Pueblo Library Foundation

Board of Directors Meeting
Meeting: 11:30 a.m., February 10, 2021
Virtual Meeting
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004

M I N U T E S

A. Welcome and Call to Order..Jessi Ones

Ms. Ones called the meeting to order at 11:30 a.m. and welcomed new board member Ms. Andrea Aragon.

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

Board Members Present–Jessi Ones, President; Michael Voute, Treasurer; Andrea Aragon, Joe Arrigo, Brandice Eslinger, Elizabeth Gallegos, Abbey Hartless, Bruce Johnson and Gala White

Board Members Not Present- Lyndell Gairaud, Vice President; Iris Clark and Dustin Hodge

Staff Present–Jon Walker, Sherri Baca, Nick Potter, Alexandria Romero and Gloria Madrill

A quorum is met with 9 out of 12 (75%) members present. Ms. Ones was not able to stay for the full meeting and left after the Treasurer's Report.

C. Modifications to Agenda for February 10, 2021 Meeting ....All

No modifications were made to the agenda.

D. Approval of Minutes of November 18, 2020 Meeting..All

Mr. Voute made a motion to approve the minutes. Seconded by Mr. Arrigo. All in favor. Motion passes.

E. Year End Investment Report ....Michael Salardino

Mr. Salardino reviewed the asset allocation. We are not as aggressive as the S&P 500 since we are restricted by the investment policy statement from being as aggressive as the S&P 500 which is 100% equities. There was a $27,626 unrealized gain in the long term. Mr. Salardino does not currently have any recommended changes at this time. The investment overview has information on how we did last year. The portfolio performance year-to-date was 10.3% last year which is pretty good and what equity investors expect over time. The S&P 500 had a great year and they did do better than our performance. It was a growth year. He warns against comparing against the S&P 500 as we are not allowed to be only in the S&P 500. The Barkley aggregate comparing to a bond portfolio is around 7.5% and we expect to perform in between the two amounts. Mr. Salardino reviewed how the portfolio would have been expected to perform over a fifteen year period. The holdings from annualized returns show had we owned the portfolio in 2006 what it would look like. Over a 15-year period we are at 7% the S&P 500 would be about 7.5%. Our portfolio would have weathered 2008 better than the S&P 500. Long term we would have similar results but only be about 60 percent as aggressive. The performance summary is strictly our portfolio numbers. Mr. Salardino noted American Funds just launched the global balance funds last February. Mr. Salardino proceeded to review some prognostications going forward. The American Funds handout gives good information including a summary in the beginning. Low rates are helping the stock market. The common thought is the fed will keep interest rates low. As far as equity, the future is here and it is digital. It is also expected travel will make a comeback. If you think all innovation in the U.S. there are also companies in Europe and Asia that may be ahead of ours. We want to try to find great companies that fit that category whether domestic or not. Portion that is fixed income they are emphasizing strong core bond allocations. They really like municipal bonds right now. The forecast looks optimistic for next year if COVID is under control and interest rates do not explode.

Mr. Arrigo had a question. He wanted to address that the forecast for next year looks fine, but at some point we should think if things go toward what Lord Abbet is saying and the market experiences a downturn how does a conservative portfolio react? Mr. Salardino answered the markets go up 75% of the time so it's nice to be there but you have to live through the 25%. It is worth putting up with those downturns. The library has been through it but it comes back. He would recommend trusting your managers and weathering through it.

F. Treasurer's Report .... Michael Voute

December 31, 2020 Financial Report and 4th Quarter Raymond James Investment Report

Mr. Voute reported the Finance Committee met two days ago on February 8 and reviewed the report. Mr. Voute invited Ms. Romero to review the financials. Ms. Romero started the review with the Balance Sheet as of December 31, 2020. She reminded the board this is preliminary work. We are going through the audit and will be finishing up in March so the numbers may change. She reviewed assets including the cash balance, investment balance, accounts receivable and prepaid insurance. We did have a few liabilities regarding PayPal fees and items coming in after year end. The Statement of Revenue and Expenditures was then reviewed. Year-end revenue totaled $161,000 and was greater when compared to last year's $126,000. Contributions in-kind were more than budgeted. Even though the revenue and expenses are greater than budgeted they are more accurate reflection of salaries and have a net effect of zero with revenue equaling expenditures for the in-kind.

Regarding the General and Adminstration section, this part of the in-kind includes the audit, 990 and the in-kind portion of the salaries. Fundraising was also different from what was budgeted. With the Booklovers Ball being virtual, expenses were not a high as expected and also reflected in the in-kind are expenses for Blackbaud donor software. Ms. Romero then reviewed current restrictions. The beginning balance shows balances carried over from prior year, additions for the current year and what was released from prior years or this year. We are asking to move $2,800 to the district from these restrictions this quarter ($300 from the Lucero Library and $2,500 from materials). Mr. Voute made a motion to approve the fourth quarter financial statements for 2020. Ms. Hartless seconded. All in favor. Motion passes. Mr. Voute did not review the investment report as Mr. Salardino spoke about it during his report.

Approve CLA completing Form 990 tax return

Mr. Voute spoke next about the approval of allowing CLA to prepare the tax return for 2020. The engagement letter is a standard. The amount is a little over $1,500 dollars and there was discussion at the finance committee meeting that the price was reasonable. Getting another firm to do it would be duplicating the work and making it more complicated. Mr. Voute proposed we move to accept the accounting firm of CLA to prepare tax return. Ms. White seconded the motion. All in favor. Motion passes.

G. New business…………………………………………………………………...…Nick Potter

Update on Library's COVID-19 response

Mr. Walker provided an update on the library's COVID 19 response and reviewed the library's response over the past 10-months. There has not been a documented outbreak on any library campus although we have had staff members individually impacted. We continue to enforce the wearing of masks and other safety protocols. With Pueblo County's move from orange status to blue status this past Saturday, we anticipate further opening of services the next few days. We stay in close contact with the local health department and state authorities as these changes occur.

Rawlings Renovation Project Update

Mr. Walker spoke about the Rawlings Renovation project. The project is contemplated to be a $11 million renovation on the Rawlings Library, which is almost 20 years old. The public library is an institution that represents free and open access to learning in our community. A study was conducted in 2019 and we furthered the work in 2020. The library trustees committed to a master facilities plan for all library facilities and architects for the project (Anderson Mason Dale Architects and HBM Architects) were chosen and hired. H.W. Houston Construction was chosen as the construction manager through a competitive bid process. Schematic design on the project is complete and the project is in the design development phase. Final bidding is to occur this summer and construction will commence in August in 2021. The project is expected to be completed through phases over twelve months.

Mr. Walker reminded the board of some of the renovations planned. Bates lane will close and we will create an outdoor event space under the sky wing. There will also be more parking available near the library entrance and a turnaround drop off location. We will also be creating an in-building book drop. The first floor will have an event space with a café and exhibit area. It will also have additional public meeting and conference spaces and major maker space for interactive learning. The children's area will be moved to the second floor. This will allow more space as the ceilings are higher on the second floor. The area will be an imaginative, inviting, and fun space. The second floor will also have the adult collection (in the southern wing) and a teen space. The third floor will house special collections and archives of regional and national significance and an expanded space for the vault. We will move the Hispanic Resource Center to third floor and increase capacity to accommodate the digitation of historical achieves of this community so they can be more broadly available. The fourth floor event space will be renovated and enlarged to seat 320 people banquet style. There will also be a catering kitchen, green room, and staging area for presenters on the fourth floor.

Officer Elections

Officer elections will be sent out as an email vote.

2021 and 2022 board meeting dates (Suggested dates: February 10, May 12, August 11, November 10 and February 9)

Mr. Potter provided an update. The bylaws were asked to be changed so the annual meeting could be held in the first quarter of the year and not specifically in January. This change provides more flexibility in our meeting schedule. This quarter's meeting is when we vote to approve those meeting dates. Mr. Voute made a motion to approve the suggested meeting dates of February 10, May 12, August 11, November 10 and February 9. Ms. Aragon seconded the motion. All in favor. Motion passes.

H. Director's Report.. Nick Potter

Q4 Fundraising Report

Mr. Potter reviewed the 4th Quarter Fundraising Report. Mr. Potter highlighted the total collected which was a little more than one million dollars in the quarter from a combined of funds collected from grants, All Pueblo Reads and end of year fundraising activities. Over the year, we have added more mailings so we can communicate with donors and stakeholders more often also so we can ask for funds. There have been quite a few donations from the mailers. The executive director mailer was sent out closely after the library's reopening from COVID. We received a residual $325 as part of the mailer this quarter. We also received $300 in support of the Lucero Library (which is recommended as a transfer to the district this quarter as it is a gift with restrictions). Contributions of $4,850 were collected as part of Booklovers Blacktie Ball sponsorships, $4,353 in Booklovers Blacktie Ball ticket revenue, and $195 in miscellaneous donations for the Booklovers Ball. Payroll deduction gifts from employees totaled $1,655.12. The end of year mailer, which includes an annual report of 2020 activities and a soft ask, totaled $8,746. We received $2,614.58 from Colorado Gives Day contributions. We received $670 in PayPal donations (in response to the mailers and the library's website), $17,090 from Packard (in support of the Leadership Academy for the next three years), and $2,500 restricted contribution (for the purchase of hotspots). Next, Mr. Potter highlighted gifts received by the district. He thanked Mr. Voute for a generous gift in support of the renovation project and reviewed funds received in the fourth quarter. Mr. Potter also reviewed grants received through the district including one from the Rawlings Foundation in support of design development work and planning for the InfoZone and the Rawlings renovation project.

Ms. Romero spoke about the items highlighted in orange (which are funds recommended for transfer to the investment fund) and items highlighted in purple (which are funds recommended for transfers to the district). The total recommended for transfer to the investment fund is a $45,000. Of that total, $8,000 is restricted from the Chamberlain Fund and highlighted separately. We currently have $75,000 in the checking account and when we move $45,000 we will have about $30,000 in working capital. In past, we have highlighted specific contributions in orange for transfer but we would like to look at higher view on the account balance, current plans and see what makes sense to move to the investment account. The Finance Committee approved the recommended transfers at their meeting on February 8. Mr. Voute made a motion to accept the fundraising report. Ms. Gallegos seconded. All in favor. Motion passes.

Fundraising Year in Review

Next, Mr. Potter reviewed a year in review comparison report comparing totals received each year for the end of year appeal, payroll deduction gifts from staff members and Colorado Gives Day contributions. In 2019 we took a large dip in contributions from Colorado Gives Day. We recovered a bit but not fully in 2020, but a lot of it has a lot to do with the push to our end of year mailers. We have been pushing people a lot to our end of year appeals so donors can see our communications and annual giving report through our mediums and so we have more control over credit card processing fees. We also had a dip in payroll contributions in 2019. In 2020 payroll contributions increased and surpassed the 2018 numbers. In 2020, we received a total of about $1.3 million in donations. It was a huge year and should be celebrated. Also included in the handouts is a grant report. We applied for over $1.8 million in grant funds and were awarded $1.35 million in funds.

2021 Budget

Ms. Romero started the review of the budget. There have been a few changes to the budget from what was presented in November. First, $2,500 was added to with donor restrictions in support of the Leadership Academy from a grant received in January from Target. We also added $8,000 in contributions from the Chamberlain Fund and added it as a donor restricted donation. The funds increased our budget for the revenue and we are sitting at $119,940. This year our in-kind is budgeted at $54,000 and is reflective of the reevaluation of the hours charged to the Foundation. In the expenditures section, the difference includes an increase in bank charges from $200 to $500 for credit card processing fees. There was also an increased in program expense for the Leadership Academy in response the grant funds available from Target. The total budget for 2021 expenditures will be about $95,000 and revenue over expenditures will total $24,700.

Mr. Potter reviewed the budget for the Leadership Academy. The proposed budget includes $8,500 in combined grant funds from Target ($2,500) and the Packard Foundation. The grants will be used to for programming, items for the participants and prize incentives to encourage students to participate in the program. A large piece of the budget will be paying for the strengths inventory testing (about $50 per student). Ms. Gallegos made a motion to approve the Foundation’s 2021 Budget. Ms. White seconded the motion. All in favor.

The Leadership Academy

Mr. Potter also provided an overview of the Leadership Academy. Recruitment will occur in mid-March and the program will serve students from Posada, Boys and Girls Club, Department of Social Services and CASA. Many of these students don’t have a laptop or internet at home and received devices as part of a digital equity grant through the Packard Foundation. We feel these students may benefit the most from a program like this. Students who received Chrome Books will have the modules available to them on their devices. Programs will begin in April. Module one in April and May will focus on mental health. Module two in June and July will focus on financial literacy. Modules three in August and September will feature panels of community leaders and we will offer a strengths inventory assessment. Module four in October, November and December will focus on helping the students developing their future selves. They will identify your career interests and steps to get there. As they complete the modules and do their check ins, they will receive $25 gift cards as incentives. The library will be working with a number of partners for the program. Mental health module partners include Spark the Change Colorado, Southern Colorado Youth Development, Colorado Health and Health Solutions. Financial literacy partners include Bank of the San Juans and FDIC Money Smart Course. Your Future Self module partners include CSU-Pueblo's Honors and Leadership Academy.

Your Future Library Fundraising Plan Update

Mr. Potter spoke about the fundraising plans for the Your Future Library Campaign. He shared a logo for the campaign. Your Future Library is part of a large fundraising effort for the Rawlings Renovation Project. This is an $11 million dollar project, of that total $9 million is library funds, $500,000 is part of an NEH matching grant, and $1.5 million will be in private funds. To achieve all the dollars in the match we need to raise $1.5 million in private funds. We have been in the silent phase for the past year and working with donors. Of that $1.5 million needed we are at $1.2 million. With the NEH match we are certifying gifts as we go along. Regarding the timeline, we are ready to launch a campaign we are just waiting for images. So we can show the plan in mind, with funds already in mind that we have raised for and images to show fully fledged concepts. We are looking at April 27 launch. Activities that will need to occur include developing campaign website, marketing material, naming opportunities and meeting with larger potential donors.

I. Announcements .... Nick Potter

Friday is the cutoff day for the Outstanding Women Awards nominations. Traditionally the Foundation has nominated one or two individuals in the past. We have someone in mind. A follow up email will be sent out and if you agree we will send it on your behalf.

J. Old Business .... Nick Potter

There is no old business.

Next Meeting: Wednesday, May 12, 2021

Meeting adjourned at 1:10 p.m.

Respectfully submitted,

Gloria Madrill
Recording Secretary