

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
WORK SESSION MINUTES
2:00pm, Tuesday, September 19, 2023**

***This meeting was conducted inside the Friends of the Library 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 2:00p.m. Ms. Jubert conducted roll call.

Board Members Present: Dustin Hodge, Vice President
 Fredrick Quintana, President
 Iris Clark
 Doreen Martinez
 Trisha Macias
 Stephanie Garcia

Board Members Not Present:

Attorney Present: Bart Miller – Collins, Cole, Flynn, Winn, & Ulmer

Staff & Guests Present: Sherri Baca, Executive Director
 Nick Potter, Executive Director of the Pueblo Library Foundation &
 Strategic Initiatives
 Ashley Huggins, Chief Financial Officer
 Terri Daly, Director of Human Resources
 Amy Nelson, Associate Director of Public Services
 Jill Kleven, Director of Technical Services
 Thomas Debrates, Director of IT
 Alan Rocco, Facilities Superintendent
 Eric Tiffany, Jr. Systems Administrator
 Rose Jubert, Secretary to the Board of Trustees
 Cherish Deegs, Operations Coordinator, Pueblo Urban Renewal
 John Wark, Developer, Blocks on the Bluff Apartment Complex

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 modification to the agenda.

III. DISCUSSION ITEMS

1. Blocks on the Bluffs URA – Pueblo Urban Renewal

OVERVIEW: Cherish Deegs Operations Coordinator, Pueblo Urban Renewal and John Wark presented on the Blocks on the Bluffs URA taxing agreement.

Mr. Wark presented a photograph of the proposed apartment complex that would reside on the nine parcels of land locate in a blighted area on the bluff between 4th Street and Union Avenue bridges. He shared that the complex would meet some of the most important needs in Pueblo according to the comprehensive City and County plan, which is mid to upper scale housing.

There is very little infrastructure on the proposed building sight. The building will be all solar-powered electrical

because the cost to have natural gas install was astronomical. There will be 125 parking spots to include visitor spaces. The cost to build the complex is \$33 million and the blue prints are at the City Regional Building office. The only thing halting the construction is the financing, the TIF is crucial to acquiring the financing needed to start and complete the project. Rents for the property will be \$1800-\$2800 per month depending on the size of the apartment (studio, one bedroom, and two bedroom). The makeup of the apartments will be 50% one bedroom, 25% studio, and 25% two bedrooms. The building is solely residential because it did not meet the parking requirements to have retail or commercial spaces.

The equity investors are who will own the building. Urban Renewal gets involved when there is a funding gap on public improvement projects. They will reimburse the project/investor group out of the taxes that they pay for extraordinary projects like roadway improvements, sidewalks, elevators, sprinkler systems, and any type of clean up. Specifics on this project were provided to the Trustees. If this is approved, base taxes are set, taxing entities like the library district, retain those taxes, and any tax increment goes to Urban Renewal Authority to incentivize these types of projects. The increment would be used over a 25-year period to pay back the authorized project plan expenses. After the 25-years, the taxes go back to the taxing entities. 88% of the increment would go to the project. If the requirements of the original plan are filled prior to the 25-years, taxing entities could see revenue share back sooner than the 25-years if there is surplus TIF money.

Mr. Wark shared that the same investors are looking at similar projects further up the bluff that will be in close proximity to the Rawlings Library. These projects would appeal to those who cannot afford to buy homes at this time due to high interest rates.

The final draft and first read of the agreement will be presented to City Council on November 13, 2023 and final reading will be on November 27, 2023. If all goes well building could commence in February 2024.

It was asked that this be presented at the next board meeting for approval.

2. HR Outsource Procurement

OVERVIEW: Terri Daly, Director of Human Resources presented on outsourcing HR resources.

Ms. Daly presented on an outsourcing opportunity that has come to PCCLD. A slide was presented that showed twelve things Human Resources is responsible for on a daily basis. Some things that are not priority are put on the back burner because matters that are more urgent take precedence. The only outsourcing PCCLD has done is hiring a recruiter as needed for specific positions and outsourcing payroll.

A human resources research and advisory organization can serve as a partner to enhance human resources capabilities and ensure that PCCLD is implementing solutions to human resource challenges. McLean and Company is this type of organization.

McLean can provide comprehensive research regarding the latest HR trends and offers practical tools and resources. They also provide prepared training and customizable slide decks that are compatible with PCCLD's Niche Academy training. HR Diagnostics such as vetted surveys will be provided.

Benefits and expected outcomes if PCCLD decides to work with McLean were listed. A partnership with a research and advisory organization like Mclean would empower PCCLD to address challenges effectively, resulting in improved talent management, employee engagement, and overall performance.

The total cost to subscribe and implement Mclean services would be \$11,673.75 for the remainder of 2023 and \$13,796.25 for 2024. This breakdown would be about \$2,100 per month. This outsourcing would be similar to the outsourcing that is done in the Finance department when an auditor is engaged to complete specific financial reporting components of the library's annual financial report. This cost would be put into the 2024 budget.

This item will be put onto the next board agenda for approval since the cost does exceed \$25,000.

3. Board Appointment

OVERVIEW: An update was provided on the open board appointment and on the upcoming appointment.

Jeffrey DeHerrera of the Pueblo West Metro District and current Treasurer for the Friends of the Library Board was selected to fill the trustee seat that was vacated by Jacqueline Keith. His term will end December 31, 2024.

Current trustee Stephanie Garcia's term ends December 31, 2023. Ms. Garcia is interested in a second term and will apply for the position once the Pueblo County government posts the vacancy.

4. Pueblo Library Coffee Shop

OVERVIEW: An update was provided on the status of the coffee shop.

Gypsy Javas was selected as the new coffee vendor at the Rawlings Library. A fully signed and executed contract has been received and the opening day is set for November 1, 2023. Public notification will go out this week; signage and menus will be installed by October 15, 2023. On October 20, 2023, café staff will begin work. A soft opening is scheduled.

The signage for the café was shown to the trustees. The café will be titled Pueblo Library Café by Gypsy Javas. Grab and go items will be available. The café menu was shown to include morning and afternoon food items as well as beverages.

There will be designated café seating that will ask the patron to please enjoy their food and beverage in that area. This will allow the café staff to keep the area clean and ready for the next customer.

The point of sale service is being prepared. Pricing of items is underway to include affordable priced items.

5. Proposition HH

OVERVIEW: Ashley Huggins, Chief Financial Officer, was presented on the impacts of Proposition HH.

A brief overview of property taxes was presented. Property taxes are what help to support special districts like the library. Real property is revalued every odd-numbered year and personal property is revalued every year. The calculation for property taxes is: $\text{Actual Value} \times \text{Assessment Rate} = \text{Assessed Value} \times \text{Tax Rate (Mill Levy)} = \text{Taxes Due}$.

PCCLD received the preliminary certification of values on August 21, 2023. The assessed valuation for PCCLD increased by 18%, which is significant. Without taking a mill adjustment, this would mean a 25% increase equating to about \$3 million in property tax revenue. There are things that could possibly change this amount. The final assessed valuation is received in December each year.

Senate Bill 22-238 was a reduction of property tax for 2023 and 2024. This gave an actual value reduction of \$15,000 for each residential property and \$30,000 for each commercial property. This created approximately a 5.67% decrease in assessed valuation for PCCLD equating to about \$861,000 decrease in revenue.

Proposition HH is a ballot measure for November 2023. If passed, it would cause a reduction in property taxes and create a limit on annual property tax increases for certain local governments. It could also temporarily reduce the valuation for assessment of certain residential and nonresidential property and create a new subclass of property. Proposition HH permits the state to retain and spend revenue up to the Proposition HH cap to be used to reimburse local governments for lost property tax revenue to be deposited in the state education fund to backfill the reduction in school district property revenue. Therefore, there is a backfill component but the majority of the funds will go to school districts. It allows for the transfer of general fund money to the State Public School Fund and to a cash fund to be used for reimbursements. It sets a new cap on the amount of excess state revenues (TABOR) that may be used for reimbursements for the 2023 property tax year. It has a ten-year life span meaning it would go through 2032. The impact for property taxes received in

2024 for 2023 would be approximately a 12.4% decrease in assessed value equating to about \$1,885,000 decreased revenue. If Proposition HH passes, this would change PCCLD's \$3 million property tax increase to a decrease of \$1.9 million for a new increase of \$1.1 million.

If Proposition HH passes in the November election, there will be a new calendar deadline for mill levy certification this year. The Budget approval deadline will still be December 15, 2023 per a state requirement. The positive for PCCLD is regardless if Proposition HH passes or not, PCCLD will still see in an increase in property tax revenue.

PCCLD has the ability to adjust its mil levy to offset the reduction in the assessment rates if needed this was passed in 2019 by Pueblo County voters. The initial budget will be calculated with the assumption that Proposition HH will pass. If it does not pass the budget revenue portion would be amended. The first year everyone would be entitled to the exemption but on the next year on the residential property it would only be if it is a primary residence, second residences would not qualify.

There is also another component of Proposition HH, a truth in taxation provision. This would set a cap on revenue collection by taxing entities. This would have impact on PCCLD's budget and the possible need to hold a public hearing. There is language in Proposition HH that with a hearing the trustees can override the cap. It does have Tabor ramifications. The positive to it passing would be that PCCLD would have a clear understanding of what the next ten years would bring.

IV. ADJOURNMENT

The meeting adjourned at 3:27pm

The next regular meeting of the Pueblo City-County Library District Board of Trustees is scheduled to take place beginning at 5:30pm, Thursday, September 28, 2023 at the Pueblo West Library 298 S. Joe Martinez Blvd, Pueblo West, CO 81007.