

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

September 18, 2018

I. CALL TO ORDER AND ROLL CALL

Ms. Martinez, President, called the meeting to order at 3:05 p.m. in the Ryals Room on the 4th floor of the Rawlings Library.

Board Members Present: Doreen Martinez, President; Marlene Bregar; Stephanie Garcia, Philip Mancha

Board Members Absent: Lyndell Gairaud; Fredrick Quintana, Vice President; Jim Stuart

Attorney Present: Nicholas Gradisar

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

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA None

III. DISCUSSION ITEMS

A. Ballot Initiative Committee

Ms. Martinez said it had been suggested that a Trustee committee be named to consider a ballot initiative to protect the library from the negative impact of the Gallagher Amendment.

Ms. Martinez said she had a discussion with Mr. Walker and others about a Ballot Initiative Committee, and her thought at this time is to wait to see what happens with the legislative committee studying the Gallagher Amendment. There was discussion of what they would want the committee to look like, and she hopes to have input from representatives of the Friends and Foundation boards and library employees interested in participating.

Ms. Martinez said she would like to have Ms. Garcia, Mr. Quintana and Ms. Bregar serve and for that group to begin talking about how to get information out to the public to keep the message as educational and precise as possible and consider others to be included. The Gallagher Amendment is difficult to explain, and the task will be to get people to understand how it impacts the library. There will be a meeting on October 3 at the State Capitol in Denver, and Ms. Martinez hopes the directive for the committee will be clearer after that.

Mr. Walker distributed an article about the possibility of the legislature raising property tax rates for short-term rentals like Airbnb. This was one of the considerations from the Alternatives to the Gallagher Amendment Study Committee. If passed, this would have the impact of changing the rate on properties offering short-term rentals and may positively impact Pueblo. However, those property owners will see tax rates increase from 7.2% to 29% and would put more properties around the state into the commercial arena which could have a positive impact on the RAR (Residential Assessment Rate).

Some Board members are planning to attend the October 3 meeting at the State Capitol in Denver, and Mr. Walker is encouraging libraries around the state to be there. Mr. Walker emailed Board members draft legislation the legislative committee will be considering.

Mr. Walker said he started the process of educating staff at the Annual Retreat to start testing the message. In the end Gallagher will impact employees a lot so it is important to start that messaging, and he appreciates the Board's involvement.

Ms. Garcia said the Gallagher Amendment came up at the Latino Chamber of Commerce, and she talked about how it will impact the library district. Ms. Garcia said they understand dollar amounts. Ms. Garcia will not be able to attend on October 3, but Steve Trujillo from the Latino Chamber is interested, and Mr. Walker will invite him to carpool. Ms. Garcia will send Mr. Walker details of the Latino Chamber's business training, which will include the Gallagher Amendment, offered through the Small Business Development Center, and Mr. Walker may want to be part of that discussion.

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Ms. Martinez said she is not yet “voluntelling” anyone to participate on the Ballot Initiative Committee, and she invited those who may have some experience and would like to serve to reach out to her. The committee will invite community members and employees to serve on the committee.

B. Employee Recognition

Ms. Martinez said a discussion would be held on the upcoming October 8 Trustee recognitions of employee milestones.

Mr. Walker reminded Board members that the Staff Development Day recognition will be held on Monday, October 8 (Columbus Day) and will start at 8:00 a.m. All employees will be gathered in the Ryals Room. Mr. Walker commented that during a recent meeting with staff, one of the comments was how much staff appreciate the Board’s recognition of their achievements.

Mr. Walker encouraged as many Board members as possible to participate, and there will be a script to follow. Of those present, Ms. Garcia indicated she would not be available, and Ms. Bregar and Ms. Martinez said they would make plans to attend. Ms. Martinez asked the Board Secretary to send a reminder to the Board the Wednesday before the event.

C. Newsletter articles

Ms. Martinez said the Board of Trustees would consider submission of articles for publication in the monthly PCCLD newsletter.

Mr. Walker referred to the schedule in the Board packet which is still a proposed schedule. Newsletter articles are rotated among Trustees. The articles do not need to be long, 100-200 words, and can be on whatever topic that moves them at the time, e.g., library service, impact of libraries, or the Gallagher Amendment.

Unless there is an objection, the schedule will be forwarded to all Board members, and if anyone wishes to swap, they may contact the Board Secretary. Those present indicated a willingness to swap or to accept the schedule presented. The Board Secretary noted the schedule extends into 2020 to provide a complete rotation among Board members.

D. Board Development Committee

Ms. Martinez said the Board Development Committee met on September 12. An update report would be provided.

Dr. Mancha said the Board Development Committee had been asked to consider adding a consent agenda item. The committee discussed a proposal of how a consent agenda item could be done; however, there was consensus that the Board does not need a consent agenda item at this time.

Dr. Mancha said the committee decided to improve efficiency by adding a time estimate for each agenda item as shown on today’s Work Session Agenda. This will give the Board President an opportunity to control the time used for discussions. In the future, it will also include a total estimate to give everyone attending an estimate of the time needed for the entire meeting.

There was additional discussion of repetition, when consent agendas can be helpful, and the committee agreed a consent agenda could be used in the future if needed. Ms. Bregar expressed the importance of Board members catching up after missing a meeting so topics are not repeated. There was also discussion of advantages to adding time estimates to allow Board members to rearrange the agenda when they have time constraints.

E. Urban Renewal Law

Ms. Martinez said an upcoming request is expected for a new urban renewal area in Pueblo. There will be a review of PCCLD’s rights and responsibilities under Colorado Urban Renewal Law.

Ms. Baca distributed a summary provided by the County Treasurer’s Office showing TIF (Tax Increment Financing) diverted from the library’s budget for each Urban Renewal area. These are 2017 amounts which are payable in 2018. The total amount diverted from the library’s budget is \$253,154. Vestas is shown as “St. Charles Ind. Park” and is the largest single project. There was discussion of different

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values available from the Tax Assessor's Office, and Ms. Bregar offered to provide the Urban Renewal Authority budget to Ms. Baca electronically.

Mr. Walker reviewed how the Urban Renewal Law was changed, at which time Marlene Bregar agreed to represent Special Districts. There were other changes to the law, which are important now as the Urban Renewal Authority is proposing a big project for Evraz that is expected to be three times the amount of Vestas. Mr. Walker believes it will move quickly, and it will be important for the library to be proactive. It is a great project with the potential for great economic expansion for Pueblo, but there are important interests at play.

Mr. Walker asked Mr. Gradisar to prepare a memo to review the Board of Trustees' rights and responsibilities under the Urban Renewal Law which was provided in the Board packet. Mr. Gradisar said the most significant change is the library district is required to be given notice prior to an Urban Renewal Area being named that will be financed with TIF. From the time the Library District is given notice, it has 120 days to negotiate how the project will be financed. Mr. Gradisar said Urban Renewal Authorities would not negotiate so legislative changes were made. There are factors that are required to be taken into consideration, so taxing entities can make different deals, e.g., they can leave a taxing entity out. It is no longer all or nothing, so if Urban Renewal is able to reach an agreement the project can go forward. If not, the parties are required to submit to mediation, and the statute sets forth the factors that have to be considered.

There was additional discussion about whether the mediation is binding. Mr. Gradisar said the mediator has 90 days to make a decision. Depending on the findings, the Library Board would adopt the agreement reached. After receiving the mediator's findings, City Council can proceed to adopt the plan, assuming the taxing entities are agreeable, or exempt a taxing entity or restart negotiations with a taxing entity. They can no longer create an Urban Renewal Area without negotiating with the taxing entities, and the taxing entities have to agree before that can happen.

Mr. Gradisar said there are other provisions, but the important one is the impact on the taxing entities. There are considerations, such as whether the taxing entity will have to provide additional services or whether it gets some of the taxing increment, which are subject to negotiation and subject to agreement.

Mr. Gradisar said there are still limitations on what you can use tax incrementing financing for. There is some disagreement, but Mr. Gradisar thinks it has to be for the debt incurred to make the improvements in the Urban Renewal Area. The Urban Renewal Authority should notify the tax assessor when the debt is paid so the money is not diverted for something else.

There was discussion about the Evraz property which was brought into the City for the purpose of the TIF, and there was uncertainty about what the tax consequences of that would be for Evraz.

Ms. Bregar said Urban Renewal has to first go before the Planning Commission, and that took place last week. The blight study was done internally. It should be on the agenda with City Council on October 9, and would come back to Urban Renewal on October 10 if approved by City Council. Ms. Bregar said she has never seen anything happen so fast. Ms. Bregar said negotiations have been with PEDCO, the city and the county. Mr. Gradisar asked if the plan had been presented, and Ms. Bregar said Urban Renewal presented the blight study and the redevelopment plan, so she thinks it will move quickly and soon.

Mr. Walker said he does not expect the Library Board to take a position today, and the Library District has not officially received notice. The Board will be presented with a proposal for the Library District to approve a proposal or project. Mr. Gradisar's presentation gives the Board an understanding of the opportunity for negotiation, which is important to think about, and it is not all or nothing. It could be some proportion for a period of time. Some say it is better to have an amount than a period of time, but it does not have to be all or nothing. It is important to start to consider how to prepare a position and how that will impact the budget with the Gallagher Amendment cuts. It is really in the public's interest to understand that not all of their taxes reach the library, even if it is an important project for the community that will create high-paying jobs.

There was additional discussion regarding when the Vestas TIF will expire, and right now it is expected to complete at the end of 2020 or first part of 2021.

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Ms. Bregar explained the Evraz project is for a very specific purpose, soil abatement on the property, which is expected to cost \$25 million. There was discussion of the specific plans for Evraz to expand the factory to build rail which is a huge investment.

Mr. Walker said if the Urban Renewal Authority or some group approaches him, he would arrange for them to meet with the Board of Trustees or if they need a quick turnaround, the Board may have a Special Meeting where the Board may take a position as a Board. It would likely take place in Executive Session

Ms. Bregar believes the taxing entities will be invited to an informational meeting. There was an assumption that the Urban Renewal Authority would have a draft Inter-Governmental Agreement and a general timeline. Mr. Walker said in that event, he would notify the Board President, the Trustees and legal counsel and try to get them to participate in that.

Ms. Martinez said it sounds like something the Board will have to wait and see. Ms. Bregar said she has found Jerry Pacheco receptive to working with smaller districts. Mr. Walker asked if there is some standard to determine what is fair. Mr. Gradisar said the purpose of mediation is to try to get you to reach an agreement, but they cannot make you reach an agreement. It is not arbitration. They cannot force you.

Ms. Garcia questioned whether they would cut four different deals, and it is not likely one taxing entity would get a better deal than another one. Ms. Bregar said all of the taxing entities would be invited to the information session. Ms. Garcia said our power in the past has been in working together. It is important to be able to be proactive, and it might be to our benefit to reach out to the County and School Districts to talk to them about it to find out if it is really all or nothing in terms of the way the money flows. From the Library District's perspective, it has a budget problem and is trying to mitigate that.

Ms. Bregar said she is not sure who the school districts' representative is on the Urban Renewal Authority because there has been no one there. Ms. Garcia said there is a disagreement because both districts only get to pick one representative for both.

There was additional discussion of those to include in a meeting with county and school representatives, and Ms. Garcia and Ms. Bregar agreed to participate and keep Ms. Martinez informed.

Ms. Bregar said one other thing about where Urban Renewal is on the East Side Softball Field, there was an article about the HARP extension, and she expects most of the negotiation to be about getting eminent domain. She also announced there had been some tax income from Thunder Village, and she expects there will be a little more. Evraz is also planning to build a solar field that will not be on the TIF property.

Ms. Bregar invited someone from Evraz to make a presentation at a Work Session so the Board can make a decision about how to move forward. Mr. Gradisar learned that Evraz brought in 20 interns from CSU-Pueblo. It is exciting to see more community outreach.

IV. ADJOURNMENT

Ms. Martinez reminded Trustees that the Regular Board meeting would be held on Thursday, September 27, at 5:30 p.m. at the Greenhorn Valley Library, 4801 Cibola Drive, Colorado City.

There being no further discussion, the Work Session adjourned at 4:19 p.m.

Respectfully submitted,

Jane Carlsen
Secretary