

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

December 13, 2018

I. CALL TO ORDER AND ROLL CALL

The regular session of the Pueblo City-County Library District Board of Trustees was then called to order at the Rawlings Library at 5:30 p.m. by President Doreen Martinez.

Board Members Present: Doreen Martinez, President; Fredrick Quintana, Vice President; Marlene Bregar; Lyndell Gairaud; Stephanie Garcia; Philip Mancha; Jim Stuart

Staff Present: Jon Walker, Executive Director; Sherri Baca, Chief Financial Officer; Sara Rose, Chief Operating Officer; Midori Clark, Director of Community Relations/Development/Strategic Initiatives; others not recorded.

Attorney Present: Kate Shafer

II. CORRECTIONS AND MODIFICATIONS TO ADENDA

Mr. Walker recommended the addition of an Executive Session at item VIII.B.6. to discuss negotiations.

III. APPROVAL OF THE MINUTES

Ms. Martinez said the Minutes of the Library Board Work Session held on November 13, 2018 and Minutes of the Regular Library Board meeting held on November 29, 2018 were provided to Board members prior to the meeting.

Mr. Quintana made a Motion, seconded by Ms. Gairaud, to approve the Minutes of the Library Board Work Session held on November 13, 2018. The minutes were approved by unanimous consent.

Mr. Stuart made a Motion, seconded by Ms. Bregar, to approve the Minutes of the Regular Library Board meeting held on November 29, 2018. The minutes were approved by unanimous consent.

IV. REPORTS

A. Executive Director Report

Capital Planning and Funding: Mr. Walker thanked the Board for the opportunity to speak with them about this. Mr. Walker displayed the ballot from the 1999 bond election that was approved by the voters to build the Rawlings Library. It is now twenty years later, and the debt will be paid in full at the end of 2019. Mr. Walker also referred to the 10-Year Financial Projection provided that shows an annual contribution to the Capital Project Fund from the General Fund of \$200,000. Mr. Walker had just received a report from Ed Devine, a capital asset analyst, who has been surveying the library's facilities and the Capital Replacement Plan to determine how much money is needed annually to maintain library facilities, and it shows the Library Replacement Plan is underfunded. Mr. Walker said he had not fully reviewed the report, but the transfer of \$200,000 annually to the Capital Project Fund is not enough to maintain its capital assets. Mr. Walker said he would like to describe an opportunity the library may have.

Mr. Walker said the \$14 million bond passed in 1999, and the \$1,138,000 in annual payments amounts to approximately 0.7 mill. He then showed calculations that the impact of a 0.7 mill on an average home valued at \$200,000, would amount to \$11.23 annually in property taxes for the average homeowner.

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Mr. Walker said if the library could get a \$10-\$14 million bond issue in 2019, this is how the funding could be used using rough estimates:

2020 – Rawlings Library Redesign costing approximately \$4 million

2021 – Pueblo West Library refresh costing approximately \$1 million

2022 – Lucero Library expansion and redesign costing approximately \$1.5 million

2023 – Barkman Library expansion and refresh costing approximately \$1.5 million

2024 – Lamb Library refresh costing approximately \$1 million

2025 – Giodone and Greenhorn Valley refresh costing approximately \$1 million

Those projects would add up to \$10 million, and the difference could be used to substantiate the Library Replacement Plan. Mr. Walker had a preliminary discussion with Dennis Humphries about the facilities and has also been working with Ed Devine about the Library Replacement Plan. A brief timeline for a public vote in Pueblo County for a capital bond election would involve developing a project plan and polling in the 1st Quarter, working out the legal issues in the 2nd Quarter, with the campaign occurring in the 3rd Quarter. Developing a project plan would involve working with Humphries Poli and others to develop the project plan and flesh out expenditures, and some of this for the Rawlings Library has already started. Dennis Humphries believes he can get that done during the first six months of 2019. At the same time, polling would be done to see how it could be communicated with voters. It would involve some legal counsel on the measures the library would want to articulate. In the 3rd Quarter, there would be a final campaign.

If this is something the Board opts to pursue, the Board of Trustees would adopt a Resolution to refer a measure to get it on the November ballot.

Mr. Walker has had some conversations with people about how this might work. If this were to happen, it would help with the Capital Fund, keeps all the libraries refreshed for a number of years, and allows the library to fund the Library Replacement Plan. Mr. Walker said this is what he is proposing and opened the floor for discussion.

Mr. Stuart how close the results were in the 1999 bond election. Mr. Walker said he would have to look into that.

Mr. Walker had been in touch with EveryLibrary, a not-for-profit that works nationally with library campaigns. (<http://everylibrary.org/>) Mr. Walker recommended a committee of Trustees to determine what the campaign might consist of.

Mr. Quintana appreciated this approach and the importance of clarifying how the money will be used, but questioned whether a mill levy increase might be a better option to consider. Mr. Walker suggested polling include the mill increase, bond election and de-Gallagherizing and explained about the cost considerations for collecting responses and demographic data. The Gallagher Amendment has a lot of momentum, and the legislature may be able to do something to fix that. Mr. Walker agreed it would be better for the Library District to have a perpetual mill levy increase. The advantage of a bond election is it is an expiring tax. In today's climate, a bond election could be more appealing.

There was discussion whether expanding the Barkman and Lucero Libraries would also expand operational costs, and Mr. Walker does not contemplate any expanded operational costs.

Ms. Bregar expressed concern whether the changes they make will last the term of the bond, and there was discussion of the importance of long-term thinking, focus on the library's mission, and considering flexible space so they do not have to go back to the taxpayers.

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Ms. Garcia said the ask is modest, and the library is being proactive. Sometimes delaying upgrades will cost more in the long term. It is a modest amount to maintain all the libraries. People are using those facilities, and with the momentum of the Best Library in America and other recognitions, it should poll well.

Mr. Walker said there is funding in the 2019 budget to help with polling. Polling is estimated to cost between \$15,000 and \$25,000. His understanding is the library can use public funds to research the financial status of the library and prospects for the public's funding, but once the Board passes a Resolution referring this for a vote, the circumstances change, and it becomes a political campaign where the library cannot spend public money to affect the outcome of the election. Employees can only campaign on their own time. The library cannot encourage the public to vote yes or no, but it can show concepts like this is what it wants to do at the Pueblo West Library. Mr. Walker said the library was in a "Vote No" campaign several years ago, when he learned about these limitations. The Friends of the Library got involved, and the Board of Trustees can spend a little bit of money and ask people to vote yes, but the library will seek advice from legal counsel. Mr. Walker said the Library District would be faced with difficult financial circumstances if it does not do this, and there was additional discussion of the importance of being proactive and protecting the public's assets.

Mr. Stuart said if the library does this, it should take some pressure off the Replacement Plan funds, and Mr. Walker agreed noting that the Lucero Library is aging faster because it is overused.

There was additional discussion of the fact that these are rough estimates and another review of the timeline. Ms. Garcia suggested starting the campaign in June might be better. The library will be up against other bond elections, it will need yard signs, and library representatives will need to be at every Chamber lunch and out there campaigning throughout the summer.

Ms. Martinez said the polling will give them a better sense of the direction to go and commented on the community's respect for the library.

B. Friends of the Library Report None

C. Pueblo Library Foundation Report None

D. Attorney Report None

E. Employment Changes

Ms. Martinez said the Board is asked to ratify the November 2018 Employment Changes as presented by the Executive Director.

Ms. Gairaud made a Motion, seconded by Ms. Garcia, to ratify the November 2018 Employment Changes as contained in the December 13, 2018 Board materials.

There being no further discussion, MOTION CARRIED 6-0.

F. Financial Report

Ms. Martinez said the Board is asked to ratify the November 2018 bills and accept the November 2018 Fund Statements. Sherri Baca, Chief Financial Officer, would be available to answer any questions.

On the Combined Balance Sheet, Ms. Baca said it is progressing as expected, and cash reserves will be available through the 1st Quarter. Ms. Baca pointed out some timing issues; the balance in the Library Replacement Plan was about \$1.2 million at the end of November, and the Board will be hearing more about how much should be in there.

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In the General Fund, the target percentage for the end of November is 92%. Revenues were 100% collected, compared with 101% last year. Ms. Baca said the glitch in the Treasurer's Office reported last month should result in a double payment in December. Revenues overall are in good shape.

Personnel expenses were 91% spent, the same as last year. Ms. Baca pointed out some of the lines were over budget such as Workers Compensation which she attributed to hiring a security team which had not been budgeted, but they were able to absorb that cost with savings in Contract Services. Materials were 94% spent, which was a little ahead of target as they worked to wrap up spending before the ILS transition to Koha which is scheduled this weekend. Facilities were 88% spent compared with 91% last year. Ms. Baca said Vehicle Maintenance includes fuel for the library van which travels 100 miles a day throughout Pueblo County which will be offset by savings in Courier Services. Operating expenses were 81% spent compared with 94% last year. The library had planned to replace the photocopier, but that was delayed until the lease is up next year. Information Technology was 90% spent compared with 93% last year. Overall expenditures were 90% spent, the same as last year. Ms. Baca said they are forecasting to be about \$200,000 in the black, but there are a lot of adjustments that happen after year-end.

In the Capital Fund, there was some interest income, an estate contribution that was unrestricted that will be used for the redesign, and the library sold the Mazda van for \$3,000. In expenses there was a payment to Humphries Poli. Some of that budget will be carried over into next year.

In the Special Revenue Fund there was some interest income. The Board will be talking later about contributing funds to the Pueblo Library Foundation.

The J.T. Nesbitt Committee just had its Christmas party and spent some of its funds for the party which will be reflected next month.

Ms. Baca offered to respond to any questions on the check listing.

Ms. Martinez asked about the payment to 4Imprint listed as a Friends expenditure. Ms. Baca did not have the detail immediately available but said the notation would indicate it is from a Friends' grant.

Ms. Baca concluded with amounts presented for the Board's approval which included Payables of \$472,695.65 and Payroll of \$535,122.05 with three payrolls in November, for a total of \$1,007,817.70.

Ms. Bregar made a Motion, seconded by Mr. Stuart, to ratify the November 2018 bills and accept the November 2018 Fund Statements as contained in the December 13, 2018 Board materials. It was noted the motion should indicate that it is ratified rather than approved.

There being no further discussion, MOTION CARRIED 6-0.

V. BOARD COMMENT None.

VI. PUBLIC COMMENT None.

VII. OLD BUSINESS None.

VIII. NEW BUSINESS

A. Announcements

- ☐ All libraries will be closed on Sunday, December 23; Monday, December 24; and on Tuesday, December 25, for Christmas holidays.

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- ☐ All libraries will be closed on Sunday, December 30, for New Year's holiday, and will close at 6:00 p.m. on Monday, December 31, for New Year's Eve; and on Tuesday, January 1, 2019, for New Year's Day.
- ☐ The next regular Board of Trustees Work Session is scheduled for Tuesday, January 15, 2019 at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- ☐ The next regular Board meeting is scheduled on Thursday, January 24, 2019, at 5:30 p.m. at the Rawlings Library.
- ☐ All libraries will be closed on Monday, January 21, for the Martin Luther King, Jr., holiday.

B. Action/Discussion Items

1. Resolutions to Adopt the 2019 Annual Plan, the 2019 Annual Budget, Set the Mill Levy, and Appropriate Sums of Money for the 2019 PCCLD Budget

Ms. Martinez said the Board of Trustees discussed the 2019 Budget and Plan and reviewed each of the enabling resolutions at the December 11 Work Session.

Ms. Garcia suggested the Resolutions be read into the record.

a. Adopt the 2019 Annual Plan

Mr. Quintana made a Motion, seconded by Mr. Stuart, that the Board of Trustees adopt the Resolution to Adopt the 2019 Annual Plan which reads:

A resolution adopting an Annual Plan for the Pueblo City-County Library District for the calendar year beginning on the first day of January, 2019, and ending on the last day of December, 2019.

WHEREAS, the Board of Trustees of the Pueblo City-County Library District has appointed the Executive Director of the Pueblo City-County Library District to manage the Pueblo City-County Library District, and;

WHEREAS, the Executive Director has submitted a proposed Pueblo City-County Library District 2019 Annual Plan to the Board of Trustees, and;

WHEREAS, upon due and proper notice, said proposed Annual Plan was open for inspection by the public, a public hearing was held on November 29, 2018, and interested citizens were given the opportunity to make comments or suggestions to the proposed Annual Plan, and;

WHEREAS, the Board of Trustees voted to adopt the proposed 2019 Annual Plan at a public meeting held on December 13, 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES FOR THE PUEBLO CITY-COUNTY LIBRARY DISTRICT that the 2019 Annual Plan of the Pueblo City-County Library District is hereby approved and adopted.

There being no further discussion, MOTION CARRIED 6-0.

b. Adopt the 2019 Annual Budget

Ms. Baca pointed out the 2019 Annual Plan costs had been added to the budget beginning at page 9. It includes associated costs for each of the initiatives excluding budgeted staff time which is why some of the items list no cost. The total cost for the Annual Plan are expected to be \$1,326,039.

Ms. Baca referred to the 2019 Final Budget update which had no changes since the December 11 Work Session update.

Ms. Baca also provided updated 10-Year Financial Projections.

Ms. Garcia made a Motion, seconded by Dr. Mancha, that the Board of Trustees adopt the Resolution to Adopt the 2019 Annual Budget which reads:

A resolution summarizing expenditures and revenues for each fund and adopting an annual budget for the Pueblo City-County Library District for the calendar year beginning on the first day of January, 2019 and ending on the last day of December, 2019.

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WHEREAS, the Board of Trustees of the Pueblo City-County Library District has appointed the Executive Director of the Pueblo City-County Library District to prepare and submit a proposed budget to this governing body at the proper time, and;

WHEREAS, the Executive Director has submitted a proposed budget to the Board of Trustees on October 15, 2018, for its consideration, and;

WHEREAS, upon due and proper notice, published in accordance with the law, said proposed budget was open for inspection by the public at a designated place, as well as being posted on the PCCLD web site, a public hearing was held on November 29, 2018, and interested taxpayers were given the opportunity to file or register any objections to the proposed budget, and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES FOR THE PUEBLO CITY-COUNTY LIBRARY DISTRICT:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Pueblo City-County Library District for the year stated above.

Section 2. That the budget hereby approved and adopted shall be signed by the President and Secretary of the Board of Trustees and made a part of the public records of the Pueblo City-County Library District.

There being no further discussion, MOTION CARRIED 6-0.

c. Set the Mill Levy

Mr. Quintana made a Motion, seconded by Mr. Stuart, that the Board of Trustees adopt the Resolution to Set the Mill Levy at 5.271 mills which reads:

A resolution levying general property taxes for the year 2018, to help defray the costs of providing library services to the Pueblo City-County Library District for the 2019 budget year.

WHEREAS, the Board of Trustees of the Pueblo City-County Library District has adopted the annual budget in accordance with the Local Government Budget Law on December 13, 2018, and;

WHEREAS, the amount of money necessary to balance the budget for general operating purposes is \$9,082,949, and;

WHEREAS, the 2018 net assessed valuation for the Pueblo City-County Library District as certified by the County Assessor on November 30, 2018 is \$1,775,845,704.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE PUEBLO CITY-COUNTY LIBRARY DISTRICT:

Section 1. That for the purpose of meeting all general operating expenses of the Pueblo City-County Library District during the 2019 budget year, there is hereby levied a tax of 5.271 mills upon each dollar of the total valuation for assessment of all taxable property within Pueblo County for the year 2018.

Section 2. That the Chief Financial Officer is hereby authorized and directed to immediately certify to the County Commissioners of Pueblo County, Colorado, the mill levy for the Pueblo City-County Library District as determined above.

There being no further discussion, MOTION CARRIED 6-0.

d. Appropriate Sums of Money

Mr. Quintana made a Motion, seconded by Dr. Mancha, that the Board of Trustees adopt the Resolution to Appropriate Sums of Money which reads:

A resolution appropriating sums of money to the various funds, in the amounts and for the purposes as set forth below, for the Pueblo City-County Library District for the 2019 budget year:

WHEREAS, the Board of Trustees has adopted the annual budget in accordance with the Colorado Local Government Budget Law, on December 13, 2018, and;

WHEREAS, the Board of Trustees has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but it is also necessary to appropriate the revenues provided in the budget to and for the purposes described below, so as not to impair the operations of the District.

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NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE PUEBLO CITY-COUNTY LIBRARY DISTRICT:

Section 1. That the following sums are hereby appropriated from the revenue of each fund, to each fund, for the stated purpose:

General Fund	\$ 10,367,404
Capital Project Fund	1,030,000
Special Revenue Fund	5,075
Reserve/Fund balance	<u>304,277</u>
TOTAL	\$ 11,706,756

There being no further discussion, MOTION CARRIED 6-0.

2. Library Ideas, Inc.

Ms. Martinez said the Board of Trustees discussed at their December 11 Work Session a digital music service made available by Library Ideas, Inc.

Mr. Stuart made a Motion, seconded by Ms. Bregar, that the Board of Trustees approve the Library Ideas, Inc. digital music service to be provided to members of the local community by PCCLD at an annual cost not to exceed \$29,000.

There being no further discussion, MOTION CARRIED 6-0.

3. PCCLD Workers' Compensation, Property/Casualty, Liability, and Cyber Insurance Renewal

Ms. Martinez said the Board discussed the quoted rates for PCCLD workers' compensation, property/casualty, liability, and cyber insurance at the December 11 Work Session.

Ms. Gairaud made a Motion, seconded by Dr. Mancha, that the Board approve the coverage of PCCLD's workers' compensation, property/casualty, liability, and cyber insurance with the Special Districts Association and Beazley Insurance at a total cost not to exceed \$104,523.89.

There being no further discussion, MOTION CARRIED 6-0.

4. Budget Amendment

Ms. Martinez said the Board of Trustees discussed at their December 11 Work Session a Resolution for Supplemental Budget and Appropriation for fiscal year 2018 as all revenue received was not fully anticipated in the 2018 PCCLD Special Revenue Fund.

Mr. Stuart made a Motion, seconded by Ms. Bregar, that the Board of Trustees take action to adopt the Resolution for Supplemental Budget and Appropriation pursuant to C.R.S. 29-1-109 to increase the 2018 Special Revenue Fund appropriation from \$5,020 to \$9,000 for the purpose of increasing available funds for donation to the Pueblo Library Foundation which reads:

A resolution appropriating additional sums of money to defray expenses in excess of amounts budgeted for the Pueblo City-County Library District, Colorado.

WHEREAS, interest earnings and distributions from the Chamberlain Fund have been received by Pueblo City-County Library District in support of library activities, and

WHEREAS, receipt of the specific funds were not assured at the time of adoption of the 2018 Pueblo City-County Library District budget, and

WHEREAS, the amount of interest earnings and Chamberlain Fund distributions is anticipated to be \$8,617, increasing total revenues in the Special Revenue Fund by \$3,597 for the Pueblo City-County Library District in 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES FOR THE PUEBLO CITY-COUNTY LIBRARY DISTRICT, COLORADO;

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That the 2018 appropriation for the Special Revenue Fund is hereby increased from \$5,020 to \$9,000 for the following purpose:

To increase available funds for donation to the Pueblo Library Foundation endowment investment account.

There being no further discussion, MOTION CARRIED 6-0.

5. Special Revenue Fund

Ms. Martinez said the Board of Trustees discussed at their December 11 Work Session taking action to authorize the contribution of \$9,000 in 2018 from the Special Revenue Fund to the Pueblo Library Foundation.

Ms. Bregar made a Motion, seconded by Mr. Quintana, that the Board of Trustees authorize the contribution of \$9,000 in 2018 from the Special Revenue Fund to the Pueblo Library Foundation.

There being no further discussion, MOTION CARRIED 6-0.

6. Executive Session

Ms. Shafer said the Trustees would enter into Executive Session to discuss negotiations for the purpose of instructing negotiators and determining positions relative to matters that may be subject to negotiations pursuant to C.R.S. 24-6-402(4)(e). It is not subject to attorney-client privilege, so the session would be recorded electronically.

Mr. Quintana made a Motion, seconded by Ms. Bregar, that the Board move into Executive Session.

The audience was excused at 6:54 p.m. with Ms. Baca invited to remain.

The Board reconvened in public session at 7:03 p.m. upon Motion made by Mr. Quintana, seconded by Ms. Bregar.

7. Other

Ms. Garcia asked about the Acceptable Library Use and Safety issue that had been discussed at the Work Session. Mr. Walker said after the Board's discussion, the library has requested a legal review so it was not added to the regular meeting agenda. This will likely be on the January Work Session agenda for further discussion.

XI. ADJOURNMENT

Mr. Walker invited Board members to take home the poinsettias and soup bowls as tokens of the library's appreciation for their service. Ms. Martinez adjourned the meeting at 7:05 p.m. and wished everyone a happy holiday.

Respectfully submitted,

Jane Carlsen
Secretary