

PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
WORK SESSION MEETING MINUTES
2:00 p.m., June 16, 2020

I. CALL TO ORDER AND ROLL CALL

PCCLD facility closures, due to COVID-19, caused the Pueblo City-County Library District Board of Trustees work session meeting to be held via teleconference. Sean Miller, I.T. hosted a public session on-site in the Ryals Room at the Rawlings Library. Jon Walker, Executive Director; Sherri Baca, Associate Executive Director and Gloria Madrill, Board Secretary, attended via teleconference. Other directors and staff attended via teleconference. Fredrick Quintana called the meeting to order at 2:00 p.m. Trustees in attendance via teleconference include Marlene Bregar, Lyndell Gairaud, Stephanie Garcia, Dustin Hodge, Phil Mancha and Fredrick Quintana. Doreen Martinez was not able to attend.

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA

No corrections or modifications were made to the agenda.

III. WORK SESSION DISCUSSION ITEMS

A. Audit

The auditing firm CLA will provide the audit report regarding PCCLD 2019 financial statements.

Ms. Baca introduced Ms. Allison Slife and Mr. John-Paul LeChevallier from CliftonLarsonAllen (CLA) to report on the audit and review sections of the Comprehensive Annual Financial Report (CAFR). Mr. LeChevallier began with page nine of the introductory section which lists accomplishments, achievements and key initiatives of the district. This section also includes items worked on in 2019 and services provided to patrons. The next section (starting on page 21) is the Independent Auditor Report listing responsibilities of the district and CLA. CLA reviewed internal controls and did some sampling. The documents are materially correct with a reasonable assurance. One item, implemented was a new accounting standard. Two funds previously presented separately are now part of the General Fund. Page 25 of the CAFR is the Management Discussion and Analysis Section. The section allows management to provide an explanation of why numbers are presented the way they are and changes between the two years.

The pages from 33 through 37 are the financial statements. Government accounting standards require two sets of statements. The first is a bigger view including capital asset, long term debt and pension items. The second set of financial statements (starting on page 35) is the fund financial statements which are closer to the budget. It focuses on more of a one-year period and shows what resources are being spent on. The next section, footnotes to the financial statements, provides additional information on how account balances were determined and other key information. There are also 15 pages included with information regarding pensions. Pages 70 through 73 have information on the net pension liability and the required contributions to PERA. Page 74 is the Budgetary Comparison schedule (for the General Fund and Capital Projects Fund) showing revenues and expenditures occurring in 2019 compared to the 2019 budget. The district received more revenue than budgeted and had less expenditure than

budgeted. The district is required by the state statute to have expenditures less than the budget and they did. The board approves expenditures through approval of the budget. The Statistical Section has 10 years of financial information. It is a good resource when looking at the trend analysis and district's financial position over time.

Ms. Slife reviewed the communications letter. The letter is the end result of the audit CLA was engaged to perform. The independent audit report was a clean opinion and there were no items to report. The letter does talk about a change that occurred to be in compliance with the new accounting standard. There are assumptions and items were reviewed for reasonableness. Capital Assets are an estimate and every year are evaluated and depreciated over their useful life. There were no difficulties. This year, due to Covid-19, the audit was performed remotely. There were no misstatements that they need to call to the board's attention and no material issues that need correcting. There were also no disagreements with staff regarding how to treat something or in how it is presented in the financials. She mentioned page three talks about reporting requirements and page five is the signed management representation letter.

Mr. Quintana thanked them for their work and the finance team's work on the audit. He also said he was glad we made the accounting change. Mr. Quintana asked for some clarification if the accounting change made was in regards to marking the funds from unrestricted to restricted. Ms. Baca said we would talk more about it further in the meeting, but the change they are referring to is moving the Chamberlain Fund and Nesbitt Funds into the General Fund. Mr. Quintana set an action item for the next meeting for the board to accept the report for filing.

B. PCCLD Status

A report on the status of PCCLD operations during the COVID-19 public health emergency will be provided.

Mr. Walker reported the Governor's office and Colorado Department of Health and Environment gave the green light for additional activities to commence in Pueblo County. The local health department office has also helped give us additional guidelines to prepare for opening. Starting Friday, June 19 we will reopen doors for limited computer sessions made by appointment. The sessions will be 45-minute sessions. If there is an opening we may also be able to accommodate walk up guests. Security guards will do a health screening as individuals check in and face coverings will be required. There will be fifteen minute intervals after sessions so staff can clean the computers between sessions. Staff training will be done on the process in the form of a webinar. We expect a week later we can offer an additional service of collection browsing by reservation. A limited number of people will be allowed to browse collection for 30 minute sessions until then curbside and mail services are still available. Guards will screen those individuals as well. Other services may be offered down the road but we will closely adhere to state and local health department guidelines. A press release went out today talking about the appointment services.

C. Library on Demand

Nick Potter (Director of Community Relations and Development) will provide an overview of PCCLD Library on Demand technologies and activities.

Mr. Potter spoke about the need for Library on Demand. Due to the closure and halt in programming Library on Demand was created. A page was created where virtual programs can live (both live and recorded). It includes a calendar showing all live programming available. A number of different programs have been hosted virtually including storytimes, concerts, events)

and painting classes. The platform also gives viewers the opportunity to interact with program hosts. There were 4,200 views of the Summer Reading kick off concert. Hosting programs virtually have allowed us to get back to normal with programming.

Mr. Potter spoke about how the infrastructure was created for virtual programming. Padcaster is the hardware being used and StreamYard is the software. StreamYard allows us to broadcast on up to five separate channels at one time. There are various backgrounds, overlays and templates available for the broadcast and we have the ability to invite up to six different presenters to share a screen during the broadcast. Building this infrastructure and creating virtual programming has allowed a lot of innovation and the ability gain control on the programs offered. It has also allowed us to apply and several receive grants. A grant was awarded from the Packard Foundation for the purchase Chromebooks and internet devices for students in need in our community. We are paring Library on Demand services with this virtual offering and partnering with other organizations to determine children in need of these resources. This program also gives us to partner with other community organizations to help bring virtual offerings to our community. We have applied for a number of grants totaling \$397,000. In May, the reach is almost 332,000 for those who have seen our messages and 30,382 have viewed our programs. In May of 2019 our in-person program attendance was 32,907. In May of this year we only had full two weeks of branches operating at full capacity for programs so the number is impressive and something we will grow on.

Ms. Gairaud asked how we will choose who will be able to get a Chromebook. Mr. Potter answered we are partnering with four organizations (Posada, CASA of Pueblo, Social Services, Boys and Girls Club of Pueblo) and those organizations will help identify students that are in need. Ms. Gairaud followed up saying she is supportive of the idea but asking if there is going to be a way to know if the laptop is being used the way it is intended. Mr. Potter answered there will be bimonthly check-ins including a tune-ups to make sure the laptops are not damaged. The library will also be working with their case managers. The case managers will be checking in with the students and monitoring their success in the classroom. Mr. Quintana commented it was great to see all the online interaction and it is a way to keep people engaged. Mr. Walker commented that Mr. Potter took on this issue in a wonderful way creating a cadre of multimedia users among librarians.

D. Master Facilities Plan

- 1. Funding Review**
- 2. Fund Commitment**
- 3. Debt Policy**

Ms. Baca shared an updated version of the Master Facilities Plan and reviewed cash flows from 2020 to 2035. The plan looks at \$7.5 million in COP (instead of \$8 million) with a shorter pay schedule of 15 years (instead of 20 years) than her original projection. She also reduced the Rawlings additional money spending from \$2 million to \$1.75 million. The projection still includes the assumptions of a reduction in the collections of specific ownership tax and pairing back property tax revenue collections in 2023 and 2024. The 2020 budget also still includes the remainder of the market wage adjustment. A lot of the same data points are there that were in the first estimate. Transfers from the General Fund will cover Capital Projects and the Library Replacement Plan and both funds will remain stable but grow slightly. The Capital Projects Fund will increase in 2021 with new COP dollars. After we complete the renovations, the General Fund will spike in about 15 years. The combined funds between General Fund and Capital Fund in 2034 and 2035 will increase as extra 6B money will start to accumulate. Our

current fund balance policy states we need to stay above a 20% unrestricted fund balance as a percentage of operating expense. We remain above the 20%. Ms. Baca proposes, instead of tracking the unrestricted fund balance she is recommending altering the policy to track unassigned fund balance. The unassigned fund takes out money committed for the library replacement plan and other funds committed by the board. GFOA suggests focusing on unassigned versus unrestricted and we would like to follow that recommendation. Mr. Quintana thinks it's a good idea and gives a clearer statement of our revenues and expenditures. Ms. Baca said the policy change goes hand in hand with the resolution discussed at the last meeting. Ms. Bregar commented that she is also in favor of monitoring the unassigned amount. Ms. Baca said the auditors would be looking at this policy and the resolution. Ms. Garcia is also supportive of the change and it being added to the agenda.

Ms. Baca then spoke about the Debt Management Policy and debt service as a percentage of revenue. The policy states total of all debt service carried by the district is not to exceed 10% based on the most current ratio available of debt service over annual revenue at issue date of debt. When we look at debt service as percentage of revenue for 2021 through 2025 our debt service percentage exceeds our policy by 1% for each of the years. Ms. Baca and Ms. Romero did some research about what others are doing for their debt policy. Standard and Poor's says moderate debt percentage is between 8% and 15%. She is forecasting 11% for those years. Mr. Walker said we can change the policy or make an exception.

Mr. Quintana said he is more inclined for an exception rather than adjust the policy since we are in a good range. Mr. Walker added the projections are conservative and we may not be up against that wall so an exception would make sense. Ms. Garcia commented looking long term she doesn't have a problem going to a moderate level. Mr. Quintana asked if would make sense to put in a range (like 8-15%). Ms. Baca said flexibility is not a bad thing, but it is more of a judgment call. Ms. Bregar added she would like to consider it more but would be more inclined for it to be an exception or if we do it to raise it not to exceed something moderate (like 12%). Ms. Bregar asked when we may know if we are going to go over 10%. Ms. Baca answered probably around budgeting time as early as September. Mr. Quintana also inquired what would be the deadline. Mr. Walker said they are looking at the debt issuance for August or September. Mr. Quintana asked if Ms. Baca could send more information out to help benchmark and how government issues debt. Ms. Baca said they can. The Fund Commitment Policy change will be on agenda but the board will hold off on the Debt Policy change until further discussions occur in July.

E. Colorado Special District Property and Liability Pool Board of Directors

A PCCLD nomination to the Board of Directors of the Colorado Special District Property and Liability Pool will be presented for discussion.

Mr. Walker shared that Ms. Baca has been nominated by those in the Colorado Special District Property and Liability Pool to be a director. In order for the nomination to go forward it would need to be approved by the board of trustees. Mr. Walker added it is an honor to be recommended and could benefit the library as well. The board congratulated Ms. Baca and agreed with the recommendation. Mr. Quintana added it to the agenda for the next meeting. Ms. Bregar added SDA is sponsoring a legislation wrap up webinar on June 30 and she can share that information if anyone is interested.

F. Temporary Telework Policy

The 60-day review of the PCCLD Temporary Telework Policy will occur.

Mr. Walker reviewed the Temporary Telework Policy adopted 60 days ago and recommended we continue the temporary policy for another 60-day period as it is serving us well. Mr. Quintana set it as an action item for the next meeting.

G. Emergency Closings Temporary Policy Addendum

The 30-day review of the PCCLD Temporary Addendum to Emergency Closings will take place.

Mr. Walker reviewed the Emergency Closing Temporary Policy Addendum and recommended we continue the policy for another 30 days. It allows the library to pay employees if there is a closure longer than the base policy allows. We are in the reopening phase but in the event that we are subjected to some sort of closure due to an outbreak the policy may be needed. Mr. Quintana recommended extending the policy through the end of the year as Covid-19 will still be an issue and there was support for extending the policy through December 31, 2020. Mr. Quintana set it as an action item for the next meeting.

H. Contract Review

The Trustees will review PCCLD legal counsel representation at the approach of the one year anniversary of the contract.

Mr. Walker reminded the board a contract was signed about one year ago with the firm of Gradisar, Trechter, Ripperger and Roth after their RFP was selected. The board had indicated that after a year they would like to review the contract. Mr. Walker shared the entity we entered the contract with no longer exists. Mr. Doug Gradisar currently still represents the district as legal counsel. If trustees are interested in staying with current representation (the current agreement is with Doug Gradisar and Anthony Perko) we would need to serve up a separate agreement. Mr. Gradisar added due to the retirement of some senior partners and other reasons the firm decided to dissolve. If the board would like to continue with his services he doesn't anticipate any changes other than the name change to Gradisar Law. He also can get the services of Antony Perko if there is a scheduling conflict. Ms. Garcia commented the billing had notified us the firm was no longer in existence. She asked why there was a delay in communication. Mr. Gradisar said in retrospect he should have reached out after the change but since there was not a change in the scope of services and it was transitioning to him, it was going to be a seamless transition. Mr. Quintana said he appreciated Mr. Gradisar working with us during this transition. Because the signed parties are still involved but company is not we are not sure of next steps in the process. Ms. Garcia recommended we add it to the agenda next week as an Executive Session. Mr. Quintana agreed that it would be good to have a further discussion. Mr. Walker agreed and we will set it in that manner for the next meeting.

I. Secretary to the Board of Trustees

There will be discussion of the Trustee role in hiring the Executive Assistant.

Mr. Quintana said the last time the position was vacant Mr. Walker allowed the board to sit in on the interviews as the person in that position serves as Secretary to the board. Walker extended an invitation to the board again if they would like to be involved the final round interviews. Mr. Walker added after the position was posted the district received 50 applications. Screening has been done for a number of the applicants and preliminary interviews have begun. Final rounds

of interviews will occur in the next few weeks. The last time the position was open the President and Vice President were part of those interviews. Ms. Garcia said regretfully she would not be able to participate. Mr. Quintana and Ms. Martinez may be able to assist as they did before but will coordinate with Mr. Walker.

IV. ADJOURNMENT

Reminder: The Regular Board Meeting will be held on Thursday, June 25, 2020 at 5:30 p.m. via teleconference with an interactive public session abiding by social distancing guidelines hosted in the Ryals Room at the Rawlings Library.

Mr. Quintana adjourned the meeting.

Total meeting time: 2 hour, 3 minutes