges because Amazon wants people to purchase books rather than loan them from the library. Mr. Walker said the library is still contemplating how to accommodate Kindle users. Those with newer devices, such as Kindle Fire, will be able to use the new apps. Mr. Walker said they feel good about the iCloud which is expected to provide service and a good collection of materials. Mr. Walker said ebooks are a popular service, and he is pleased the library has it. The iCloud will offer new opportunities that were not available with OverDrive, but there will be some challenges.

Mr. Stuart said he understands that Human Resources is now under the CFO and asked if that is a permanent change. Mr. Walker said one of the important changes is the role that Finance plays with payroll. Because half of the budget is employee expenses, it makes sense to have HR and Finance closer. Terri Daly will be reporting to Sherri Baca. Ms. Rose pointed out that the Facilities Superintendent had been reporting to the CFO, and he is now reporting to the Executive Director. Mr. Walker commented that HR is a strength for Sherri Baca, and Facilities is a strength for him. He emphasized the importance of HR and commented on the trust he has with Sherri Baca and Terri Daly. Mr. Stuart suggested the organization chart be updated to reflect those changes.

Mr. Walker commented on the work Janina Goodwin has been doing in overseeing safety and security for the entire library, even though she is the Rawlings Library Manager. With eight locations, safety and security in recent years has become more prominent.

Ms. Bregar said she had two teachers from School District 70 comment on how much they enjoyed the Human Origins exhibit, and she also heard from two teachers who commented on how disappointed they were to have missed it. Those who attended said it was really good.

Dr. Mancha commented on how impressed he had been with the Human Origins presentations he had attended and emphasized that Maria Tucker should be recognized for the work she had done. Mr. Walker agreed that Maria Tucker deserved credit for her work. Some of those presentations will be available online for anyone who missed them. Mr. Walker said this is an example of library programs reflecting its role as a learning institution.

VI. PUBLIC COMMENT None

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VII. OLD BUSINESS None

VIII. NEW BUSINESS

A. Announcements

- The Friends of the Library will hold their Annual Dinner on Friday, May 13 at 5:30 p.m. Contact Sara Schwartz at 553-0220 to make reservations to attend.
- The next regular Work Session is scheduled for Tuesday, May 17 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- The next regular Board meeting is scheduled on Thursday, May 26 at 5:30 p.m. at the Barkman Library.
- All libraries will be closed on Monday, May 30, for the Memorial Day holiday.

B. Action/Discussion Items

1. ConnectED Memorandum of Understanding – School District 70

Mr. Quintana said the Board of Trustees have discussed a proposed Memorandum of Understanding (MOU) between the individual school districts and PCCLD, and subsequent revisions. The Pueblo County School District 70 Board approved the same MOU, as presented, at their meeting on April 19.

Mr. Stuart made a Motion, seconded by Ms. Gairaud, that the Library Board approve the ConnectED MOU between PCCLD and School District 70.

Mr. Quintana said the School District 70 Board took action to approve the MOU, and the Library Board will vote to authorize the Board President to sign the MOU with School District 70.

With respect to the MOU with School District 60, Mr. Gradisar had been in touch with the District 60 attorney who made a number of revisions, and Mr. Walker provided a copy of the revised MOU for the Board's review. The substantive change has to do with student privacy and the ability to have data returned from PCCLD upon request by District 60. Mr. Quintana said it is important for Board members to review and recommended that discussion be tabled until the next Work Session. Mr. Gradisar will also provide a red-line version for the Board's review. The District 60 Board may approve the revised MOU before the Library Board has a chance to approve it. Mr. Walker wanted to make the Board aware that District 60 is asking for something a little different, and he wanted the Library Board to have a chance to review it prior to determining whether or not the changes are substantial.

Mr. Walker recommended that the Library Board adopt the agreement with School District 70.

There being no further discussion, MOTION CARRIED 6-0.

2. Leidigh Trust Agreement

Mr. Quintana said the library's attorney presented an Agreement Among Beneficiaries of the Ralph Leidigh Testamentary Trust to the Board at their Work Session on April 19, which the Board discussed in detail.

Ms. Bregar made a Motion, seconded by Ms. Martinez, that the Library Board authorize the Library Board President to enter into this agreement on behalf of PCCLD.

Ms. Bregar said in the original bequest, the funds were designated "to be used for the purchase of books of the history and archeology of the southwestern portion of the United States and for the purchase of prints whose subjects are the southwestern portion of the United States." Ms. Bregar asked if the library will still be obligated to

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earmark those funds for that purpose. Mr. Gradisar said that was in the original bequest, but it will not be necessary to abide by that.

There being no further discussion, MOTION CARRIED 6-0.

3. Pueblo Urban Renewal Authority Commission Update

Mr. Walker and Ms. Bregar met with Jerry Pacheco, Executive Director of the Pueblo Urban Renewal Authority (PURA), and they had a good discussion with regard to the appointment process. Mr. Pacheco said he is receptive to the special districts' wishes and requested copies of the letters of support. He brought up that Thunder Village was not included, and the library had made several attempts to reach out to Thunder Village, but had not received any response. Mr. Walker said he will reach out to Dan DeRose. Jerry Pacheco said he is working on an IGA (Intergovernmental Agreement) to govern the appointment process for representation of the school districts involving approval from PURA and City Council, and he suggested a similar IGA for the special districts. Absent an IGA, he was interested in onboarding Ms. Bregar, but expressed concern that she would not be seated until a triggering event occurs. Mr. Walker said it is interesting that PURA has seated Sal Pace from the County Commissioners with no triggering event.

There was discussion of how an IGA might give the City of Pueblo or PURA too much power to affect representation for the special districts. Jerry Pacheco felt that an IGA would give them more predictability with respect to terms and renewals, and he offered to send a copy of the IGA for the library's review.

There was also a discussion about the importance of having a representative seated prior to a triggering event, which is a change in the terms of an existing project or a new project, even if the representative must abstain from voting on anything related to prior projects.

Mr. Walker said we may need to have a legal review. Jerry Pacheco said they accepted Sal Pace because they looked at it from a legal perspective and accepted that the County had authority to appoint a representative.

Ms. Bregar said he implied that it works a little different for special districts.

Mr. Walker said Jerry Pacheco does, legitimately, raise the issue of Thunder Village, and he will reach out to Dan DeRose. Jerry Pacheco indicated he will begin forwarding some general information to Ms. Bregar, acting as if Ms. Bregar will be seated. Mr. Walker was uncertain whether Jerry Pacheco had spoken with school district boards about an IGA, but their proposal is that the representative come from School District 60 because it has the largest affected area. Jerry Pacheco's concern is having someone come in from outside of Pueblo who does not have Pueblo's best interest at heart. The real authority provided by the law is negotiation. Mr. Walker indicated if he were in PURA's shoes, he would want to establish good will and trust.

Mr. Quintana said he would like clarification on whether representation requires a triggering event and whether we can seat a representative before that occurs. If they are considering a new project, we as a special district and others should hear the discussion and offer input into those new projects.

Mr. Gradisar noted that there is still a power struggle. The banks told PURA to get permission from special districts, and PURA indicated it does not want to set that precedent even though the taxing entities, as a practical matter, would probably be receptive. Mr. Walker said there had been some discussion about modifications to the law, and there is a bill that has been agreed to, but it does not change the substance of the requirements. There had been some hope by Urban Renewal Authorities there

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would be further changes to the law, but the bill that is coming out will not substantially change. The Colorado Municipal League lobbied for more changes, but the governor indicated he would veto it. The changes that were made only address unintended TABOR consequences. Mr. Walker concluded the taxing entities are still in a strong position.

Mr. Quintana asked that any further updates be added to the May agenda.

No formal action was required at this time.

IX. ADJOURNMENT

The meeting was adjourned at 7:38 p.m. upon Motion made by Ms. Bregar.

Respectfully submitted,

Jane Carlsen
Secretary