Pueblo Library Foundation

Board of Directors Meeting
Meeting: 11:30 a.m., November 13, 2019
Bret Kelly, Room A, 1st Floor
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004

M I N U T E S

A. Welcome and Call to Order..Lyndell Gairaud

Ms. Gairaud called the meeting to order at 11:30 a.m. She also introduced Alex Romero, a CPA and the library's new Senior Accountant.

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

Board Members Present–Lyndell Gairaud, President; Michael Voute, Treasurer; Iris Clark, Dustin Hodge, and Gala White

Absent–Carol King and Jessi Ones

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

A quorum is met with 5 out of 7 (71%) members present.

C. Modifications to Agenda for November 13, 2019 Meeting ....All

No modifications made to the agenda.

D. Approval of Minutes of July 10, 2019 Meeting...All

Mr. Voute made a motion to accept the minutes. Seconded by Ms. Gairaud. All in favor. Motion passes.

E. Treasurer's Report...Michael Voute

Approve 2018 990 Form for Filing

Mr. Voute invited Ms. Baca to start the review of items discussed at the Finance Committee meeting held November 12th. The Pueblo Library Foundation will be filing the EZ or short version of the form for 2018. The 990 Form can be used if gross receipts are less than $200,000 and total assets are less than $500,000. This form is typically due May 15 but the audit isn't finished by then so a six month extension is requested. The new due date is November 15. The 2018 990 Form should already be filed or in the process of being filed. Mr. Voute asked how much we pay the auditors. Ms. Baca answered $1,500. Mr. Voute made a motion that the Foundation ratifies the filing. Ms. White second. All in favor. Motion passes.

September 30, 2019 Financial Report

Ms. Baca began the third quarter financial review by going over the balance sheet as of September 30, 2019. Included in the Balance Sheet is year to date and a prior year to date comparison. The current balance has decreased by $3,164 in part because the Foundation paid an invoice from Holland and Hart Law Office for the 501 h designation. The tax attorney gave us information about political campaigns and their affect on the Friends of the Library and the Pueblo Library Foundation. The Friends of the Library and The Pueblo Library Foundation each paid $2,800. It is important that we note this because the Foundation would like the checking account balance to stay around $5,000. Although it is lower than desired, this is a temporary scenario.

Ms. Baca noted the Investment Fund is not marked to market. In the 4th quarter 2018 we experienced an unrealized loss. An unrealized gain occurred this year, making that up. We have no liabilities and no debt. Ms. Baca reminded the board that the Balance Sheet is a snap shot of a point in time. Mr. Voute noted there is a zero balance in pledges receivable since many pledges we had on the books were part of a capital campaign and the pledges were completed.

Next, Ms. Baca reviewed the Statement of Revenue and Expenditures. She noted it is an income statement and reflects a period of time. The revenue sections mostly fell in the without donor restriction category. The contributions in-kind recognizes salaries for the PCCLD staff that work with the Foundation and donor software used for the District and Foundation. Mr. Voute noted the in-kind gift amount of $8,844 matches the various expenditures. Ms. Baca mentioned event income were funds received from the July Le Bal de Bibliotheque event. Ms. Baca noted the fundraising event expenses were marginally higher than the event income, which sometimes occurs as other revenue from sponsorships show up differently. The expenditures fall into three buckets (because of accounting standards) that flow through to the 990. Contributions to PCCLD were $15,000 for Pueblo Library Proud for purpose of the election. For the 990 we may need to file full form because we made a political contribution. This year we will be experiencing a net loss because of this contribution and $50,000 for architectural work. Ms. Baca commented it is good to show the IRS we are doing mission related programs. We are not a tax shelter but a mission focused agency supporting the library. The $15,000 wasn't budgeted but $50,000 was budgeted. We budged to expend equity from previous years and did intend to be a little upside down this year.

Ms. Baca then proceeded to the Summary of Restrictions which is cumulative. The 2019 section lists current restrictions we are tracking. She noted since the Leadership Institute was completed for the year we can release those restrictions. Mr. Voute made a motion to release the restrictions on Leadership Institute funds. Mr. Hodge seconded. All in favor. Motion passes. Ms. Baca then briefly reviewed other gifts with restrictions categories including a new one for materials. A donor made a gift in support of the purchase of large print books. The shading indicates where the money is currently held (orange shaded items are in the investment account). Ms. Clark asked for more details about the Chamberlain restrictions. Ms. Baca said the library in a beneficiary of trust fund currently sitting at the Southern Colorado Community Foundation. Every year we get distributions from it. The gift comes to district, is tracked and periodically (if seemed fit) moved to the Foundation temporarily. It is designated that it goes to books, equipment or material. Because there is no timeline or designation in holding the money it is held with the Foundation since the District is restricted on where it can hold money. The Foundation has greater latitude in investments. Foundation investments are more prone to ups and down but experience greater gain. Foundation is holding it until it is spent. The Lucero and Materials restrictions are not shaded in orange but also sitting in the Investment Account. We are currently tracking $88,016.12 in restrictions. Mr. Voute made a motion to accept the Financials. Ms. Clark seconded. All in favor. Motion passed.

Third Quarter 2019 Raymond James Investment Statement

Mr. Voute gave an overview of the Raymond James Investment Statement. He reminded the board although the financials say our investments are $177,306.80 they have not been marked to market so the current value as of the September 30 statement is $197,220.44. The statement shows we are doing well this year. During the first three quarters we earned a rate of 12.46%, since November of 2015 we have earned a little over 6% in returns. We are doing well, our Investment Policy balances risk and return. Mr. Salardino usually visits us in April, but we will be reaching out to him to see if he is available for the January meeting to answer questions and talk about the investments.

2020 Budget

The next document reviewed was the proposed budget for 2020. Mr. Voute reminded the board that this is a guess based on historical activity and differences. Ms. Baca commented it is a management tool with three sections. The sections show an estimate for the current year, the current budget and an educated guess of what 2020 might look like. This is a preliminary budget. The final budget won't come until the next meeting and may look a little different in January. With the renovations of the Rawlings Library, we will have a capital campaign not included in this draft version. Mr. Walker added the campaign will start in 2020. A master facilities plan, which is an over 10 year plan, has been created for the entire district. It covers total assets of around 45 million. Rawlings will be the first building in the cycle. We want to begin in 2020 with teams to develop a blue print with community input. We would like for it to all kick off in 2020 and it will be a one million dollar expenditure (15 million over the course of 10 years). We are hoping the Foundation will help serve with fundraising needs. With the District giving $900,000 and the Foundation raising $100,000.

Ms. Baca brought to the board's attention line 15 of the budget (Contributions to PCCLD). The amount of $15,000 in the without donor restrictions category is what the district may make to the Foundation from the Booklovers Blacktie Ball. Also, in column E, line 15 $5,000 is the forecasted amount of money that will be funneled from District to the Foundation. Ms. Baca also pointed it is an estimate but we are forecasting we should be at $17,940 expenditures over revenue versus the initial budget estimate of $26,150.The numbers will continue to evolve in 2020 and we are currently forecasting a net income for the Foundation. It doesn't include the $50,000, but we are not yet seeing that need for 2020. Mr. Voute asked if there was a need, can restricted funds for the Enterprise Zone and Chamberlain Fund be used. Mr. Walker said yes, it is a possibility that it would fit the donor restrictions. We can also talk to potential donors. At some point we will address the restrictions. Enterprise Zone contributions need to go to capital purposes. Ms. Baca said we should revisit how long we can hold Enterprise Zone contributions. We are looking to raise a million dollars raised over 10 years. Ms. Romero also commented as we fundraise we should leverage that wording for Enterprise Zone.

Update authorized signers on the Foundation's checking account at Bank of the San Juans

Ms. Baca reported that since there was a change in staff we would like to update the authorized signers for the checking account. We would like to remove Jim Stuart and Midori Clark as signers and add Nick Potter as a signer to the account. The account would now have Lyndell Gairaud, Sherri Baca, Nick Potter and Michael Voute as signers. Mr. Voute made a motion to approve the change. Mrs. White seconded. All in favor. Motion passes.

2019 Audit Engagement

Mr. Voute spoke about the last item in the Treasurer's Report, the 2019 Audit Engagement letters. It is a standard CPA letter and boiler plate. Mr. Voute wanted to point out the fees. The fees are a little bit more than before. Page six of the letter mentions a fee of $4,010 and an additional 5% fee. Ms. Baca negotiated away this additional fee for this year. They tried to include a technology fee that wasn't included in the five year quote initially provided so there is no new fee this year. Ms. Baca commented, the District has engaged in the audit and 990 and has approve the cost for expenditure for these to Foundation. Mr. Voute made a motion for the acceptance of proposal letter from the auditors for 2019. Mr. Hodge seconded. All in favor. Motion passes.

F. New business…………………………………………………………………Lyndell Gairaud

Board member terms…………..……………………………………………………Lyndell Gairaud

Ms. Gairaud reported the terms for two Board Members are ending this year. We would love to reach out to Carol King and Gala White to see if they are interested in continuing their terms. There are two open seats currently on the board. One is a Friends of the Library Board Member position and the other is at large. We have two individuals possibly interested in serving, Mr. Joe Arrigo and Ms. Elizabeth Gallegos. Conversation was opened up to speak about these two potential candidates and only positive comments were mentioned. The conversation was also opened up to additional candidates, including any additional names for consideration. Ms. White mentioned that she is interested in continuing but is open to leaving her position if there is another person interested in serving (and all positions are currently filled). Mr.

Walker reminded the board their endorsement is important but the positions are appointed by the Trustees. The next actions would be if we endorse the candidates, get their applications in December and submit applications for the Board of Trustees for review at the December work session meeting. Updates will be provided after the meeting so that they can be invited to the January meeting. We could potentially have a full board in January.

Ms. Gairaud made a suggestion about possibly expanding the board and asked if we are interested in doing so, how we do it. Ms. Baca reminded the board that she and Mr. Walker are also considered members. If we expand to include additional members it would require a recommended change to bylaws. Mr. Walker suggested a next step would be to look at bylaws (or have the Governance Committee review them) in January reporting what they currently are and what the recommended change in language would be. Then we would write it and make a recommendation to the Board of Trustees to amend the bylaws. Mr. Potter and Mr. Walker could work with the Governance Committee to do so.

Election Update…………………………………………………………………………..Jon Walker

Mr. Walker shared the news 6B passed. He wanted to say thank you for contributing $15,000 to the campaign. More than 42,000 people voted on the issue with more than 25,000 of those votes in favor of the measure. The campaign did two direct mail campaigns to every voting household (which cost $3,500). They also did a texting campaign to 40,000 people and promoted the issue on social media. There were a number of number of ballot issues, more than 15 on the list. Only one other issue had more votes than the library Issue 1A and they were no votes. We received the most yes votes in the county. We had a lot of support. The $15,000 contribution from the Foundation was helpful with that.

Ms. White had a question she wanted to pass along from a patron. She asked if there will be more best seller books. Mr. Walker answered we cut back on some buying of books because of budgetary issues. We are able to pump it up dramatically starting in 2020. We have terrific managers and displays and should be able to do a display for best sellers. There is also an easy option to go online and request a book if it something we do not have in the collection.

Whistleblower Policy and Document Retention Policy……………………………Sherri Baca

Ms. Baca reminded the board that we have policies including ones on investments and gift acceptance. She would like to add to additional policies, with your approval. The two new policies proposed came as result of our tax preparation. During the preparation we were asked about these two policies and did not have them as part of current documented policies. Ms. Baca has drafted these policies from District policies of the same name. The first is a whistleblower policy which encourages the reporting of factual information of unethical, dishonest or fraudulent conduct and says we would protect the person coming forward if that scenario occurred. Mr. Voute asked if we can include board members in the policy verbiage. Ms. Baca replied yes we can change verbiage and can vote on it next time. Ms. Clark asked if we have a conflict of interest policy. Ms. Baca believed so, but we can check when we review policies with the Governance Committee. She also mentioned we do not need to vote on these polices yet. The second policy proposed is a records retention policy and is listed on the back of the page. With the District we are subject to state library rules. Language from the first section comes from IRS website. It talked about compliance of 501c3 with tax codes. The policy also lists the types of record we shall retain and record retention period. Mr. Walker said we can review the policies and do an email vote or table this until the Governance Committee meets. Ms. Clark said it may be good to do when new board members are on board.

G. Director's Report..Nick Potter

Q3 Fundraising Report

Mr. Potter presented the Q3 Fundraising Report and highlighted gifts received for both entities. The total amount received in Q3 totaled $45,219.15 which included $2,180 through the Foundation and $43,039.15

through the District. Gifts came in to the Foundation for Le Bal de Bibliotheque, the Leadership Institute, in support of Lucero Library and from some individuals. There was also a gift that came in support of large print books.

On the District side, gifts were received in support of a touring exhibit, the Latino Book Festival, Lucero Library and the Colorado ADA Symposium. We also received contributions from the Lenore Chamberlain Fund, Kids Parade entries, and anonymous donations from Make my Donation and AmazonSmile. All Pueblo Reads sponsorships and Booklovers Blacktie Ball ticket revenue were also received this quarter. Part of the Booklovers Blacktie Ball revenue will show up in Q4 because of timing. This quarter we recommended a transfer of $400 to go back to the library at the last Finance Committee meeting. These gifts were given in support of the Lucero Library and also large print books and are pass throughs. A vote is not needed as it came through and was approved at the Finance Committee meeting.

Leadership Institute Report and 2020 Preview

Mr. Potter began the review of the 2019 Leadership Institute with a report on revenue and expenses. Program expenses were lower this year. In part because Ms. Madrill shopped around was able to find better prices on dresses for the program and saved about $1,000 for those ladies needing dress assistance. Also included in the report is a row which shows where the previous year's funds rolled into the next year.

Mr. Potter also spoke about the future ideas for the program. He has been in contact with representatives from other Foundations for input. We would like to open it up to all genders and add curriculum that feeds into Colorado State University-Pueblo and Pueblo Community College. There is a possibility that participants may get a scholarship after they complete the program. We are also looking to incorporate a young funders aspect with a possible partnership with Caring for Colorado. The program would include the organization giving the group funds that they would then distribute to other nonprofit organizations. They would accept proposals and decide which projects and programs to fund. There are great opportunities to partner with other organizations and Foundations. It would not be an event revenue generated program for us and be more grant based.

Ms. Gairaud reminded the board there has been some discussion in the past about opening the program to boys. She is favor of opening it up and assisting all youth in our community. Ms. Baca suggested we also consider the outcomes and benefits to the district and how it relates to our mission. It would promote literacy and lifelong learning. Maybe we could also incorporate information about future library career options available. Mr. Potter mentioned the program would be grant funded and have no entry fee with it.

All Pueblo Reads and Booklovers Blacktie Ball Update

Mr. Potter expanded on what was briefly mentioned in the financials. With the election coming up we wanted the campaign first and forefront and designed the All Pueblo Reads resource guide with some library information on the back. When we ordered the guide we had an overrun that went to branches and supporting organizations. We heard from legal consultants and campaign consultants that was not allowed. A portion of donations from these sponsors will run through Foundation to pay for this expense so it shows we are not using public funds.

Mr. Potter reported some great partnerships this year on All Pueblo Reads, including one with Black Hills Energy. Black Hills Energy gave us $4,500 for books and we were able to provide a special opportunity for the kids of the Boys and Girls Club to meet with the author one on one at a special reception. Overall our attendance for the ball was around 256, we had $40,000 in sponsorships, and 216 programs. Part of our funding included the NEA Big Read Grant. It was overall a successful month.

Moving forward we want to put together a book selection committee with representatives from District 60, District 70, Pueblo Community College and Colorado State University-Pueblo so we can find more ways to incorporate it in the curriculum. We also want to look at NEA Grant opportunities for the 2020 and put together a proposal.

Colorado Gives Day, Tuesday Dec. 10, End of Year Appeal, and Income Tax Donation

Mr. Potter reporting on upcoming fundraising activities. The library will once again be participating in Colorado Gives Day on Dec. 10. He also shared a draft with the Foundation Board of the annual appeal mailer scheduled to go out around Thanksgiving. This year we will be sharing with donors the ways they can show love to the library and make a donation, including the newest option of giving a donation if they are getting money back on their taxes. We want to get donors in more of a giving cycle and advertise there are others ways to give. There is also an option they can check to find out more information about giving opportunities. In addition to the annual giving piece, we would like to communicate to donors on a more regular basis possibly do a direct mail campaign ask three times per year.

This year we will also be hosting a Handmade Holiday Craft Fair at the Rawlings Library. The owner of Formulary 55 organizes and runs this event and would like to pass it off to a nonprofit in the future. She makes about $5,000 a year from booth rentals and would like for it to live on through another nonprofit. We are just participating as a host this year but are looking to take it on next year. The multi-level craft show could be another fundraising opportunity for us.

H. Announcements .... Lyndell Gairaud

Ms. Gairaud shared information about two upcoming events. The first, on December 5, there will be a Board Mixer at Doreen Martinez’s house. Additional details will follow. And the other event is the Library’s Staff Holiday Party at Nachos Restaurant on Friday, December 6. If you are able to attend, please let Gloria know by November 29.

I. Old Business .... Lyndell Gairaud

None

Next Meeting: Wednesday, January 8, 2020

Adjourned 1:35 p.m.

Respectfully submitted,

Gloria Madrill
Recording Secretary