



**BOARD OF DIRECTORS
SECOND QUARTERLY MEETING
April 11, 2012 – 11:30 a.m.**

BOARD OF DIRECTORS ATTENDING:

Priscilla Lucero, Anthony Nuñez, Gary Parks, R. J. Black Schultz, Jim Stuart, Joyce Vigil, Michael Voute

OTHERS ATTENDING:

Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Midori Clark, Community Relations Director; Sara Rose, Human Resources Director; Nicholas Gradisar, Library Attorney; Jane Carlsen, Executive Assistant

Mr. Stuart called the meeting to order.

A. Approval of Minutes of February 1, 2012 Meeting

Ms. Lucero referred to several typographical errors to be corrected prior to approval:

Page 1, paragraph A, Three-year term should have read, "Expiring 12/31/2014."

Page 4, paragraph E.1, second sentence should read, "Mr. Walker said library staff is willing to work with the Foundation to develop a logo and other materials for the Foundation."

Page 5, paragraph E.3, third paragraph, first sentence should read, "Mr. Gradisar said he needed to ask if any of the Foundation Board members are related to each other or doing business with each other."

Mr. Voute made a Motion, seconded by Ms. Lucero, to approve the February 1, 2012 Minutes as corrected. There being no further discussion, Motion passed unanimously.

B. Finance Report

Ms. Brogan distributed the Statement of Revenue & Expense. Mr. Voute reported that a checking account had been opened at Wells Fargo.

Mr. Voute also reported on a meeting with a representative from PFM Funds that manages public funds for the State of Colorado, and their policy is to invest in fixed-income securities of high grades. In looking at investment opportunities, Mr. Voute said they decided that safety would be the first consideration, liquidity second, and yield third. They also decided there was a preference for dealing with people in Pueblo or the State of Colorado, and the Foundation should go local if possible. The yield for all investments is very low at this point. Mr. Voute reviewed the results of investment meetings with PFM, Southern Colorado Community Foundation, a savings bank in Denver, and an investment advisor in Colorado Springs. The

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BOARD OF DIRECTORS

Jim Stuart, President ★ Anthony Nuñez, Vice President ★ Joyce Vigil, Secretary ★ Michael Voute, Treasurer
Priscilla Lucero ★ Gary Parks ★ R.J. Black Schultz

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recommendation is to use PFM, the Colorado State investment pool, and Ms. Brogan said there are papers to be signed if the Foundation Board agrees.

Mr. Voute has a \$15,000 check from the Friends of the Library, and he reported that the Friends Project Committee voted at the March meeting to dedicate \$5,000 to each of the new libraries for furnishings.

Mr. Voute pointed out at the last meeting the Foundation Board voted to invest one-quarter of the Foundation's funds with the remainder in a checking account with Wells Fargo. Mr. Voute proposed that be changed because the current total revenue is \$45,000, and he suggested investing \$40,000 and leaving \$5,000 in the checking account. Mr. Stuart suggested rephrasing the motion so it will apply for the longer term.

Mr. Voute made a Motion, seconded by Mr. Nunez, that the Foundation keep \$5,000 in the Wells Fargo checking account, with the remainder to be invested with PFM, the Colorado investment pool. There being no further discussion, Motion passed with Ms. Lucero abstaining to avoid a conflict.

Mr. Walker suggested at some future time, the Foundation Board might want to start talking about structuring a budget. For example, there were some expenses associated with the Art Sale. Mr. Voute said it is a little premature at this point because it is difficult to predict what is going to happen. Mr. Stuart suggested that once the Foundation has a person hired, they will have an opportunity to look at expenses, and the Foundation will be better prepared to develop a budget.

C. Marketing Report

Midori Clark provided an update on what she and Mr. Stuart had been working on, and she distributed the revised letterhead and sample business cards. The font was changed and they used two colors to make it easier to read. Ms. Clark also announced that all the Foundation Board members had their portraits made.

Mr. Stuart said they will want to make sure there are brochures available when the Foundation starts having community meetings.

D. Report on Art Sale + Soiree

Ms. Clark announced that there was a great turnout for the event, and she thanked Dr. Parks for his help in organizing and hanging the artwork which included 110 pieces from 33 artists. It was a juried show with a community volunteer from Sage Art School serving as a judge. More than 200 people attended that night, and the Foundation raised \$2,006, and 22% of the art was sold. The silent auction raised \$495. Ms. Clark closed by saying that if anyone missed the opportunity to attend, the art is still on display at Pueblo West and will be available for sale through April. There were a lot of new and emerging artists who participated and attended the event, and there were three library employees with artwork in the show.

There was discussion on plans for a similar event in the future which will need more space with hopes of reaching more established artists, whether Pueblo West was the best venue, and whether it could become a semi-annual event. Ms. Clark suggested the Foundation tweak the All Pueblo Reads event in October which has been held at Pueblo West and move the April event next year to the Rawlings Library.

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E. Donation Presentations

There were several check presentations and photo opportunities that were held immediately following the formal meeting.

F. Proposed Foundation Officer position

Sara Rose, Human Resource Director, distributed a job description that had been developed with assistance from Dr. Parks and Dr. Black Schultz. Ms. Rose also distributed Ms. Clark's job description because the Foundation Officer would report to the Community Relations Director.

Dr. Parks reported that they had a meeting on Monday to discuss the Foundation Officer/Grantwriter position which would have a salary of \$45,000 and will be announced in the near future. Dr. Parks said questions raised were how the Foundation Board would like to be involved in the selection process and whether candidates would make a presentation to the full Foundation Board or to a committee.

Mr. Walker reviewed the Library District's process for hiring employees and suggested the Foundation use that process. The process includes advertising the position on the library's website and in appropriate fundraising circles, a screening process to insure applicants meet the required qualifications, a scoring process is used with a set of interview questions posed to each applicant during the interviews, and in some key positions such as this selected applicants may be asked to return to make a presentation. Mr. Walker suggested the Foundation may wish to select an interview committee, and the entire Foundation Board may wish to attend the candidates' presentations. The presentations could give the candidates an opportunity to discuss some of their fundraising successes or present a sample fundraising presentation which would also be evaluated.

The position is expected to be popular at this salary level, and Mr. Stuart emphasized how important this position will be to the success of the Foundation. The candidates will need to be good PR people, and how they present will be critical.

After additional discussion, it was agreed that Dr. Parks and Dr. Black Schultz will serve on the initial selection and interview committee, and the entire Foundation Board will be invited to attend the candidate presentations.

There was additional discussion on specifics of the position where it was noted that the salary range is from \$42,000-\$58,000 which does not include benefits, and the opening is expected to get a lot of attention in Pueblo's nonprofit community.

There was further discussion that the library has budgeted for a one-year salary commitment, and it is hoped that the Foundation Officer will be able to raise more than enough to cover his/her salary. There was discussion about the advantages of the library's established donor base and the opportunities for raising money for three library building projects which should contribute to the new employee's success. The position is intended to help the Foundation establish a basis for insuring long-term ongoing support for library services in Pueblo.

Ms. Rose will keep the Foundation informed of those who have applied and when the presentations will be held. She will have a tool available to evaluate each of the candidates on the same criteria.

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G. Directors and Officers Insurance

Ms. Brogan announced that there is a good possibility that the Foundation Board can be added to the library's current insurance at no additional cost. She is waiting for a final determination, but has a lead on other insurance if it becomes necessary.

H. Fundraising campaign for three libraries

1. Buell Foundation Grant. Mr. Walker said he received a call from the Buell Foundation, and they have offered an unsolicited \$10,000 grant to the Pueblo Library Foundation for the purpose of supporting the three library projects. Mr. Walker thanked Priscilla Lucero, who sits on the Board for the Buell Foundation, for that support. It was noted that having the Buell Foundation's support will help in seeking additional contributions.

2. El Pomar Foundation. Mr. Walker said he was also contacted by the El Pomar Foundation, and they have encouraged the Foundation to apply for grant funding, and of course the Foundation intends to do that. There are a lot of encouraging considerations for the Foundation.

3. 501(c)(3) Designation Mr. Walker said the Foundation needs to file the papers for the 501(c)(3) designation. For donors such as the Buell Foundation, that 501(c)(3) status is important. Mr. Gradisar said the application is prepared, but he would not be surprised if it took a couple of months to get the preliminary designation, although he will ask them to expedite it. Ms. Brogan provided some preliminary numbers, and other numbers provided were just a guess. Mr. Gradisar anticipates questions about specifics, but it is ready to file. As the Foundation discusses a fundraising campaign, the 501(c)(3) will become critical. The IRS will look at the operating history before making the final determination, which will take more than a year.

There were a number of questions raised about whether pledges would be appropriate until the 501(c)(3) is received or if donations made prior to the designation would be retroactive. Mr. Walker pointed out that the Library District already has a 501(c)(3) determination letter, and he suggested that contributions to the Foundation be made to the Pueblo Library District until the Foundation receives its 501(c)(3) preliminary designation. Ms. Brogan said they have done that with the proceeds from the Black Tie Ball and the Art Show, and there is a payable account set up so the library can transfer funds to the Foundation.

Mr. Walker explained that when he spoke with the Buell Foundation, he thought the Foundation had received the determination; however, he discovered that the Foundation had only received an EIN (Employer Identification Number). He will have to call them back and he wondered if the Buell Foundation would be willing to give the funds to the library in order to use the library's 501(c)(3) with the understanding that the library would turn those funds over to the Foundation. Ms. Lucero said that will be critical because the Buell's funds must be disbursed by June.

Mr. Walker said that approach could also be used for donors who wish to give to the Foundation until the Foundation gets the 501(c)(3) determination from the IRS. Donations given to the library will be transferred to the Foundation.

4. Enterprise Zone. Ms. Vigil raised the question of whether the Foundation will also be able to take advantage of the Library's Enterprise Zone tax credit. Ms. Brogan said it will,

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and there was a discussion of the tax credit available for individual donors that had been successful in raising funds for the Pueblo West Library. Mr. Walker pointed out that because Enterprise Zone contributions are a tax credit, it results in a direct reduction of the Colorado State taxes owed, and a chart had been provided showing that a \$250 contribution can have a net cost to the donor of only \$113 as a result of the tax credit. Enterprise Zone contributions must be \$250 and require the donor to provide their social security number or Colorado tax identification number, and Ms. Brogan has been in touch with Amy Tihonovich at the County about other changes that may eliminate the need to make checks payable directly to the Enterprise Zone Administrator. It will be important to have the Enterprise Zone requirements included with the fundraising literature. Ms. Clark added that the library can now take credit card contributions.

5. Fundraising for new libraries. Mr. Stuart said the Foundation Board should talk about getting started on fundraising for the new libraries.

Ms. Clark provided background on the capital fundraising campaign model used for the Pueblo West Library. It consists of finding donors who are attached to the mission of the organization. You get them in a variety of ways, but you bring them in to talk about the culture of the library and why the library is important to them and end with an “ask” event. Ms. Clark said they produced a moving video with librarians talking about the library’s mission and sharing library stories. Ms. Clark said it is a step-by-step model which is very organized and easy to follow, and she would suggest using it again for the new campaign.

Mr. Stuart cautioned that there are three libraries in three distinct neighborhoods, and the case for new libraries will be different for each of those neighborhoods, as well as the ability of each of those communities to contribute.

Ms. Clark said the model’s first goal is to find people who are excited about the public library, and there is room to customize it for each community. The first step is finding those who care about the library and what the library stands for in the community as well as the library’s contribution to a free and educated society. It’s about what the library does in the community and finding people who want to support that.

Mr. Stuart attended a workshop at the Public Library Association Conference that he would like to share. Ms. Clark said there is also a Donor’s Bill of Rights that she would like to share from the Association of Fundraising Professionals and offered to email the link. Ms. Clark added that there are tools available based on decades of practice and emphasized that fundraising is a professional field with professional standards, and she would be happy to share what she has learned.

Ms. Clark said it is nice to have a picture of what the library will look like included with fundraising literature, and there will be opportunities for donors to sponsor specific areas of the library. Mr. Walker added that one of the first steps will be for the architect to create a conceptual design to prepare a drawing. The library is trying to identify the sites, and they have made progress on the Mesa and in the Greenhorn Valley, but they are a little held up on the East Side site. The prototype design will be about 7500 square feet with the facades and rooflines differing. It is important to get the East Side site identified because it may be the most restrictive in terms of space because the design will be replicated at each site. There is plenty of space on the Mesa and in the Greenhorn Valley, but he anticipates the East Side site should be determined by the end of the month. The conceptual design will commence as early

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as May. By the next time the Foundation Board meets in July, he expects to have the conceptual design, and they may be able to talk more about the library and spaces available for sponsorship. Mr. Walker hopes to have a proposed campaign for the Foundation to consider.

Mr. Stuart, Mr. Voute and Ms. Vigil volunteered to work with Ms. Clark and Mr. Walker on plans for the fundraising campaign, and hopefully they will have something to present to the full Foundation Board at the July 11 Meeting.

The meeting adjourned at approximately 12:45 p.m.

Respectfully submitted,

Joyce Vigil
Secretary