

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
WORK SESSION MINUTES
2:00pm, Tuesday, April 18, 2023**

***This meeting was conducted inside the Kelly “A” Meeting Room
at the Rawlings Library, 100 E. Abriendo, Pueblo CO. 81004***

I. CALL TO ORDER AND ROLL CALL

Mr. Hodge called the meeting to order at 2:01p.m Ms. Jubert conducted roll call.

Board Members Present:	Fredrick Quintana, President Dustin Hodge, Vice President Jacquelyn Keith Iris Clark Trisha Macias
Board Members Not Present:	Stephanie Garcia Doreen Martinez
Attorney Present:	Bart Miller – Collins, Cole, Flynn, Winn, & Ulmer
Staff & Guests Present:	Sherri Baca, Executive Director Terri Daly, Director of Human Resources Amy Nelson, Associate Director of Public Services Jill Kleven, Director of Technical Services Thomas Defrates, Director of IT Alan Rocco, Facilities Superintendent Eric Tiffany, Jr. Systems Administrator Rose Jubert, Secretary to the Board of Trustees

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA

Members of the Board of Trustees or the Executive Director may suggest corrections or modifications to the agenda at this time.

There were no corrections or modifications to the agenda

III. DISCUSSION ITEMS

1. Colorado Smelter Revitalization Urban Renewal Area and West Pueblo Urban Renewal Area TIF Agreements

OVERVIEW: An update report on the Tax Increment Financing (TIF) agreements was provided.

It was reported that discussion about the two agreements had been ongoing since the later part of 2022. The final version of both agreements were included in the Board packet.

Mr. Miller, legal representative for PCCLD, said that the Colorado Smelter Revitalization agreement was a pretty standard agreement that Pueblo Urban Renewal Authority (PURA) used. He reported that this agreement was in good shape and ready for the Trustees to move forward with.

Mr. Miller and Ms. Baca worked with PURA to change some wording in the West Pueblo Agreement and that agreement was also ready to move forward. He shared that the process was very easy and that PURA was great to work with.

Ms. Baca pointed out item 5.5 *Assistance with Future Additional Library Services for Urban Renewal Area* in

the West Pueblo Agreement and commented that she and Mr. Miller were happy with the new verbiage. The paragraph content included the language that PURA would give favorable consideration to provide financial assistance to PCCLD if the area required PCCLD to construct additional library infrastructure to serve the future residents in the West Pueblo Urban Renewal Area.

Both agreements are in the Board packet for review. It was asked that this be put onto the next agenda for action.

2. 10-year Financial Projection

OVERVIEW: Sherri Baca (Executive Director) provided a review of PCCLD's 10-year financial projection.

The last time this document was reviewed was in December 2022. The report is meant to be a financial check in.

The general fund section of the report captures all of the operating revenues and expenditures. The second section is the capital project fund, this fund deals with assets, acquisitions, and expenditures. Total combined funds are the total of the general fund plus the capital fund to produce the overall fund balance. The unassigned fund balance percentage of operating expenditures is the gold standard measure that PCCLD uses for projections. It is a policy item that requires the total fund balance to be 20% or more of the annual operating expenditures which is a couple of months' worth of working capital.

The year that is under audit will show that the numbers are estimated. The current year will always read as budgeted and the years after that will be titled as projected.

A 7% increase in property taxes is projected for 2024. Every two years in Colorado property values are reassessed and tend to increase. In the off years you will see a 1% increase. In assessment years, 2026 and beyond, PCCLD budgets conservatively at 3%. An article in the Pueblo Chieftain County Assessor Frank Beltran reported a possible 30% increase in 2024. In a recent re-valuation year, PCCLD saw a 13% increase. There will likely be legislation in Colorado on tax payer initiatives on ballots in upcoming years. More will be known by August 2023 when the County Assessor provides our initial assessed valuation.

The transfer to the Capital Project Fund was discussed and typically represents a transfer of money into the library asset replacement plan. PCCLD has a bank account where money is put away year by year so when assets need to be replaced there is money available. Currently, there is close to \$2 million in the asset replacement fund.

The ending fund balance in the General Fund has been historically at \$2 million and that balance continues to remain steady. The ending fund balance in the Capital Project fund is at a healthy balance of \$3.9 million due to the large transfers happening every year that are going towards the library renovations. This is a fairly new concept because it wasn't until 2019 when the new mil levy came online to fund the extra dollars in capital improvements, this amount was approximately \$1.4 million.

Materials as a percentage of operating budget is another line item that is watched. This line item must stay at 15% at a minimum. Employee training as a percentage of salaries is also watched with hopes that it will continue to grow as PCCLD invests in its employees.

The Master Facility Plan was reviewed. The transfer from the general fund to the capital fund is included in the line item that reads Gen Fund Cap Transfer. The top of the spreadsheet shows where the money is coming and lists the Total Available. After that line item is the lower portion of the spreadsheet where the expenses are listed.

The Barkman Library and Lucero Library expenses were reviewed. In the last meeting the project cost analysis update for each branch was provided for a total cost of \$8 million. The money for these projects comes from the Gen Fund Cap transfer line item and the Fundraising line item. It is anticipated that the Barkman Library will utilize \$4.2 million in funds from the general fund transfer and be completed in 2024. The Lucero library will

start in 2024 and finish in 2026 at a total cost of \$3.98 million with \$1.4 million of the total cost being funded through fundraising efforts. The cash flow for the \$8.4 million will now span from 2022 through 2026 instead of through 2025 at the original total cost of \$6.4 million. The reason for the need to include another year was so PCCLD would not draw down the general fund balance.

Some concerns are the ability to fundraise the \$1.4 million when PCCLD recently raised \$2.5 million for the Rawlings renovation. The projections include 7% in property taxes in 2024, if this does not come to fruition it will throw off the numbers. If property taxes are at 7% this would allow for the funds needed to complete the Barkman Library renovations. After the completion of the Barkman Library \$1.4 million would still need to be fundraised in order to complete the Lucero Library.

Other options instead of fundraising would be to put a time out over the next three years on the \$400,000 that goes into the Library Replacement Plan which would net PCCLD \$1.2 million. The other option would be the St. Charles Urban Renewal Area money. \$165,00 in TIF money currently comes to PCCLD annually over the next seven to eight years. PCCLD could instead front end borrowing with PURA and get the entire amount upfront. This is how District 60 has funded the renovations to Dutch Clark Stadium. PCCLD could also take a year between the Barkman Library and Lucero Library renovations and look at how to raise the additional \$1.4 million to complete the Lucero Library renovation.

Graphs of the numbers were presented to show what was discussed. The combined fund balance continues to get stronger and PCCLD is still renovating libraries which is very impressive.

It was asked if adjusting the percentage of the Unassigned Fund Balance Percentage of Operating Expenditures would help in any way with costs. The policy states that PCCLD will hold the rate at 20% or two months' worth of working capital. If the line item percentage were to get closer to the 20% the general fund account would get too low. One result of this would be that you would not be able to spend as much on construction.

It was suggested that a combination of these ideas be considered, to include holding back some, not all, of the funds that go into the Library Replacement Plan and/or look at the option of a borrowing mechanism with PURA. The Trustees were reminded that if we hold off on the Lucero Library costs for the renovation would likely increase.

It was suggested that instead of fully renovating Lucero Library, since it is relatively new, cut back on some of costs. A concern regarding this idea would be if PCCLD would circle back and complete the full renovation at some time, the costs to renovate would go up.

It was noted that it was nice the PCCLD was financially stable enough to have the conversation of how to move money around.

It was shared that if property taxes go up 1% or more over the 7% this conversation would be a moot point.

The report will be brought back to the Trustees again in August when more information about the tax revenue is available.

3. Meeting Room Policy Revisions

OVERVIEW: Amy Nelson (Associate Director of Public Services) reviewed revisions to the meeting room policy and shared updated procedures.

Ms. Nelson shared that she would be reviewing the new meeting room policy with the Trustees. She also reported that she had been working on guidelines for the meeting rooms as well.

The revisions were reviewed. The first revision was in regard to the meeting room use. The fee for the use of rooms verbiage was added. In the past PCCLD had not charged for meeting rooms except for the Ryals Grand Event Room and the InfoZone as well as for afterhours security guards.

Priorities were the next point that was reviewed. This included who had priority when it came to booking a room. It also shared that PCCLD reserves the right to deny applications. Library sponsored programs and events will have priority and may lead to cancellation of public reservations if necessary.

Endorsement was reviewed. Permission to use the meeting spaces does not constitute an endorsement of the group using that space. PCCLD may elect to provide notification to the general public about a group's meeting or activity. For-profit activities are not permitted in the meeting spaces. People and/or organizations are not allowed to use the PCCLD logo when advertising for their event.

Equal Opportunity. PCCLD encourages all groups to use our facilities. If the meeting or event is not advertised as being "open to the public", the group has the right to limit attendance with the exception of legally protected categories. Library staff is not expected to enforce or ensure the privacy of any meeting or event.

Ms. Nelson reviewed next the liability regarding the use of library spaces. All organizations shall indemnify, defend and hold harmless PCCLD, its officers, agents and employee from and against any and all claims, suits, actions of any kind. The reservation holder and/or organization will be liable for any breakage, damage or theft of any library property. PCCLD does not assume responsibility for personal injury, damage or loss of personal property. Library spaces may not be reserved for programs or gatherings which present a clear and present danger to welfare of the participants, staff, or the community. All activities and programs conducted in PCCLD's libraries must comply with all federal, state, and local laws and are subject to PCCLD's rules, regulations, and Code of Conduct.

It was asked with regard to the statement "gatherings which present a clear and present danger" how was it being assessed? Ms. Baca shared that this would fall to the library district as they carry out enforcing the code of conduct policies.

An overview of the Room Use Guidelines was provided. An item of note was that of fees that will be charged for the use of the meeting rooms and even spaces. It was shared that parties, celebrations, and receptions were only permitted in designated spaces. Those making room reservations would be required to give a refundable cleaning fee deposit if the event is after-hours and any time food is served or decorations are used. Deposit amounts were discussed for the Ryals Grand Event Space - \$250, Pueblo West's two combined meeting rooms - \$100, and all other meeting rooms - \$50.

The construction costs for The Ryals Grant Event Space was \$990,642 and furniture costs for the venue was \$74,378. Those who would like to use the room would be charged an hourly room use rate of \$100/hour. Other Pueblo venues and other peer library room rates were presented. Research is being done on offering non-profit businesses sponsorships to reduce the cost for the room and as a way to help non-profits to leverage this space.

The cleaning fee for the Ryals Grand Event Space was discussed. The thought was to charge \$105/hour for the space and not charge a cleaning fee. The room is going to have to be cleaned anyway. The question of an hourly minimum was highlighted as well. Staff will look at both fees

It was noted that the Trustee would be asked to take action at their next meeting on the policies only.

4. Disposal of Property

OVERVIEW: Alan Rocco (Facilities Superintendent) present a recommendation for property disposal.

Mr. Rocco presented a disposal of property request for a news copy stand. The item is no longer needed within the foreseeable future and due to its dimensions cannot be used in other areas of the district. The item would be disposed of via a refuse service.

This item will be put on the next agenda for action.

IV. ADJOURNMENT

The meeting was adjourned at 3:31pm.

Respectfully submitted by,

Rose Jubert
Secretary to the Board of Trustees.