

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES**  
**MINUTES FOR THE REGULAR MEETING**  
**November 17, 2011**

The regular session of the Pueblo City-County Library District Board of Trustees was called to order at the Barkman Library at 5:31 p.m. by President Jim Stuart.

**I. PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2012**

Ms. Brogan said the notice of the 2012 Budget and Budget hearing was published in *The Pueblo Chieftain* on October 19.

Ms. Brogan provided a detailed review of the budget which consists of two funds: General Fund and the Capital Project Fund. Ms. Brogan reviewed the General Fund revenues for 2012. Property taxes are expected to be up by 7% with a mill levy at 5.268, which includes \$26,762 for abatements and refunds. Specific Ownership tax is up by 7%, Contracts, grants and donations are down 8% due to a decrease in e-rate funding resulting from the elimination of T-1 lines, interest earnings are down by 33%, and remaining revenues down by less than 1%. Total revenues are projected to be up by 6%.

Ms. Brogan then reviewed the General Fund expenditures which are up by 12%. All projected annual plan initiatives are included. Personnel expenditures are up by 8% including 5% salary increase due to a 2.5% salary plan increase and 1.6 FTE staffing increase. Ms. Brogan noted that the comparisons are against the 2011 estimated budget which includes vacancy savings. It also includes employee benefits with workers compensation doubling from about \$13,000 to \$26,000, and health related benefits increasing by 10%. Training is a focus in 2012 including plans for technology and safety training, and includes the wellness plan. Materials expenditures increase by 7% to maintain the goal of 15% of total operating budget. Facilities holds the line in all categories except Lease/Purchase of buildings which reflects the first principal payment on current debt, calculated in new debt service resulting from additional borrowing for new libraries and RFID. Operating expenses increase 22% which includes an increase in Contract Services for space planning expenses which will be moved to Capital Project Fund, Community Relations increases by 32% for e-Marketing initiatives, Office supplies increase by 81%, Courier service increases, and Photocopier expenses decrease by 35% due to elimination of leases. Information Technology expenses decrease by 1% with reduction due to elimination of T-1 lines.

Dr. Mancha questioned the increase in office supplies, and Ms. Brogan explained that includes more than just pens and paper with small business machines, etc.

Ms. Brogan said the General Fund balance is projected to have \$2,971,984 at the end of 2012 which is \$685,046 over the prior year. There is \$288,644 excess revenue over expenditures, and includes the transfer of \$100,000 to the Capital Project Fund for the Replacement Plan.

Dr. Mancha asked about the percentage, and Ms. Brogan responded that the fund balance is projected to be 76% of operating revenues. Ms. Brogan said there will be an influx of additional financing, and RFID will come out of that, but not construction costs.

Ms. Brogan then reviewed the Capital Project Fund which includes new building and capital projects, InfoZone Museum expenses and upgrades, and Capital asset acquisitions for the Replacement Plan. Capital Project Fund revenues include \$224,000 for capital campaign contributions for construction of three new libraries, contributions of \$10,000, and \$3,800,000 in additional funding sources with COPs for three new libraries and the

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RFID project. No revenues are projected for the InfoZone, and interest earnings will remain flat at \$3,000. The total Capital Project Fund revenue is \$4,037,000.

Ms. Brogan said the first iteration included some construction expenses in 2012, but was changed to show mostly design and site planning expenses of \$603,000 for three new libraries on the St. Charles Mesa, East Side, and Greenhorn Valley. The InfoZone upgrade has \$175,000 carried forward from 2011. The Replacement Plan expenditures of \$1,601,367 include implementation of RFID, AV equipment for the Bret Kelly room, upgrades to computer technology at the Library @ the Y, addition of Nooks and iPads for checkout at branches, and upgrades to technology throughout the district. There are also building improvements of \$15,000 for upgrades at Barkman. Total Capital Project Fund expenditures are \$2,394,367 with an ending fund balance of \$3,623,486.

Ms. Brogan then reviewed the assumptions made in planning the 2012 budget, noting that revenues were budgeted conservatively based on assessed valuation and current economic conditions. Expenditures were budgeted in anticipation of all known impact to include annual plan initiatives. The combined fund balance is projected to be \$6,595,470 which is 76% of total combined annual expenditures, and 20% minimum fund balance is required by policy.

Ms. Brogan concluded that there may be additional adjustments between now and December 10 when the County Assessor gives the final assessed valuation changes. Other changes may result from new information on estimates in the 2011 budget, end-of-year issues, new information on costs, and adjustments between the General Fund and the Capital Project Fund.

Ms. Brogan then offered to respond to questions and noted that the complete budget is available on the library's website.

Ms. Baca asked if the cost of financing the COPs was included, and Ms. Brogan said it is included although it is not broken out. Mr. Stuart suggested going over the budget in more detail at the next Work Session, and Ms. Brogan said she has a worksheet that shows a breakdown of the goals and associated costs. Dr. Mancha said the budget was well presented, and the narrative is particularly important.

Mr. Walker distributed an updated 2012 Annual Plan dated November 14. Mr. Walker pointed out the changes that had been made since it was first distributed to the Board in October. Mr. Walker referred to page 8, Objective C to plan for a Greenhorn Valley Library. The other change is on page 5, Objective K to enhance services at the Library @ the Y. Mr. Walker said they plan to provide public computers and revise the hours of staffing.

Dr. Mancha asked if they are prepared to call the Library @ the Y a success. Mr. Walker responded it is clear that use is increasing, and he credited Michael Cox, Youth Services Manager, for implementing some successful changes. Mr. Walker said they want to make some further investments in that service.

Ms. Brogan said comments from the public will continue to be received until 5:30 p.m. on Tuesday, December 13, 2011, at which time the proposed 2012 budget will be presented to the Board of Trustees for adoption and appropriation.

Mr. Stuart opened the floor for any members of the public who wished to be heard, and there was no further comment.

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### II. CALL TO ORDER AND ROLL CALL

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

Board Members Absent: Roy Miltner; Frances Terrazas-Alexander

Attorney Present: Nicholas Gradisar

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Steve Antonuccio, Barkman Manager; Dan Romero, Information Technology; others not recorded

Others Present: Annette Warfield, Friends of the Library President

### II. CORRECTIONS AND MODIFICATIONS TO AGENDA None.

### III. APPROVAL OF MINUTES

Mr. Stuart said the Minutes of the Library Board Work Session held on October 18, 2011, and Minutes of the Regular Library Board meeting held on October 27, 2011 were provided to Board members prior to the meeting.

There being no changes or additions, Ms. Bregar made a Motion, seconded by Ms. Baca, to approve the Minutes of the Library Board Work Session held on October 18, 2011. The Minutes were approved by unanimous consent.

There being no changes or additions, Ms. Gonzales made a Motion, seconded by Ms. Bregar, to approve the Minutes of the Regular Library Board meeting held on October 27, 2011. The Minutes were approved by unanimous consent.

### IV. REPORTS

#### A. Executive Director Report

Mr. Walker introduced Steve Antonuccio, Barkman Manager, to provide information about the Barkman Library. Mr. Antonuccio welcomed the Board to the Barkman Library and commented on the weeding project that started with 75,000 items in the collection which is now down to 50,000, so they have reduced the collection by a third. Mr. Antonuccio said they have been tightening the weeding criteria in anticipation of the RFID project. Circulation numbers were up slightly, but the shelf rate was up to 13.7% compared with 11.6% a year ago. The shelf rate means that 13.7% of the collection is being used.

Mr. Antonuccio said the big thing that happened in October was the launch of the Center for New Information Technology. At Barkman there are 50 signed contracts from people using laptops and iPads. There are 15 holds for iPads and 8 holds for laptops, and it has been very successful. People at Barkman were able to watch a simulcast of the launch held at Rawlings. The computers at Barkman continue to stay busy, and it has been helpful to have the laptops.

Mr. Antonuccio said Barkman has a new security system which has given staff more sense of security. Mr. Antonuccio closed by saying that this is a great place to work and this is a wonderful community to serve.

Dr. Mancha asked about the turnover rate for DVDs. Mr. Antonuccio did not have the rate for Barkman, but responded that DVDs represent about 45% of circulation district-wide. It is higher than the rest of the collection, and DVDs are very popular. Mr. Antonuccio noted that video games are also very popular, and they have difficulty keeping them on the shelf.

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Ms. Gonzales asked if all the weeded books go to Books Again, and Mr. Walker responded that the weeded materials are first offered to the satellite libraries and Outreach, and the remaining books are sent to Books Again. Profits from the books sold at Books Again are returned to the library in the form of grants from the Friends of the Library.

Mr. Walker commented that Mr. Antonuccio has been here over two years now, although he has had a long career in libraries so he is not new to the profession. Mr. Antonuccio worked with Pikes Peak Library District, has been a high school librarian, and worked for Pikes Peak Community College, and he has brought that experience here which has been valued by the staff and community. Mr. Walker commented that circulation has grown at Barkman although the growth has flattened somewhat district-wide. Mr. Walker also commented that computer use continues to be very popular with this community. Barkman has 6 laptops and 3 iPads available for seven-day checkout, and 6 laptops available for one-day checkout.

Ms. Baca asked if the library checks to see how many times people log onto the wireless. Mr. Walker said it is monitored district-wide, and he referred to the Key Data which shows that wireless use has increased significantly over the last year, and it is clear the library is moving into a wireless world. Mr. Walker noted that there are also a lot of people bringing in their own laptops to use in the library. Wireless is heavily used and continues to grow, and he expects the trend to continue.

Mr. Antonuccio said he recently toured several libraries in the area, including the Anythink Library, and Pueblo is fortunate to see 7% growth, while some libraries are seeing 2-3% reductions in budget.

Mr. Stuart asked Mr. Antonuccio how having an additional 2,000-3,000 square feet would impact the Barkman Library. Mr. Antonuccio said it would be beneficial because a lot of people come in to use Wi-Fi, and they could use more space in the children's area; however, Mr. Antonuccio said he does like the size of the library.

Mr. Walker then invited Ms. Brogan to report on the recent GFOA recognition received by PCCLD. Ms. Brogan distributed the plaque received for the Distinguished Budget Presentation Award and provided a presentation with details on the Government Finance Officers Association (GFOA) and its award programs. Ms. Brogan said it feels good to have a national association recognize their work. Ms. Brogan reviewed the criteria used to judge the library's Budget presentation which led to the award, and there are 27 specific criteria with four categories evaluating the budget's value as a policy document, as a financial plan, as an operations guide and as a communication device. Ms. Brogan briefly reviewed the submittal and review process.

Dr. Mancha asked how many awards like this are given. Ms. Brogan said there are 2,500. Last year the library received the CAFR (Certificate of Achievement for Excellence in Financial Reporting), and more apply for that. In Colorado, only 52 Distinguished Budget Presentations were awarded, and the other library receiving the award in Colorado was Anythink Library District.

Dr. Mancha suggested the community should be aware of this award, and Ms. Bregar suggested it be made known to City and County officials. Mr. Walker said a press release is being prepared, and he could announce it at a City Council Meeting next week.

Board members expressed their congratulations to Ms. Brogan for the achievement.

### **B. Friends of the Library Report**

Annette Warfield, Friends of the Library President, introduced herself and reviewed the meeting with the Friends Board.

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This year the Friends of the Library sponsored 22 students and chaperones to attend the Black Tie Ball. Also during All Pueblo Reads, the Friends were busy with the Scary Story Contest, judging almost 2,000 entries to select the winners who receive a gift certificate to Books Again, a book of all the winning stories, and an owl puppet in honor of *Hoot* at the Award Ceremony which was so well attended they ran out of chairs. The Friends are also gearing up to sponsor the Creative Writing contest, and that Award Ceremony will be held on December 1.

Ms. Warfield said the Program Committee reported on plans to hold the Annual Meeting on April 28 with the featured author, Ruben Archuleta. There are also plans to hold a get together among members of the Friends Board, Library Board, Foundation Board, and some library employees at the home of the Friends' Treasurer, and Ms. Warfield asked Trustees to set aside January 21 for this social event to get together and visit, although there will be an official invitation. Ms. Warfield also asked Trustees to consider attending the Friends of the Library Volunteer Appreciation Luncheon at the Rawlings Library on February 15. The number of hours contributed by the volunteers is amazing.

Ms. Warfield said the Books Again report covered the third quarter, and October had been the second highest sales month since the store opened in 2005. Since its inception, the store is just short of \$300,000 profit. There will be a sale at Books Again on December 8, 9, and 10 offering an additional 50% off their bargain prices. The only exclusion will be children's books. Ms. Warfield said the shelves are full, and they weed by having a sale.

Ms. Warfield announced that the Friends Board voted for Michael Voute to the Foundation Board, and there are others who are considering service on the Foundation Board.

The Friends Board voted to approve a \$10,000 grant for a Summer Reading Program incentive on top of their annual \$6,500 contribution.

Ms. Warfield shared a letter from Melanie Tappen about another development at Books Again. After a Books by the Bag Sale, there remain thousands of books that are unsold. Those are offered to the jail and others to take what they want, but many end up in the landfill. Ms. Tappen suggested an Eagle Scout project for Levi Smith, and Marv Jones worked with him to develop a project to keep books from going to the dumpster and ultimately the landfill. The Eagle Scout brought a number of volunteers in to cut off the covers of books so the paper from the books could be recycled. He had already raised \$210 to pay for supplies, and after purchasing box cutters and gloves for the volunteers, he donated the remaining \$96 to Books Again. The group worked 123 hours, and Books Again also saved \$170 in dumpster fees.

Ms. Warfield encouraged the Trustees to check the Friends of the Library website which is maintained by Don Pfost. The website includes an application for the second annual Friend of the Year award; the first award went to Connie Converse.

Mr. Stuart wanted to make it clear that the Friends are only \$11,000 short of \$300,000 that the Friends have turned over to the library. Books Again has sold over half a million dollars in books.

Ms. Baca said that is a wonderful job and thanked the Friends for sponsoring students to attend the Black Tie Ball. Ms. Baca said that attending an event like that can be life changing, especially for a student from El Pueblo for whom it made a huge impact.

### **C. Attorney's Report**

Mr. Gradisar reported on litigation with the Colorado City Improvement Corporation which is still in the early stages. Both sides are required to disclose documents that might be relevant and may request other documents. The library's attorney has asked for four

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years of tax returns because it makes a difference if they filed as a 501(c)(3) and financial records for the last couple of years to figure out what happened to the \$200,000, and they have resisted. Mr. Gradisar has filed a Motion seeking to compel them to disclose those documents, and the court will rule. Once Mr. Gradisar gets that information, he can decide what depositions are needed to move the case along and get it resolved.

Mr. Gradisar said when they made the agreement to dissolve, it was contingent on the dissolution being filed with the Secretary of State, so it is possible that will not be filed, and the corporation will not be dissolved. Mr. Gradisar said he can ask for a judicial dissolution, and he expects it will be dissolved one way or the other, and they will know about that soon.

Dr. Mancha asked if there are any consequences for them not dissolving. Mr. Gradisar said he does not know if they assessed for 2011, and there are certain fiduciary responsibilities. If they are not dissolved, they are supposed to assess or bill for lot payments. Mr. Gradisar said they set out to accomplish the dissolution so those problems would go away, and he has made it clear they need to be dissolved.

Mr. Stuart asked if Board members of the corporation could be personally liable. Mr. Gradisar said they can. They have been named individually in the lawsuit to account for what they did, and if it is unlawful, they should be liable for what they have done as well as for the attorney fees incurred because they got the corporation involved in this litigation.

### **D. Financial Report**

Mr. Stuart said the Board is asked to ratify the October 2011 bills and accept the October 2011 Fund Statements. Chris Brogan, Chief Financial Officer, will provide a synopsis of the Financial Report and will be available to answer any questions.

Ms. Brogan said there is nothing new to report in the Combined Balance Sheet. The target percentage for the end of October is 83%. Property tax was 98% collected. With three months of collections remaining, she expects to collect all of it this year. Specific ownership was 75% collected, and she also expects to bring in all of that. Fines and miscellaneous sales continue to exceed budget projections. Contracts and grants were much closer to budget projections with the receipt of e-Rate funds in October; however, they had budgeted \$150,000 for e-Rate, but total collections were only \$123,000. Ms. Brogan explained they had anticipated more reimbursement from VOIP than what was allowed. Total revenues at the end of October were 96% collected, which exceeds collections at this time last year.

Total expenditures were 75% spent. In personnel, 77% has been spent which is 5% below target. Ms. Brogan said she expects this to be under-spent at year end due to vacancy savings. Materials were 65% spent. Although this is below target, as of today, 80% of the budget has been encumbered, and Ms. Brogan expects to expend the budget by year end and explained there is a lag time between encumbering the funds and paying the invoice. Facilities were 74% spent, and the semi-annual payment for COPs (Lease/Payment) will be made in November, which will bring this category closer to projections.

Mr. Stuart asked why the Friends Expenditures had such a low percentage, and Ms. Brogan explained they are doing a lot of that spending now, and it was an issue of timing. Ms. Brogan said it takes time to get quotes and get it spent, and a number of things are in the works now. Ms. Gonzales asked if this is an expenditure of funds provided by the Friends as grants. Ms. Brogan gave some examples such as window tinting at Pueblo West, and although she was not sure if all the funds had been allocated, everything given to the library is scheduled to be spent.

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Ms. Brogan said Operating was 79% spent, and this category is expected to be on target by year end. Information Technology was 77% spent, and minor savings are expected. Ms. Brogan said the estimated revenue and expense for 2011 was calculated at the end of October, and it is anticipated that there will be a net savings in the 2011 General Fund budget of approximately \$200,000.

In the Capital Project Fund, Ms. Brogan said they received interest earnings from ColoTrust and a reimbursement of \$11,068 from the BTOP grant. There were also expenditures of \$2,846 for BTOP expenses.

Ms. Brogan pointed out three items in the Check Summary Report. On page 6, check 81738, to Zircon Container, that will be the last payment. All of the items stored in the container at Pueblo West were moved to storage at 622 South Union, and the container has been hauled away. Also on page 6, check 81756, to Friends of the Library, the March 2012 annual contribution to support All Pueblo Reads was inadvertently made this year, and in order keep the records clear for both Friends and PCCLD, the library refunded the overpayment. On page 9, check 81884, to Overdrive, this is the first payment to the new vendor for the subscription for downloadable e-books.

Ms. Brogan concluded that the total expenditures for the Board's approval include ACH payments of \$104,041.92, Payables of \$270,576.89, and Payroll of \$188,174.762, for a total of \$562,793.57.

Dr. Mancha asked about the 453% shown at the bottom of page 2, and Ms. Brogan said she usually whites that out because it is meaningless.

Dr. Mancha made a Motion, seconded by Ms. Baca, that the Board approve the October 2011 bills and accept the October 2011 Fund Statement as contained in the November 17, 2011 Board materials. There being no further discussion, MOTION CARRIED 4-0.

## VI. OLD BUSINESS

A. Mr. Stuart said at previous meetings there had been an expressed interest in assigning responsibility for developing a new member orientation plan and for updating trustee bylaws. Mr. Stuart noted that the last time the bylaws were updated was in 2008, and he would like a committee to review the bylaws and work on that. Mr. Stuart said he would like another committee to look at putting together a policy on orientation of new Board members. Mr. Stuart said he is looking for volunteers to serve on each of the committees.

Dr. Mancha said he would like to serve on the Orientation Committee. Mr. Stuart hopes that Mr. Miltner would also serve on the Orientation Committee and suggested that as a new member, Ms. Gonzales may also have some recommendations.

Ms. Bregar said she would serve on the Bylaws Committee. Ms. Gonzales and Mr. Stuart said they would also serve on the Bylaws Committee.

Dr. Mancha asked how much flexibility there is in changing the bylaws. Mr. Gradisar responded that there are no legal requirements, but it is always a good idea to look at them periodically to make sure they are still current.

Ms. Bregar asked about the deadline, and Mr. Stuart said he would hope to have something to discuss at the February Work Session.

## VII. NEW BUSINESS

### A. Announcements

- ☐ The library will close at 6:00 p.m. on Wednesday, November 23, and will remain closed on Thursday, November 24 for the Thanksgiving holiday.
- ☐ The Nesbitt Staff Association will hold two Holiday events:
  1. Parade of Lights. On Saturday, November 26, Nesbitt will provide light refreshments at the Rawlings Library to allow employees and their families to view the Parade of Lights from the building. Board members are welcome to attend.
  2. Holiday Party will be held on Saturday, December 3 at the River's Edge at 102 South Oneida. Board members are encouraged to attend. RSVP Jane Carlsen at 562-5633.
- ☐ The next regular Work Session is scheduled for Tuesday, December 6 at 4:00 p.m. in the Ryals Room at the Rawlings Library. Mr. Stuart pointed out that this is two weeks earlier than usual.
- ☐ The next regular Board meeting is scheduled on Tuesday, December 13 at 5:30 p.m. at the Rawlings Library. Mr. Stuart pointed out that this is on a Tuesday because the 2012 Budget must be approved by December 15.
- ☐ The Rawlings Library will be closed on Sunday, December 18, and all libraries will be closed on Saturday and Sunday, December 24 and 25 for Christmas Eve and Christmas, and on Sunday, January 1, 2012 for New Years Day.

### B. Action/Discussion Items

#### 1. 2012 Library Closings

Mr. Stuart said the Library Board has approved holiday time off for all employees as listed in the Employee Guidelines for January 1, January 16, May 28, July 4, September 3, November 11, November 22, December 24, and December 25. The Board is asked to consider the following additional customer Library closures for 2012: Presidents Day on February 20 for staff development, Easter Sunday, Columbus Day on October 8 for staff development, early closing at 6:00 p.m. on November 21, and Sunday, December 23 and Sunday, December 30, the Sundays before the Christmas and New Year holidays.

Mr. Stuart pointed out that these closures are exactly the same as those observed in 2011.

Ms. Bregar made a Motion, seconded by Ms. Gonzales, that the Library Board approve the Library closings scheduled in 2012. There being no further discussion, MOTION CARRIED 4-0.

## VIII. PUBLIC COMMENT None

**VIII. ADJOURNMENT** There being no further business, Ms. Baca made a Motion to adjourn the meeting at 6:50 p.m.

Respectfully submitted,

Jane Carlsen  
Secretary