

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

November 17, 2016

I. PUBLIC HEARING ON PROPOSED PLAN AND BUDGET FOR FISCAL YEAR 2017

President Fredrick Quintana called the meeting to order at 5:31 p.m. at the Patrick A. Lucero Library and announced the public hearing on the proposed budget for fiscal year 2017. Mr. Quintana said this is an opportunity for citizen comment on the Plan and 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 said notice of the 2017 budget and budget hearing was published in *The Pueblo Chieftain* on October 15, 2016 which is a statutory requirement. The 2017 Preliminary Budget document has been available for public review at the library and online for several weeks. The Board was provided the most recent version of the 2017 Preliminary Budget & Annual Plan which is available on the library website.

Ms. Baca said the library is a governmental entity with three primary funds: the General Fund reflects property tax and other general revenue and other general revenue, and all of the operating expenses for the district; the Capital Project Fund reflects revenue and expense for capital asset acquisition (including the library replacement plan), InfoZone Museum updates and renovation, and special building and capital projects; the Special Revenue Fund reflects distributions from the Chamberlain Foundation and is used for board-determined purposes.

Ms. Baca said General Fund revenues are comprised of property tax revenue 80%, specific ownership tax 7%, fines/fees/miscellaneous 2%, and contracts/grants/gifts 3%. Property taxes increase by 1.0% or \$82,034 with a 5.282 mill levy which includes \$53,230 for abatements/refunds. Specific ownership tax is up 1% from estimated 2016, and depending on receipts for November, this budget may increase for 2017. Contracts/grants/donations are down 9% due to reduced grant revenue expectations. Interest earnings match the 2016 budget. Fine revenues decrease 6% from the current budget. Photocopiers and miscellaneous revenue vary by a 3% decrease and 6% increase, respectively, both based on current receipts. Total revenues budgeted for 2017 are up by 0.4% or \$35,023.

General Fund expenditures are comprised of 54% for personnel, 15% materials and services, 19% facilities, 7% operating and 5% information technology. Total General Fund expenditures are increasing by 0.4% or \$35,023. Personnel has a total increase of 2% which includes a 3% increase in salary to allow for implementation of the Pay-for-Performance plan and an additional 1.32 full-time equivalent (FTE) staff position. Workers compensation increases by 24%, and unemployment increases by 7%. Health related benefits decrease by 2% from 2016, and training decreases 6% by using training provided by Special Districts Association. Employee relation expenses decrease by 6%. Materials will see an overall decrease of 2% yet maintains the goal of keeping materials at 15% of total operating budget, and programming sees most of the decrease of 14% with plans to seek grants to supplement the programming budget. Facilities will increase by 2% from 2016 with utilities up by 19%, vehicle maintenance increasing slightly, building repair and maintenance increases by 14%, and rent will see a 15% increase in its contract agreement. Lease purchase reflects the debt service on the 2012 COPs. Insurance increases 5% over estimated, but may change before final approval. Operating will decrease 20% with 32% coming from contract services, Community Relations decreases by 38%, office supplies decrease by 8%, and courier services increase 10%. Information Technology decreases 1% with a telecommunications increase of 4%, hardware repair and maintenance decrease of 39%, technology supplies increase by 6%, and technology maintenance, licenses and support decrease 8%.

At the end of 2017, this budget projects a decrease in General Fund balance of \$270,000 with plans to transfer out \$275,000 to maintain the library replacement plan with \$5,000 from the

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Special Revenue fund. Ms. Baca said the good news is it is a balanced General Fund budget, and the district remains financially strong, funding capital improvements and maintaining an unrestricted fund balance at 27% of operating expenditures.

Ms. Baca reviewed the Capital Project Fund which funds: new building and capital projects, InfoZone Museum expenses and upgrades, the library replacement plan, and acquisition of other capital assets and improvements. Miscellaneous revenue projects \$35,000 from the federal E-rate program for schools and libraries and \$4,500 in interest earnings. Capital Fund expenditures anticipate \$163,500 for information technology covered in the replacement plan for network upgrades and \$151,000 for building improvements including lighting/HVAC at Rawlings, parking lot work at Pueblo West Library, and LED lighting and landscaping at the Lamb Library. The ending fund balance of \$1,699,775 includes transfer in from General Fund of \$275,000.

The Special Revenue fund anticipates revenue of \$5,010 to include Chamberlain Foundation distributions, with no expenses budgeted. An ending fund balance of \$524 is anticipated which includes the transfer of \$5,000 to the General Fund.

Ms. Baca reviewed the assumptions which is that revenue is budgeted conservatively based on assessed valuation and current economic conditions, expenditures are budgeted in anticipation of all known impact and to include annual plan initiatives while continuing excellent services, planning for growth and providing competitive employee compensation and benefits. The combined unrestricted fund balance is \$3,779,885 which is 27% of total combined annual expenditures; 20% is the minimum fund balance policy adopted by the Board in 2009.

Ms. Baca then referred to the 10-Year Financial Projections, and pointed out the highlighted line showing the unrestricted fund balance as a percentage of operating expense, noting that it looks strong for 2017. Developments anticipated between now and the final budget include additional 2016 expenditure activity and end-of-year issues, an updated assessed valuation, actual renewal costs for property/liability insurance, and other wage adjustments. Comments from the public will continue to be received until 5:30 p.m. on Tuesday, December 13, 2016 when the proposed 2017 Budget will be presented to the Board of Trustees for adoption and appropriation. Ms. Baca closed by offering to respond to any questions.

There being none, this concluded the public hearing of the proposed budget for fiscal year 2017.

II. CALL TO ORDER AND ROLL CALL

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

Board Member Absent: Doreen Martinez

Staff Present: Jon Walker, Executive Director; Sara Rose, Chief Operating Officer; Sherri Baca, Chief Financial Officer; Diann Logie, Lucero Library Manager; others not recorded.

Attorney Present: Nicholas Gradisar

III. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker suggested the addition of item VIII.B.2. Executive Session for the purpose of discussing negotiations pursuant to C.R.S. 24-6-402(4)(e), which was accepted.

IV. APPROVAL OF THE MINUTES

Mr. Quintana said the Minutes of the Library Board Work Session held on October 18, 2016 and Minutes of the Regular Library Board meeting held on October 27, 2016 were provided to Board members prior to the meeting.

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Ms. Bregar made a Motion, seconded by Ms. Gairaud, to approve the Minutes of the Library Board Work Session held on October 18, 2016. The minutes were approved by unanimous consent.

Mr. Stuart made a Motion, seconded by Ms. Pickman, to approve the Minutes of the Regular Library Board meeting held on October 27, 2016. The minutes were approved by unanimous consent.

V. REPORTS

A. Executive Director Report

Mr. Walker introduced Diann Logie, Lucero Library Manager, to provide a report on the Patrick A. Lucero Library.

Ms. Logie welcomed the Board to the Lucero Library and thanked them for their time and support, noting that Mr. Walker and Sara Rose had been very supportive of efforts at the Lucero Library this year. Ms. Logie commented on Lucero Library staff changes and reviewed program attendance for juvenile, teen and adult programming noting that juvenile programming includes many “tweens”. Lucero also maintains the Books a la Cart program which delivers discarded books to a variety of agencies and most recently added the Wayside Mission, and 10,896 books were delivered so far this year. Ms. Logie said due to a shortage of children’s books this summer, Books a la Cart diverted discarded children’s books to the Books in the Park program.

Ms. Logie then reviewed a number of landscape improvements that had been made at Lucero to better maintain the grounds and avoid trampling by youth using the library.

Ms. Logie reviewed a number of important programs including the Guerrero Stocking Giveaway which coincided with a stuffed animal gift tree and the Lucero Library’s 1st Year Anniversary. She also commented on the Patrick Lucero portrait dedication with a flag presented to his brother, Father Charlie blessing the portrait, and Jerry Vigil’s mariachi class providing musical entertainment. The East High School Class of 1966 asked to use the Lucero meeting room for its 50th reunion and offered to donate excess funds to the library. Ms. Lucero said what had been expected to be about \$500 turned out to be over \$5,000, and during the event, participants continued to contribute. She will use the funds to purchase three computers and snacks for the kids. Ms. Logie shared a number of articles and her own article in the Colorado Association of Libraries magazine comparing the Lucero Library in Pueblo with the sister library in Vietnam.

Ms. Logie discussed Lucero Library programs including Hardknox Gang Prevention and Intervention which has been a phenomenal program for this community. The curriculum focuses on choices and consequences, and that led to the establishment of a Chess Club which encourages participants to think ahead and strategize their next moves. The Chess Club continues to grow, and there are plans to get a tournament together. Ms. Gairaud referred to a book she had read *Queen of Katwe* which is also about how chess had changed the life of a Uganda woman. There was a program on dental health where children received toothbrushes, toothpaste and dental floss; a campfire program with stories to read in the dark with s’mores; the sugar skulls program had over 60 children; a Zombie Barbie program; and 3-D printer projects.

The Lucero Library served as a location for a 24-hour Ballot Drop Off location, and the Secretary of State and County Clerk came out to publicize it.

The Earth Rise mural project is getting back on track. Of major concern to the community is the Safeway closure planned on November 19. There are community concerns about access to pharmacy and transportation issues, and the library is concerned about the lack of lighting in the Safeway parking area. City Councilman Larry Atencio is actively seeking

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alternatives, and there was discussion of additional solutions such as contacting SRDA to assist with transportation.

Mr. Walker said the Lucero Library is in good hands with Ms. Logie's leadership.

B. Friends of the Library Report None.

C. Pueblo Library Foundation Report None

D. Attorney Report

Mr. Gradisar said he spoke with Lynne Miller, Property Manager from Safeway, who indicated that Safeway has not yet decided what it will do with the property. He made sure she knows the library is interested in the two lots. She expects Safeway will have a plan in the next two or three months. The city is concerned about getting another grocery into that space, and she agreed to let him know when they have further information. The library has had a good experience with Safeway in the past.

E. Employment Changes

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

Ms. Bregar made a Motion, seconded by Ms. Gairaud to approve the Employment Changes contained in the November 17, 2016 Board materials.

Mr. Walker said there was slow activity in October. The library hired a new Circulation and Library @ the Y Manager who comes from Pikes Peak Library District. Most of the terminations were substitutes who had been inactive. There was one retirement of a long-term Materials Handling Technician at the Barkman Library.

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

F. Financial Report

Mr. Quintana said the Board is asked to ratify the October 2016 bills and accept the October 2016 Fund Statements. Sherri Baca, Chief Financial Officer, would provide a synopsis of the Financial Report and answer questions.

Ms. Pickman made a Motion, seconded by Mr. Stuart, that the Library Board approve the October 2016 bills and accept the October 2016 Fund Statements as contained in the November 17, 2016 Board materials.

Ms. Baca reviewed the Combined Balance Sheet, noting it was straightforward and in line with the budget and prior years. Prepaid expenses increased which is not unusual at this time of year, and the COP payment was made this month so cash holdings decreased.

In the General Fund, the target percentage for the end of October is 84%. Revenue was 97% collected, with slower property tax and specific ownership tax receipts. Total expenditures were 80% spent, the same as last year. Personnel was 79% spent compared with 80% last year. Materials were 76% spent compared with 74% last year. Facilities were 87% spent which is higher because the COP payment was made in October rather than November. Operating expenses were 74% spent compared with 86% last year. Information Technology jumped to 92% spent compared with 87% last year. There were no budget concerns, overall spending is under the target percentage, and based on current spending Ms. Baca expects it will be a balanced budget at year-end.

The Capital Projects Fund revenue was 74% collected with revenues in October from interest earnings. Expenditures were 64% spent. Spending in October was \$13,200 to cover redesign of InfoZone. There were expenditures in Information Technology to purchase a back-up power system for Rawlings, and under Furniture/Fixtures/Equipment

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to purchase a power washer for Facilities which was offset by a Friends' grant to cover that cost.

In the Special Revenue Fund, there was a distribution received from the Chamberlain Fund. The J.T. Nesbitt Fund continues to maintain a strong balance.

In the Check Summary Report, Ms. Baca offered to respond to any questions. She pointed out the \$12,000 paid to All American Entertainment was for the All Pueblo Reads speaker. There is also a payment to IG Quality Concrete to repair the stairs at Rawlings.

Ms. Baca concluded with the amounts presented for the Board's approval to include ACH payments of \$742,958.02, Payables of \$347,788.80, and Payroll of \$224,563.64 for a total of \$1,315,310.46.

Ms. Baca noted that cash flow is expected to get the library through the end of the year, although they may have to use some cash reserves in January and February until property tax receipts begin, which is what happened earlier this year.

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

VI. BOARD COMMENT

Ms. Gairaud said she had requested a book at the Barkman Library and drove by twice on election day to find the parking lots filled and lines outside the building. Despite the overwhelming crowd, Ms. Gairaud credited Alicia Griebel, Barkman Library Manager, with doing a very good job of managing the library under those circumstances.

VII. OLD BUSINESS None

VIII. NEW BUSINESS

A. Announcements

- Star Libraries celebration will be held at the Rawlings Library on Friday, November 18 at 10:00 a.m. in the Youth Services Department.
- All libraries will be closed on Thursday, November 24 for Thanksgiving. Libraries will close at 6:00 p.m. on Wednesday, November 23.
- Board members have been invited to attend a PURA meeting to discuss a specific request submitted by the Pueblo Board of Water Works and how this impacts the implementation of HB15-1348 which will take place on Thursday, December 1 from 3:00-5:00 p.m. at the Pueblo Convention Center. PURA has requested RSVPs by November 18.
- Board members are invited to attend the J.T. Nesbitt Staff Association Christmas Party, *A Holiday Masquerade*, to be held on Friday, December 9 at 6:30 p.m. in the Ryals Room at the Rawlings Library. RSVPs are due to Courtney Woodka at 562-5606 by November 28.
- The next regular Work Session is scheduled on **Thursday**, December 8 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- The next regular Board meeting is scheduled on **Tuesday**, December 13 at 5:30 p.m. at the Rawlings Library.

B. Action/Discussion Items

1. Pueblo Library Foundation Board of Directors Appointments

Mr. Quintana said the Board of Trustees discussed the reappointment of Carol King to a three-year term as an at-large member of the Pueblo Library Foundation Board of

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Directors at the November 15 Work Session. All appointments to the Pueblo Library Foundation Board of Directors require approval by the PCCLD Board of Trustees.

Mr. Stuart made a Motion, seconded by Ms. Pickman, that the Board of Trustees approve the appointment of Carol King to a three-year term as an at-large representative on the Pueblo Library Foundation Board of Directors.

Mr. Quintana briefly explained that Carol King had been on the Pueblo Library Foundation Board as a representative of the Friends of the Library, and she will continue to serve on the Foundation as an at-large representative. The Friends may appoint a different representative.

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

2. EXECUTIVE SESSION

Mr. Quintana said the Board of Trustees would enter into executive session for the purpose of determining positions and development strategy for negotiations and instructing negotiators with regard to PURA pursuant to C.R.S. 24-6-402(4)(e).

The audience was excused at 6:52 p.m. upon Motion made by Ms. Gairaud, seconded by Ms. Bregar.

The Board reconvened in public at 7:24 p.m. upon Motion made by Ms. Bregar, seconded by Ms. Pickman.

X. ADJOURNMENT

The meeting was adjourned upon Motion made by Ms. Pickman at 7:25 p.m.

Respectfully submitted,

Jane Carlsen
Secretary