

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES  
WORK SESSION MINUTES**

**August 15, 2017**

**I. CALL TO ORDER AND ROLL CALL**

Ms. Doreen Martinez, Vice President, called the meeting to order at 3:03 p.m. in the Ryals Room on the 4<sup>th</sup> floor of the Rawlings Library.

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

Board Members Absent: Fredrick Quintana, President

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Sherri Baca, Chief Financial Officer; Midori Clark, Community Relations and Development Director; Charles Hutchins, Information Technology Director; Alan Rocco, Facilities Superintendent; others not recorded

**II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA** None

Mr. Walker recommended the deletion of item III.B. Fine Forgiveness and III.G. Board of Trustee Appointments and the addition of an Executive Session after Item III.H. for the purpose of developing strategy for negotiations. The Board Attorney recommended a vote.

Dr. Mancha made a Motion to accept the suggested modifications, seconded by Mr. Stuart. MOTION CARRIED 4-0 (*Included Ms. Martinez's vote since Ms. Bregar had not yet arrived.*)

**III. DISCUSSION ITEMS**

**A. Surplus Property**

Ms. Martinez said Alan Rocco, Facilities Superintendent, would present a recommendation for declaration of surplus property.

Mr. Walker distributed three Disposal of Property Requests with items the library would like to remove from its inventory.

Mr. Rocco referred to the Disposal of Property Request listing a number of items of kitchen equipment and suggested that these are items that can probably be sold. All the items will be donated to the Friends of the Library to sell, donated to charities or other nonprofit organizations, or will be recycled after all other methods of disposal are exhausted. The list of miscellaneous items may include some items that can be sold, but the list of shelving items is very specialized and might have to be disposed of as scrap metal. Mr. Rocco said all of the items listed can be seen in the Book Store warehouse area.

Ms. Gairaud asked if the Friends have a way of letting people know the items are for sale. Mr. Stuart said the Friends did this once and had talked about doing it during a "Books by the Bag" sale, but customers were there for books so they had a special sale in the warehouse. Ms. Clark said the library could also advertise the sale.

Dr. Mancha noted there are three lists and asked if there is any sense of how much money might be recovered. Mr. Rocco said the list of restaurant equipment has the best possibility of earning a few thousand dollars, the other two may only earn a couple of hundred dollars.

Ms. Martinez said this will be added to the August Board meeting agenda. Mr. Walker added that after the Board's approval, the library will go forward with donating those to the Friends of the Library because any proceeds from those sales come back to the library. Once the items are declared surplus, they will be deleted from the library's inventory.

## WORK SESSION MINUTES

August 15, 2017 — 2 of 5

### **B. Fine Forgiveness** REMOVED

### **C. Heart Your Library**

Ms. Martinez said Midori Clark, Director of Community Relations and Development, would present a report and invitation for the upcoming Pueblo Library Foundation fundraising event.

Ms. Clark thanked Board members for the opportunity to talk about this awesome event which is an opportunity to help the library to raise some money with a new library campaign. Ms. Clark said it is also an opportunity to learn about the library, and she is excited to be hosting this. Ms. Clark said she had sent Board members an email invitation to the Heart Your Library event.

The event is scheduled for August 31 from 12:00 noon to 1:00 p.m. in the Ryals Room at the Rawlings Library. There is no cost to attend, and Ms. Clark encouraged each Board member to put together a table of seven other people to attend because the success of the fundraiser relies on statistics for success. There are currently only fifteen RSVPs. RSVPs should be made to Gloria Madrill at 553-0221 or by email at [Gloria.madrill@pueblolibrary.org](mailto:Gloria.madrill@pueblolibrary.org).

Ms. Martinez asked Ms. Clark to resend the email, and she will make sure the Friends of the Library receives it as well. Later in the meeting, Mr. Walker distributed copies of the Heart Your Library invitation.

### **D. Selfcheck Services**

Ms. Martinez said Charles Hutchins, Director of Information Technology, would provide an update report on PCCLD's selfcheck service. *(Ms. Bregar arrived early in this discussion)*

Mr. Hutchins said he had been informed of the Board's concerns with the self-checkout equipment. Mr. Hutchins explained that "Chip and PIN" is the new technology allowing businesses to accept chips on credit cards which was supposed to be available two years ago but kept getting pushed back. As long as the provider, Comprise, did not have that technology, the library was not liable, but as soon as the provider had the ability, any kind of fraud would make the library liable. The library had to implement Chip and PIN to avoid liability, but in doing so, IT had to update the software on the self-checkout equipment which had not been updated since it had been purchased. The initial testing of the updated software showed no issues, so it was installed on all of the equipment. After it was installed, they started seeing issues and discovered that each self-checkout was identified separately, but the software was not matching them independently.

Mr. Hutchins said while they were working on that issue, they started seeing hardware failures, and he had Bibliotheca come support the equipment for which the library pays maintenance fees. Because this was happening at many other locations, the equipment was failing all at once, and Bibliotheca had to get replacement parts from the United Kingdom. Mr. Hutchins started "stomping his feet" about the issue, and was put in touch with Vice President of Operations which resulted in them going through the issues line by line with each self-checkout unit. Mr. Hutchins displayed a spreadsheet logging the affected units and issues reported.

Mr. Hutchins said there were also issues with the RFID readers, which were replaced but were still not working.

Mr. Hutchins said they are trying to figure out the best path forward. The library's last upgrade was 6.4, and the recent upgrade brought them to 6.13, and perhaps the library needs to downgrade again so it can avoid the liability.

Another issue resulted from the merger of Bibliotheca with 3M. They are continuing to develop the 3M product which has a more modern interface. The library could look at using that software rather than Liberate which will not be continually developed. Bibliotheca will be moving forward using Quick Connect, but there is a cost with that.

Mr. Hutchins said they also discovered problems with Comprise, and they finally had a fix, and the credit card readers have been working better since that fix was installed.

## WORK SESSION MINUTES

August 15, 2017 — 3 of 5

Mr. Hutchins said these are not new issues, and there have been regular maintenance issues for years. He said Dan Romero, who recently retired, had been keeping the systems up to date.

Ms. Martinez asked if the machines belong to Bibliotheca, and Mr. Hutchins responded that the library owns the equipment but pays for maintenance. Bibliotheca would be more than happy to sell the library new equipment. Mr. Hutchins said at this point the only self-checkout unit not working properly is at Pueblo West because whenever they upgrade the system, the machine crashes, so it is still using 6.4.

Mr. Hutchins described self-checkouts as first generation (the units installed in early 2013) and second generation (units installed at the new libraries in late 2014). The units purchased in 2013 were manufactured in the United Kingdom, but by the time the self-checkouts were purchased for the new libraries, Bibliotheca was manufacturing the equipment in Colorado. The 2013 equipment is running a United Kingdom version which presents challenges such as different wiring harnesses.

Ms. Gairaud asked if the long-term solution will be to get new equipment, and Mr. Hutchins said it is part of the replacement plan. The equipment purchased in early 2013 is starting to age because the units are constantly on and running, so there is a wear and tear factor. They have to keep them running in order to save the money to buy new equipment.

Ms. Martinez described trying to settle a fine when the unit would not take her credit card, and the staff member tried to help but eventually just cleared the fine without her payment. Ms. Martinez wondered if that is happening consistently or if there is a way to keep track of similar incidents to see how much the library is losing in fine collections.

Ms. Baca said that is a piece of the bigger picture, and staff have been empowered to forgive fines in the interest of customer service. Finance is doing a review and can quantify what those dollars are. Ms. Baca said there is a fine balance between customer service and fiscal responsibility, and they are also looking at the possibility of fine forgiveness. Ms. Martinez said she understands the library has to consider how much staff time is worth to collect a \$2 fine. Ms. Baca said Finance has not had any weaknesses in collecting cash for fines. Mr. Hutchins added that the credit cards are now coming back accurately after requiring some hardware replacement.

Ms. Gairaud thanked Mr. Hutchins for the update.

### **E. PCCLD 2016 IRS Form 990**

Ms. Martinez said Sherri Baca, Chief Financial Officer, would present PCCLD's 2016 IRS Form 990 for discussion.

Ms. Baca said with the completion of the Comprehensive Annual Financial Report (CAFR), Finance then completes the IRS Form 990 for 2016 which was provided to Board members in the packet. Ms. Baca pointed out a question on page 6 asking if the organization had provided a complete copy of the form to all members of its governing body, which is marked as yes. The filing deadline for IRS Form 990 is November 15, so it will be well ahead of the deadline for the library and for the Foundation.

Mr. Stuart noted that the CAFR shows the library with a slight positive balance; however, the IRS Form 990 shows horrific losses. Mr. Stuart said since the library does not pay taxes, it is not necessary to show losses to avoid taxes, and he asked the reason for that.

Ms. Baca explained that in the CAFR there are different required financial reporting items which the Board may not see each month in the financial reports. The library shows spending within its revenues, but when all the governmental required items are brought in, it appears there are losses. Ms. Baca said one example is the pension liability makes the bottom line look much worse. Cash-wise, the library is in more positive territory.

Ms. Baca said there are sections in the IRS Form 990 that are reconciled to the CAFR, and within that there are various schedules. Ms. Baca reviewed several of the schedules and what is provided in each. The IRS Form 990 and the CAFR together provide a true sense of a nonprofit organization. Ms. Baca concluded the library's form is straightforward and similar to previous years.

## WORK SESSION MINUTES

August 15, 2017 — 4 of 5

The Board agreed this should be added to the August meeting agenda.

### **F. 2017 Audit**

Ms. Martinez said Sherri Baca, Chief Financial Officer, would present a proposed engagement agreement with a firm to conduct the 2017 PCCLD Audit.

Mr. Walker distributed engagement agreement letters to the Board of Trustees for the Pueblo Library District and to the Board of Directors of the Pueblo Library Foundation.

Ms. Baca said this is the fifth year under the proposed price, and the recommendation is to use Swanhorst & Company LLC to conduct the 2017 audit. Swanhorst is guaranteeing the same price at a cost not to exceed \$25,000. The price for the Foundation is \$4,500 plus \$1,000 to complete the tax return. In 2018, the library will issue a Request for Proposal to conduct the 2018 audit.

The Board will be asked to approve both proposals because the library pays for the Pueblo Library Foundation audit as an in-kind contribution, and the Foundation Board will also be asked to approve its proposed engagement agreement.

Ms. Baca said if this is approved, the auditors will begin onsite work for the 2017 audit in December.

Dr. Mancha did not notice anything in the engagement agreement about the technology audit. Ms. Baca said Swanhorst does employ someone to conduct an IT systems audit, but she was not sure it was included in the engagement agreement.

Mr. Walker said the Board will be asked to consider approving the 2017 Audit engagement agreements as an action item at the August Board meeting. Ms. Baca will follow up with Swanhorst about the IT systems audit. Mr. Walker said this could be delayed until the September meeting if necessary, but it would be ideal to have it approved at the August meeting.

### **G. Board of Trustee Appointments** REMOVED

### **H. PCCLD Productivity Report**

Ms. Martinez said Jon Walker, Executive Director, would report on a PCCLD peer productivity analysis.

Mr. Walker distributed two charts for the Board's review. Last month, he provided a report comparing some of the key data points with peer libraries, and this is a follow-up with more on the money side from the Library Research Service.

The first chart shows the local revenue for libraries serving populations of 100,000 or more on a per capita basis. The average revenue was \$60.66 per capita, and PCCLD's revenue was \$58.61 which is slightly below average. At the top were High Plains Library and Arapahoe Library District, and at the bottom were Westminster Public Library and Aurora Public Library which are both city libraries. Mr. Walker concluded that PCCLD is about average when reviewing peer libraries.

The second chart shows staffing levels with PCCLD highlighted showing five different variables in each column. The first column shows the number of staff per 1,000 served, and PCCLD has .62. At the top of the list is Arapahoe with 1 staff member per 1,000 which is staffed more richly, and the lowest was Aurora with .19 staff per 1,000 served. The next column shows the number of staff per 10,000 circulations, and Pueblo is at .4 compared with the average of .5. At the top was Arapahoe with .62 and Denver Public Library with .69. Mr. Walker says PCCLD staff are circulating a lot more per staff member and are staying busy by comparison with other libraries.

The next two columns report the total number of ALA-MLS Librarians with Pueblo having 25. Denver Public Library has 168.23, but a much larger district serving more population would be expected to have a larger number. The final column shows a ratio of Librarians to FTE (full-time equivalent) staff which is more comparable among libraries. PCCLD's ratio works out to .25 while Denver Public Library works out to .26. When looking at this ratio, PCCLD is doing pretty good and is actually higher than the average of .22.

## WORK SESSION MINUTES

August 15, 2017 — 5 of 5

Mr. Walker commented that this review shows that on productivity, PCCLD has a busy staff which he attributed to the number of self-checkouts which allow more productivity per staff member.

Dr. Mancha said if the averages factor in the very high and very low numbers, the averages are not very helpful. Mr. Walker said Pikes Peak Library District, which serves a population of about 600,000, is expected to have a larger number of total staff with nearly four times the population, and PCCLD is actually staffed at a pretty good level compared with Pikes Peak Library District when considering it serves a population of about 150,000. Mr. Walker agreed the averages are more relevant when considering per capita numbers.

Ms. Bregar said this may not include librarians who are not working in librarian positions, but it is interesting information to have. Mr. Walker noted that some libraries have librarians as the IT Director, but this is a high-level view.

Ms. Gairaud asked how many PCCLD staff are working toward their MLS degree, and Mr. Walker estimated about five at this point. Ms. Bregar noted that they are not counted as MLS staff. Mr. Walker said the library has had MLS graduates working in non-librarian positions, but the library has a lot of librarian vacancies right now so it good to have some in training now.

Ms. Gairaud said it is great to have the Friends of the Library helping staff with tuition to encourage them to get their MLS degree and stay here. Mr. Walker agreed and said it is an ongoing process with people who come and go for a variety of reasons. The library's goal is to create a healthy employee environment where people can grow. The greatest success the library has is with people who live in town or are from Pueblo. Mr. Walker said the library world is a big one, and it is not uncommon for a new MLS graduate to want to see another area of the world. The advantage to the library is that while employees are working on their MLS degree they are more engaged and contribute at a higher level, so there is a benefit for the institution even if they leave later.

### **I. Executive Session**

Ms. Martinez said the Trustees would enter into Executive Session for the purpose of developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations pursuant to C.R.S. 24-6-402(4)(e).

The audience was excused at 4:05 p.m. upon Motion made by Ms. Bregar, seconded by Ms. Gairaud.

The Board reconvened in public at 4:23 p.m. upon Motion made by Mr. Stuart, seconded by Ms. Gairaud. The Executive Session was recorded.

### **IV. ADJOURNMENT**

Prior to adjourning, Ms. Martinez reminded Trustees that the Regular Board meeting would be held Thursday, August 24, 2017 at 5:30 p.m. at the Pueblo West Library, 298 South Joe Martinez Boulevard.

There being no further discussion, the Work Session adjourned at 4:25 p.m.

Respectfully submitted,

Jane Carlsen  
Secretary