

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

October 27, 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; Lyndell Gairaud; Philip Mancha; Doreen Martinez; Jim Stuart

Board Members Absent: Marlene Bregar

Staff Present: Jon Walker, Executive Director; Sara Rose, Chief Operating Officer; Sherri Baca, Chief Financial Officer; Midori Clark, Director of Community Relations, Development & Strategic Initiatives; others not recorded

Attorney Present: Nicholas Gradisar

II. CORRECTIONS AND MODIFICATIONS TO ADENDA None

III. APPROVAL OF THE MINUTES

Mr. Quintana said the Minutes of the Library Board Work Session held on September 13, 2016 and Minutes of the Regular Library Board meeting held on September 22, 2016 were provided to Board members prior to the meeting.

Dr. Mancha made a Motion, seconded by Mr. Stuart, to approve the Minutes of the Library Board Work Session held on September 13, 2016. The minutes were approved by unanimous consent.

Ms. Gairaud made a Motion, seconded by Ms. Pickman, to approve the Minutes of the Regular Library Board meeting held on September 22, 2016. The minutes were approved by unanimous consent.

VI. REPORTS

A. Executive Director Report

Mr. Walker introduced Sara Rose, Chief Operating Officer, to provide a report on services aligning the library the Americans with Disabilities Act (ADA). Mr. Walker added that during his presentation to City Council, Ed Brown acknowledged and recognized the ADA effort.

Ms. Rose said during Staff Development Day, she shared information on how the library serves people with disabilities and plans the library has going forward, and this would be an abbreviated version of that presentation. Ms. Rose went over the history of ADA which grew out of the Civil Rights movement and equal opportunity for employment, and she commented on how public libraries have responded. In 2008, there was an extension of the definition of "disability" to include bodily functions and other non-significant but substantial impairments.

Ms. Rose emphasized the importance of compliance to the library's reputation within the community, and there are also ethical reasons to provide access.

The library has an ADA Committee that meets on a quarterly basis and has also been partnering with the City and conducting staff training. There was discussion of the

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difference between service animals and companion animals. There has been staff training on how to approach people with different ability levels.

Ms. Rose reviewed the resources the library currently has available including large print which is not concentrated in one location, customers may request braille through InterLibrary Loan, or other resources with audio technology. There are some assistive technology computers with special software, and that software now needs to be updated. (*Ms. Martinez arrived at this point.*) The library has a contract for interpretative services if someone wants to attend a program and needs an interpreter. There are limited storytimes where participants can learn sign language to create interrelated resources.

From the time Richard Tucey worked and received a grant for the library's assistive technology, it has been wearing out, and it is time to update and replace the software. Some money has been included in the budget to replace some of that, and the library will be looking for grant funding as well. The library would like to continue to build partnerships and resources in the community, and they will be looking for ways to connect as they revitalize assistive technology. Ms. Rose plans to have an ADA celebration event to continue to align ourselves with ADA awareness. Ms. Rose said they will be moving the dedicated assistive technology equipment from the 3rd floor to the 2nd floor next to a study nook, where customers have a private space to use voice activation. They hope to get a new computer with a large screen, some devices to accommodate those with dyslexia, upgrades are needed to JAWS and Dragon Naturally Speaking along with some hardware that goes along with those. The library also hopes to have some small portable handheld devices available and smaller tools such as reading rulers and magnifiers.

Ms. Rose encouraged Board members to view the Ted Talk on "Sue Austin: Deep sea diving...in a wheelchair" to change perspectives on being disabled before offering to respond to questions. *Available at:*

https://www.ted.com/talks/sue_austin_deep_sea_diving_in_a_wheelchair?language=en

Dr. Mancha asked if the usage of these technologies or the clientele who need it are growing in numbers. Ms. Rose said she does not have usage data, but as the library revitalizes and invites that community, she expects to see more use. Ms. Gairaud thanked her for the report because she had never thought about how the library serves this community. Ms. Rose said the library is not alone with many agencies trying to serve this community because of the size of the underserved. Being able to bridge that divide is an exciting opportunity.

B. Friends of the Library Report Ms. Martinez said the Project Selection Committee received requests for \$24,000 of different types, and the committee selected nearly \$15,000 for funding. Ms. Martinez said the Friends were not able to fund every project, but it was a good funding cycle, and the recipients have been notified so they can begin ordering those items. The Friends plan to post the projects at Books Again so everyone who devotes so much time there will know what their work is funding.

C. Pueblo Library Foundation Report Ms. Gairaud said the Pueblo Library Foundation had its 3rd Quarter meeting where the IRS Form 990 was approved for filing. The Investment Fund at Raymond James has a balance of \$58,768.22. The current assets in the cash operating fund is \$30,669.07, and the Foundation agreed to move \$10,000 into the Investment Fund. Total fundraising by 3rd Quarter was \$60,726.24. The Leadership Institute was very successful generating \$6,290.27, and plans are being made for the second year which will start right after November. The Leadership Academy will be an asset to those girls. The Foundation will have two vacancies coming up, one will be renewing, and Ms. Gairaud was unsure about the second. There will be

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an election of officers in January. Ms. Gairaud said the Governance Committee is firming up some gift acceptance policies and procedures.

D. Attorney Report None

E. Employment Changes

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

Ms. Pickman made a Motion, seconded by Ms. Martinez, to approve the Employment Changes contained in the October 27, 2016 Board materials.

Mr. Walker said there were ten new hires, seven that are substitutes. The library periodically reconstitutes the substitute pool as they are promoted or drop out. Sara Rose oversees that group to keep the substitute pool trained. Mr. Walker reviewed the promotion list which also included promotions from substitute, and there was one resignation.

Mr. Quintana asked if the library tracks turnover and asked the Board if that is something they would be interested in seeing. Mr. Stuart suggested a review of turnover trends at a Work Session, and Mr. Walker agreed that could be provided.

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

F. Financial Report

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

Dr. Mancha made a Motion, seconded by Mr. Stuart, that the Library Board approve the September 2016 bills and accept the September 2016 Fund Statement as contained in the October 27, 2016 Board materials.

Ms. Baca referred to the Combined Balance Sheet, noting it is on track with nothing unusual to report. Accounts Receivable shows a small amount due from the Foundation, and there was an account set up from CSU-Pueblo for receivables which is expected to be only small amounts. Cash is holding steady, with property taxes almost wholly collected, with no working capital issues. The 1st Quarter can present working capital issues before property taxes are received. Ms. Baca referred to Capital Project Expenses Payable of \$4,554 is a timing item that will be moved to the correct account as checks are written. The fund balances are holding steady and are what she expects to see. Ms. Baca offered to answer any questions.

In the General Fund, the target percentage for the end of September is 75%. Property tax revenue has slowed which is expected and is 99% collected. There are variances in revenue line items, but overall revenues are 96% collected.

Total expenditures are at 68% and are tracking quite well. Personnel is 72% spent compared with last year which was 73%. The only line item of concern is Workers Comp which will continue to be over budget as explained before. As a cost-containment measure, the library tries to minimize employee injuries. Materials are 69% spent compared with 66% last year. Ms. Baca said some line items are above or below as some priorities shift, but overall it is within 3% of last year. Jill Deulen is committed to being on budget by year end, and Ms. Baca is coaching supervisory staff as year-end approaches. Facilities were 48% spent compared with last year at 50%, but the last COP payment will bring that in line. The Friends of the Library is 213% spent which is hard to anticipate, but the amount is offset with revenue from grants and wonderful ways they support library programs. Operating was 70% spent compared with 79% last year,

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and supervisors are doing a good job of managing budgets. IT was 87% spent, ahead of budget, and they are trying to nail down the total.

Total expenditures were 68% spent overall, under the target percentage.

In the Capital Fund, revenue is ahead of budget. Ms. Baca pointed out the \$10,000 contribution for digitization was moved to the General Fund which is the reason for the decrease in grant revenue in September. The InfoZone expenses were also for digitization, and the Information Technology expense was for a UPS backup battery for the IT network equipment at the Pueblo West Library. Expenditures were 49% spent.

The only Special Revenue Fund activity in September was \$4 in interest. The library received the quarterly distribution from the Chamberlin Fund in October. The Nesbitt Employee Fund is holding steady, and that group is preparing for the Christmas Party.

In the Check Summary Report, Ms. Baca offered to respond to any questions. Ms. Baca pointed out a payment to buy a backup power system, but that was insurance funded. Ms. Baca noted that she had handled a number of insurance claims which have covered unexpected expenses and offered to summarize those for the Board in the future.

Ms. Baca concluded with the amounts presented for the Board's approval: ACH payments of \$110,654.17, Payables of \$362,672.75, and Payroll of \$224,737.05, for a total of \$698,063.97.

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

V. BOARD COMMENT

Dr. Mancha praised Midori Clark for a wonderful evening at the Black Tie Ball, and it looked like there were more attending this year than last which speaks to her good work. It went off like clockwork, and it gets better all the time. Ms. Clark thanked Board members for attending. Mr. Quintana agreed it was a great event.

Mr. Stuart said he attended the ribbon-cutting kick-off at CSU-Pueblo. It was a nice ceremony, and it should be a nice addition. Mr. Stuart recalled that when Rhonda Gonzales had been on the Library Board she had talked about more interaction between the library and the university library. Mr. Stuart thanked Jill Deulen and her team. He noted it is a small collection which he hopes will be really great for the university.

Mr. Stuart also suggested the library renew its efforts with regard to the Safeway property now that it is closing. Although there had been discussions in the past, we need to let current Safeway personnel know the library still has an interest. Mr. Quintana agreed the library should touch base about the Safeway property.

Mr. Stuart noted that the Annual Plan is not yet included with the 2017 Budget, and he hopes to see the portion of the budget dedicated to the Annual Plan.

Ms. Pickman thanked the Library Board for allowing her to attend the CAL/MPLA Conference in Loveland. Ms. Pickman distributed an article on "5 Reasons the World is Still a Wonderful Place," and number one is "Libraries still exist."

VI. PUBLIC COMMENT None

VII. OLD BUSINESS None

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VIII. NEW BUSINESS

A. Announcements

- All libraries will be closed on Friday, November 11 for Veterans Day.
- The next regular Work Session is scheduled for Tuesday, November 15 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- The next regular Board meeting is scheduled on Thursday, November 17 at 5:30 p.m. at the Patrick A. Lucero Library. This is a week early due to the Thanksgiving holiday.
- Trustees may attend the Pueblo Urban Renewal Authority meeting with taxing entities scheduled to take place Thursday, December 1, from 3:00-5:00 p.m. at the Pueblo Convention Center.
- Board members will be invited to attend the J.T. Nesbitt Staff Association Christmas Party tentatively scheduled for Friday, December 9.

B. Action/Discussion Items

1. Preliminary 2017 Annual Budget and Long-Range Financial Forecast

Mr. Quintana said the PCCLD Board of Trustees received the preliminary Pueblo City-County Library District 2017 Annual Budget on October 14, 2016. A presentation on this was made by Sherri Baca, Chief Financial Officer, at the October 18 Work Session together with a review of the PCCLD long-range financial forecast and the 2017 Budget Calendar. A public hearing on a plan and budget will be held at the November Trustee's meeting, and the Trustees will be asked to adopt the 2017 plan and budget, set the mill levy, and appropriate sums of money for the 2017 budget at the December Trustee's meeting.

Ms. Baca said she would continue to update the Board as the budget is adjusted, and she distributed details on what had been changed. The largest adjustment was to reset the dependent health care contribution to a 75/25 split which added \$11,363. It also includes the added \$1,000 audit expense. Because the GFOA Conference will be in Denver, she added \$1,000 so the entire Finance team could attend a portion of the conference. The library received additional information on life insurance which resulted in a \$1,848 deduction.

Ms. Baca expects there will continue to be adjustments before the Budget Hearing in November. The adjustments shown resulted in a \$12,254 deficit in the budget. She pointed out some notes at the bottom of the page. One is the potential to decrease the deficit by transferring Chamberlain Funds to the General Fund rather than transferring it to the Pueblo Library Foundation in 2017. The second note is to make sure the Board knows the impact if Amendment 70 (Increase to Colorado Minimum Wage) passes which could result in a \$13,819 increase to the budget, with twenty Materials Handling Technicians at the library. Dr. Mancha raised a concern about the wording on the note about Amendment 70, and Ms. Baca explained it is just to alert the Board to the impact if the amendment passes.

The change to the Chamberlain Fund in FY 2017 could reduce the amount of the deficit, and it would require a Board action later in 2017. Mr. Walker agreed to bring the issue of the Chamberlain Fund for discussion at the next Work Session as part of the 2017 budgetary process. There was discussion whether that is done annually, and Mr. Walker recalled that last year's transfer was a one-year deal.

There was discussion that the good news is they have stretched the budget to restore the 75/25 health care split, and Mr. Quintana wanted to make sure that will be included in the health benefit renewal. Mr. Walker noted that the Board reviewed

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the budget last week, and the document presented shows the changes that have been made, the largest of which was the restoration for health care.

No formal action was required at this time.

2. Health Benefit Renewal

Mr. Quintana said the current employee health benefit package approved by the Board of Trustees ends on December 31, 2016. A proposed benefit renewal commencing January 1, 2017 and ending December 31, 2017, was presented for discussion at the October 18 Work Session. Board approval is required since the cost exceeds \$25,000.

Mr. Stuart made a Motion, seconded by Ms. Pickman, that the Board of Trustees approve the proposal from Kaiser Permanente for 2017 employee health insurance at a cost not to exceed \$550,627.

Ms. Baca distributed an updated 2017 PCCLD Employee Benefits Renewal, and the top schedule shows the cost of the Kaiser Health plan. There are two plans, one is richer with lower deductibles, and most employees take Kaiser 1000. The employee's 2016 share per paycheck is shown in blue, the gray area was the proposal discussed at the Work Session, and the pink area shows the restoration of the 75/25 dependent split, showing much smaller variances for the employee with the library covering more.

Ms. Baca referred to the Average Wage Calculation which averages the wages for 30 employees on the medical plan and the amount of a potential 2.5% wage increase based on that average. The average employee would see a \$45.15 increase per paycheck. The actual impact to an employee would depend on performance and what tier of health care is selected.

Ms. Baca said the bottom of the page shows the impact of Dental and Vision coverages. Vision is not changing because there is another year in the term. Dental is increasing slightly in the renewal.

Ms. Baca then distributed a review of employee health care premiums over the years. The amounts shown are monthly employee shares for medical, dental and vision coverage since 2004. There was a 7% drop in 2009 when the library went to Kaiser Permanente.

Dr. Mancha noted that there were times when the premiums did go down. Mr. Quintana said it was good to see that the library had kept medical cost increases to 29% over nearly 15 years, and he thanked Dr. Mancha for driving this conversation.

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

3. Audit Engagement Agreement

Mr. Quintana said in May 2013, the Board of Trustees accepted a proposal from Swanhorst & Company LLC to perform annual audits for PCCLD for up to five years. The third year of this five-year agreement completed in 2016 with an audit report by Swanhorst of PCCLD's 2015 financial statements. An engagement by Swanhorst now to audit PCCLD's 2016 financial statements to include the Pueblo Library Foundation is proposed for a fee not to exceed \$29,500. This amount is included in the proposed 2017 budget. The Board discussed this in detail at the October 18 Work Session.

Ms. Pickman made a Motion, seconded by Dr. Mancha, that the Board of Trustees approve the engagement letter with Swanhorst & Company LLC to audit the financial

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statements of Pueblo City-County Library District and the Pueblo Library Foundation for the fiscal year ending December 31, 2016 for a fee not to exceed \$29,500.

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

4. PCCLD Tax Filing

Mr. Quintana said at the October 18, 2016 Work Session, the Board of Trustees were advised that PCCLD's tax preparer was finalizing the 2015 IRS Form 990. The Board of Trustees will be provided with a copy of Form 990 in compliance with the requirements of a 501(c)(3) nonprofit organization.

Dr. Mancha made a Motion, seconded by Ms. Pickman, to accept the IRS Form 990 for filing.

Mr. Walker said Form 990 is included in the Board packet, and there is a requirement that the Library District file this as a 501(c)(3). It was prepared as part of the library's contract with Swanhorst, and it recounts the library's activities as required for the IRS Form 990 filing. The Board is asked to acknowledge and accept the document which is due to the IRS by November 15.

Mr. Gradisar noted on page 6 that Chris Brogan is listed as the Chief Financial Officer; even though she was here in October 2015, it should reflect who is there now. He also noted that the Board members listed are not current. There was discussion that it lists the Board members in 2015, but the form asks for the current Board members and officers.

Mr. Stuart also asked about the column showing "highly compensated" directors, and there was discussion about whether the form was accurate.

Ms. Baca will confer with Swanhorst on the questions raised and have the form corrected as needed.

Dr. Mancha and Ms. Pickman accepted an amendment to the Motion to accept IRS Form 990 as amended for filing.

Mr. Walker said they will have those adjustments made and provide it to Mr. Quintana for his signature.

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

5. Board Development Committee Update

Mr. Quintana said the Board Development Committee met on October 18 to consider criteria for Board recognition of exemplary employee performance and finalize the Board Assessment tool.

Ms. Pickman referred to the proposed Library Trustee Award for Exemplary Performance procedure provided in the Board packet. This is what the committee had been asked to develop after the award was given to the Finance staff so recognitions could be made in a more meaningful and official manner. This procedure would be added to the Governance section of the Policy Manual. Ms. Pickman said nominations should go through the Executive Director first to keep personnel matters private. There was discussion that this is only for rare and outstanding, truly extraordinary, performance. Dr. Mancha raised a question on formatting, and after discussion Mr. Quintana suggested the entire sentence, "It implies rare and truly outstanding performance results, and the way they are achieved far exceeds normal requirements for the jobs and results expected," be italicized.

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Mr. Stuart said he appreciated the list of examples. Mr. Walker said the committee looked at paid time off because there would be less budget impact, and provided some value for the award. Over the years, the Board has done recognition like this by Resolution.

Mr. Walker said because this is a procedure rather than policy, it does not require Board action, but it should be considered by the Board since it is their procedure.

It was the consensus of the Board that this be included with the Governance procedures.

Mr. Walker said the Board Development Committee also discussed the Board Assessment. Ms. Pickman said the Board's recommended changes had been made, and the Board will be prompted to complete the Board Assessment at the November Work Session.

The Committee also discussed the Board Mixer, and appreciation was expressed for the work Ms. Martinez had done in coordinating the event. Everyone thought it was great, and it brought together members of those Boards who do not commonly get together. Ms. Martinez said the Friends of the Library, at the last Board meeting, understand that the baton is being passed to them, and the Friends are including it in the budget.

6. Pueblo Urban Renewal Authority

Mr. Quintana said the Pueblo Urban Renewal Authority has requested a meeting with local taxing entities to discuss the effects of HB 15-1348 and SB 16-177 on Pueblo's existing urban renewal projects and, in specific, a formal request submitted by the Pueblo Board of Waterworks to amend an existing Cooperation Agreement with the Authority, which may be affected by the above legislation.

Mr. Walker received the letter provided in the Board packet inviting this group to attend a meeting with the Pueblo Urban Renewal Authority (PURA) to discuss effects of HB 15-1348 changing an existing project. Mr. Walker said we will go to that meeting to see what they have to say. The Board of Water Works has requested to be fully compensated for what was invested there, and that request includes a packet of information provided. Mr. Walker said there are a number of moving parts, and he encouraged interested Board members attend the meeting on December 1 from 3:00-5:00 p.m. at the Pueblo Convention Center.

Mr. Gradisar pointed out this is a request made by the Board of Water Works in 2011, and PURA waited until the legislature changed the law. Mr. Gradisar recommended that if Board members can be there, they should attend.

No formal action was required at this time.

IX. ADJOURNMENT

The meeting was adjourned at 7:19 p.m. upon Motion made by Ms. Pickman.

Respectfully submitted,

Jane Carlsen
Secretary