

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

**February 14, 2017**

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

Mr. Quintana, Vice President, called the meeting to order at 3:01 p.m. in the Ryals Room on the 4<sup>th</sup> floor of the Rawlings Library.

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

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Sherri Baca, Chief Financial Officer; Alan Rocco, Facilities Superintendent; others not recorded

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

**III. DISCUSSION ITEMS**

**A. Urban Renewal**

Mr. Quintana said there will be discussion of a proposed urban renewal agreement.

At the last Board meeting, Mr. Walker had distributed a draft Cooperation Agreement regarding HB 15-1348 and SB 16-177. A meeting has been called by the Pueblo Urban Renewal Authority (PURA) on Wednesday, March 8 at 12:00 noon with all of the taxing entities which will include PURA's legal counsel. The Board will certainly want to get Mr. Gradisar's take on the agreement. Mr. Walker has set up a meeting with the taxing entities on Tuesday, March 7 at 2:00 p.m. in the Executive Conference Room to have an opportunity to see if there is consensus among the taxing entities going into that meeting.

Mr. Gradisar said he had reviewed the proposed agreement and summarized that agreeing to this would be as if the House and Senate bills had never existed, and it does not very well take into consideration the interest of the taxing entities.

Mr. Stuart said that would be a giant step backwards for the taxing entities. Mr. Gradisar referred to the language in paragraph 5.3 Confirmation of Pledge of Property Tax Increment Revenues which states the parties elect to apply the provisions of C.R.S. 11-57-208 and gives them some sort of priority for the bonding, and that needs further investigation. Mr. Gradisar also pointed out in paragraph 7.0, the Special Districts waive any provision of the Act that provides for notice to the Special Districts. Nothing in the agreement addresses the concerns the taxing entities have.

Mr. Gradisar has been invited to a meeting of the Board of the Lower Arkansas Valley Water Conservancy District to help get them up to speed. The library reached out to them and other Special Districts, and at the time they wanted the library to take care of representing Special Districts on PURA. Mr. Gradisar distributed recent numbers showing the amounts that have been diverted to PURA from the top five taxing entities, and the Library is the only one of the special districts listed; the others combined only have an approximate \$106,000 diverted.

It was noted that representatives had been invited from both school districts and the county. Mr. Walker said efforts to contact Charlotte Macaluso have had no response, and he offered to try to reach the current Board president. Commissioner Hart was invited to this meeting.

Mr. Stuart questioned whether PURA is trying to run something by us. Ms. Bregar said it was her impression that PURA wants to make sure all of the present projects are not in jeopardy. This came up with the Board of Water Works reimbursement and whether it was really a change. PURA thought the agreement would cover the present projects unless there is a change, but the more she reads the agreement, the more she finds it confusing.

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Mr. Gradisar said City Council appointed Louie Carleo and Ralph Williams to PURA. There was discussion of concerns about conflict of interest with property owners and spouses of property owners. Mr. Gradisar said urban renewal law is very clear that they cannot participate in those decisions or attempt to influence. Ms. Bregar said when PURA was designing the west side project, there was a concerted effort to make sure that Mid-Town was not included in the project. There was a discussion of Don Bruestle's participation in PURA, and the city introduced term limits which included PEDCO.

Ms. Bregar said she feels, and Jerry Pacheco knows, we are not about to give up the rights afforded us under the law for any future projects. She wonders if this agreement is coming from up north based on the Benedetti model. There was additional discussion where Board members expressed that if it is not required by law, the taxing entities should not agree to it because the library worked hard to get the legislation the agreement is attempting to waive.

Mr. Gradisar said eventually PURA is going to refinance the parking garage, and the lenders are saying that they need to get buy-in from the taxing entities. Ms. Bregar wondered if that is what may have precipitated this agreement. Mr. Walker said the library has no reason to oppose refinancing the parking garage. There was additional discussion that this was not a proposal we asked for, and the issue with the Vestas project was that the City of Pueblo exempted itself and never contributed anything to the project. This agreement is much more comprehensive than either of these issues.

Mr. Stuart asked why PURA tries to come in the back door when they have not even asked the taxing entities. Mr. Walker had attended a meeting in which PURA had been encouraged to put something out for the taxing entities to respond to.

Ms. Bregar said she believes they see this as a way to expedite things, and they consider the law a fly in the ointment every time there is a project. Ms. Bregar said there is no one at PURA who remembers what happened when this first started. If it is a lot of trouble to contact the taxing entities and they do not want to do a framework proposal that could be used on every applicable project, then the taxing entities will go back to the letter of the law. If PURA is proposing something, the taxing entities have a voice on the PURA board. But, if PURA does not want to give taxing entities a voice, then they cannot reopen a project. According to PURA, there has not yet been a triggering event. Refinancing the parking garage might not be a bad thing, but that is for the taxing entities to decide whether to sign off. Taxing entities are not going to sign something that gives up what they have worked so hard to get. PURA hates the idea of a template because it takes time to do it every time there is a project. Ms. Bregar said what is interesting is they do not have any projects ready to go from what she can gather, but they are working to get the Convention Center expansion.

Mr. Gradisar said this makes reference to the Regional Transportation Authority, and Ms. Bregar added that PURA wants to participate in that, but they have to break ground by February or they lose DOLA money, and there was discussion of whether the City would demolish the old police station.

Mr. Gradisar said based on listening to Mr. Benedetti, PURA wants to have this in place while they try to get the legislature to change the law. Each of the taxing entities want to recoup the impact.

Mr. Quintana said they are working under the assumption that we are going to be unreasonable. If PURA is going to do a project, they need to show the impact it will have on the taxing entities, but we are not going to be unreasonable.

Mr. Walker concluded that the proposal being put forward is a non-starter, and we will meet with the other taxing entities and see if we can go in to the meeting with PURA with one voice. If they want to refinance the parking garage or the St. Charles Industrial Park, PURA needs to put together an agreement on that, but the current projects are going to stay the way they are.

Mr. Quintana said you always hope PURA would work with the community, and Pueblo works better when it works together. This is a non-starter for us here, but we are not unreasonable.

Mr. Gradisar will be attending the meetings. He will also be meeting with the Lower Arkansas Valley Water Conservancy District Board.

The library's position is the Cooperation Agreement is not palatable.

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Ms. Bregar said the more specific we can be about what is or is not acceptable will be helpful. Taxing entities want to be a continuing partner as projects come up. Mr. Walker said he is not familiar with the provisions of C.R.S. 11-57-208, and Mr. Gradisar will track that down. Mr. Walker concluded that we can go into this meeting from a position of strength.

### **B. Assessment**

Mr. Quintana said the Trustees would review the Trustee annual self-assessment which had been provided. It appears that two Board members did not complete the assessment. A review of the 2016 Assessment appears to show that the following items had less than a 4 (above): 3, 13, 20, 32, and 33. Only items 32 and 33 had any rated at 2 (below).

Mr. Walker commented that this is good information with only five areas that fall below 4. The two questions receiving a 2 were about committee structure and guidelines for committees.

Mr. Stuart made the recommendation that the Board Development Committee review the lower scores and make any recommendations they might have for improvement. Some of these have been low on previous assessments.

Ms. Pickman said she does not see a 3 (meets) as being a bad score. Ms. Martinez agreed, but there could be ways to improve. The Board Development Committee can review those and bring back recommendations to the Board.

There was discussion that the Board Development Committee had revised the Board Assessment tool this year which resulted in a shorter list and expanded scoring options.

Dr. Mancha noted that he does not think this is bad at all, but the Committee might come back with a recommendation for professional Board development this year.

Everyone indicated they had completed the assessment, and there was concern why the assessment only showed five responses. There was discussion of the need to improve the system to be able to tell who had not submitted an assessment while maintaining anonymity. Suggestions were that the Board Secretary could notify all Board members when an assessment is received so a Board member completing the assessment would know it had been received or Board members could create a unique ID known only to the Board member.

Mr. Walker concluded that the Board should feel good about where it is right now.

### **C. Gallagher Amendment**

Mr. Quintana said the attorney would provide a report on the Colorado Gallagher Amendment for discussion.

Mr. Gradisar understood from his associate, Kate Shafer who had attended the last meeting, that the Board would like to ascertain if the Gallagher Amendment had been challenged. Mr. Gradisar discovered that most of the challenges to the Gallagher Amendment were to establish whether or not a property is residential, particularly for resorts where the residences had not yet been sold, and the developer did not want to be taxed at the higher residential rate. Mr. Gradisar said there have been challenges to TABOR, but the courts have found that individuals do not have standing in those cases, and it is up to legislatures to challenge the law for the courts to consider it.

TABOR requires a vote on any increase in taxes. Gallagher ratchets taxes down, but TABOR prevents taxes from increasing without a vote, and there has never been a vote to put the taxes back up. School District 70 joined in some type of action, and the standing question messed up the litigation on TABOR. There is not a political will to put TABOR back on the ballot.

Mr. Walker said his understanding is that Gallagher ratchets down residential property tax, but that has not happened since his arrival in 2004. There were years where taxes should have been going up, but someone is interpreting that TABOR applies, and the legislature does not allow it to ratchet up without a vote of the people. Gallagher says property taxes can ratchet down, but does not allow for taxes to ratchet up due to TABOR. The other question is with de-Brucing, and it has been determined that Gallagher sets property taxes statewide, and what is driving it is Denver. Mr. Walker said the question he has is for those institutions that have been de-Bruced and why does it not apply. Mr. Gradisar

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explained that “de-Brucing” allows an institution to keep excess revenues from the mill levy, an increase in the mill levy still requires a vote of the people. Mr. Gradisar said Gallagher and TABOR have been at odds with each other for a long time. Mr. Walker agreed that the two seem to be in conflict, but the legislature takes the position that TABOR prevails and property taxes cannot ratchet up. They are making a political decision, but the question is whether it is a legally sound decision.

Ms. Pickman said it seems that Gallagher will continue to hurt us as a state. There was a discussion with a representative who said the simple solution would be to repeal Gallagher or repeal TABOR.

Ms. Bregar encouraged the library to see what it would need to communicate to the public in order to raise the mill levy, noting that property owners are not likely to notice the decrease in property taxes but they may notice when the library has to shave services to balance the budget.

Mr. Quintana said the sooner we can start putting out feelers into the community the better and asked if that would be better than putting money behind a legal challenge. We have the opportunity to look at both options.

Mr. Quintana thanked Mr. Gradisar for taking the time. Mr. Gradisar said a legal challenge would not likely be successful, but on a statewide level, it might be worth trying to get the legislature to do something with TABOR, or maybe we would have more luck locally. The state is the one getting in trouble because they have to backfill for the school districts, but there has not been the political will. A tax increase would be a hard thing to sell to the public. Ms. Pickman said people do not always realize what their taxes pay for.

Mr. Walker said the library can start putting together information about mill levy impact. We did catch this early as far as getting in the loop. Information is power, and we will start pulling it together.

### **D. Marijuana**

Mr. Quintana said a report on application for a marijuana dispensary would be provided for discussion.

Mr. Walker said he had been contacted by Donald Moore from Pueblo Community Health Center concerned about a proposed marijuana shop to be located across from the Rawlings Library on Abriendo Avenue. Mr. Walker had been in touch with the City Clerk’s office and found there is an application for a marijuana shop at 105 East Abriendo next to Tony & Joe’s Pizza. Mr. Walker distributed a Google map showing the location of the shop in relation to the library. The applicant is Karson Beckstrom and White Diamond Botanicals, which appears to be in good standing and was granted a conditional use permit (CUP) from City Planning. Mr. Walker said he had learned a lot about the industry in the last week. The shop is located in an area that is permitted to have a marijuana shop, but the application is considered incomplete because they have not surveyed all the neighbors within a 300-foot radius. The application must be completed by February 24, and Mr. Walker distributed the timeline for the application process established by the city. The city plans to approve eight marijuana shops, four south of the Arkansas River and four north. There are 37 applicants, and they plan to approve eight, and the Marijuana Board will make the cut. There is a 100-page document on the rules which is available online, and Mr. Walker had printed a copy for Board members to review. The document provides a point system of how they will score the applications, and there are a lot of different criteria.

Mr. Walker said he has not seen a survey, but he understands there are only three options on the survey: For, Against or No Position. He understands that applicants get more points for surveys showing support. Mr. Walker asked the Board to discuss how the library should respond to the survey.

Mr. Walker said the survey is not the final step. Applicants have to meet some other criteria, and one of those is parking, and from his perspective the issue is about the behavior of users and parking. The library has more parking than many of the businesses in the area and has parking spaces “poached” as a result. There are days when the library’s parking is overfilled. The other issue is behavior, and security has become a bigger issue at the library in the last five years. In 2015, the library started tracking security incidents. In 2015, there were 113 reported security incidents, and in 2016, there were 248 incidents, which is a significant increase. The library started tracking incidents because it has become more of an issue. The library does not track the types of security incidents, but anecdotally, many have to do with alcohol and drug use, marijuana comes up regularly, and others

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have to do with homeless issues and urban campers which may also be related to drug use. Mr. Walker added that Posada and McClelland School are also concerned.

Ms. Bregar asked if the Board needs to take action, or is it just a consensus. Mr. Walker said the library has not been surveyed yet, but if they do issue a survey it may be before the next Board meeting.

Board members discussed issues related to parking, the difference in experience with marijuana shops in the county, concern about the library providing grass and trees for walk-in business, and the ongoing cost to the library of potential increased security incidents. Board members also discussed the importance of the library as a family place for children, and it was suggested the library investigate whether it could receive the same insulation as schools. In the end, it was stated that the Board could only see negatives with no positives.

Mr. Walker said his direction from the Board is that it is against the marijuana shop. It was agreed among Board members that there were more reasons to say no. Ms. Martinez said this topic brings to light things we should be talking about that would be exacerbated with a marijuana shop. Mr. Walker said with 37 applicants for eight slots, it will be highly competitive.

Dr. Mancha pointed out that nobody wants a marijuana shop in their neighborhood, and it is important to be prepared with a very good reason to say no. There is money to be made, yet nobody wants it. Mr. Quintana said this is still preliminary, and if it gets to the hearing stage, we should come up with the proper stance against it.

Ms. Gairaud said there are eight branches, so this may not be the only time the library is confronted with this issue. The Board might develop the library's position in case there is an application for the Safeway near Lucero or the Belmont Shopping Center near Barkman. If marijuana shops cannot be within 1,000 feet of schools, perhaps the library can be included in that distance. Dr. Mancha also noted that Pueblo is not the first town to have marijuana shops, and it would be good to see what arguments other libraries have made.

The Board asked to be provided another update at the Regular Meeting, noting that the timeline may require participation in a public hearing before the next Work Session.

Mr. Gradisar cautioned that the survey may not be delivered by mail, it may be someone with a clip board and a form, so staff should be alerted to refer them to Mr. Walker to respond. Dr. Mancha suggested talking with other businesses in the area to encourage more "against" responses and do our own lobbying.

### **E. Janitorial Services**

Mr. Quintana said the Library District recently received proposals for janitorial services via an RFB process. Results and recommendations would be presented for discussion.

Mr. Walker invited Alan Rocco, Facilities Superintendent, who has been working on a process for custodial services. The library outsources its custodial services, and the current janitorial service has been in place over five years, and it was time to refresh the bid.

Mr. Rocco said the library prepared a detailed 20-page Request for Bid (RFB) which was sent to about fourteen vendors which included a scheduled mandatory meeting to tour the buildings, and about ten showed up. Vendors had until February 8 to respond, and the library received seven responses. A committee of five reviewed the bids and completed a score sheet which he displayed, and the scores matched up among all the reviewers for the same company.

Mr. Rocco displayed the bid amounts received from each of the vendors and the scores submitted for each. The bid from Colorado Building Maintenance, LLC (CBM) was \$115,560, well within the 2017 budget of \$149,500. Mr. Rocco said the references for CBM included Pikes Peak Library District which gave them a solid reference. CBM is based out of Colorado Springs. Mr. Rocco liked some of the features CBM had to offer such as quality and supervision of employees which are a little weak with the current vendor. The current vendor, Carnation, is also out of Colorado Springs and was with Pikes Peak Library District until they moved to CBM.

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Ms. Martinez asked if any of the vendors were from Pueblo, and there were, including JD's Janitorial, but the bids were significantly higher. Mr. Walker pointed out that the bid document was very detailed, and he surmised that some of the businesses in Colorado Springs are better equipped to take care of a large spread of buildings and have better capacity to take on something like this on a cost per square foot basis. One local vendor was clearly less capable of competing in this marketplace. Mr. Rocco noted that minimum wage increases were included with this three-year agreement according to the contract.

It was noted that one of the issues with the current vendor has been quality control. CBM was a step above in managing issues and costs. Some vendors would have to subcontract everything, and CBM will get approval prior to using subcontractors.

Ms. Baca noted that although the budget is \$149,500, the bid of \$115,560 will not result in a budget savings because the budget number includes carpet cleaning and day porter services which are not included in this contract. Ms. Baca believes the library will have to spend the entire budget. There was a question how the budget amount compared with last year, and although she did not have the number immediately available, she recalled that this year's number was very close to last year.

Ms. Martinez said if Mr. Rocco is comfortable with the bid and it can lessen any of the burden on his staff, she can support it. Mr. Rocco believes it will be more manageable than what they have now. It consumes a lot of time to make sure they are doing their job.

Ms. Bregar asked what is included in "day porter services," and Mr. Rocco said it is about four hours a day to make sure bathrooms stay stocked and clean and may include emergency cleaning services. Mr. Rocco said the library will pay a part-time employee to take care of day porter services. There was some analysis done to determine the library will get a better return bringing it in-house.

Mr. Walker said the Board will be asked to approve a contract with CBM for an amount of \$115,560, and it was agreed this should be added to the February meeting agenda.

### IV. ADJOURNMENT

Mr. Quintana reminded Trustees that the Regular Board meeting would be held Thursday, February 23 at 5:30 p.m. at the Library @ the Y, in Community Room A, 3200 Spaulding. The Board Secretary was asked to send a reminder the day before the meeting.

There being no further discussion, the Work Session adjourned at 5:03 p.m.

Respectfully submitted,

Jane Carlsen  
Secretary