

Pueblo City-County Library District Board of Trustees
Work Session Minutes
February 19, 2019

I. CALL TO ORDER AND ROLL CALL

Ms. Martinez, President, called the meeting to order at 2:07 p.m. in the Ryals Room at the Rawlings Library.

Board Members Present: Marlene Bregar, Lyndell Gairaud, Stephanie Garcia, Phil Mancha, Doreen Martinez, and Fredrick Quintana

Attorney Present: Kate Shafer, Attorney – Gradisar Trechter Ripperger & Roth

Staff Present: Jon Walker, Executive Director, Sherri Baca, Chief Financial Officer, and Sean Miller, I.T. Department

Others Present: Steve Welchert, from the Welchert Company and Dennis Humphries from Humphries-Poli Architects

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA

It was recommended that item E from work session agenda (PCCLD Security) and item G (Trustee Assessment) be moved to the work session agenda on March 19, 2019. Suggestions were accepted. Mr. Walker also asked that item IV-A be moved to item IV-B and item IV-B be moved to item IV-A due to presenters schedules.

III. EXECUTIVE SESSION

Ms. Bregar made a motion and Ms. Garcia seconded the motion that the Board of Trustees would enter into Executive Session for the purpose of receiving legal advice relative to matters that may be subject to negotiations pursuant to C.R.S. 24-6-402(4)(b). The audience, with the exception of Mr. Walker and Ms. Baca were excused. Upon Motion made by Mr. Quintana, seconded by Ms. Gairaud, Board of Trustees adjourned the Executive Session and returned to regular meeting.

IV. WORK SESSION DISCUSSION ITEMS

- A. Community Engagement Campaign (Welcome Steve Welchert from the Welchert Company)
Mr. Welchert provided an update report on the work to engage the community regarding PCCLD funding challenges and opportunities. Mr. Welchert referenced a PowerPoint presentation for his update.

Mr. Welchert: We did a poll on Board of Trustee's behalf to test a number of things. Where the library is at in general, how people feel about the library, what the usage rates are like and other questions covering a wide variety of things. We also did some analysis of tax issues and budget questions the library is facing in the next year or two. The results of that are presented with a couple of caveats. First, I'm not the pollster, the pollster is Keith Frederick from Washington D.C., but I wanted to come down and present the poll because sometimes how you interpret data matters. I am familiar with this and I have worked with this pollster before, so again I wanted to be here to answer questions and talk about it. The second is that this is paid for with government funds and so we will post it on our website eventually. We asked some questions about schools and we asked some questions about the jail mostly because we wanted to understand the environment we might be in if you choose to do something in the future. You never run anything in isolation, you are always part of a broader conversation so we wanted to understand where we were in that conversation. Plus we want to have a conversation with a few other people besides the Board of Trustees about what the data means for us as a Library District.

Referenced slide 2: Total sampled was 300 interviews from likely 2019 voters. He stated they are not presumptuous as to what the Board of Trustees will do with respect to taking action, but wanted to get ahead of that curve so that the board knows what is going on. Interview was early to mid-February, margin of error was 5.6%. They had an incredible number of cell phones in this survey which is really important. You shoot for 30 or 40%, and they got an overwhelming 67% of cell phones as people don't have landlines anymore. Party registration was pretty straight forward. Little heavier on females to males. We also looked at Facebook users which was community wide almost 60%.

Referenced slide 3 to 5: (Findings)

Overall the news from the polls are very encouraging. He stated he has done Library Districts in numerous locations and he has never seen data come back like this. He stated the data is really a testament to our Library and what is going on here in Pueblo. It is pretty remarkable. Libraries are fairly popular, but in the food chain of politics they usually rank lower. Not Pueblo, our Library is in pretty good shape. People indicated they like the Library more than they like Parks & Rec for example, more than schools, more than lots of things so that is pretty remarkable. The quality of Libraries is rated 81% positive with 64% very positive. Engagement of libraries is very high. 75% say they have a library card. 89% are somewhat familiar with the Pueblo County Libraries. 53% are frequent users of the local libraries. Tax mood is favorable. Just 38% say local property taxes are too high vs. 55% who say they are "about right" or even a bit low. On the ballot votes 82% are for extending the Bond issue if we wanted to go that route and 79% said they are for extending the Library property tax. Reinforcing support measures for the library ballot. By 81% to 18% voters prefer to keep the modest library property tax in place rather than "let the tax expire and have the District make cuts to Library services". By 63% to 25% voters say connecting Pueblo Library tax collections to property values in Denver and Colorado Springs does not make sense and is bad for Pueblo. People understand that part, but the Gallagher conversation overall is a fairly complicated conversation so it is not their leading question. Community pride is a huge deal in this. People in Pueblo do understand that people in other parts of the Colorado think of Pueblo in a negative way. So the fact that the library is number #1 is something to point to with pride and it is a big deal. Half the voters (52%) are aware of the Library being voted "best in America". Best messages are an important part of the conversation and pretty clear and include community gathering space, free internet, open to all, anything to do with kids to help them read, learn to think, positive productive entertainment, and free books. The next best messages are no new tax increase, new technology (free e-books, movies, and audio books) and closing libraries means fewer places for kids. We don't want to talk about closing two libraries. We have tons of phenomenal attributes, which is what they love about the library so let's sell those attributes first. Closing two libraries is a secondary conversation that is not the lead. Best in America and no new taxes that is the bottom line.

Referenced slide 6: (Quality of Library).

It shows 91% total positive for the libraries. 63% very positive. School total positive is 47%.

Referenced slide 7: (Familiarity and Library Use)

Total familiarity with the library is 79% and 37% very familiar, 75% have a library card. Use of library is a good number, good place to be.

Referenced slide 8: (Voter Tax Mood) - Are the taxes in Pueblo too high or too low or about right?

Generally it is positive with 56%/38% overall. Two sub groups to pay attention to. Republicans are the best in the crowd at 59%. Republicans think property taxes are not too high. Our challenge are some older folks. Women over 55 are still 50% to 40% positive, but not as positive as expected to be. So older women are a challenge. Then age 65 plus in general 49% to 41% which basically makes it a coin toss.

Referenced slide 9: (Voter "Community Pride" Mood) – How does rest of Colorado view Pueblo?

This is the fun one, basically how much do you love us question. Basically 82% of your neighbors think the rest of the state has a poor opinion of Pueblo. That is just the self-perception of the community. That is then reflective of our number one status as a library, which really sales incredibly well later.

Referenced slide 10: (Library Ballot Votes)

Here's the two library votes we talked about, which list the exact questions the polls asked.

1. If the following library funding issue was on the Pueblo County ballot this year, would you vote For or Against it – "Allow the Pueblo City-County Library District to reauthorize it's expiring 14 million dollar Bond that pays for regular maintenance, upkeep and building improvements at the District's seven local libraries at no increase in property taxes."

82% said yes to that one.

2. Same question with one difference – "it's going to just be a mil levy 30 cents per month which is equal to \$4.30 a year for every one hundred thousand dollars of actual home values. So we broke it down for them a little bit more and showed what it's really going to cost. Still no tax increase, but that's what it's going to cost you to keep it going. It came back at basically the same number.

79% would vote yes. We used \$100,000 value as the average home because no one knows truly what the average home value is.

Referenced slide 11 & 12: (Library Ballot "For" Votes: By Subgroups)

This is more than you want to know but we wanted to show it to you so that you know it exists, we will go back over it in future times if you like. These are sub groups, we call them demographics of who supports us and who does not. One side is bond renewal and the other is tax increase side by sub groups. Total was 82% for Bond Renewal and 79% for Property Tax Extension.

Referenced slide 13: ("Surrogate" Library Ballot: Property Tax Detail)

Here is where we give them the choice. The current property tax which expires this year equals 36 cents per month or \$4.30 a year for every one hundred thousand dollars of home value. Knowing this, which do you prefer: To let this tax expire and have the District make cuts to Library services or keep this modest tax in place allowing the District to maintain and improve upon the current level of library services? Results where 81% to keep the modest tax, 13% to make cuts and 6% don't know.

Referenced slide 14: ("Surrogate" Library Ballot: Gallagher)

When we explained it to them, they got it. Everyone senses that it makes no sense to base our property values off of Denver and Colorado Springs and that it hurts Pueblo. Just want to be clear that we all understand this and I am sure that you do. Gallagher was intended to protect property tax payers. It did, and Gallagher the author always wanted to make sure that commercial pay 55% and residential 45%. He passed Gallagher before Tabor was passed. So it worked out fairly well, but once Tabor happened, that combination of the two is what really botched up the works and so that's where we are at. I have talked to Dennis

Gallagher, he's a great guy and he gets this and he loves libraries and he loves fire districts and he understands its hurting people, so we are trying to figure out a way to fix these things. There is actually some de-Gallagher language and we are going to incorporate it here for you if you decide to move forward.

Referenced slide 15: (Pro-Library Ballot Message Tests)

These are the pro-ballot test messages. There are a list of topics, the top 4 votes came in at: Kids with 86%, Gathering/Free with 84%, Free Books with 84% and #1/Pride with 82%.

Referenced slide 16: (Post Pro-Message Ballot Revote)

We ask the question again after all the information and great stuff was shared about the library and the poll came back 85% would vote yes. Most polls might be at 55% in the beginning and 70 to 75% at the end. So the people who change their mind in the middle, I want to know who they are and what messages moved them. We will still do that here, but the movement is not very significant. People supported us at the beginning. They didn't move based on a bunch of positive information. The library is just popular.

Referenced slide 17: (Schools Ballot Test)

Would you vote for or against an increase in property taxes to pay for school repairs, school improvements and new schools in your area? The results of the poll were 57% yes and 35% no. Mr. Welchert explained each of the breakdowns which were by part, age/gender, education and kids or no kids.

Referenced slide 18: (Jail Ballot Test)

Again Mr. Welchert explained the results for the jail question. He asked that the results not be disclosed and stated they would be sharing those results with the County soon.

Mr. Welchert: So overall, the library and its' positive attributes are what will help with this endeavor. You're looking at lots of solutions for lots of challenges you have going forward. One of them may be a ballot measure, but you don't know that yet. You haven't decided that yet and that is where you are at. We don't want to tell people we are doing a ballot measure because we may not by the way. We are going to continue to work on public engagement activities with staff and do as much as we can to help people believe in the libraries even more than they do today between now and the time when you do make your decision. Questions, thoughts or comments?

Ms. Martinez: Make sure you share more specific questions and answers with Mr. Walker so that we have a chance to look at that later. These numbers far exceed our expectations when we first talked about this, but when you showed us the slide that said there was a 4% negative for us and 14% negative for schools, I am curious to know if we will take a closer look at those negative numbers?

Mr. Welchert: The negative numbers are so small that they don't really require much of a response from you guys. Our goal is not 100%, we will never get there as someone is always going to be unhappy with us. So if it is 4% or 14% negative I am not overly worried about it. If it was 35% or 45% then I would say we have to look at those numbers. We will begin to run some kind of digital communications with folks and we can target that precisely and begin to respond to those kinds of things. It won't be a specific "you didn't like this... we are going to talk to you about that", it will be a little bit broader sense of if the

community doesn't understand what we do in certain ways, we are going to communicate that or educate the community more about that.

Ms. Bregar: Can you talk a little bit, and I know you didn't do the actual survey, but we have just under 100,000 registered voters in Pueblo and is 300 a small sample size?

Mr. Welchert: Great question. As to the actual sample size itself, if you were doing a statewide poll 600 would be plenty. So a County wide poll of 300 is really significant. It's going to have a confidence level of about 95% accuracy. You could go to 400. That would be a really significant sample, but you wouldn't go much higher than that ever. You couldn't get that many people on the phone first of all. What pollsters do is they create cells. They create a pile of people that are you. So I may not get you on the phone, but I have a pile of like 500 people that basically represent you. We feel pretty confident that they would answer the same way you'd answer. They are going to meet that criteria of right age, right part of town, etc. We do that enough times, you get pretty close to having a really good snap shot of the community. That's the scientific answer.

Ms. Garcia: In your demographics are you able to look to see who owned homes and who were renters? Also how they would respond to that question if they aren't actually paying the tax?

Mr. Welchert: I don't think we asked the homeowner vs. renter question, but we can pull it up by neighborhoods. We can look at higher income vs. lower income also. I will pull that cross tab out and will get it over to you guys. I am going to guess that high affluent voters are bigger library supporters.

Ms. Martinez: Thank you for the presentation. I am thinking that we have a lot of steps ahead of us, things we need to discuss. Mr. Walker and I have a monthly meeting to prepare for this work session and at that time we kicked around the idea that it would probably be best at this point to form a new subcommittee to continue to receive updates to present to the Board accordingly. I don't imagine that this is going to be a low profile subcommittee. I think this is going to be a little more work than we are usually use to. If you are interested in serving on that committee please reach out to me. I want to make an announcement of who will be serving on the committee at the Board meeting this month. So please reach out if you are interested via text.

- B. Rawlings Library (Welcome Dennis Humphries, Humphries-Poli Architect) Mr. Humphries provided a report on Rawlings Library renovation conceptual design, program planning and cost estimating. Mr. Humphries referenced and presented from a PowerPoint slide show which will be published.

Mr. Humphries: Thank you for the opportunity. It's wonderful to hear all the information that Mr. Welchert was able to retrieve from the public about how well the library performs and how important it is to the community. We are here today to present our final report and I am going to go through a lot of slides very quickly. We did take all your comments into consideration and I think we were able to come up with responses to all the comments. I think the big thing we want to talk today about is the overall cost. Just to give you an idea the cost came in higher than what we started out to think it might. I think part of that is because we thought big and we really looked at how we could transform or reimagine the Rawlings Library into something that would offer a lot of opportunities that don't currently exist. However, this is based on conceptual thoughts. So to say that it's going to cost

exactly this amount at this point in the project would not be a correct statement because they are ideas that are represented here. I will go through the presentation and then we will focus on the costs. We can talk about next steps and how we might want to address that. We went through a pretty significant visioning process last summer and we had seven public sessions where Mr. Walker invited a number of stake holders to come in. We asked them to tell us about the community, favorite place in Rawlings Library, and things not to change in the library and also what a 21st Century Library represents to individuals. We talked about careers and culture of the community. Then we asked people to talk about the experiences in the libraries that people wanted to see. So outdoors was a big thing, having group areas, having views and niches, things of that sort. Having a Maker's space, recording studio, having a place for classes, crafts, cooking classes, things of that nature. A place for discovery for interactive for children, technology, hands on etc. in participation, meetings, performances, community meetings, gatherings spaces and things like that. It's interesting as Mr. Welchert was presenting his words about what people wanted in the library to continue, gathering places and things of that sort where hi-lighted in that poll. We also asked people what they could do in the library, and we always get great comments and thoughts about this. We went through and looked at the existing conditions of the library, we went through three options. Option A basically brought fiction down to the ground floor, moved the children's space upstairs, moved genealogy and archives downstairs to the 2nd floor from the 3rd floor. It had a variety of things that were proposed here. Option B we looked at putting an entry at the southern end of the building, having a theater that would be downstairs so that it could have after hour use and meeting spaces down here. Again changing some of the spaces so genealogy actually started to expand over into where the staff area is now. Some of these were just testing ideas as opposed to being avocations of where things might go. Then Option C kept the Children's Library where it is today and moved a number of other things around so that it became somewhat navigable. This was the one that we proposed closing Bates Avenue here as it goes under the building. Then we came up with the preferred option which we showed you last board meeting. So in this proposal the drawings have been rotated so that we can fit them larger on the screen. What we've done here in this phase is we expanded the parking lot across Bates Avenue and closed the area under the building and created an outdoor amphitheater if you will. It would be fenced in for security purposes. We added about 18 new parking spaces that are all closer to the front door. We removed the walls defining the entry courtyard to allow more visibility into the entry. We changed the entry into crossing the reflecting pool so it came more into the center of the library. These improvements are a dramatic change to how people would perceive accessing the Library and it gives us that outdoor space that currently does not exist that we heard would be so popular. (He provided a sketch of what the area might look like.) Along the ground floor is where the InfoZone would be moved, so it would be able to be on display from the courtyard. The glass would be changed out so it's clear, more transparent and allow that visibility into that first floor. (He then referred to slides and drawings.) It puts the Teens and Children's libraries all on one floor, so that becomes somewhat of a traditional library floor. With the 3rd floor being focused on genealogy, archives and administration. The 4th floor would be for grand events space. On the lower level where there is technical services and staff work areas, staff break rooms and things like that to include the support areas we will be making no changes whatsoever, that floor would remain intact. (He referred to slides of sketches to illustrate the changes.) Also looking to expand the café' but reintroducing it as an amenity in the library looking out to the outdoor gathering space as well as being a place for conversations with food and coffee potentially. What everybody was concerned about was having a 100 person training room, and having other meetings spaces and the Maker's

space and we are able to accommodate that in just a little different configuration than we were showing previously. (He referred to slides of sketches again.)

Mr. Quintana: The mural that is now a part of the Hispanic Resource Collection is that moving?

Mr. Humphries: It would move. (He showed where on the sketch from the PowerPoint.) On the 3rd floor they are expanding the genealogy and archives area so the vault is being almost doubled in size and that is a result of the number of items that are being archived. We have expanded the training room and created study rooms. The administrative wing pretty much stays where it is. (Referred to sketches on PowerPoint.)

Dr. Mancha: Have we increased, and if so by how many new public meeting rooms?

Mr. Humphries: It does go up, I don't have that in a quantifiable sense, but they have gone up pretty significantly. On the 1st floor we have the three primary meeting rooms that are down there today. Those would remain, and then we added the training room which can be sub-divided into two separate rooms. Then as we come up through the building we have added areas over by the Hispanic Resource Center, I think there are four rooms over there. Then on the genealogy and archives area we have added I think four rooms that could be used for those purposes.

(Slides from PowerPoint where again referenced.)

Dr. Mancha: How many exits are there out of this building and particularly thinking about fire exits? How do we get people out of the 3rd and 4th floors in case of emergencies?

Mr. Humphries: We have not done a complete code analysis to determine the exits. Right now we are not increasing the floor area except by infilling, which would have a nominal impact on the exiting code. So we are assuming that we are legal today, we would verify that obviously as the design would go forward. I know early on there was some questions about having the children on the 2nd level. The concern was if there was a fire alarm or some kind of emergency evacuation that typically a person would have to get in an elevator with a stroller, which in a fire situation you would not be using the elevators. So we would have a safety zone outside the fire stair that would allow fire departments and rescue departments to come and rescue individuals who could not go up and down the stairs. We'd do the same thing with wheel chairs and things like that. It's pretty typical in a multi-story building to have that kind of accommodation so that there is a safe zone until the fire department or rescue or first responders can get there. (Mr. Humphries pointed out stairwells on sketches from slides.)

Mr. Walker: The staff are very aware and we train on that periodically for fire alarms and other kind of disaster evacuations of the building. We do prepare for that. As Mr. Humphries pointed out, the building is the building that we have had since 2003. It complied with the code then and I assume it still complies with the code. We practice and prepare for that on a regular basis. Staff knows where the stairwells are and can direct folks to them.

Lyndell Gairaud: Where is the book drop, will it be where it is now?

Mr. Humphries: Yes, same location. Collection and technical services are all in same area.

Ms. Garcia: I really like this (inaudible).

Mr. Humphries: Well thank you. When it comes to accessibility we like to refer to it as universal design. So we are accommodating everybody as best we can. So even though somebody may not be in a wheelchair per say, but may have some limited physical abilities, the access to the front door is much safer and much more direct than what it is today. We take all of those things into account, but thank you for your comments.

Ms. Bregar: Along that same line, do we have any restrooms on the first floor that could be converted into an adult diapering station?

Mr. Humphries: (While referring to sketch on PowerPoint.) We can look for a spot for that. Again, this is a concept, it's like having a big idea. We don't know exactly how we are going to get there yet and the details will follow as we have more and more discussions. I will say in most of the new libraries we are designing today, we are designing with single occupant toilets as opposed to the large rooms with multiple compartments in them for a variety of reasons, but it is something that is becoming very popular in libraries especially in public buildings. It takes a lot more space to do that, but it provides an accommodation beyond what is required by the code.

Mr. Quintana: First question has to do with traffic flow. Book drop with increase traffic through the parking lot. Have we looked at how that will effect maintenance and safety in the parking lot? That will definitely increase wear on the parking lot. The part I want to ask Mr. Walker about has to do with the InfoZone. Are we still receiving money from the Rawlings Foundation to keep that as a museum? And if so, are we moving that whole InfoZone museum down?

Mr. Walker: That's the plan. I have reviewed it with the Rawlings Foundation, I just reviewed this plan actually a week ago I think. We had a couple of previews of this. Mr. Humphries sent me this basically a week ago, and so I have reviewed it with the Rawlings Foundation. There is a lot of enthusiasm there. I was really pleased by that. To answer the question about support, yes. The Rawlings Foundation has every year in my 15 years here, made significant contributions to the public library. Expressly for the InfoZone, so they continue to support that attribute of the library for sure.

Mr. Humphries: In terms of the traffic patterns, we had an initial discussion with the City Planning staff on the closing of the street and they were encouraged by it, but we have not worked out the details. (He referenced sketches from slide show.) We have not gone into great detail because our initial discussion with them was what would you think if we were to do this? However, we are not planning on it because the Board has not approved it. So it was kind of off the record. They shared with us some of the utilities and some of the other issues that are in the Bates Street. Your question about if the pavement would withstand the heavier traffic? Typically parking lots are designed to a different thickness than a street. So we would have to look at that.

Mr. Walker: I know they have done traffic studies there, I don't have access to the traffic studies they have done. I can tell you that it is a very low used road. I believe that most of the usage is for the book drop off. That needs to be analyzed. It's an important consideration because of the outdoor learning space, the amphitheater that Mr. Humphries talked about.

Mr. Humphries: I think that one other thing that we are advocating is access to this parking lot. (Referenced sketch on slideshow.) That should take some of the pressure off coming from Church Street into the parking lot.

Ms. Gairaud: I also think for the use of the Cafe', to not have people coming in and out to the entrance of the Cafe', people will have more of a sense of intimacy and more a sense of a restaurant. I like it.

Mr. Humphries: Right. It becomes a destination.

Mr. Quintana: I have a couple more questions. One, we talked about a grand staircase. Have we thought about actually opening that up wider so that it actually does feel like that bottom part is (inaudible)...?

Mr. Humphries: Well I think that the stairs is a structural master piece, and I would be very, very concerned about trying to alter it. Although the person who built it is still here with Houston Construction, Rick Brake. I think it would be a difficult thing to try to accomplish.

Mr. Quintana: And since we are walking over the pond now, have we considered what flooring over that would look like?

Mr. Humphries: I think the edges would all be glass much like the railing that is there today. What the floor might look like? That could be something imaginative.

Mr. Humphries: I sent the cost to Mr. Walker last week and I think within a second I got a response back. (Referenced sketches from slideshow.) What we did here, again because it is conceptual in nature, we have to imagine what cost might be in the future. Not to say that we are accurate all the time, but what we did was we use what we call a zone of construction. So we took areas like this and we said there would be some heavy construction here because we are putting a new floor in, putting this glass movable partition in here. Where in the Collection area where Fiction and Non-Fiction would go, we are having very minimal amount of work. It would probably be carpeting and lighting, somethings of that sort. So there are some areas where we are doing minor work, some areas where we are doing a significant amount of work, and then there is an area in the middle. So then we applied the square footages to a cost per square foot. So if this area is 3,000 square feet, we multiplied it by \$150 a square foot. Now when we used those numbers that is for everything. What we don't want you to do is think about construction costs. So the first thing that comes to mind is \$150 a square foot, that is outrageous, it would never cost that much. Well it's not going to cost that much because that includes the fees and permits and things like that which are typically not associated with construction. Plus there is a contingency in there, meaning we hadn't thought about that restroom that you referenced that might be for seniors or for facilitating special needs. We haven't gotten to that level of detail. So that's how this number came about. We took all the square footages that we are describing here and we multiplied it times numbers that we checked with a contractor. Now also remember, the library would remain operational. It would close down periodically for a day or two in all likelihood. We have to maintain the safety of the building, we have to maintain the air conditioning and heating, all of those things which cost more money. There are some renovation projects, where we come in, the library will move out and the contractor is given free rein over the entire building. That lowers the

cost. However, you have to pay for that alternative location. So by staying here on the site, there are some higher costs. So we took that into consideration. Not to say that this has to be the final number. We haven't done a lot of design. The way this number most likely comes down is by taking the design to another level where we can start to actually have it priced out by how many light fixtures we are going to have, or how many square feet of actual ceiling that we are going to have to replace here. We would like to maintain the ceiling, but once we tear the wall down, then we have areas that we have some gaps. So how do we fill those gaps so that it looks like it was a seamless installation? So there are a lot of issues that we have to try and predict in the future. We are also predicting in an economy that right now construction labor availability and skilled labor is in great shortage. Right now all of the construction cost models that we are looking at are recommending 5% per year increase. Well you can see what 5% is right there, that's almost a half a million dollars. Of course some people say the economy is going to slow and we won't have that, but the worst thing we can do is come here is tell you that you have a four million dollar project when you actually have something greater than that. We could do a four million dollar makeover of the building. I don't know if it could include all of the things we have talked about. Some of the options that we looked at earlier didn't have as many changes. We didn't move things from the top floor to the ground floor. We didn't do some of those things that have a cost associated with it. I am not here to say that this is the only number that will work. If it's determined that four million is the number that we have to work with, because quite honestly when I first presented the number to Mr. Walker it was higher than this. We actually had two people look at it, two different contractors, and one had different values assigned to it than what this is showing. That is why the numbers were higher. So we are right about ten million dollars, a little less. How can we make it work? Well we can cut scope, in other words not make so many bold moves. Or we can phase it. We could do fundraising in different parts of it that are more attractive to a potential fundraiser if we needed to go outside the bounds of four million. I would suggest that we probably need to sharpen the pencil by doing more work. I am not advocating hiring us to do more works so we can save more money, but that's the only way we can really get this number in place. So if that plan is something that you all say is the vision that we have come up with meets your needs, we can try and figure out how we can do it in a more economic fashion and again through reuse of existing furniture, reuse of existing equipment and maybe scaling down our vision of what might take place. As an example the Maker's Space. Maybe the Maker's space being potentially in partnership with another organization. Or maybe you just build the shell of the space and somebody comes in and finishes it out as part of their contribution to the event. I am talking hypothetical, there are no deals that I am aware that have been proposed. It's just an opportunity that we see and ways to help reduce the costs so that it becomes more palatable and doesn't give you that initial response that I heard. We have almost a million dollars allocated to the outside. That's the closing of the street, extending the parking lot, building the amphitheater those kinds of things. I think we can do it for less, we could do it for more. I think we need to hear from you exactly where you want it to be. Do we want to differ some of this scope, do we want to approach it in a different fashion?

Ms. Garcia: Do we have timelines as far a grant writing and fundraising?

Mr. Walker: On the money side of it, you know about some of our challenges. Separate from this we have been talking about the funding issues for capital and operational matters (inaudible) ... started talking about possible solutions. So that is a parallel part. I got this number on Friday and I have been rolling it in my head. I haven't settled just yet on my own view of it. It's ambitious, clearly. I have been thinking about different sorts of things.

There are definitely opportunities for fundraising. Phasing is a possibility. So on the 3rd level (Special Collections & Archives) I believe that there is group in town who has a very strong emotional attachment to that space. Do I have timelines? I don't have those answers for you right now. I was waiting to see what we end up with here. I have also been contemplating the other branches and their long term needs as well. We have been talking about the funding side of this whole thing. When the building was built in 2000 it had functional challenges, even if we do these changes/makeovers, it will still have functional challenges. The library has changed, patron interactions, circulation, how we use the spaces and so this does address a lot of those. (Referenced sketches from slideshow.) My recommendation is that we contemplate it for a few weeks. I would also like to hear from people. It's a problem that we need to wrap our brains around.

Ms. Bregar: There is a lot going on in this part of the city. I think we need to communicate with people who are helping to develop Pueblo as a city and bringing a positive feeling to this city. I was so impressed with PBR. They are running an advertisement and every single one of their bull riding programs that they televise now has a 30 second advertisement that says "coming to Pueblo in 2020". We need to think about how does the library fit into that. If we are going to have a lot of activity going on with PBR and hopefully increased activity at the Pueblo Convention Center, and new hotels in the area, then we need to figure out how we fit into that place. We have a purpose. Maybe in some ways we need to go back and figure out exactly what is it as a library that we want to be in this community. We can't be all things to all people. Is one of our main purposes to provide community space and what does that look like?

Mr. Walker: I think we have opportunities, we have lots of strengths. We were just told that people love the library and seem to love it more here than even other communities. I don't have an answer on the funds. I will start thinking about it, working on it. Some of it could come from private money.

Dr. Mancha: My question has to do with the other libraries, the satellite libraries. This is just one part of larger redesign that includes those other libraries. I am wondering in the total picture, I know that don't have the same degree of plan, but do we have any idea what a ceiling would be for the whole job?

Mr. Walker: They are much smaller facilities. There is going to be cost there and we haven't stated to look at that. So in the end, I do believe by July we will have a master plan in place and that will give us that overall view.

Mr. Humphries: I think there is really a need to look at a fresh start here to create this synergies and address operational issues that don't exist at the other branches because they are much smaller. Three of the other branch libraries are relatively new, so they don't have the same demands that a building that is going on 16 years does.

Mr. Walker: I do look forward to your thoughts individually or as a group, we are in this together.

Ms. Bregar: My gut feelings is that if we are going to do something with this building, then we do it well. We don't have to have all the latest bells and whistles, but we have to do it well.

Ms. Martinez: I would like to suggest that we all take a little time to digest what we heard today. We can set this as an agenda item at the next work session. Start thinking about phasing and fundraising. That should be our goal for discussion at the next work session.

Ms. Gairaud: Can you remind me how long the period of fund raising was when the last branches were built and how much money we raised for the three new branches?

Mr. Walker: I think we raised about 1.2 million dollars in a couple of years.

Mr. Humphries: I just wanted to add one comment that you asked Mr. Welchert about the affluent communities supporting their libraries. We do libraries all over the country and to be honest with you our perception is those communities have stronger support for the library. Even though they carry in their pocket devices that are much superior to many of the things that you see in the library. Libraries are an important resource in the community and you have proven your value to the community. As long as you have programs that can be supported by spaces, like what we are trying to create here, you are going to get everybody to come here. Whether they have those devices in their pockets or at home, or don't have children. The support for the library is going to remain at a very high level. So don't underestimate that segment of the population. With that, thank you so much for this opportunity.

C. Financial Report (Sherri Baca, Chief Financial Officer)

Ms. Baca: (asked Sonya to get copies of referenced letter) I am going to start with the best news. This is one of the two items I wanted to talk to you about. I'd like to tell you that we applied for the government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for our 2017 CAFR which has our audit report, it has our financial statements for the year, it has our note disclosures and it has a supplemental section with a lot of statistics about the local economy and the Library District in particular. We received the award. We are about nine years strong winning this award, and one of my continuing goals is to continue that for the district. This is a letter to Mr. Walker stating that we did receive the certificate of achievement for Excellence in Financial Reporting for our 2017 CAFR. Our CAFR is very different from just an audit report. An audit report would have the auditors' letter and the financials. This CAFR is much more in-depth in terms of its reporting to the public and it has standards set by the GFOA and quite frankly quite a bit of time and effort goes into it to produce this document for US Trustees and then also for the public at large. It definitely is a good return on our investment. It lifts us to the level of other local governments, big and small, who produce CAFRS and it is pretty much that standard that we want to be operating. So I am really proud of that. I definitely want to say kudos to my team for doing this. It's definitely an achievement for all of us to celebrate. The CAFR is on our website. You go to the very bottom under reports and plans. You'll see our strategic plan, our CAFR, our annual plan and budget and you will see our tax return. So all of those are posted for information for the public. Really great news, I was super excited to get that. The next award that we're applying for is for our 2019 budget. We apply for both awards, one for the CAFR and one for the budget each year. Jeannette Cortez in our office is running point on that project on the budget. So hopefully come September I will be giving you good news about that budget award. The second line item that I would like to talk to you about is just really an informational item. This letter (passed out to each Board member) that I want to share with you dated February 1, 2019, it's addressed to the Board of Directors and it's from the office of the State Colorado Auditor. You'll see if you look down at the bottom it has been cc'd to Hinkle and Company which is our previous auditor. If you are not familiar with the Office of the State Auditor here is their

website. Interestingly they are tied through the Colorado General Assembly. They are one of the regulatory bodies that we are subject to as a local government. You'll see in the opening paragraph they talk about Colorado audit law. If we go to their website and look at the local government tab, you'll see that they are telling the public that they are OSA (Office of the State Auditor). Their local government audit division tracks about 4,000 Colorado local governments for compliance with local government audit law. Once we finish with our audited financial, our CAFR, we are required by law to send this to the state auditor's office. I have never seen one of these letters, but I know that they do go out. So here is our first opportunity to have some correspondence from the local government division of the auditor's office. They don't just take these in and file them away, they actually have an audit team and they look at this information. So back to our own letter, if you would take a look at it with me. The first paragraph just basically says that they look at all the audits of local governments in Colorado and they are specifically referencing our CAFR the one that we just talked about winning the award for. So here is some feedback that they are giving to us. They noted the following item in the 2017 report that they believe deserves your attention. So that second paragraph it gets into the weeds but I am going to try to get you through this without a whole lot of accounting jargon. Essentially what they are asking us to do is pay attention to the notes to the financial statement. When you look at an audited financial statement you go through the financial statements themselves which gives all the financial data, the balance sheet, the statement of revenue, and the expenditures. Following that section in every audit report is the notes to the financial statement. So those are the opportunity of the Library District to provide financial disclosures. Continuing information that would explain a particular number in the financial or give you background on a policy and what not. The particular section that they are referring to in this letter is in our CAFR on page 48. Note two you will see is talking about our investments. So this is the section of the note disclosures that deals with investments. You'll see that we are disclosing that we have various type of investment items. Where they are zeroing in on and giving us feedback is this section here where we tell the public and anyone who is reading our financial reports and notes that we have money in local government investment pools. So in the State of Colorado that is a specific investment option that allows governments to put their money in a relatively safe and stable liquid kind of mutual fund for lack of a better word. They are regulated by the State of Colorado. Local government investment pools have to have a Board of Directors, they have to have certain holdings within their investments. What this letter is telling us from the OSA that the district participates in a qualified external investment pool that elects to measure all of its investments at amortized costs. Now you'll see here that we are reporting just one line item number under local government investment pools for 3.5 million dollars. That is essentially our fund balance. So where the detail is the way that the OSA and the way that the government and accounting standards want us to disclose this kind of information. They want us to break out that 3.5 million into the different types of local government investments pools. And you will see here that they talk about the governmental accounting standards board and the Gasby statement number 79. Two accounting standards came out in 2015. The first one the statement number 72 dealt with the fair value measurements of investments and assets. The statement number 79 talked specifically about external investment pools. Under these two Gasby statements we should have been stating in our notes the financial statements which fall under which category. There are a couple of different ways to measure the market value of investments like a mutual fund. One is amortized cost and the other is net asset value. So those are two specific valuation procedures. Amortized costs basically means like if you were to buy a bond, what did you initially pay for that bond minus whatever you paid in principal on that bond payment or whatever has been paid off in premium by the bond issuer (because we'd be the bond holder). Then any amortized

premium or discount on that original bond. So it's like an accounting equation. In this case, CSAF which is one of our holdings, report amortized costs value. ColoTrust is another investment pool that we invest in and they report on net asset at value. That is another calculation that starts with mutual funds' assets minus their liabilities divided by the number of shares and it tells you how much per share do you have of value in that mutual fund. So really this is more about the OSA saying we should be breaking out this 3.5 million into what is at amortized costs which would be CSAF, and what is at net asset value which would be ColoTrust. So this is kind of a love letter from the OSA. I have heard that referred to a few times because I have been to a governmental conference from the State Society of CPA's and the OSA goes to that conference every year and the deputy auditor from that office says "We'll send you a love letter if we need to tell you something we want you to change how you are reporting". So at the end of the day, the fact that we got a letter, it's not what I want, but I do think its good feedback and it's a good way to help us be better at our reporting. As it is addressed to you (Board of Trustees) and is something of significance to our financial reporting, we definitely want to make sure as a group that we are on track and we are definitely reporting within the standards. I will keep you posted if anything else develops, but it is a relatively minor change. So two things, they want us to talk about the amortized costs of CSAF, and the second is in the last sentence of the second paragraph to disclose the presence of any limitations on withdrawals. So everything about government money means, can you get to it, it is liquid, and is it easily assessable? It is important to know that the OSA is doing what they are supposed to do, looking at our financials and giving feedback. I welcome any of your comments or questions.

D. Legal Counsel

Jon Walker: (Referenced item in packet – Action Discussion D) Copy of contract between library trustees, Library District and Nick Gradisar who provided legal counsel for the library. As you know, he stepped out of that role and Kate Shafer is filling in. The question to think about is how do you want to proceed? Normally from the libraries perspective we would recommend to follow our request for proposal process. Internally we would identify the basis for the scope of work and put it out for people to propose. The legal contract we have now with Mr. Gradisar could at least form some basis for the scope of work. We may have some things that we want to change, add or delete from the current scope of work. I would be happy to work with staff as we have a standard template for RFP processes. We would just plug in the scope of work and a timeline. That is what I would recommend. I could bring that back to the work session in March.

Ms. Bregar: Does it take Board action to authorize the RFP since they work for the Board?

Mr. Walker: No. If you look at the contract, this is a contract between the Library District and Mr. Gradisar. Mr. Gradisar serve as legal counsel for the District and also serves a role for the Board. You can see on this contract that the President of the Board of Trustees signed it. Note that at that time there was not an Executive Director. Most contracts are normally signed by the Executive Director.

Mr. Quintana: I think my question would be whether or not the attorney is the attorney for the Board or is the attorney in house counsel for the District, which I think could lead to two very different outcomes or requests. I don't know that there is an advantage one way or the other in the matter of approach. However, I think we want to decide if it is an in-house counsel for the Library District and that includes service to the Board, then it may make sense that it be a district contract. If it's not an in-house counsel and it's only an attorney for the Board, then it

may be a Board contract. I don't know how we differentiate or if there is a need to differentiate between the two when we send out that request.

Mr. Mancha: So Frederick what do you see as the difference besides formal reporting? Is there really that big of difference in terms of this contract?

Mr. Quintana: It comes to the difference of, if I were in-house counsel I would probably be charging you differently than I would be if I were just solely representing the Board. It's also a management issue. In this contract, they serve the Library District, but we could or had some ability to request of him to do work for us as well. I think that is important, we probably want to maintain some aspect of that.

Mr. Mancha: One of the things that I would want in looking at this document, is that there is no end date. I don't know what a fair end date is, but there should be an end date to this.

Mr. Quintana: We should consider at least some sort of review date. This was an at-will contract.

Mr. Mancha: I don't think we have had a problem on the way it has been. I am predisposed to using the same basic concept for the next attorney, but I think I would associate that with an end date.

Ms. Martinez: By continuing to maintain an agreement between the legal counsel with the District and the Board is a good discussion amongst Board Members. Important to keep Board in the loop of choosing the next attorney.

Ms. Bregar: I am wondering if it would be similar to the contract that District 70 uses with their attorney and the School Board. A School Board contract might be a resource, not the same, but similar. Kate stated she could check on that.

Mr. Walker: We also can do letters of engagement. We will look at contracts and bring back this discussion to the March work session.

E. Trustee Vacancy

Mr. Walker: The deadline for accepting applications is February 22nd, which is this Friday. As of right now, there is one applicant. If there are no other applicants, then the one who applied will be automatically appointed.

Ms. Gairaud: Has the announcement been posted in paper yet?

Mr. Walker: I believe it has been posted, and I will check to make sure. That is there common practice to post it.

Mr. Mancha: I think that we need to have more than one person, at least two. There is no benefit to have just one person to pick from for this job.

Ms. Martinez: I don't disagree with you at all, but I think in this situation we have a really good applicant.

Mr. Mancha: It is our responsibility for this to be an effective choice, it needs to be a choice. There is no choice when there is only one person. They can re-advertise. I just think it is a

mistake to just have one person. I think we can take the time and get it re-advertised and hopefully get more applicants.

Mr. Walker: I want to let the Board of Trustees know that this is not your process. You don't control the process. You can have a say. You can call the County Commissioners, you can ask me to call the County Commissioners, and you can call the City Council or ask me to call the City Council. It is the City Council and County Commissioners who make this appointment, they are the ones who recruit the applicants, so keep that in mind.

Mr. Mancha: I don't think only having one applicant is in the best interest of this library or the County Commissioners even though the applicant is a very good person.

Mr. Walker: That is something that you might want to share with the County Commissioners. The Board of Trustees could write a letter, you could instruct me to write a letter, you can call the County Commissioners, or you can go to the County Commissioners public meeting.

Discussion continued amongst Board and due to timeline it was decided to wait and let the one applicant go forward. Suggested that a letter be written afterward asking that in future if only one applicant applies that the deadline be extended for more applicants to possibly apply.

F. Board of Trustee Secretary

Mr. Walker: This would be an action of the Board.

Ms. Martinez: This will be moved as an action item on the agenda for the next Board Meeting on February 28, 2019.

G. Outstanding Women Awards

Mr. Walker: The process has moved forward and the event is scheduled for March 8th.

Ms. Martinez: It is a lunch time event so please plan to attend and support. Please let Sonya Wet know if you plan to attend the event and she can give the RSVP's on behalf of the Board.

V. ADJOURNMENT

Ms. Martinez reminded Trustees that the Regular Board meeting will be held on Thursday, February 28th at 5:30 p.m. at the Library at the Y. She adjourned the meeting at 5:26 p.m.

Respectfully submitted,
Sonya West
Executive Assistant