

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

November 16, 2017

I. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2018

President Fredrick Quintana called the meeting to order at 5:32 p.m. at the Rawlings Library and announced the public hearing on the proposed budget for fiscal year 2018. Mr. Quintana said this is an opportunity for citizen comment on the Budget proposal which has been made available for public inspection. Mr. Quintana then turned the meeting over to Sherri Baca, Chief Financial Officer.

Ms. Baca welcomed any questions during her presentation. The library prepares three governmental funds: The General Fund reflects property tax and other general revenue and all the operating expenses for the District; the Capital Fund reflects revenue and expense for capital asset acquisition; and the Special Revenue Fund reflects donations from the Chamberlain Fund.

General Fund: Ms. Baca presented a chart showing 88% of General Fund revenues are from property tax, 7% from Specific Ownership tax, 3% from Fines/Fees/Miscellaneous, and 2% from Contracts/Grants/Gifts. In 2018, property tax is budgeted to increase by \$282,227, which is 3% with a 5.288 mill levy that includes \$65,711 for abatements/refunds not collected in 2017. Specific ownership tax is budgeted to increase 3% from estimated 2017 and may increase further depending on receipts for November. Contracts/grants/donations decrease 23% due to specific grant revenue expectations for 2018. Interest earnings are budgeted to decrease from 2017 estimates. Fine revenues decrease 3% reflective of current collections. Photocopier and miscellaneous revenue decrease by 3% and 15%, respectively, based on budget forecasts. Total revenues budgeted for 2018 are up by 1.8% or \$182,790.

Ms. Baca presented a chart showing that 52% of General Fund expenditures are for personnel, 15% for materials and services, 19% for facilities, 8% for operating and 6% information technology. Total General Fund expenditures are budgeted to increase by 2% or \$222,955 and include increases to backfill cuts made in the 2017 budget.

Personnel expenses are budgeted to increase 0.3% which includes a 2% increase in salary for the Pay-for-Performance plan, merit pay, a small Books in the Park increase, and almost a full-time equivalent employee. Workers compensation is holding steady, and unemployment increases by 13%. Health related benefits decrease by 12% from 2017, which includes medical, dental, vision, and new benefits for regular part-time employees with telehealth and discount dental at some cost to the employee. Training increases 36% to backfill and return to a more customary training program. Employee relations increase 9% to include Starlight Awards and Corporate Cup.

Materials and services expenses are budgeted to increase 4% which maintains the goal of keeping materials at 15% of the total operating budget. Programs decrease by 1%, and the library will continue to seek grants to supplement that budget. The Friends of the Library gave a significant amount in 2017 to keep programs going in a flat budget year.

Facilities expenses are budgeted to increase by 3% from 2017 with utilities increased by 7%, vehicle maintenance the same as 2017 estimated year-end costs; building repair and maintenance increased by 2%, and rent to hold steady by contractual agreement. Lease purchase reflects the debt service on the 2012 COPs. Insurance increases 8% over estimated, which may change by final budget upon receipt of renewal quotes. The Friends expenditures will be budgeted according to what it gives.

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Operating expenses are budgeted to increase 8%. Contract services will increase 12% which includes security and an outside consultant to help with the asset valuation project. Community Relations increases 33% which reflects a budgeted contribution to the Pueblo Library Foundation with proceeds from the Black Tie Ball. Professional memberships were increased to add Chambers of Commerce, after almost all were eliminated in 2017. Office supplies decrease by 1% based on district-wide tightening. The budget includes six months of lease costs for the photocopier and will explore asset purchase in 2018.

Information Technology expenses are budgeted to increase 8% which includes an increase of 1% in telecommunications, with \$173,000 in E-rate reimbursement in 2018. Hardware repair and maintenance is increased to include purchase of cameras in 2018. Technology supplies decrease by 9%. Technology maintenance, licenses and support increase 12%.

At the end of 2018, this budget projects a decrease in General Fund balance of \$450,145 in comparison with 2017 due to transfer out of \$550,000 to maintain the library replacement plan. With a surplus in the General Fund budget in 2018, the district will remain financially strong, spending less on operating costs than projected revenue. The library will be funding capital improvements and asset acquisition in 2018. The unrestricted fund balance is projected at 26% of operating expenditures, above the 20% required by policy.

Capital Project Fund: Ms. Baca reviewed the Capital Project Fund which includes: new building and capital projects, InfoZone Museum expenses and upgrades, the library replacement plan, and acquisition of other capital assets and improvements. Budgeted revenue anticipates \$20,000 for the InfoZone Museum; \$35,000 from the federal E-rate program which reimburses up to 80% for WiFi, building infrastructure and networking expenditures; \$21,000 in miscellaneous revenue for insurance claims to repair capital assets; and \$10,000 of interest earnings. Total Capital Fund revenue is projected to be \$86,000. Capital Fund expenditures anticipate \$30,000 for the InfoZone; \$252,100 for information technology which includes replacement plan network upgrades; and \$357,200 for building improvements including roof and HVAC at Lamb, parking lot lights at Pueblo West and Rawlings, and a passenger van. Total expenditures are budgeted at \$639,300. The ending fund balance of \$1,842,217 includes transfer in from General Fund of \$550,000, a \$3,300 decrease in fund balance overall.

Special Revenue Fund: The Special Revenue fund anticipates revenue of \$5,020 to include Chamberlain Foundation distributions and interest earned. An expense of \$5,000 is budgeted as a contribution to the Pueblo Library Foundation. The ending fund balance is expected to be \$440.

Ms. Baca reviewed the assumptions: revenue is budgeted conservatively based on assessed valuation and current economic conditions; expenditures are budgeted in anticipation of all known impact and will soon include annual plan initiatives while continuing to provide excellent service, plan for growth and provide competitive employee compensation and benefits. The combined unrestricted fund balance of \$2,680,985 is 26% of total combined annual expenditures; 20% is the minimum fund balance policy adopted by the Board in 2009.

Ms. Baca said developments between now and December 14 which will inform the 2018 budget process are: additional 2017 expenditure activity, end of year issues, assessed valuation changes, renewal costs for property/liability insurance and workers compensation insurance, and other wage adjustments. Comments from the public will continue to be received until 5:30 p.m. on Thursday, December 14, 2017 when the proposed 2018 Budget will be presented to the Board of Trustees for adoption and appropriation. Ms. Baca closed by offering to respond to any questions.

Mr. Quintana thanked Ms. Baca and the Finance team for their work putting this presentation and budget together. He was pleased to hear how the budget allowed the library to backfill

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some of the cuts made last year and get training back so staff can continue to grow. Ms. Bregar commented that she appreciates how the Board is kept apprised of the budget over several months leading up to its approval, and Ms. Baca said she appreciated that feedback. Dr. Mancha noted that he appreciates how the budget dovetails with the Annual Plan which helps him understand how the budget works. The budget is a manifestation of the Strategic Plan and the Annual Plan to keep the library on track with how the money is being managed. Mr. Stuart acknowledged the wonderful support the library receives from the public to fund the institution.

There being no further discussion, the public hearing of the proposed budget for fiscal year 2018 concluded.

II. CALL TO ORDER AND ROLL CALL

The regular session of the Pueblo City-County Library District Board of Trustees was called to order at the Rawlings Library at 6:01 p.m. by the Board President, Fredrick Quintana.

Board Members Present: Fredrick Quintana, President; Doreen Martinez, Vice President; Marlene Bregar; Lyndell Gairaud; Philip Mancha; Jim Stuart

Staff Present: Jon Walker, Executive Director; Sherri Baca, Chief Financial Officer; Sara Rose, Chief Operating Officer; Jackie Swanson, Adult Literacy Coordinator; others not recorded

Others Present: Ron Serna

Attorney Present: Nicholas Gradisar

III. CORRECTIONS AND MODIFICATIONS TO AGENDA

Mr. Walker requested addition of an Executive Session as Item IX.B.3. for the purpose of receiving legal advice, which was accepted by the Board.

IV. APPROVAL OF MINUTES

Mr. Quintana said the Minutes of the Library Board Work Session held on October 17, 2017 and Minutes of the Regular Library Board meeting held on October 26, 2017 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 October 17, 2017. The minutes were approved by unanimous consent.

Ms. Gairaud made a Motion, seconded by Ms. Bregar, to approve the Minutes of the Regular Library Board meeting held on October 26, 2017. The minutes were approved by unanimous consent.

V. REPORTS

A. Executive Director Report

Adult Literacy: Mr. Walker introduced Jackie Swanson, Adult Literacy Coordinator, to provide a report on the Adult Literacy program. Ms. Swanson emphasized how important the Adult Literacy program is and how much it improves the Pueblo community. There are now 65 volunteer tutors and 85 learning teams.

Ms. Swanson said the new Career Online High School now has seven people working to get a diploma, ranging in age from 24 to 54, and there are three more interviews scheduled. She expects to have 15 people in the program by the end of the year. Brochures on the program were distributed from the Colorado State Library Department

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of Education. Applicants are required to complete an online assessment, provide a 150-word essay about why they want to participate, then they are sent a URL to complete a prerequisite course requiring a 70% before moving into the interview process. There are five staff involved, with at least three participating in the interviews where they go through about 18 questions about why they want to earn their diploma and how they expect to use it. Ms. Swanson said the essays and interviews were often heartwarming, and she commented on how important the addition of the online high school had been for the Adult Literacy program.

Ms. Swanson said when she first reported to the Board she was busy getting more partners involved in Adult Literacy, and now they all seem to know about it and call her. To emphasize the importance of literacy, Ms. Swanson said millions of children have never been read a bedtime story, and the single greatest indicator of a child's future success is the literacy level of the parents. Ms. Swanson concluded that she hopes the Board will support continuing efforts to grow the Adult Literacy program.

Dr. Mancha asked how she follows up with the people who are learning. Ms. Swanson described visits with learning teams, although most of the work takes place between the tutor and the learner in their time together. Ms. Swanson said there had been four citizenship celebrations, and six who received their GED. She said some are motivated to enroll in community college, get a job, and others just to be able to read the newspaper and the mail, but she is in contact with almost all the participants. The Career Online High School has a dashboard where she can track progress. Ms. Swanson hopes to reach out to stakeholders to find money for this program to continue next year.

Ms. Bregar asked how the Career Online High School is advertised, and suggested that some high school counselors keep track of dropouts and may help direct them to this avenue. Ms. Swanson said she has attended library staff meetings, she has the word out with agencies partnering with the Adult Literacy program, and some Adult Literacy students have made the switch to the Career Online High School, but there has been a constant flow of interest. If the interest slows, Ms. Swanson said she will head out to make more visits.

After additional discussion of the importance of the Adult Literacy program, Mr. Walker concluded that the library has been ratcheting up the Adult Literacy program over the years from a part-time program, and it now has 80 learning teams. Learning to read as an adult requires extensive learning activity.

Library Board Vacancies: Mr. Walker announced that the Board candidate interviews scheduled for December 1 had been cancelled, and the County is working to reschedule those. He will keep the Board apprised of when interviews will be held.

Ms. Bregar expressed concern that if appointments are not made before the end of the year, there will be three vacancies on the Library Board, which will leave only a quorum. Mr. Walker will remain in touch with County officials.

- B. Friends of the Library Report** No report
- C. Pueblo Library Foundation Report** No report
- D. Attorney Report** No report
- E. Employment Changes**

Mr. Quintana said the Board is asked to ratify the October 2017 Employment Changes as presented by the Executive Director.

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Mr. Stuart made a Motion, seconded by Ms. Gairaud, to approve the Employment Changes contained in the November 16, 2017 Board materials.

Mr. Walker pointed out one new hire and one voluntary termination to accept a different job and go back to school.

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

F. Financial Report

Mr. Quintana said the Board is asked to ratify the October 2017 bills and accept the October 2017 Fund Statements. Sherri Baca, Chief Financial Officer, would provide a synopsis of the Financial Report and was available to answer any questions.

Dr. Mancha made a Motion, seconded by Ms. Bregar, that the Library Board approve the October 2017 bills and accept the October 2017 Fund Statement as contained in the November 16, 2017 Board materials

Ms. Baca reviewed the Combined Balance Sheet. She noted that there was nothing unusual, pointing out each of the funds. Property taxes had been mostly collected, and the spend-down of cash is customary and typical for this time of year. For the month of October, cash looks good with some minor timing issues and in-transit activity shown. Ms. Baca offered to respond to any questions on the Combined Balance Sheet.

In the General Fund, the target percentage for the end of October is 83%. Revenues were 99% collected because property tax had been mostly collected. Total expenditures were 82% spent with overall spending on target. Personnel was 80% spent. Ms. Baca pointed out that even with the \$42,000 payment to correct the unpaid amounts to PERA, the category was on track. Materials were 80% spent compared with 76% last year. Facilities was 86% spent compared with 87% last year. Facilities had been lagging until the lease payment on the COPs was made. Operating expenses were 87% spent compared with 74% last year, and Ms. Baca commented that the Postage and Freight budget category had been adjusted for next year. Information Technology was 87% spent compared with 92% last year. Total expenditures were 82% spent with \$1,722,121 revenue over expenditures for the year.

In the Capital Project Fund, Ms. Baca said there was \$1,691 interest revenue in October. The \$32,546 expenditure for Information Technology was for network switches and is expected to be reimbursed by E-rate funding. The amount spent for building improvements included \$46,000 to repair the Pueblo West roof. Ms. Baca pointed out that one of the reasons for the increased amount in Capital Fund revenues were the payments from insurance. A budget amendment will be required because there had been so much revenue that had not been budgeted.

In the Special Revenue Fund, Ms. Baca noted an adjustment required which will be corrected in the next report. A transfer from the Special Revenue Fund to the General Fund will be recommended at the December Board meeting.

The J.T. Nesbitt Fund is a fiduciary fund maintained by the library with a cash balance of \$8,864.85.

Ms. Baca said the Check Summary Report includes budgeted and recurring items and offered to respond to any questions. Ms. Baca pointed out the payment to Colorado Public Employees (PERA) of \$42,136.85.

Mr. Stuart asked about the payment \$9,630 to Colorado Building. Ms. Baca responded that it is for the library's contract with Colorado Building Maintenance for janitorial services.

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Ms. Baca concluded with the amounts presented for the Board's approval to include ACH payments of \$747,963.56, Payables of \$489,506.69, and Payroll of \$226,368.45, for a total of \$1,463,838.70.

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

VI. BOARD COMMENT None

VII. PUBLIC COMMENT

Ron Serna was in attendance but did not wish to speak.

VIII. OLD BUSINESS

IX. NEW BUSINESS

A. Announcements

- All libraries will be closed on Thursday, November 23 for Thanksgiving. Libraries will close at 6:00 p.m. on Wednesday, November 22.
- Board members are invited to attend the J.T. Nesbitt Staff Association Christmas Party on Saturday, December 2 at 6:30 p.m. at the River's Edge Banquet Hall, 102 Oneida Street in Pueblo. RSVPs are due by Friday, November 17.
- The next regular Work Session is scheduled for Tuesday, December 12, at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- The next regular Board meeting is scheduled on Thursday, December 14, at 5:30 p.m. at the Rawlings Library.

B. Action/Discussion Items

1. Lamb Library Roof

Mr. Quintana said the Board of Trustees discussed damages, insurance payments, and bids received to replace a large portion of the Lamb Library roof at the November 14 Work Session.

Mr. Stuart made a Motion, seconded by Dr. Mancha, that the Board of Trustees approve the proposal from Colorado Front Range Roofing in the amount of \$48,627 to replace the asphalt roof at the Lamb Library.

Ms. Baca said the involved area is 6,088.11 square feet. Mr. Stuart added that works out to about \$8.10 per square foot.

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

2. Public Library Association Conference

Mr. Quintana said the Board of Trustees will discuss plans for attending the Public Library Association's upcoming conference, scheduled to take place March 20-24, 2018, in Philadelphia, PA.

Both Mr. Quintana and Dr. Mancha are registered to attend. Mr. Stuart also plans to attend. Ms. Martinez hopes to be able to attend but cannot yet make plans. Both Ms. Gairaud and Ms. Bregar indicated they would not be able to attend.

There was discussion of optimal times to arrive, and Mr. Walker said the most important days to attend would be Thursday and Friday, March 22 and 23. There was general agreement that flights and hotels be arranged to arrive on Wednesday, March 21 and depart on March 24. There was a general preference expressed for flying out of Colorado Springs. The Board Secretary will work on securing flight and hotel

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reservations based on that information and will communicate with all four Board members planning to attend.

3. EXECUTIVE SESSION

Mr. Quintana asked Mr. Gradisar to provide the citation for the Executive Session. Mr. Gradisar said the Trustees would enter into Executive Session for the purpose of receiving legal advice on tax increment financing pursuant to C.R.S. 24-6-402(4)(b).

The audience was excused at 6:50 p.m. upon Motion made by Mr. Quintana, seconded by Dr. Mancha.

The Board reconvened in public at 7:32 p.m. upon Motion made by Ms. Bregar, seconded by Mr. Quintana.

Mr. Gradisar certified that the discussion was off the record and was limited to matters protected by attorney-client privilege.

X. ADJOURNMENT

Mr. Stuart made a Motion to adjourn the meeting at 7:34 p.m.

Respectfully submitted,

Jane Carlsen
Secretary