

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

October 25, 2012

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 Sherri Baca.

Board Members Present: Sherri Baca, President; Marlene Bregar, Vice President; Rhonda Gonzales; Philip Mancha; Roy Miltner; Fredrick Quintana; Jim Stuart

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Midori Clark, Community Relations Director; Teresa Valenti, Technical Services & Collection Development Manager; Michael Cox, Youth Services Manager; Todd Smith, Information Technology; others not recorded

Others Present: Michael Voute, Friends of the Library; Lyndell Gairaud, appointed to fill Sherri Baca's seat on the Board of Trustees beginning January 1, 2013.

II. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker requested the addition of Item VII.B.3. Disposal of Property Request regarding the East Side Library and the property acquired.

III. APPROVAL OF THE MINUTES

Ms. Baca said the Minutes of the Library Board Work Session held on September 18, 2012 and Minutes of the Regular Library Board meeting held on September 27, 2012 were provided to Board members prior to the meeting.

Mr. Stuart made a Motion, seconded by Dr. Mancha, to approve the Minutes of the Library Board Work Session held on September 18, 2012. The minutes were approved by unanimous consent.

Ms. Bregar made a Motion, seconded by Mr. Stuart, to approve the Minutes of the Regular Library Board meeting held on September 27, 2012. The minutes were approved by unanimous consent.

IV. REPORTS

A. Executive Director Report

Mr. Walker introduced Michael Cox to discuss the Summer Reading program. Mr. Cox said it was a great summer with the theme, *Dream Big*. Mr. Cox started by thanking staff who helped including Felicia Sanchez-Garbiso and Natalie Gallegos who helped gather the photographs for the presentation, Youth Services and front-line staff at all locations for putting their hearts and souls into their work during a beautifully busy summer, Community Relations staff for putting together the reading game board and other promotional materials as well as getting a number of new sponsors, a growing number of teen volunteers, and Grandma Sue who is a Foster Grandparent and former Lindamood-Bell reading teacher who read with over 300 participants individually each day. Mr. Cox also thanked a number of community organizations such as the group leading what should have been called a Lunar Gazing event, Sangre de Cristo Arts Center instructor that gave hip-hop lessons, and especially the Friends of the Library for adding to their regular annual support for summer reading with a new grant.

MINUTES

October 25, 2012 — 2 of 6

Mr. Cox said the Summer Reading program really did rocket with 6,676 attending programs which represented a 40% increase over 2011. Total participation at the end of the ten-week period was over 27,000 participants which was a 28% increase over 2011. The State Library asks for the number of hours of reading, which calculated at 60,992 hours logged by Pueblo County youth this summer. Mr. Cox said he attributed much of the astonishing increase to an increased focus on visiting the schools, and he was amazed that even a 5-10 minute presentation about how the Summer Reading program works to a large group of children in May translates to increased program participation in June. Mr. Cox said staff also offered a number of registration events in the community, e.g. at the mall, Fun Yogurt, free Kiddie Park Rides day, etc.

Mr. Cox explained that the Friends of the Library provided a \$10,000 grant to be divided among any location showing an increase in participation. Mr. Cox said Barkman had the largest increase of 127%, and their school visits reached 3,800 which paid off during the summer programs. Youth Services registrations increased by 91%. The grant encouraged staff to think more creatively. Outreach, with all new staff, offered “always on programming” so whenever children visited the satellite, there was a program for them to interact with, e.g., Using Legos to build landmarks, etc. Pueblo West initiated “Tween” programs that focused on science and technology for 4th/5th grade students who felt too old to be in the younger program but not quite old enough for the teen program. The Library @ the Y offered an end of summer bash and focused programming on careers, so children could *Dream Big* about what they might grow up to be. Mr. Cox said even the lowest increase was 35% at Lamb, which already had strong performance making it harder to outdo last year. Lamb had the second highest participation.

Mr. Cox continued with more pictures showing the joy staff see with the kids. He commented about a stuffed animal sleepover where children brought in a stuffed animal, signed a consent form, and staff took pictures of their stuffed animal doing what the children do in the library overnight, and the children received a packet of pictures when they picked up their stuffed animal the next day. Over 100 children participated in that event.

Mr. Cox showed a photo of a program that brought in over 300 children which was really above the library's capacity. Mr. Cox said they will be identifying popular programs to offer in multiple sessions to solve capacity limitations.

The teen librarian brought in a graffiti artist and encouraged students to think about graffiti as art rather than vandalism so it would be respected rather than despised. Dr. Mancha questioned that, and Mr. Cox explained that owners will sometimes grant permission for graffiti as artwork. Mr. Cox also discussed the Creative Corridor which includes the Mesa Junction, and the library participated with merchants to provide monthly events such as “Chas the Bubble Man” to bring people to the library and the Mesa Junction area.

Ms. Gonzales asked what the theme will be next summer, and Mr. Cox said next year's theme will be *Dig Into Reading*. He expects the theme to work well as the library begins breaking ground to build new libraries, and the contractor has expressed a willingness to work with the library to give children opportunities and work that into the Summer Reading theme next year. They will have the first planning session on November 5.

Mr. Walker thanked Mr. Stuart and Ms. Baca for attending the County Commissioner meeting earlier this week to seek their assistance on the Greenhorn Valley Library. The Commissioners were receptive and have a timeline in mind to make this work due to the elections.

Mr. Walker also thanked the Board members who attended the author dinner last weekend and supported that event. Mr. Walker congratulated Midori Clark and her team for work resulting in a 20% increase over previous years which will benefit the Pueblo Library Foundation and the new library projects.

B. Friends of the Library Report.

Michael Voute, President of the Friends of the Library, reported that the Friends have two new Board members, one who is acting as the recording secretary, but the Friends lost their Vice President and will have to find someone to take that place. The Friends worked on formalizing the application process at the last meeting.

Mr. Voute said the Friends will also introduce a new platinum membership level. The Friends are hoping members who pay \$30 for a gold membership may be willing to pay \$50 for a platinum membership. The Friends have 980 members which is one of the highest in Colorado.

Mr. Voute said the year-to-date book sales were down 9% from the year before which may not change significantly over the rest of the year. The recent books-by-the-bag sale set a record when they sold between 7,000 and 10,000 books in three days. Mr. Voute also reported that *The Chieftain* survey this summer rated Books Again the second favorite book store behind Barnes & Noble.

Mr. Voute said the Friends are expanding its advertising program and will be putting bookmarks about the Friends and Books Again at all library circulation desks to bring in additional interest.

C. Pueblo Library Foundation

Mr. Stuart said the Foundation Board met on October 3, and they are trying to fill the last open seat on the Foundation Board and hope to have a nomination to present at the next meeting. Two El Pomar grants of \$50,000 each were confirmed. The Foundation will be starting a major fundraising campaign in January.

D. Attorney's Report

Mr. Gradisar reported on litigation with Colorado City Improvement Corporation (CCIC), and Mr. Walker finished his deposition last week on behalf of the library. They are almost finished with the pre-trial discovery, and they are waiting to schedule a deposition with a member of the Board of Directors. He had planned to be in Colorado, but developed some back problems, and there have been some difficulties with getting his deposition.

Mr. Gradisar provided an update on the Motion for Summary Judgment and reported the case is set to begin April 9 for a jury trial. Mr. Gradisar expects it will be heard by the court rather than a jury.

E. Financial Report

Ms. Baca announced that the Board is asked to ratify the September 2012 bills and accept the September 2012 Fund Statements. Chris Brogan, Chief Financial Officer, provided a detailed report.

On the Combined Balance sheet, Ms. Brogan said the construction fund of \$4,702,515 for building projects had been invested with CSAFE, and the reserve fund of \$813,325 was with UMB Bank as the Trustee. Ms. Brogan pointed out the COPs line shows the long-term debt of \$11,410,000.

Ms. Brogan said the target percentage is 75% at the end of the third quarter. In the General Fund, Property tax was 98% collected, Specific Ownership tax was 62% collected, and Interest income was 109% collected. Other revenue items were all within acceptable levels, and total revenues at the end of the month were 94% collected.

Total expenditures were 67% spent. Personnel was 71% spent with nothing unusual to report. Materials were slightly below target at 66% spent. Ms. Brogan said they made some adjustments, and funds were reallocated to more accurately reflect increased spending on

MINUTES

October 25, 2012 — 4 of 6

digital material, and there is still an increase due to the \$14,000 PEAK grant expenses. Facilities were 51% spent and tracking as expected. Operating was 70% spent and Information Technology was 77% spent, with nothing unusual to report.

In the Capital Project Fund, revenues remain at 12% collected with interest earnings of \$378. Ms. Brogan expects this to exceed the budget because of construction funds invested in CSAFE. There were expenditures of \$14,688 for the financial advisor, legal consulting and professional fees for the building projects. The \$179,514 paid for IT Capital Assets included software for the Foundation, equipment for the Library @ the Y, and a payment to RFID Library Solutions in accordance with the contract. Total expenditures were 25% spent.

Mr. Miltner asked about the charge for the COP issuance, and Ms. Brogan noted the \$122,131 is the issuance cost for the COP which must be shown as an expense. Ms. Brogan also pointed out the library had to pay Moody's for the rating, and both of those were calculated in the long-range plan, but were not included in the budget for revenue and expense. Dr. Mancha asked about the payment to Moody's, and Ms. Brogan said the payment was based on a schedule of charges, and the same amount would have been due regardless of the outcome.

Mr. Stuart asked about the \$5,772,123 amount listed, and Ms. Brogan said that was the pay off of the first Pueblo West COP.

Ms. Baca asked about the Investments line item of \$813,325, and Ms. Brogan said that is the debt service fund which will also have interest earnings. Mr. Stuart suggested the library might realize a net savings over the long term by having a debt service fund rather than paying for insurance, and Ms. Brogan agreed. In 2032, it will be the last payment on the COP.

Ms. Brogan pointed out several items on the Check Summary Report including a payment to Blackbaud for software and support for the Foundation software, and pointed out that because the Foundation cannot own assets, it will be shown as an in-kind contribution. There was a payment of \$3,360 to the Colorado Library Consortium which is an annual charge for the statewide courier service. The payment to Longs Peak Equipment Company was for the tractor funded by the grant from the Friends of the Library.

Ms. Brogan concluded that the total expenditures for the Board's approval include ACH payments of \$263,567.11, Payables of \$297,397.18, and Payroll of \$193,847.75, for a total of \$754,812.04.

Mr. Stuart made a Motion, seconded by Mr. Quintana, that the Board approve the September 2012 bills and accept the September 2012 Fund Statement as contained in the October 25, 2012 Board materials. There being no further discussion, MOTION CARRIED 6-0.

V. PUBLIC COMMENT None

VI. OLD BUSINESS None.

VII. NEW BUSINESS

A. Announcements

- ☐ All libraries will be closed on Sunday, November 11 for Veterans Day.
- ☐ The next regular Work Session is scheduled for Thursday, November 8 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- ☐ The next regular Board meeting is scheduled on Thursday, November 15 at 5:30 p.m. at the Barkman Library.

B. Action/Discussion Items

1. Preliminary 2013 Annual Plan and Budget

MINUTES

October 25, 2012 — 5 of 6

Ms. Baca said the Trustees were presented the preliminary 2013 Annual Plan and Budget for the Pueblo City-County Library District on October 15 and initially reviewed the 2013 Annual Plan and Budget at the Work Session on October 16, 2012. The preliminary budget presentation will be followed by a public hearing on the plan and budget at the November 15 Board meeting. The Trustees will be asked to adopt the 2013 plan and budget, set the mill levy, and appropriate sums of money for the 2013 budget at the December 13 Board meeting.

Ms. Brogan said copies of the 2013 Preliminary Budget were distributed to members of the Board of Trustees by e-mail on October 15, 2012, so the budget law requirement was met. The 2013 Preliminary Annual Plan and Budget is also available on the library's website, and there are extra copies available. Ms. Brogan said there will be some adjustments before the public hearing scheduled on November 15 at the Barkman Library. Notice of the budget was published in today's *Pueblo Chieftain* and will be published again on Sunday, October 28.

Ms. Brogan noted the Board had discussed the Preliminary Budget at the Work Session. Ms. Brogan added that the total assessed valuation reduced by Tax Increment Financing (TIF) allocations will be \$335,140 which is 3.94% of the library's total revenue which was actually less than 2012 with \$380,480 or 4.86%.

Ms. Brogan said Personnel was only 3% over the 2012 budget, but 8% over 2012 estimated expenses. Ms. Brogan noted that this may increase slightly for the Pay for Performance plan. Materials & Services were in line to maintain materials at 15% of total operating expenditures.

Ms. Brogan referred to the Capital Project Fund which will be used to build the new libraries, and to complete the Library Enhancement Project and implementation of RFID/AMH. It also includes funds to support the annual plan initiatives.

Ms. Brogan said the combined ending fund balance of both funds is \$6,780,448, and \$288,532 is restricted for the TABOR required emergency reserve, and \$813,325 is the debt service reserve fund. The unrestricted fund balance is projected to be \$5,678,591 at the end of 2013. Ms. Brogan noted that this was about a million dollars more than expected. Ms. Brogan then offered to respond to questions.

Dr. Mancha asked about the 8% increase in estimated revenues, and Ms. Brogan explained the increase was due to Black Hills Energy coming on to the tax rolls in 2013.

Ms. Brogan said she will discuss any adjustments made at the next meeting. There was no Board action required at this time.

2. Appointment of Auditor

Ms. Baca said the Local Government Audit Law, C.R.S. 29-1-602 and C.R.S. 29-1-603 requires the governing body of each local government to engage a Colorado licensed Certified Public Accountant to conduct an annual audit of the financial statements of the local government for each fiscal year.

Mr. Walker said this will be the fifth year with Swanhorst & Company, and when they were engaged, there was an idea that the auditor would be used for a five-year period, and the Board Audit Committee may go back and look at another Request for Proposal after the fifth year.

Mr. Quintana made a Motion, seconded by Mr. Miltner, that the Trustees engage Swanhorst & Company, LLC, Greenwood Village, Colorado, to conduct the annual audit of the financial statements for the fiscal year ending December 31, 2012. There being no further discussion, MOTION CARRIED 6-0.

3. Disposal of Property Request

Ms. Baca said a disposition of fixed assets represents the physical removal of an asset from custody or accountability. In accordance with Colorado Revised Statutes 24-90-109, any asset with a value of over \$1,000 can be disposed of in one of four different ways: donated, scrapped, sold or traded. The conveyance of an asset to any outside business or commercial entity must be approved by the Board of Trustees. The Board of Trustees is asked to scrap three houses via demolition. The houses were purchased recently by the library district as part of an effort to procure land required for an East Side Library. Demolishing the houses is an important next step in preparing the site for the new library. In doing so, there are a few items of value on site which are salvageable. These include two refrigerators, a pedestal sink and a single-car garage door. The library has no need for these salvageable items.

Mr. Walker noted that there had been a timing issue that prevented him from discussing this at the last Work Session. The library purchased three houses for the purpose of tearing them down, and Mr. Walker also asked for the Board to approve a "not to exceed" price of \$75,000 for the demolition of the houses. Mr. Walker said bids had been received for the demolition, but the final price may be adjusted based on further details. Mr. Walker distributed a Disposal of Property request showing the values of each of the properties as well as salvageable items from the properties that Mr. Walker suggested be donated to the library's staff association. Mr. Walker said the library's staff association conducts fundraising events to hold staff social activities.

Mr. Walker said he would like the Board to approve the demolition of the properties at a cost not to exceed \$75,000 and to donate the salvageable items from the properties to the Nesbitt Staff Association.

Dr. Mancha asked if the amount had been budgeted, and Mr. Walker said it has, but since the cost exceeds \$25,000, it requires Board approval.

Ms. Baca asked if asbestos abatement will be required, and Mr. Walker said there is some asbestos, but it is not widespread, and the cost for the asbestos abatement will be a little under \$2,000. After the abatement, the engineering firm will certify the abatement, and the library will get a license from the state. The \$75,000 would include that, and there may be some additional costs for the demolition of the properties.

There was additional discussion regarding permits, H.W. Houston's involvement in the demolition, and whether the houses had been considered for sale and movement from the property. Mr. Walker explained that permits were included in the cost, H.W. Houston will oversee the demolition, and the houses were not suitable for relocation.

Mr. Miltner made a Motion, seconded by Dr. Mancha, to approve demolition of the properties at a cost not to exceed \$75,000 and to donate salvageable items to the Nesbitt Staff Association. There being no further discussion, MOTION CARRIED 6-0.

VIII. ADJOURNMENT There being no further business, Mr. Quintana made a Motion to adjourn the meeting at 6:32 p.m.

Respectfully submitted,

Jane Carlsen
Secretary