

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
MINUTES FOR THE REGULAR MEETING**

October 24, 2013

I. CALL TO ORDER AND ROLL CALL

Following an Employee Recognition Event, the regular session of the Pueblo City-County Library District Board of Trustees was called to order at the Rawlings Library at 5:30 p.m. by President Marlene Bregar.

Board Members Present: Marlene Bregar, President; Fredrick Quintana, Vice President; Lyndell Gairaud; Philip Mancha; Roy Miltner; Donna Pickman; Jim Stuart

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Michael Cox, Public Services Director; Teresa Valenti, Technical Services & Collection Development Director; Sara Rose, Human Resources Director; Midori Clark, Community Relations & Development Director; others not recorded

II. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker requested the addition of an Executive Session as item VII.B.3 for the purpose of discussing negotiations.

III. APPROVAL OF THE MINUTES

Ms. Bregar said the Minutes of the Library Board Work Session held on September 17, 2013 and Minutes of the Regular Library Board meeting held on September 26, 2013 were provided to Board members prior to the meeting.

Ms. Gairaud made a Motion, seconded by Dr. Mancha, to approve the Minutes of the Library Board Work Session held on September 17, 2013. The minutes were approved by unanimous consent.

Mr. Stuart made a Motion, seconded by Mr. Quintana, to approve the Minutes of the Regular Library Board meeting held on September 26, 2013. The minutes were approved by unanimous consent.

IV. REPORTS

A. Executive Director Report

Mr. Walker distributed an update on the new libraries showing that work is proceeding along on the project calendar. Mr. Walker announced that H.W. Houston will begin turning dirt next week. Mr. Walker said they had to clear some hurdles with permitting, and those have been met, so construction should begin next week.

Mr. Walker then invited Ms. Valenti to report on Collection HQ software. Ms. Valenti said the library had purchased software this year that analyzes the circulation of the collection to show how it is performing. Ms. Valenti said the software was purchased in February, and they have been working through it and are finding it is living up to its promises. Ms. Valenti noted that Technical Services is like a distribution center with over 75,000 items received and put on the shelves last year. Ms. Valenti explained how off-the-shelf rates and other metrics were used to figure out how the collection is being used, and she trusts the software because it is matching up with those metrics, but it provides that and more. Ms. Valenti said

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it reports specifically by popularity, suggests movement of sluggish items, evaluates collection “testing”, provides a view of over or under-stocked areas, manages deselection, and evaluates all formats including e-books.

Ms. Valenti then demonstrated the software to show just how powerful it is, and quickly displayed a report of popular adult fiction authors, showing a list of authors in order of popularity with the number of titles the library has and the percentage of titles available for checkout. Ms. Valenti said it shows the most popular author is James Patterson, and the library currently has enough copies available to meet the demand. Ms. Valenti explained that it shows the number of items needed to meet demand, items not circulating at another location that could be moved to meet the demand, and provides suggestions for movement of sluggish items that have been on the shelf six months without circulating. It can also identify a list of books in the collection on a particular topic to set up a display and monitors how well the displayed items circulated. It will recommend purchases and allocations as well as budget allocations.

Dr. Mancha asked where the recommendations come from, and Ms. Valenti responded that it is based on the data from the library's own collection, and the recommendations reflect the preferences of the library's customers.

Mr. Quintana asked how this is working with the recent change to a floating collection. Ms. Valenti provided the example of Rawlings receiving a lot of DVD returns on Sundays when the branches are closed, and in the past staff would just send duplicate copies out to branches. Collection HQ shows which DVDs to pull and where to send them. Ms. Valenti said it helps balance the collection and shows where to move materials so they will circulate.

Ms. Valenti said she spends weeks at the end of each fiscal year developing a spreadsheet to determine how to allocate the next year's budget. Ms. Valenti used a hypothetical budget number to demonstrate how easily the software allocated the funds for the collection. Ms. Valenti said she will verify it, but it is actually very close with detailed spending plans. Ms. Valenti said this software is the most immediately useful thing she has seen in her career.

Ms. Valenti displayed several graphs showing spending trends as well as shelving allocations. Currently, 73% of the shelving is for print, yet only 32% of circulation is from print, while nonprint has 25% of the shelving, but represents 63% of circulation which shows that the shelving is not balanced with demand. The 2nd floor remodeling will provide an opportunity to rebalance the collection, and they are paying attention to what it is telling us because it tells us how customers are using the collections.

Ms. Bregar asked if the system will tell how many different users are checking out DVDs, and Ms. Valenti responded that Collection HQ does not provide the number of unique users. The library could consider changing the policy to allow customers to check out more DVDs, and circulation could be deflated because the library does not have enough content to meet the demand. Ms. Valenti said the library may not be able to meet the demand immediately, but they can begin to address it by reallocating spending and shelving space.

Ms. Valenti said Collection HQ provides a powerful view into circulation activity, manages collections at a high level, shows imbalances, and directly impacts the library's key results. The goal is to increase circulation to 2 million, maintain programming at 6.34, increase visits to 120,000, and increase use of electronic/digital resources. Ms. Valenti believes Collection HQ will help them meet and exceed those goals by having more of what people want.

There was additional discussion of the impact of video store closings and the value of connecting books to programming.

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Ms. Bregar asked if Collection HQ will recommend new authors or authors similar to ones like James Patterson. Ms. Valenti explained that it has a discovery module that uses trends from other libraries to show top circulating titles, and she compared that advantage with selection methods used in the past.

Mr. Stuart noticed that circulation is down throughout the district by about 10%, but visits are up by about 17%, and although Barkman and Lamb were closed early in the year he did not think it would account for that difference. Mr. Walker agreed that the circulation trending down is likely from the early closures, but he suspects that the increase in visits is because the new gates provide more accurate counts. Ms. Valenti added that decreased circulation is a reflection of the collection being unbalanced.

Ms. Bregar asked if library personnel are still viewing materials before making weeding the decisions. Ms. Valenti said they ask public services to pull everything on the list for them to see. There are other criteria they use to review collections, e.g., after an item has circulated 40 times to make sure it is still in good condition. Ms. Valenti said the goal is to keep the “grubby” books below 10%, and recently the library had only 5%. The weeding worked, and they are starting to see the fruits of that labor.

There was additional discussion about the ability to sample a small collection that Ms. Bregar had learned about at CAL.

Ms. Valenti concluded that they are still finding new things about what Collection HQ does.

B. Friends of the Library Report

Mr. Stuart said he was asked to provide the report. Sales at the book store are up a couple of thousand dollars over last year. Books Again turned over \$11,706.65 to the Friends of the Library which was slightly more than the amount turned over for the third quarter last year.

Dr. Mancha asked if there might be a relationship between the number of books sold at Books Again and the library’s weeding efforts, and whether people might be going to Books Again to find books instead of the library. Mr. Stuart said he did not think there was any correlation.

C. Pueblo Library Foundation Report

Mr. Stuart reported that the Foundation balance left to fundraise is now less than \$100,000, and he attributed it to a \$30,000 donation from H.W. Houston Construction. Mr. Stuart expressed confidence the Foundation will be able to reach its fundraising goal.

D. Attorney Report None

E. Financial Report

Ms. Bregar said the Board is asked to ratify the September 2013 bills and accept the September 2013 Fund Statements.

Ms. Brogan distributed photographs from a reverse vendor trade show, and said it was a good conference and a good opportunity for the library.

Ms. Brogan referred to the Combined Balance Sheet where the interesting thing is total assets were just \$100,000 more than a year ago at this time, but she said it will look different after the bond funds are spent.

Ms. Brogan said the target percentage for the end of September is 75%. In Revenues, property tax shows 99% collected. Specific ownership was 59% collected compared with 62% last year. Ms. Brogan has been investigating, speaking with Frank Beltran and Del

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Olivas, and she is now waiting for a call back from the County Clerk. Total fines were 3% below target, and Ms. Brogan did an analysis to look at just the fines (other things included are replacement costs, library card fees, etc.), and the amount for fines was \$128,000. Ms. Brogan said fines were under collected at all locations except the Library @ the Y. Fines were budgeted at the same amount as 2012 with no increase, but the reason for the decline is puzzling.

Miscellaneous sales were down from the previous year with collections at less than half of budget expectations. This includes sales of flash drives, book bags, and ear buds, and she was unsure of the reason for the drop. Overall, revenues were 94% collected which is where it was at this time last year.

Under Expenditures, Personnel was 70% spent, and Ms. Brogan expects some savings in this category. Materials were 66% spent, and she expects the entire budget to be spent, perhaps going a little over due to increased cost of processing supplies. Facilities were 45% spent, and although there may be some savings, the November debt service payment will bring the category closer to budget expectations. Operating was 71% spent and close to target. Info Technology was 69% spent and getting closer to the target. Overall Expenses were on track.

In the Capital Project Fund, revenues remained at 112% collected, with only \$519 in interest income reflected in September. Expenditures include \$1,575 for the landscaping project. Expenses for the new library projects were slower than expected this month. Ms. Brogan said included in the expenses for the three new libraries are journal entry adjustments to correct the budget and expenditure costs used for the projects. In order to more accurately reflect the costs, percentages were developed based on construction estimates, and those percentages were used to allocate monthly construction expenses and design costs. The percentages used initially were modified when the library received the construction estimates from H.W. Houston, so the percentages have been recalculated, and the corrections are reflected in the journal entries. These are net figures, which also include the items listed above. Total expenditures were 31% spent.

Ms. Brogan noted that a lot of the construction costs have been moved into the 2014 budget. Most of the InfoZone expenses have also been moved to the 2014 budget.

Ms. Brogan said deposits were made to the Chamberlain Fund in October, and those will be reflected and transferred to the Foundation in the October financial statements.

Ms. Brogan referred to the \$185.66 payment to the Pueblo Library Foundation and explained it was to clear out the "Due to Foundation" account that had been opened prior to the Foundation having its own funds and accounting system. This account was closed, and the remaining funds transferred to the Foundation. Ms. Brogan also referred to the \$1,575 payment to N.E.S., Inc. for design drawings for landscaping improvements at Rawlings. This was part of an overall landscape improvement plan, and work has been completed by Facilities staff at Barkman, Lamb and Pueblo West, where it has really been cleaned up. Some of the funds for the work at Rawlings will be deferred to 2014.

Ms. Brogan reviewed amounts presented for the Board's approval to include ACH payments of \$53,093.74, Payables of \$267,585.87, and Payroll of \$202,511.78 for a total of \$523,191.39.

Mr. Quintana made a Motion, seconded by Mr. Stuart, that the Board approve the September 2013 bills and accept the September 2013 Fund Statement as contained in the October 24, 2013 Board materials. There being no further discussion, MOTION CARRIED 6-0.

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V. PUBLIC COMMENT None

VI. OLD BUSINESS None

VII. NEW BUSINESS

A. Announcements

- ☐ The All Pueblo Reads Black Tie Ball featuring Kathryn Stockett, author of *The Help*, and Tate Taylor, director of the motion picture, will be held on Saturday, November 9 at 7:00 p.m. on the 2nd floor of the Rawlings Library. Call 562-5635 or email amber.pepin@pueblolibrary.org to purchase tickets.
- ☐ All libraries will be closed on Monday, November 11 for Veterans Day.
- ☐ The next regular Trustee Work Session had been changed and is scheduled for Tuesday, November 19 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- ☐ The next regular Trustee meeting is scheduled on Thursday, November 21 at 5:30 p.m. in the Ryals Room at the Rawlings Library. This meeting will include a public hearing on the 2014 Annual Plan and Budget.

B. Action/Discussion Items

1. Preliminary 2014 Annual Plan and Budget

Ms. Bregar said the Trustees were presented the preliminary 2014 Annual Plan and Budget for the Pueblo City-County Library District on October 15 and initially reviewed the proposed 2014 Annual Plan and Budget at the Work Session on October 15, 2013.

Ms. Brogan distributed Annual Plan Costs which had not been included in the preliminary budget at the Work Session.

Copies of the 2014 Preliminary Budget were distributed to members of the Board of Trustees at their Work Session on October 15, so the budget law requirement was met. It is also available on the PCCLD website, and she had extra copies available.

Ms. Brogan said this a preliminary budget which has already changed and will continue to undergo revisions until the December Board meeting. A public hearing of the budget is scheduled for Thursday, November 21 at the Board Meeting. Notice of the budget was published on Friday, October 18 in *The Pueblo Chieftain*.

Ms. Brogan said two funds are budgeted: the General Fund and Capital Projects Fund. General Fund contains all general operating expense, categorized into five broad sections: personnel, materials and services, facilities, operating, and information technology. Capital Projects Fund contains all capital asset expenditures: new building projects, replacement plan capital asset purchases and InfoZone upgrade expenses.

In Revenues, the budget shows a 1% increase in revenues over the 2013 estimated budget, but a decline when compared to the 2013 budget. Ms. Brogan expects to collect less in Specific Ownership tax through the end of the year, which is the biggest reason for the decline from actual. Abatements and refunds are included in the budget in the amount of \$69,067 adding .043 mills to the voted mill levy. Assessed Valuation decreased in residential, but there was an increase due to Rocla Cement Tie Company coming onto the tax rolls in 2013.

Total gross assessed valuation was reduced by Tax Increment Financing (TIF) allocations equivalent to \$254,542 for this year's revenue. That amount equals 3%

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of total revenue, which is less than the 2013 percentage of 3.94% of total revenue. The TIF allocation last year was \$324,903. Mr. Walker added that the downtown area TIF expired after 25 years.

Ms. Brogan said the total dollar amount of increase in property tax revenue from 2013 is \$247. A 7% decrease in interest earnings is anticipated due to spend-down of available funds and stagnant interest rates.

Contracts and grants increase by 17%, due primarily to additional grant funds anticipated through the State Funding for Libraries legislation. Ms. Brogan hopes to receive \$35,000 from that.

There is a 14% increase in expenditures over estimated 2013 budget, but an increase of only 9% over the 2013 budget. The expenses reflect a one-time addition of \$611,385 for opening-day collections at the three new libraries, and operating expenses are included for half of the year for the new facilities.

The personnel budget increases by 4% over 2013 estimated expenses, but is slightly under the 2013 budget figure. This includes a 2.5% increase to stay current with the pay plan and minimal additional salaries to staff the three new facilities. Staffing has been reallocated throughout the district to contribute to new facilities' staffing plans. PERA required contribution to the pension plan stays the same in 2014, the budget for health insurance decreased by 10%, due primarily to elimination of the health benefit for part-time staff.

Materials and services show an overall increase of 50% to accommodate opening-day collections. Library programs also increase, reflecting the centralization of programming district-wide.

Facilities reflect a 9% increase over 2013, to include operating expenses for the new facilities for half the year.

Operating is up 8% from the 2013 estimated budget due to increases in contract services to support annual plan initiatives as well as set-up of library supplies at the new facilities.

Information Technology reflects an increase of 17% due to technology needs at the new locations.

The Capital Project Fund holds three primary functions: New buildings, InfoZone upgrades (funded through the Rawlings Foundation), and Capital asset expenditures (Replacement Plan). Revenue in 2014 is anticipated from capital campaign funding of \$345,000 and modest interest earnings. Expenses include completion of construction and furnishing for three new facilities for the St. Charles Mesa Library, East Side Library, and Greenhorn Valley Library.

Completion of the renovation, or enhancement project, on the 2nd floor of the Rawlings Library is also included at \$194,250. This is being rolled over from the 2013 budget, which will not be completely spent at the end of 2013.

InfoZone upgrade to the theater to replace audio equipment and continue purchases of interactive equipment are included.

Implementation of several technology projects include: Replacement of public computers, upgrades to meeting room audio-visual equipment, and several items from the Library Replacement Plan.

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The combined ending fund balance of both funds is \$3,338,999. Of this amount, \$287,603 is restricted for the TABOR required emergency reserve, and \$813,325 is the debt service reserve fund. Unrestricted fund balance is projected to be \$2,238,071 at the end of 2014.

Estimates on current spending will be done again at the end of this month, and again at the end of November, to make sure they are as accurate as possible for the final budget presentation. The preliminary budget will undergo continued analysis and updates, so the budget presented next month will contain some changes, and Ms. Brogan will provide a list of the changes made.

Ms. Brogan concluded by inviting Board members to contact her if they have any questions about the budget or the process.

2. Pueblo Library Foundation Board Appointment

Ms. Bregar said Anthony Nunez and Gary Parks each have served as members of the Pueblo Library Foundation Board of Directors for two years in initial terms on that board. The Foundation Board has nominated each to an additional three-year term of service. Both Mr. Nunez and Mr. Parks have agreed to serve. In addition, the Friends of the Library have nominated Carol King to serve on the Foundation Board. The Board of Trustees discussed nominations for the Pueblo Library Foundation Board of Directors at the October 15 Work Session.

Mr. Miltner made a Motion, seconded by Dr. Mancha, that the Board of Trustees appoint Mr. Anthony Nunez and Dr. Gary Parks for additional three-year terms and to appoint Ms. Carol King to represent the Friends of the Library on the Pueblo Library Foundation Board of Directors for terms commencing January 1. There being no further discussion, MOTION CARRIED 6-0.

3. Executive Session

Mr. Gradisar announced that the Board would enter into Executive Session for the purpose of discussing matters that may be subject to negotiations, development of strategy for negotiations and instruction to negotiators pursuant to C.R.S. 24-6-402(4)(a).

Mr. Stuart made a Motion, seconded by Ms. Pickman, that the Board enter into Executive Session. There being no further discussion, MOTION CARRIED 6-0. The public was excused at approximately 6:42 p.m.

The Board reconvened in public at 6:54 p.m. upon Motion made by Ms. Pickman, seconded by Ms. Gairaud, and MOTION CARRIED 6-0.

Mr. Gradisar certified for the record that the Executive Session was not recorded, and the discussion topic was limited to attorney-client privilege with respect to negotiations.

VIII. ADJOURNMENT There being no further business, the meeting adjourned at 6:56 p.m. upon Motion made by Mr. Quintana, seconded by Mr. Miltner.

Respectfully submitted,

Jane Carlsen
Secretary