

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

November 10, 2015

I. CALL TO ORDER AND ROLL CALL

Ms. Pickman, Vice President, called the meeting to order at 3:01 p.m. in the Ryals Room on the 4th floor of the Rawlings Library.

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

Board Member Absent: Roy Miltner

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Sara Rose, Chief Operating Officer; Charles Hutchins, Information Technology Director; Jill Deulen, Technical Services & Collection Development Director; Diann Logie, Lucero Library Manager; Janina Goodwin, Rawlings Library Manager; others not recorded

Others Present: Kirk Taylor, Pueblo County Sheriff; Tracy Swearingen and David Lucero from Pueblo County Sheriff's Department

II. **CORRECTIONS OR MODIFICATIONS TO THE AGENDA** Mr. Walker recommended adding item III. J. Audit Engagement Agreement and item III. K. Provide Copy of PCCLD IRS Form 990 and distributed details for each of those items.

III. DISCUSSION ITEMS

A. Lucero Library Security Assessment

Ms. Pickman said a report from the Pueblo County Sheriff's office would be presented regarding security at the Lucero Library.

Sheriff Kirk Taylor introduced Bureau Chief David Lucero and Captain Tracy Swearingen with the Emergency Services Bureau. Copies of the presentation were provided to the Trustees. Sheriff Taylor provided some background on threat assessments and other services provided by the Sheriff's Office.

Captain Swearingen said he starts by thinking like a bad guy to find deficiencies in order to keep the bad guy out and to keep people safe. Captain Swearingen reviewed slides showing the location, hours, and maps showing the library's location, the Pueblo Police Department staff are there four hours a day, staff do a sweep of the building prior to closing to insure no one is hiding in the building, and the building is equipped with motion sensors. Captain Swearingen discussed the importance of having an emergency preparedness plan.

Captain Swearingen referred to specific areas of the building and reviewed recommendations for each. At the entryway, he suggested installing video surveillance in the bathroom hallway facing toward the entrance, a video monitor near the entry point so customers see themselves being recorded, and video surveillance near the study nooks/drop ceilings. In the office area, he suggested adding a secondary locking mechanism on the interior doors of the employee area to provide an enforced barrier in case of a crisis event, frosted glass on interior office windows and panic buttons in the employee area. At the front desk, adding a security mirror or camera monitor on the wall in front of the library desk would allow employees to see what is behind them. *(Ms. Bregar arrived at this point)*

In the external areas, Captain Swearingen suggested extending arms to the exterior cameras to improve the range covered and adding motion lights across the back of the building to both alert people to movements and enhance the image on surveillance cameras. He suggested adding bollards to protect the building. There is a surveillance camera at the front, but it does not adequately capture that area. He suggested chain link fencing around utilities on the east side of the building so any

WORK SESSION MINUTES

November 10, 2015 — 2 of 8

activity can be seen. Captain Swearingen said there is adequate nighttime lighting on the exterior of the building, but adding motion lights would help draw attention, so a witness in the Safeway parking lot might be alerted to activity if a motion light were activated. There is no surveillance on one side, and extending that arm would cover the exit door.

Captain Swearingen showed examples of graffiti from gangs in the area which include the East Side Dukes and Aces, but the graffiti was removed within a week. The examples were located only about a block from Safeway.

Another part of the assessment reviewed Pueblo Police Department calls for service in the area surrounding the library between October 27, 2014 and October 26, 2015. Within a two-mile radius there were 20,686 calls for service, and within a one-mile radius there were 6,921 calls. Captain Swearingen reviewed charts showing the calls for service within the one-mile radius by time of day and by days of the week. He also reviewed statistics showing the nature of the incidents related to the calls for service within the one-mile radius.

Mr. Quintana asked whether a “burglary” and a “burglary in progress” were considered two separate incidents, and Captain Swearingen said those were separate calls for service. Captain Swearingen showed a map with “hot” spots for burglaries that occurred between August and October 2015.

Captain Swearingen concluded the presentation reviewing the recommendations: create a safe room where employees can lock the door until police arrive; post exit maps; develop a safety plan; add motion lights around the exterior; add entryway motion sensor with a monitor; secure WiFi after library hours; develop staff communication with Pueblo Police Department and become aware of any incidents at Risley Middle School. Captain Swearingen then offered to respond to any questions.

Mr. Stuart asked if the lights in the Safeway parking lot are on all night, and there was discussion that it is open 24-hours.

Dr. Mancha asked if animals can set off motion sensors. Captain Swearingen said it can depend on high the sensors are set. Dr. Mancha felt that a fence would be beneficial. There was also discussion of using landscape boulders rather than bollards to protect the building. There was additional discussion of the safety plans also covering the parking lot area, using the “run, hide, fight” scenario until you feel safe. (There is a three-minute video produced in Houston available on the Pueblo Sheriff website at <http://www.sheriff.co.pueblo.co.us/law/rhf.html>.) Dr. Mancha liked the idea of a safe room.

Mr. Walker noted that the library actively trains staff on safety, but the gap is in training for safety at each of our own buildings. Sheriff Taylor said they can help develop an emergency procedure manual to help train staff to handle situations such as a bomb threats so it becomes second nature.

Mr. Walker thanked Mr. Gradisar for making arrangements with the Sheriff and said the Sheriff’s office had been very responsive, and the library will be following up with some action plans.

Ms. Pickman asked if there would be a meeting with the staff, and Mr. Walker responded this is a high priority, particularly with respect to the Lucero Library. Library staff will be working on some pragmatic steps, and Alan Rocco from Facilities and Charles Hutchins from Information Technology also spent time working with the Sheriff’s office. There are some decisions to be made such as where to place boulders and moving away from 24/7 access to Wi-Fi or requiring a password.

Dr. Mancha raised the question of whether bullet-proof glass was needed. There was discussion of what the bad guy is after and frosted glass would disguise where the manager is in case the manager was a target. There are other safety issues such as not laying down an ID card so someone does not pick up a customer’s identity. David Lucero noted that for every security measure, the bad guys will try to work around it, and several scenarios were discussed. It is important to train staff to become security-minded. There was also discussion of not wanting to create a fort around a public building, but wanting to insure library employees are safe.

Ms. Gairaud thanked the guests from the Sheriff’s Office for the information provided in this presentation.

B. Corporate Cup

Ms. Pickman invited Jill Deulen to provide a report on PCCLD's staff participation in the 2015 Corporate Cup.

Ms. Deulen said this year's Corporate Cup was really a huge success. Corporate Cup is a fitness challenge conducted by the YMCA, and Ms. Deulen has coordinated it for the past two years. The Corporate Cup takes place over three weeks in September, and she reviewed the many activities included. The Executive Challenge is a series of activities, and although we still lost this year, we completed the challenges without timing out.

There was also a three-week Health Challenge which had been less than challenging in the past, and this year was made into a Triathlon held over three weeks in which participants were challenged to walk 26 miles, bike 112 miles and swim 2.4 miles. Although most did not complete all of those, each mile completed gained points for the Library team.

This year there were a record number of participants in the Corporate Cup with 66 employees participating, doubling the participation from last year. The library competes in Division 2 which includes thirteen businesses with 100-250 employees. The library came in 1st place in the Health Challenge, 1st place in Team Sportsmanship, 2nd place in Employee Participation, 2nd place in the Teamwork Challenge, and 3rd place in Kickball. Mr. Walker took 1st place in the 5K Run/Walk. The coordinator at the Y asked why the library did so well this year. Ms. Deulen said the Library pays the registration for each employee, and this year also paid for the Corporate Cup t-shirt which this year was designed by Courtney Woodka around this year's theme, *One Team, One Dream*. Ms. Deulen also attributed the success to having at least one member of the management team participate and help talk up participation with the staff. Ms. Deulen shared photographs from the events. Overall, people are into fitness right now.

Ms. Gairaud noted that she loves that the library promotes health and fitness. Mr. Walker added that it helps with team spirit but also helps the bottom line with health benefit renewals. Ms. Deulen hopes to have 75 participate next year.

C. Urban Renewal

Mr. Gradisar said there had been a number of meetings trying to come to some agreement, but those have not led to anything being accomplished. The legislation passed made some changes requiring Urban Renewal boards to expand membership to give taxing entities a seat and agreeing to talk about how TIF will be shared with taxing entities. A month ago, Paul Benedetti said this legislation will be the "death of urban renewal," and Mr. Gradisar believes they are trying to make sure that is the case. There had been discussion of a meeting with the taxing entities. The City was going to take that over, but the City left it to Urban Renewal, and it is hard to tell where they are with it.

Mr. Gradisar said Urban Renewal wants to refinance the Main Street parking garage, but it will require changing the membership after January 1 with the requirement to include taxing entities for substantial modifications to existing urban renewal projects. Instead of giving the savings from refinancing back to the taxing entities, Urban Renewal wants to spend the money somewhere else. One of the banks told Urban Renewal it would have to get the taxing entities to consent. Even though if Urban Renewal got everyone together, the taxing entities may consent, Urban Renewal does not want to set the precedent of getting taxing entities to consent.

Mr. Gradisar said Urban Renewal is making it more difficult than it needs to be. There might be some discussions coming up, but he has not yet heard. Urban Renewal did get the West Side project approved, and no one is objecting to that. Mr. Gradisar expects the Colorado Municipal League will be making an effort to remove these burdens from Urban Renewals.

Dr. Mancha suggested the taxing entities help Urban Renewal through this law as a good-faith effort to build confidence and support the effort to refinance the Main Street garage. There was discussion that Urban Renewal would prefer to show it cannot get new urban renewal areas because of this law, so they have no interest in cooperation. Dr. Mancha suggested the taxing entities be assertive in helping Urban Renewal be successful because the library has a stake in this new law working, even if it means involving Senator Garcia.

Mr. Walker said it might be beneficial to have a conversation with Pueblo County Commissioner Terry Hart because the County has an interest in it before approaching Senator Garcia. It might be informative to talk to Commissioner Hart. Mr. Walker said one fact is that for the first time, the special districts are in a position of strength. Mr. Walker said a couple of trustees might want to meet with Commissioner Hart, and he might help us talk to Senator Garcia. Mr. Walker said he is willing to reach out, and it might also be important to involve the school districts and have a meeting of the taxing entities to talk about a road forward. Dr. Mancha would like this to start before Christmas and before the new law goes into effect.

D. Staff Desktop Procurement Recommendation

Ms. Pickman said PCCLD's 2015 Annual Plan and Budget allow for replacement of staff desktop work stations. A replacement recommendation would be presented. Since the cost of this project exceeds \$25,000, the Trustees will be asked to consider action to approve this expenditure.

Charles Hutchins, Information Technology Director, provided a presentation and reviewed portions of the Xen Desktop environment, noting the Board recently approved the consultant piece. The library still needs to purchase the hardware. The library has the new servers and staff are configuring those.

The library released an RFP (Request for Proposal) on October 22 requesting pricing for 85 systems, optional pricing for a three-year hardware warranty, and optional pricing for monitors and sound bars. The RFP closed on November 6, and the library only received two successful bids. Sanity Solutions bid Dell work stations, and DHE Computer Systems bid Lenovo. Sanity Solutions bid a unit cost of \$233.33 which includes one-year software and three-year hardware warranty, 23-inch widescreen monitor cost of \$133.33, included the VESA mount at no cost, and sound bar cost of \$22.22 for a total per unit cost of \$388.88. The DHE Computer System bid was a total of \$526.52 per unit.

Mr. Hutchins said the recommendation is that PCCLD enter into agreement with Sanity Solutions for the procurement of 85 Dell Wyse 3020 systems including 23-inch monitors and sound bars for a cost not to exceed \$33,054.80.

Board members posed a number of questions which were addressed pertaining to extra units, the total cost of \$75,000 budgeted for the entire project, the use of "dumb" terminals and resulting savings, time frame, and replacement of units at all library locations.

Mr. Hutchins said these will be purchased before the end of the year, and he expects to begin deploying them in January or February.

Mr. Walker said he would like to ask the Board to consider adding this to the November meeting agenda, and the Board agreed.

E. Library Board of Trustees Vacancy

Ms. Pickman invited Mr. Walker to provide an update report on the current trustee appointment process.

Mr. Walker said the process is back on track, but because it got off-track will be a little delayed. The Board met the candidates and made a recommendation to the appointing authorities who did not see the recommendation or understand the work that went into it and sent it in a direction that was unexpected. Through a series of meetings with Steve Nawrocki and Sam Azad, the process is back on track for an appointment in December. The process that was used is not the process that will be used in the future. As it turns out, there is an agreement between the City and County requiring that the process used in the past is the one that is supposed to be used.

F. Pueblo Library Foundation Board of Directors Appointments

Ms. Pickman said the Trustees would discuss a recommendation from the Pueblo Library Foundation Board of Directors to reappoint Julie Rodriguez and Michael Voute each to three-year terms as at-large representatives on the Pueblo Library Foundation Board of Directors. All appointments to the Pueblo Library Foundation Board of Directors require approval by the PCCLD Board of Trustees.

WORK SESSION MINUTES

November 10, 2015 — 5 of 8

Mr. Stuart said Michael Voute has been the representative from the Friends of the Library, and his term with the Friends was term limited, and he will now hold an at-large seat on the Foundation. Michael Voute has been the Treasurer and has done a wonderful job. Julie Rodriguez has held an at-large seat and has agreed to serve another term. Mr. Stuart said he would strongly recommend that both these Foundation appointments be approved.

The Board agreed to add approval of these appointments to the Foundation Board of Directors to the November meeting agenda.

G. 2016 Preliminary Budget and Annual Plan

Ms. Pickman said the Library District Board of Trustees would be presented with an update of the Pueblo City-County Library District 2016 Preliminary Budget and Annual Plan. The preliminary presentation will be followed by a public hearing on a 2016 Budget and Annual Plan at the November Trustees meeting. The Trustees will be asked to adopt the 2016 Budget and Annual Plan, set the mill levy, and appropriate sums of money for the 2016 budget at the December Trustees meeting.

Mr. Walker said a copy of the 2016 Preliminary Budget and Annual Plan had been provided in the Board packet. There will be a public hearing at the Board meeting next week, and he will provide a presentation on the budget and plan, and he wished to review that prior to that meeting.

Mr. Walker said Key Results are still a focus in the Annual Plan, and it looks like the library will circulate three million items in 2015. He reviewed the Annual Plan and noted that a few things had been added. Action steps had not yet been added, but should be added before the meeting next week. There had been a few goals and objectives added.

As the library has grown from five to eight locations, the library is making sure the locations are in sync with respect to cash management. Most cash registers were eliminated with the introduction of the self-checkout machines. It is important to make sure cash is secure with reasonable checks and balances in place.

Mr. Walker said item XVII was added to form a standing committee to make sure the library is in compliance with ADA. The library has had some conversations with representatives from the community and will focus attention on this. Several years ago, the library put some focus on accessibility but had lost some focus in the intervening years.

Item XXVIII was added to insure a 20% off-the-shelf rate. In some areas it is higher, and some collections will have a lower off-the-shelf rate, but the overall district average should be 20%.

On the budget side, there were a few changes. The library is still working with the same anticipated property tax revenue until December 10, when the updated number will be provided. Page 17 has the Fund Balance Summary showing a year-end combined fund balance of nearly \$4 million, a little less than what we are currently estimating. The budget had it going down more, so the fund balance will be in a higher position than the minimum. There is a restricted fund balance of about \$1 million which includes the COPs and TABOR emergency funds.

In the General Fund, there were not a lot of changes, and Mr. Walker will present details at the meeting next week. Specific Ownership Tax is expected to come in strong and continue into 2016.

Mr. Walker reminded the Board the budget plans for \$100,000 for policing at Lucero, but the library has a good shot a grant from the Department of Justice for that. Dr. Mancha asked if there are funds available if the grant does not come through. Mr. Walker said because the library budgets each year for full employment, there are usually some vacancy savings that could be used, but the outcome of the grant should be known in March so there will be time to make the necessary adjustments.

Mr. Walker said fines and fees have gone down because the library made some changes that resulted in increased circulation, but one of the downsides is this category is down significantly, so the budget had been decreased to reflect that anticipated decrease in revenue.

On the expense side, salaries and wages decrease by 1%, and some staff adjustments are being made at the new libraries. Overall for the district, there will be about .5 fewer FTE staff. The budget does allow for an adjusted pay increase and pay-for-performance which could come in the form of

WORK SESSION MINUTES

November 10, 2015 — 6 of 8

meritorious awards. One of the savings was to employee benefits with a flat increase. Mr. Walker discovered at the County Commissioner meeting that they were also seeing a 0% increase in employee benefit costs.

One of the changes made was an increase for employee training to 2% of the total salaries budget, between \$70,000 and \$80,000 for the year. Utilities have a 6% bump based on trends. With the new libraries, we were not sure and might have guessed a little low. Lease/purchase of buildings anticipates an \$800,000 annual payment from this budget.

In Information Technology, there is a big number for telecommunications, but we get much of that back from E-Rate reimbursements, which is a Federal program.

The total operating budget anticipates about \$10 million in revenue with fines and fees significantly decreased. One of the changes to the bottom line is \$9.9 million in expenses, slightly above budgeted revenues.

Dr. Mancha asked what had been budgeted for the East Side Library, particularly in light of the Sheriff's Office proposals, and asked if something had been set aside for that. Mr. Walker responded the proposals had just been received and had not yet been discussed; however, the recommendations are not terribly costly and could come from building capital. The biggest single cost for the Lucero Library will be policing.

Mr. Walker said in the Capital Fund there were not many changes, and the library is continuing to fund the Replacement Plan. The InfoZone has some grants from the Rawlings Foundation, and Maria Tucker is working on updating the dollar amounts for capital expenses. IT will spend money on the battery back-up units. There will be some lighting upgrades moving from fluorescent to LED lighting, and the library received a rebate for that at Barkman. There are not a lot of expenditures from the capital budget.

In the Special Revenue Fund, much of which is the Chamberlain Fund, the Board has determined an amount to transfer to the Library Foundation, and the budget includes a \$10,000 transfer next year, depending on the stock market.

Mr. Walker offered to address any questions. The next meeting will be a time for the public to comment on the budget.

H. PCCLD 2016 Scheduled Closings

Ms. Pickman said the Library Board had approved holiday time off for all employees as listed in the Employee Guidelines for January 1 (New Year's Day), January 19 (Martin Luther King Jr. Day), May 25 (Memorial Day), July 4 (Independence Day), September 7 (Labor Day), November 11 (Veterans' Day), November 26 (Thanksgiving Day), December 24 (Christmas Eve), and December 25 (Christmas Day). The Board is asked to consider the following additional customary closures for 2016: Presidents' Day, February 15 (All libraries closed for staff development day); Easter Sunday, March 27 (no holiday pay); Columbus Day, October 10 (All libraries closed for staff development day); Thanksgiving Day Eve, 6:00 p.m. (early closing), November 23; Sunday, December 18 (Sunday before Christmas). The Trustees will be asked to review and approve the Library closings scheduled in 2016 at the regular meeting on November 20.

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

I. Trustee Self-Assessment

Ms. Pickman said the Board of Trustees conduct an annual assessment of their work. The 2014 assessment was completed online for the first time. The Board may discuss the process for conducting another assessment.

Copies of the assessment forms had been provided, and on the last page of the assessment form is the web address to complete the assessment online. The single-page document is not turned in but is only used by individuals for their own considerations. The assessment was provided in advance in case the Board wanted to make any changes.

WORK SESSION MINUTES

November 10, 2015 — 7 of 8

It was agreed that Board members should complete the assessment by January to include the assessment of any outgoing Board member. The results will be compiled and presented at the February Work Session.

J. Audit Engagement Agreement

Ms. Pickman said in May 2013, the Board of Trustees accepted a proposal from Swanhorst & Company LLC to perform annual audits for PCCLD for up to five years. The second year of this five-year agreement completed earlier in 2015 with an audit report by Swanhorst of PCCLD's 2014 financial statements. An engagement by Swanhorst now to audit PCCLD's 2015 financial statements to include the Pueblo Library Foundation is proposed for a fee not to exceed \$28,500. This amount is included in the proposed 2016 budget. It is recommended that the Board of Trustees consider approving the engagement letter with Swanhorst & Company LLC to audit the financial statements of PCCLD and the Pueblo Library Foundation for the fiscal year ending December 31, 2015.

Mr. Walker distributed letters from Swanhorst & Company LLC to the Board of Directors of the Pueblo Library Foundation and to the Board of Trustees of the Pueblo City-County Library District. These are letters of engagement between Swanhorst & Company and the Library.

The library pays for the audit of the Pueblo Library Foundation as an in-kind contribution of \$4,500. The audit for the Library will be \$24,000. Mr. Walker said he would like to ask the Board to take action on this at the November meeting. Representatives from Swanhorst & Company are scheduled to begin work in December, so it is in the institution's best interest to authorize that now.

Dr. Mancha asked if this is the same letter except the dollar amount, and Mr. Walker said we have added the Foundation, and we are asking Swanhorst to audit both. The Foundation is considered a component unit of the Library, and they work together. The cost for Board approval is a not to exceed rate of \$28,500.

Mr. Stuart said because we have had Swanhorst for about five years, next year the library ought to talk about considering other agencies. Mr. Walker said Swanhorst has been auditing the library for six or seven years. We entered into an agreement for five years and a review was conducted in 2013 when they entered into a new five-year agreement. Mr. Walker suggested getting a new Chief Financial Officer and getting that person grounded before talking about this, perhaps at the end of next year. Swanhorst has been very helpful to the staff, although they are definitely independent.

Ms. Pickman asked about applicants for the Chief Financial Officer position. The position has been posted on thirteen job boards, and the library is getting in a good pool of qualified applicants. The next process will be to select a committee, and this will be a multi-step process. The job description had been updated about a year ago, and there are some requirements for certifications and experience so it will be a restricted group who will be qualified and interested. Mr. Walker anticipates being part of the committee along with two other employees, and he would like to have someone with financial expertise from the community on the committee. There will be a screening process and preliminary interviews and a second level interview and presentation to see. That process will take a few weeks. Sara Rose said we advertised in the local newspaper, on job boards and in the *Denver Post* online. Ms. Rose said they are receiving about 60% of the applicants from Indeed.com. If we are lucky, we might have a new CFO on board by January, but it could take longer. Mr. Walker said Sherri Baca has been helping, and things seem to be working remarkably well, so we are okay for a little while.

The Board agreed the Audit Engagement Agreement should be added to the November meeting agenda.

K. Provide Copy of PCCLD IRS Form 990

Mr. Walker said the library is a 501(c)(3) organization that is required to file with the IRS. There is a final review of the Form 990 which was completed with the help of Swanhorst & Company. This needs to be filed with the IRS by November 15, and there is a place to indicate the form had been provided to the governing board prior to filing. Mr. Walker does not expect any substantial changes to the form, and this is a typical filing for all nonprofits. Mr. Walker asked Board members to let him know if they have any questions or changes prior to the November 15 filing date.

IV. ADJOURNMENT

Ms. Pickman reminded Trustees that the Regular Board meeting will be held on Thursday, November 19 at 5:30 p.m. at the Lucero Library.

There being no further discussion, the Work Session adjourned at 5:20 p.m.

Respectfully submitted,

Jane Carlsen
Secretary

DRAFT