PUEBLO LIBRARY Foundation

Board of Directors Meeting
Meeting: 11:30 a.m., November 13, 2024
Rawlings Bret Kelly A Room on the 1st Floor
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004
With Virtual Teleconference Option

MINUTES

A. Welcome and Call to Order..Alex Romero

Ms. Romero called the meeting to order at 11:30 a.m.

B. Roll Call and Verification of Quorum .... Gloria Madrill

Board Members Present–Alex Romero, Tim Krebs, Joe Arrigo, Iris Clark, Brandice Eslinger, Abbey Hartless, Bruce Johnson, Antoinette Ramos, and Gala White

Board Members Not Present–Andrea Aragon, Elizabeth Gallegos, Jessi Ones, and Teresa Therriault

Staff Present–Sherri Baca, Nick Potter, Maria Kropf and Gloria Madrill

Guests–Mark Kennedy

A quorum is met with 9 out of 13 (69%) members present.

C. Modifications to Agenda for November 13, 2024 Meeting .... All

No modifications were made to the agenda.

D. Approval of Minutes for August 14, 2024 Meeting .... All

Dr. Johnson made a motion to approve the August 14, 2024 meeting minutes. Ms. Eslinger seconded the motion. All in favor. Motion passed.

E. Treasurer's Report .... Tim Krebs

Q3 2024 Stifel Investment Report

Mr. Kennedy provided a report about the Foundation's investment portfolio performance. He talked about the impact of the presidential election. He stated that investors think the Trump administration will make changes that will be more friendly towards investors and are anticipating less regulation. He commented there is usually not a lot of buying occurring in front of an election. Mr. Kennedy explained that markets tend to perform well after elections no matter which candidate wins.

Mr. Kennedy also included a report with a more detailed account review. On page two, you will see that the account value is $619,802 and that we are bringing in $18,279 or 2.95% in annual dividends and interest prior to discussing whether or not the account is up or down in valuation. Page three illustrates that we are 67% in equities; however, after we take out our REIT/Real Estate exposure of 4.9% (page 4) per our Investment Policy Statement, we are right at 62.1% in stocks. Our investment policy allows a maximum of 65% in net equities. The bottom of page three provides a dot to dot graph going back 12 months. In February there was a deposit of $31,500. Page four is the sector allocation page. Here you will see that of the $415,271 that we do have in equities, we are well diversified by market sector. We do have an underweight in the technology sector. For the year, there is a total change in value of $80,735, or 15.07%. Mr. Kennedy also spoke briefly about the performance of our money market account. It is yielding about 4.78% on the $25,000 deposited. Total value of the money market account is $25,283. There are no advisory fees charged to this account. Mr. Kennedy also mentioned the forecast for 2025 is anticipating smaller returns in the higher single digits. He also mentioned that he met with the Finance Committee and a small change was made to make sure we are in line with the Pueblo Library Foundation's investment policy.

2023 Audit Update and Acceptance

Ms. Baca announced she will be serving as the CFO in this meeting. The library is welcoming a new CFO, Bri Reyes who will be joining us at the next meeting. Ms. Baca reported there were a few items updated from the audit but the numbers did not change. Included in the packet is the updated final audit for 2023. Ms. Eslinger made a motion to accept 2023 audit. Ms. Clark seconded the motion. All in favor. Motion passes.

2023 Form 990 Review and Acceptance

Ms. Baca reminded the committee it is the first time the foundation will do a full 990 and not file an EZ form. The 990 tax return was finalized and included in the board packet for inspection and approval. When approved it will be given to Treasurer, Tim Krebs to sign. The 990 tax return was prepared by the same company that prepares our audit. Ms. Eslinger asked if the return only reflects the Foundation and not the whole district and Ms. Baca answered yes that is correct. Ms. Eslinger made a motion to accept 2023 audit. Mr. Krebs seconded the motion. All in favor. Motion passes.

2024 Audit Engagement and 2024 Form 990 Engagement

Ms. Baca presented the audit engagement letter for the 2024 year authorizing the audit to take place. The fee for the audit will be $6,930 and will be an in-kind gift as it is paid by the district. Dr. Johnson made a motion to approve the audit engagement and Ms. Eslinger seconded the motion. All in favor. Motion passes.

September 30, 2024 Financial Report

Next, Ms. Baca presented the Financial Report starting with the balance sheet reviewing the totals. Ms. Baca noted there is a new line item reflecting the new money market account. Ms. Baca mentioned we have a $35 accounts payable for an Outstanding Women Awards reservation refund that was taken care of and shouldn't show up in future reports. We should also see event income and expenses also coming in for the Booklovers Ball.

Next, she reviewed the Statement of Revenues and Expenditures. She noted $250,000 moved through the Foundation to the district from the City of Pueblo for the Barkman and Lucero Library renovations. The year-to-date revenues totaled $441,967 (which if over budget) and year-to-date expenditures total $337,790 bringing the year-to-date revenue over expenditures to $104,177. Ms. Baca reported we have a total of $215,632.39 in restrictions and reviewed the Summary of Restrictions page by the restriction type.

Ms. Clark made a motion to accept the financial report for the period ending September 30, 2024. Dr. Johnson seconded the motion. All in favor. Motion passes.

Q3 2024 Gifts Received Report

Next Mr. Potter provided an update on fundraising activities and gifts received in the third quarter. In Q3, PCCLD and the Foundation combined brought in $76,000.15. The majority of revenue received was from E-rate disbursements and reimbursements. There was also some activity related to the Booklovers Ball (sponsorships and ticket sales), the capital campaigns (Building Community Together and the Lucero Library Capital Campaign), the backpack and school supply giveaway event, unrestricted gifts and other miscellaneous contributions. At the Finance Committee meeting they voted to approve a transfer of $15,939.81 from the Foundation to the district.

Enterprise Zone Restricted Funds Update

Mr. Potter reminded the board we have $72,736.12 from previous enterprise zone restricted donations that we want to roll off and use towards enterprise zone projects. These funds are in our investment account currently and we don’t want to divest these funds. What we would like to do is build up unrestricted funds in the money market account until it reaches $72,736.12, which we hope to reach by the end of the year, and approve a transfer and release them in February. At a previous meeting we transferred $45,285 to the money market account and this quarter at the last Finance Committee meeting we approved moving an additional $20,000 into the account. That would leave us about $28,000 more to reach our goal by the end of the year. Ms. Baca also reminded the board that new enterprise zone gifts are not being held like we did in the past so won’t have this issue again, the gifts are being transferred to the district quarterly to go directly to enterprise zone expenditures.

2025 Budget

Mr. Potter reviewed the 2025 budget. There were some minor adjustments to the projected budget for next year but not a lot of changes. Total revenues for 2025 is budgeted at $201,000. Total expenditures for 2025 are estimated to be $121,364 bringing an estimated revenue over expenditures of $79,636. Mr. Potter added that revenue estimates are conservative in this budget. The budget is used as a management tool to gauge performance.

Ms. White made a motion to approve the 2025 budget. Mr. Krebs seconded the motion. All in favor. Motion passes.

F. New business……………………………………………………………………………Alex Romero

Lucero Library Construction Update

Ms. Baca provided an update on the Lucero Library Construction project. The project will expand the library by about 30%. The project is officially under construction. Current estimates have expenses at around four million. The project is on time and on budget. Mr. Potter and the Foundation is currently in the process of fundraising $825,000 needed for the project. We have about two million for the project right now and the remaining funds will come from property tax revenue. We are hoping to reopen the branch by the end of September.

Mr. Krebs asked if we do any debt financing. Ms. Baca answered, yes in the past the district has done certificates of participation. For this project and future we are doing pay as you go. The next two branches we are hoping to renovate is Pueblo West and Lamb. But we are holding off on projects past 2026 until we have a good forecast on how changes in property tax laws might affect our revenue stream.

2025 and 2026 board meeting dates

Meeting dates were suggested for 2025 and 2026. The suggested dates are February 12, May 14, August 13, November 12 and February 11. Ms. Clark made a motion to approve the dates suggested. Dr. Johnson seconded the motion. All in favor. Motion passes.

2025 Chair Positions

Mr. Potter shared Ms. Gallegos and Ms. Romero have agreed to stay on for another year in their positions as President and Vice President. Mr. Krebs will sadly be stepping down from the board, this meeting will be his last meeting. Ms. Hartless has agreed to take on the role of Finance Chair and Treasurer. Ms. Eslinger made a motion to approve the proposed chair positions and Mr. Krebs seconded the motion.

G. Director's Report..Nick Potter

All Pueblo Reads and Booklovers Ball Wrap Up

Mr. Potter talked about the Booklovers Ball. The event is a great opportunity to keep people invested and interested in the library. Mr. Potter reviewed the revenue and expenses for the event. Revenue totaled $46,384.09 and expenses totaled $17,017.91. We netted almost $30,000. New this year we implemented a text to give opportunity and virtual silent auction.

Grant Activities

Next Mr. Potter spoke about grants received in the 2023 and 2024 year. He reviewed the seven grants. In total we received $683,484.80. Then he spoke about grants we are awaiting answers for, grants in progress and future grant prospects. We have about 1.8 million in asks just for grants.

Annual Giving, Fundraising Activities, Modernizing Fundraising Activities and the Building Community Together Capital Campaign

Mr. Potter reported on additional fundraising activities. This year we introduced new ways to give including text to give and using a silent auction platform at the Booklovers Ball. We also sent direct mailings to previous donors giving updates on the renovation projects. These mailers also give us the opportunity to find donors that are interested in the projects and have the capacity to give. The mailers also share naming rights opportunities. Mr. Potter also shared a sneak peek of the end of year mailer and fundraising activities. He also talked about the transition of online gifts being processed with PayPal to Bloomerang giving donors an easier way to make online donations. Next steps include soliciting more individual donors by inviting them to learn more about the projects and individual donors meeting groups.

H. Announcements..Nick Potter

It was announced the All Boards Holiday Party will be at the Abriendo Inn from 5:30-7:30 p.m. on Wednesday, December 11. Food will be served and guests are welcome. Kindly RSVP by December 6.

Next Meeting: Wednesday, February 12, 2024

Meeting adjourned at 12:58 p.m.

Respectfully submitted,

Gloria Madrill
Recording Secretary