

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES  
WORK SESSION MINUTES**

**February 15, 2011**

**I. CALL TO ORDER AND ROLL CALL**

Mr. Stuart called the meeting to order at 4:03 p.m.

Board Members Present: Jim Stuart, President; Sherri Baca, Vice President; Marlene Bregar; Katherine Frank; Philip Mancha; Roy Miltner

Board Members Absent: Frances Terrazas-Alexander

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; others not recorded

Others Present: Doris Kester, Dan DeRose, and Don Banner from the Southern Colorado Community Foundation (SCCF)

Attorney Present: Nicholas Gradisar

**II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA** None.

**III. DISCUSSION ITEMS**

**A. Presentation from Southern Colorado Community Foundation (SCCF) regarding a Pueblo Library Foundation**

Mr. Stuart announced that a 2011 objective for PCCLD is establishment of a Pueblo Library Foundation, and he invited representatives from the SCCF to speak.

Mr. Banner provided background on the SCCF and its purpose to pour proceeds back into the community and to help nonprofits with their missions. Mr. Banner explained that people may set up a fund to support an organization to receive more favorable tax treatment, or organizations may establish a fund where donors can contribute to the organization through the SCCF. Mr. Banner used the example of the John Wagner fund to benefit the library's business collection, and those earnings are distributed to the library annually. *(Ms. Baca arrived at this point.)*

Mr. Banner talked about the advantages of using the SCCF rather than the library starting its own foundation. Mr. Banner explained that the SCCF requires \$10,000 to start a fund, investments are directed by an investment committee, and a fee is charged for doing this, although they would like to be able to eliminate the fee. Mr. Banner said their experience has been that entities with a fund in the SCCF receive significant annual distributions.

Mr. Dan DeRose shared his experience in using the SCCF for the Friends of Football, and believed in it enough to put his own money behind it. Mr. DeRose explained how a fund was created to endow scholarships, and the SCCF is authorized to dip into the corpus to provide an annual commitment. Mr. DeRose said the SCCF allows them the flexibility to redirect to funds to other youth football activities if the university eliminates the football program. He also explained that the fee is a bargain in comparison with the costs of hiring someone to maintain the foundation and complying with all the legal and IRS requirements.

Mr. Banner said typically young community foundations must charge a fee to cover operations, but older community foundations are able to eliminate the fee because of the amount of money being managed. Mr. Banner explained that the SCCF's goal is to help this community and will focus on the geographic area of Southern Colorado. Mr. Banner explained that although legally decisions must rest with the SCCF Board, as a practical matter, the Board honors the wishes of the donor. The SCCF provides a means where like-minded citizens may donate to an organization they support. Mr. Banner then offered to respond to any questions.

Dr. Mancha asked if the library joined the SCCF and at some point the library decided it wants to do something else, could the library pull back. Mr. Banner explained that the organization could as

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long as the donor had not permanently restricted the funds, and the library could also write into the agreement that the SCCF Board may distribute funds from the corpus.

Dr. Mancha noted that it was stated that the SCCF “owns the money,” and asked if that ownership would create a problem transferring the funds. Mr. Banner said if the donation was permanently restricted, the institution cannot pull it out. Mr. Banner said out of the total amount held by the SCCF, not much is permanently restricted. Mr. Banner said there is a tax reason for that, and the SCCF Board would prefer to receive temporarily restricted funds. Mr. Banner used the example that if on January 1, 2008, he gave \$100,000, and the market dropped and became only \$50,000, if the funds were permanently restricted SCCF could not distribute anything to the nonprofit until the principal had been rebuilt. So if someone wants their charity to receive money when there are no earnings, they would have to make it a temporarily restricted fund. Ms. Baca added that if the Library District was raising money and the donor needed to include an agreement with the donation, that could be as simple as the donor checking a box.

Dr. Mancha asked how large the SCCF is, and Mr. Banner estimated about \$3.8 million.

Ms. Baca asked who manages the funds. Mr. Banner listed a number of people currently on the Investment Committee to include Mark Swanson, Ken West, Dan DeRose, and Mark Kennedy serves as an advisor. Ms. Baca asked who does the actual buys and trades, and Mr. DeRose responded that they use all the brokerages in town and split it up. Their strategy is to buy American funds and to buy and hold. Mr. DeRose said they had been caught in the recent stock market losses of about 30%; rather than get out, they opted to hold on, and they are glad they did because they have almost all those losses back now. The Board has specific investment guidelines, and they manage conservatively. When investing someone else’s money, it is best to be conservative.

Ms. Baca asked if there is a third party, and Mr. Banner said the brokerages are, and no one in the SCCF actually touches the money, which is a good practice.

Ms. Bregar asked for them to talk about the make-up of the Board, whether they are ethical people and if they represent old and young people. Mr. DeRose said there is great representation from the community, and there is a nominating committee to make sure they have qualified candidates. He named several members who are presently on the Board including Donna Maes, Barbara Fortino, Ken West, Kevin McCarthy, Rosemary Reilly, Priscilla Lucero, Don Mann, Dan Lere, Barbara Duff, Jane Rawlings, and Midori Clark. Mr. DeRose said Board members tend to be older. Mr. Banner explained that when donors contribute to the SCCF without a specific organization designated, it goes into the SCCF fund to provide grants and scholarships. One of their efforts has been to encourage scholarship recipients to participate in a leadership program which encourages young people to serve on Boards in the community. Mr. DeRose was asked about term limits, and he said Board members serve two terms. Mr. DeRose said the Board also assigns a topic to each Board member, and they are asked to come back to present on a topic. The SCCF Board would want a representative from the Library on the SCCF Board.

Mr. Walker pointed out that the SCCF does endow the library’s Nonprofit Resource Center on the 3<sup>rd</sup> floor. *(Dr. Frank arrived at this point)*

Mr. Stuart thanked the representatives from SCCF for coming in. Mr. Stuart said he sees this as only preliminary information at this point. Mr. Walker said establishing a foundation is in the library’s Annual Plan for this year, and he has talked with Mr. Gradisar about sharing additional information with the Board about the requirements to establish a foundation. The SCCF was brought in to see what they can bring to the table, and it has some strengths. Mr. Walker suggested that it might be wise to hear from a representative of a library that has a foundation. Mr. Walker said this is only one choice, and there are other choices. Dr. Mancha suggested that the Board Secretary gather the notes about foundations. Mr. Stuart said there may be some financial advantages to using SCCF, but the library will need a group that is focused on promoting the foundation and finding donors to help the library far out into the future.

Dr. Mancha asked if he heard that the SCCF are using some of the fees. Mr. Walker responded that they receive donations that are not designated to a particular entity, and those funds may be

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used to provide other types of grants to help the community, and entities in the community may apply for grants from the SCCF to receive those funds.

### **B. Board Operations**

Mr. Stuart said the Board will review how it operates and discuss any suggestions for improvement. The Board has been operating in the same way for several years now, and it may be time to discuss whether they need to make some adjustments. One Board member has questioned whether the work sessions continue to be necessary. The Board has also moved to electronic media from paper.

Ms. Bregar indicated that she appreciated having the Board packet electronically.

The Board discussed advantages of continuing the work session which included the value of Board members feeling free to ask questions and the ability to make changes prior to being asked to vote or delaying the matter for another month.

Ms. Bregar suggested that perhaps the 4:00 p.m. time is inconvenient for Ms. Alexander, and Dr. Frank indicated that often the 4:00 p.m. time is difficult for her. There was a discussion that it may be more convenient if the meeting were moved to 5:00 p.m.

Ms. Baca suggested that the record should reflect that the Board had discussed a matter in work session prior to the vote. Mr. Miltner added that some of what had been presented at the work session regarding the copper panel replacement was repeated during the regular meeting, and eliminating that information could shorten the regular meeting.

Mr. Walker suggested that wording on the agenda could easily be adjusted to show the matter had been discussed previously. Board members agreed and discussed how City Council and school boards use work sessions and often vote on "consent agendas" covering a number of issues.

Ms. Bregar said she appreciates having the work session the week before the regular meeting while the issues are still fresh in her mind.

Dr. Mancha noted that he supports continuing the work sessions.

After additional discussion regarding alternate times, the Board Secretary was asked to poll Board members to find a time that might be more suitable for the work sessions.

Dr. Mancha said he would like to see more focused professional development activity. Dr. Mancha suggested there could be a process on a smaller scale to get people thinking more about what they do on the Board or what the Board should be doing. Mr. Stuart added that he would also like to have the Board meet with the Pikes Peak Library District Board to talk about RFID because they just made that transition. Mr. Stuart suggested the Board create a Professional Development Committee to make some specific recommendations. After some discussion, it was agreed that the committee would include Dr. Frank, Dr. Mancha, and Ms. Baca as chair. The Professional Development Committee will come back with a recommendation at the April Work Session.

### **C. Audit Committee**

Mr. Stuart announced that the audit of PCCLD's 2010 financials is underway by the firm Swanhorst and Company, LLC. The Board audit committee, consisting of Sherri Baca, Marlene Bregar, and Roy Miltner, is scheduled to meet at 5:00 p.m. on March 21 in the Rawlings Library Executive Conference Room to discuss the audit with representatives from the audit firm.

Mr. Walker said that date was chosen because the auditor will be on-site for the audit itself and to take advantage of having them here. Mr. Stuart said, judging from past meetings, the audit committee meeting will be brief and fairly simple.

### **D. Employee Policy Revision**

Mr. Stuart announced that the library administration recommends a revision to the Equal Employment Opportunity (EEO) Policy to include a prohibition against discrimination in employment opportunities based on gender expression.

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Mr. Walker referred to the EEO policy that has been in place which reads: "PCCLD does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, sexual orientation, Armed Forces Reserve or National Guard status or any other characteristic protected by federal, state or local law." Mr. Walker said the recommendation is to add "gender expression" following "sexual orientation." Mr. Walker said this was recommended by the Gay & Lesbian Fund for Colorado, and the Human Resources Manager, Sara Rose, agrees.

Dr. Mancha asked what the difference is between "sexual orientation" and "gender expression." Mr. Walker said that sexual orientation simply refers to someone who may be gay or lesbian; however gender expression could include those who are transgendered or wish to express themselves as the opposite sex. Mr. Gradisar pointed out that this is not required by state or federal laws.

Mr. Stuart asked if Mr. Walker sees any negative in adding this, and Mr. Walker responded that such openness is one of the things libraries stand for.

Ms. Bregar asked if the library is just being proactive or if there has been an issue that the library is reacting to. Mr. Walker said the Gay & Lesbian Fund for Colorado has recommended this, and it is not in response to anything that has been happening in the library. Mr. Stuart suggested that the Gay & Lesbian Fund is likely trying to get this to be more common in agencies statewide in an effort to eventually include it in the law. Mr. Gradisar said the Gay & Lesbian Fund are big funders, and they want to see the language in organizations where they are donating money. Mr. Walker agreed and noted that the Gay & Lesbian Fund for Colorado has supported the library for a number of programs, and he thinks it would be fair to say they use that grant-giving opportunity to influence these kinds of matters.

Mr. Stuart asked to include this on the February Board agenda.

### **E. Discussion of Agenda Items for February 24, 2011 Regular Board Meeting**

#### **1. Executive Session**

Mr. Stuart said there will be an Executive Session for the purpose of discussing a personnel matter with respect to the annual performance review of the Executive Director pursuant to C.R.S. 24-6-402(4)(f)(I). The involved employee has been notified of this Executive Session and given the opportunity to have the matter discussed in open session. The Board may return to open session for any action the Board desires to take as a result of the Executive Session discussion.

Mr. Stuart reminded Board members who have not returned their evaluation of the Executive Director to do so immediately.

### **IV. ADJOURNMENT**

Mr. Stuart reminded Board members that the next Regular Board Meeting will be held on Thursday, February 24 at the Pueblo West Library.

There being no further discussion, the Work Session adjourned at 5:05 p.m.

Respectfully submitted,

Jane Carlsen  
Secretary