Pueblo Library Foundation

Board of Directors Meeting
Meeting: 11:30 a.m., August 5, 2020
Virtual Meeting
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004

M I N U T E S

A. Call to Order and Welcome..Jessi Ones

Ms. Ones called the meeting to order at 11:30 a.m. and welcomed new board member Ms. Abbey Hartless. Ms. Hartless thanked the board for this opportunity and is happy to be working with us.

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

Board Members Present—Jessi Ones, President; Lyndell Gairaud, Vice President; Joe Arrigo, Iris Clark, Elizabeth Gallegos, Abbey Hartless, Dustin Hodge, and Gala White

Excused Absent—Michael Voute, Treasurer

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

Guests— John-Paul LeChevallier

A quorum is met with 8 out of 9 (89%) members present.

C. Modifications to Agenda for August 5, 2020 Meeting .... All

No modifications were made to the agenda.

D. Approval of Minutes of May 13, 2020 Meeting... All

Ms. Gallegos made a motion to approve the minutes as presented. Seconded by Mr. Hodge. All in favor. Motion passes.

E. Treasurer's Report..Sherri Baca

Audit Presentation

Ms. Baca filled in for Mr. Voute and presented the Treasurer's Report, starting with a review of the audit. She introduced Mr. John-Paul LeChevallier who reviewed the audit. First, Mr. LeChevallier reviewed audit statements for the year ended December 31, 2019. Page one of the Financial Statements is the Independent Auditors' Report which outlines the auditor opinion. The auditors are giving an unmodified clean opinion based on audit procedures performed. The numbers and amounts in the financial statements are materially correct and presented as it should be in accordance with generally accepted accounting standards. Included in the document is information on manager responsibility. Mr. LeChevallier reminded the board that financial statements are the responsibility of management, it is the auditors responsibility to review and make sure it is materially correct. The Balance Sheet includes assets, small amounts of liabilities and net assets (categorized as with-donor restrictions and amounts without-donor restrictions). The Statement of Activities is divided similarly into contributions with restrictions and contributions without donor restrictions. It tracks how donor contributions were made if the contribution had any restrictions, and what amounts were released from those restrictions based on expenditures made in accordance with those donor restrictions and requirements. Mr. LeChevallier noted expenses include in-kind expenses that are District expenses allocated to Foundation, primarily salaries and benefits expenses, may look higher than normal because of the inclusion of these amounts although it nets out with in-kind revenue. Next, the Statement of Cash Flow shows changes in actual cash, noting previous statements are on an accrual basis of accounting. This is recognizing how the cash number was determined. Footnotes include accounting standards that are followed on how to determine amounts in the financial statements. On page nine (note five) it shows at the end of 2019 what the donor restrictions were held by the Foundation at the end of 2019. Note six is the functional expense allocation showing expenses broken down by function. Mr. LeChavallier also spoke about note seven about COVID-19. The potential impact of COVID-19 is not included in the financial statements as it occurred after the end of year and not factored into these statements. He also noted there is a communication letter that noted changes to nonprofit accounting standards. There were changes that we implemented but based on the activity we have, there were not any significant impacts as a result of those changes. There was also no audit adjustments or disagreements. Overall the audit went smoothly even with the challenge of doing things remotely. The management representation letter notes the audit procedure is in cooperation with management and it is signed letting them know they believe the information is correct. Mr. LeChevallier said again it was a clean audit with not a lot of things to report.

Approve 2019 Form 990 Tax Return for submission to the IRS

Ms. Baca said the form 990 income tax is what a 501(c)3 files and we like to present it to the board before we file it. Since it is due November 15 (prior to our next November meeting), we want it as part of today's presentation so we can file it before the deadline. She mentioned, the EZ is a short version with most of the numbers coming from our financial reports. One thing new to the 990 is the Pueblo Library Foundation made a 501h election in 2019. The Library Foundation contributed $15,000 to support the Vote Yes Campaign for the library's ballot initiative. Before doing so, we sought tax legal opinion and tax attorneys weighed in on the ability of the foundation gifting to the campaign so we didn't have any tax ramifications since doing direct lobbying can cause issues with your tax exempt status. There are opportunities to contribute but direct lobbying rules required us to contribute under 20% of total expenditures for the year. The foundation gave $15,000 for the yes campaign. The tax return is pretty straight forward. Ms. Romero highlighted Schedule C which talks specifically about the lobbying activities and 501h selection. Holland and Hart said this is direct lobbying not grassroots lobbying and the schedule breaks down what is not taxable on those expenses. We could have spent up to $16,319 and it wouldn't have been taxable to the foundation. The other calculation is the amount if we would have done grassroots lobbying. It shows that we fall in the lobbying expenditure limits for the Foundation. The 501h stays in place until it revoked so it can be used if we have another ballot initiative in the future. The board would have to file removing that election for it not to apply. Ms. Gairaud made a motion to approve the 2019 Form 990 Tax Return. Ms. Gallegos seconded the motion. All in favor. None opposed. Motion passes.

June 30, 2020 Financial Report

Ms. Baca highlighted the assets and equity items in the Balance sheet for the second quarter ending June 30, 2020. She noted retained earnings was broken out into to two categories with and without donor restrictions and also reviewed the Statement of Revenue and Expenditures. There were some unrealized gains on our account this quarter. There is an unrealized loss for 2020 year to date though. Total year to date revenue is $22,411. Ms. Baca reviewed the three categories of expenditures General & Administrative, Program and Fundraising. We book in-kind donations to match in-kind expenses which mostly include staff salaries. Our year to date expenditures total $28,833 and revenue over expenditures equal a loss of $6,422. Ms. Baca concluded by reviewing the Summary of Restrictions. We maintain our restricted donations and keep track of them in categories until we expend them for the purpose the donor intended. Total restricted $98,496.12 with $1,100 of that amount being held in the Bank of the San Juans checking account and the remaining amount in the Raymond James account. Ms. Gairaud made a motion to approve the June 30, 2020 Financial Report. Ms. Hartless seconded the motion. All in favor. None opposed. Motion passes.

2nd Quarter 2020 Raymond James Investment Report

Ms. Baca presented the Raymond James Investment Report as of June 30, 2020. Our market value standing at the end of June is $200,255.68. This is the number as year of date we are still we are still sitting at an unrealized loss amount of $11,625.39. The last movement of money was moved from the Franklin Income Fund to a more conservative holding, the J.P. Morgan Bond Fund. That is totally fixed income we typically maintain anywhere from a 70% equity, 30% fixed income in our portfolio. There are no recommendations to make any changes from Mr. Salardino at the moment. Ms. Ones thanked Ms. Baca and Ms. Romero for their work.

F. New business…………………………………………………………………...….Jessi Ones

Update on Library's COVID-19 response

Mr. Walker provided an update on Pueblo City-County Library District's response the to the public health emergency. The library closed to the public on March 14. We have focused on virtual, online, and telephone services. Staff returned to the libraries April 27 and curbside service began May 4. Later, on June 19 we reopened limited in-building computer use and on June 26 we reopened limited in-building collection browsing to patrons. That is currently where we are today. Everything is done with facemasks and social distancing. The limited opening has gone well overall and we have had limited resistance with the masks. We are looking towards the next phase. The next phase includes a return to regular hours of in building use. Currently the libraries are open with modified hours from 12-6 p.m. Mondays through Saturdays and 1-5 p.m. Sundays at Rawlings. All of the plans will involve social distancing and be aligned with public health orders. Meeting room space and in person programming is currently not being offered. We are currently in phase 3.2 of the reopening phase. The new phase would be phase 4. We hope phase 4 will happen in early August. We are in close contact with local and state health officials.

Rawlings Renovation Project Update

Mr. Walker reported we are moving forward with the Rawlings Renovation Project. We have an internal steering committee (Mr. Walker, Ms. Baca, Ms. Nelson, Mr. Potter, Ms. Kleven) and we are engaging staff throughout the district on a regular basis. We are working with design team Anderson Mason Dale Architects (based out of Denver) and HBM Architects (based out of Cleveland). Anderson Mason Dale was the principle architect firm when the building was built in the late 90's/early 2000's. HBM Architects has done primary design on libraries around the country. The architects and library team are reviewing a Master Facilities Plan adopted a year ago by the trustees during pre-planning work. We are reviewing some of the concepts presented from that plan, going through conceptual design and confirming ideas and making modifications. Working forward we will move to schematic designs, design development, then ultimately construction drawings which is a phase that we should be in at the end of this calendar year. With construction to begin in early 2021. We have begun the selection process for the construction manager or general contractor CMGC and hope to complete that in August. There is an RFQ for CMGC firms to submit their qualifications. Nine firms submitted their qualifications we are going through the evaluation process now. The financial plan is also coming together nicely. Ms. Baca and Ms. Romero have been playing key roles in this piece along with Mr. Jim Manire at Hilltop Securities we have put out an RFP for underwriting. It is a $10 million project, $8 million will come from the PCCLD general fund and $2 million will need to be raised. We received a $500,000 matching grant from the National Endowment of the Humanities (NEH) which accounts for $500,000 of the $2 million we need to raise. We have the first year matched (which ended in July), $125,000 should come in the bank account soon to help with the project moving forward. The fundraising part of the project is going well.

Committee assignments……………………………………………………………..Jessi Ones

Ms. Ones appointed Ms. Abbey Hartless and our Controller Ms. Alexandria Romero to the Finance Committee. She added we are looking for an outside investor to serve on the committee as well. Ms. Baca said we are accepting recommendations, it would be around a 90-minute commitment per quarter.

G. Director's Report..Nick Potter

Fundraising Report

Mr. Potter reviewed the fundraising report for the second quarter of 2020. The second quarter was tumultuous and fundraising was a challenge but bringing in $100,384.69 was impressive. Items in purple are items we would like to transfer to the library district side. Items in orange we would like to transfer to investments. The finance committee has reviewed this and approved the transfer pieces of this. Items in purple include gifts for Lucero Library, Summer Reading Sponsorships, and a restricted gift for children's programming are recommended to transfer to the district side. We have been doing more annual giving and direct mail appeals. We sent out a letter from Jon about our COVID response to library supporters. That message was informational but we included an opportunity to give with the letter and had a good response about $4,200 in total gifts. We also received some gifts through our website. Mr. Potter noted, the ability to make a contribution through the website is on a hiatus as we transfer service providers from Blackbaud to Constant Contact. It will look a lot smoother as we take payments through our event side. Mr. Potter noted we received a gift for our Virtual Kids Day Parade. The deadline to enter that event is Friday. We also received a gift from the Robert Hoag Rawlings Foundation for the Rawlings Library Renovation and is part of our NEH matching gift for this fundraising period. We also received a gift from Kiwanis Club of Pueblo in support of hotspots and a gift from the Lenore Chamberlain Foundation. Summer Reading Sponsorships also trickled in this quarter. The amount we want to transfer back to the district side this quarter is $1,000 and the amount we would want to transfer to the investment account is $3,721.22. Mr. Arrigo made a motion to approve the Q2 Fundraising Report as presented. Ms. Gallegos seconded the motion. All in favor. None opposed. Motion passes.

Grants and Fundraising Update

Before COVID we asked the Rawlings Foundation for a large contribution. Due to timing, we were asked to reapply for consideration at the next grant cycle. A team was formed to apply for grants that consisted of Nick Potter, Alexandria Romero and Gloria Madrill. The team applied for over a million dollars worth of grants. Some of these grants we are awaiting answers from. If it is highlighted in red, we are awaiting answers from them. We submitted an application for the Department of Local Affairs (DOLA) Grant for COVID expenses. We have been awarded this but we do not know how much we are receiving yet. The second grant we applied for is through the Institute of Museum and Library Services (IMLS) and part of CARES Act funding. It is an innovation grant to continue Library on Demand experience. This grant would set up every library with a full studio (including green screen, better 4k camera, editing equipment for videos and technology for each meeting room). We have been awarded a grant from the Packard Foundation for the purchase of 275 ChromeBooks and 450 hotspots through T-Mobile. We ordered a small number of ChromeBooks when we heard rumbling about D60 providing laptops for virtual learning so we purchased hotspots for those who may need internet service. We created a partnership with Posada, The Boys and Girls Club, Department of Social Services, and CASA for students in need. We have been able to distribute 275 to those of packages, which also included a new age appropriate book for each student courtesy of Junior League of Pueblo. The intent is they have these devices and have long term check outs for three-month periods over the next two years. We have 300 hotspots that we are making plans for to provide internet access to D70 students. We also may be able to help provide additional hotspots to students in the community.

We applied for funding for All Pueblo Reads from the Target Foundation and were awarded funds to help with the program. We submitted an application through the State of Colorado for a funding opportunity but we were denied that request. We submitted an application through OCLC, a library community, for an impact grant but we were not selected as a recipient. We submitted a grant request through the Kiwanis Club of Pueblo and it was approved to provided hotspots to children in our community. They also sponsored the Summer Reading program. We were awarded a grant from Colorado Humanities for Library on Demand and we are still waiting for a grant from the Colorado State Library. We have received something but do not know the dollar amount. Since we are also waiting for the amount available through DOLA. We want to make sure the expenses don't overlap so we are waiting to apply for another opportunity for COVID expenses until we know the amounts awarded. The Housing Authority is also interested in possibly providing hotspots for families living in their family units and we are working with them on this opportunity. We have applied for a total of $936,200 in funding and to date have been awarded $148,850.

NEH Update/Gift Certification Rawlings and NEH/Rawlings Renovation Project Fundraising Plan

We have four years' worth of fundraising. This year we were able to raise the first $375,000 so we could achieve the NEH match of $125,000. We are working towards hitting our goal for the next year and developing more of a Capital Campaign called Your Future Library.

All Pueblo Reads and Booklovers Ball

We have been chosen as a recipient of the National Endowment for the Arts (NEA) Big Read Grant for $13,000 to help bring Tim O'Brien, author of *The Things They Carried*. The information in the board packet talks about what we did last year and the tweaks we made this year to make it more of a literary project. This year the Booklovers Ball will be virtual. In order to stand out a bit more from other virtual events we will be doing a Booklovers Ball in a Box coupled with the virtual program. You will be able to purchase virtual ticket and a box of items to be picked up curbside. Boxes include a bottle of wine, a signed book with book plate, dessert and Vietnamese Cultural Activity. We will also have a contactless Veterans Food Drive happening in partnership with the Center for American Values. Xcel employees will also be assisting with this event and providing PPE. In addition to the food, veterans will receive a copy of the All Pueblo Reads book and a booklet listing All Pueblo Reads programming.

H. Announcements .... Jessi Ones

Ms. Ones made a few announcements. Outstanding Women Awards was moved to a virtual event. Guests who paid for a meal for the event were given the option of receiving a refund or making it a donation to the library. Mr. Potter reported that most people chose to donate their lunch reservation payment to the library. Ms. Ones mentioned if you know of anyone who may be interested in sponsoring All Pueblo Reads please let us know.

I. Old Business .... Jessi Ones

An updated board roster was included in the board packet. If there are any updates or changes noticed, please let Ms. Madrill know.

Next Meeting: Wednesday, November 18, 2020

Meeting adjourned at 12:50 p.m.

Respectfully submitted,

Gloria Madrill
Recording Secretary