

PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
WORK SESSION MINUTES
December 10, 2019

I. CALL TO ORDER AND ROLL CALL

Doreen Martinez, President, called the meeting to order at 2:05 p.m. in the Ryals room at Rawlings Library.

Board Members Present: Doreen Martinez
Marlene Bregar
Fredrick Quintana
Lyndell Gairaud
Phil Mancha

Board Members Absent: Stephanie Garcia
Dustin Hodge

Attorney Present: Doug Gradisar – Gradisar Trechter Ripperger & Roth

Staff & Guest Present: Sherri Baca – Chief Financial Officer
Terri Daly – Human Resources Manager
Sean Miller – I.T. Department
Sara Rose – Chief Operating Officer
Nick Potter – Director of Community Relations
Jon Walker – Executive Director
Sonya Fetty – Executive Assistant/Board Secretary

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA

None

III. WORK SESSION DISCUSSION ITEMS

A. New Manager Introductions

Overview: The following individuals will be introduced pertaining to their recent job changes: Nichole Lawless (Circulation Services Supervisor), Amy Nelson (Manager, Special Collections & Museum Services), and Regina Renee Ward (Manager, Reference & Readers Advisory).

Jon Walker

All three individuals are here and I would ask that they stand for a moment. *(Jon Walker introduced each new employee and give a brief bio of their time with the library and experience.)*

Fredrick Quintana

Thank you each for being here. I had requested on behalf of the Board that we meet new managers as they come on board or move into new positions. Thank you for coming and congratulations on your new positions.

B. Replacement Property Tax Increment Agreement

Overview: Jeff Shaw, President/CEO of the Pueblo Economic Development Corporation, will provide a report and recommendations regarding a proposed replacement property tax increment revenue agreement.

Jeff Shaw

Ralph Williams from Urban Renewal is here as well to answer questions. PEDCO and all the partners appreciate the Library District's support. What happened was we had the annexation of the property that EVRAZ is looking at to do the long rail mill. EVRAZ then looked at the blue print and foot print of what they wanted to do and realized it was expanding. So there was a question about how big it was going to expand. Was it going to expand by less than 10% or more than 10% and we went back and forth. At the end of the day, it was going to be more than 10% and that caused a substantial change to the plans. Keep in mind that property on the east side of I25 is in the County, so the only way that we were able to move forward on an incentive package with EVRAZ was to annex portions of the property that they would be using. When they came back to us and said they actually need a little more room for the plant itself, the steps where that we had to put a repeal in place and for the most part start again. What happened on the original TIF agreement is that the County wanted a few modifications to it. Rather than getting everybody to sign off on the modifications, we decided to just incorporate those changes from the County into this new agreement. In the meantime, the additional

property with the City that had to be annexed, which was about 14%, was not occupying anything on EVRAZ's property that was generating any significant tax revenues. So nothing that a taxing partner would be losing by doing this. The question then came up of "What would happen with the new agreement if there was a substantial change in the future? Would the new agreement take out any notice provisions?" We did go back to Urban Renewal's attorney who drafted the agreement, and asked them if there is still a statutory right to receive notice in the event of a substantial change. The answer back from the Urban Renewal's attorney is yes. I can certainly forward you that email from Urban Renewal's attorney. You are not waiving a statutory right for any substantial change. Really the practical side of it is, if there is any substantial change, it would have to grow. At that point we would have to go back to the City and do another annexation and a notice would be provided on that. We are confident that you are not waiving any notice provisions in the event of substantial changes to the agreement or project.

Fredrick Quintana

I would like to ask Doug (PCCLD attorney) if he holds that same understanding.

Doug Gradisar

I do. When you look at the agreement, the agreement doesn't require notice. However, in terms of statutory notice, the Library District and any other entity is not foregoing their right to be notified. I think it is just one of cooperation and one of communication with PEDCO and Urban Renewal.

Fredrick Quintana

Ultimately, I think that this is a good project. I am reserved because I don't like the fact that those changes were not noted when that was sent out. I feel like it was sneaky. My concern is that I feel it would have been more beneficial to say that these changes were made in the new agreement. I understand that Urban Renewal and PEDCO have somethings to gain from making those changes. I am not saying that the project is bad or that I don't support it, because I do. I think the benefit that Pueblo can gain from the project, outweighs some of the incidentals. The whole agreement was modified, I went through and red-lined it myself. I am still concerned that we haven't, in going forward and signing this, waived any remedies in that statute. It is still questionable to me, and leaves me a little apprehensive. I do recognize that other safe guards were put in by the County, and I acknowledge that fully. I also think that those were good things. I just wish there would have been a little more transparency in that happening, rather than it just being framed as only a change in area or change in size. In my opinion, the agreement was significantly modified. Now, those feelings aside, I cannot reiterate enough that I want to work with PEDCO and Urban Renewal to make this project happen. It just didn't feel honest to me. I don't know if that is what you meant, but that is how it came across.

Jeff Shaw

If it came off that way, I certainly apologize. That was not PEDCO's intention I can assure you that. We have gone into this with the mindset that we are trying to make sure everyone had to be comfortable with it being open and transparent. There are a lot of moving pieces to this project without a doubt. If it was a purposeful intention to remove any kind of notice, we would have pointed that out. The additional safe guards were put in the new agreement which came from the County. It wasn't a purposeful elimination of any language, we used the language from the County's attorney. If there was any ambiguity left out in the drafting, it was an innocent mistake. It certainly wasn't intentional. I can tell you from PEDCO's perspective that there is never an intention to do that. You are not waiving your statutory notice rights. There would be no benefit to us. *(Ralph Williams gave explanation to support Jeff Shaw as well. Audio was not able to be transcribed as Mr. Williams did not use microphone.)*

Fredrick Quintana

I am going to push back on the statement that there is no benefit to you. Us waiving that, if there is a waiver, is a benefit to Urban Renewal and PEDCO. That fact that if anything further changes, and we don't have statutory notice, then you don't have to come back to us. That is a benefit to PEDCO and Urban Renewal and a detriment to Special Districts. We can debate how big that detriment is back and forth, but ultimately I want to work with this project. I want this to succeed and I want it to happen because it is better for our community as a whole. I do see benefit for the Library District. In the future, I would hope that you consider those things. It just doesn't feel honest or forthright to me. I understand that it might have been an overlook or oversight,

and that happens to the best of us. Those are the things that make the other entities or parties feel included and kept in the loop. We are all working together. You are the lead, but we do have a stake in this.

Jeff Shaw

Without a doubt. Again, if it came off that way I certainly apologize. I am not going to question if that is how it felt coming from us, and I apologize and we should have structured it in a different way. I can assure you that was not our intention, and I respect your position and appreciate the support.

Ralph Williams

Will we have time to do a MOU (*memorandum of understanding*) prior to their meeting on Thursday? If it would make you all feel comfortable, we would be happy to provide that.

Jeff Shaw

We can.

Fredrick Quintana

I don't want to create anymore work, but I would like that assurance with the wording that we are not losing our statutory rights. I do really appreciate both of you coming and talking about this issue and answering our questions. (*Discussion amongst Board regarding the MOU.*) If we can get an MOU (*memorandum of understanding*) drawn up, we would prefer it.

Jeff Shaw

We will get it ready and sent to your attorney (Doug Gradisar) before Thursday. This project has to be done the right way. It is the biggest economic development project since PEDCO has been in business (1981). The opportunities for the community are vast and the opportunities for the taxing partners are big. PEDCO went into this with proposing the TIF, wanting to make sure our partners felt good coming out of it as well.

C. **Resolutions to Adopt the 2020 PCCLD Annual Plan, the 2020 PCCLD Budget, Set the Mill Levy, and Appropriate Sums of Money for the 2020 PCCLD Budget**

Overview: Draft resolutions will be presented for discussion. The Preliminary 2020 Budget was initially presented on October 15, 2019, and a public hearing of the Proposed 2020 Annual Plan and Budget was held on November 21, 2019. The PCCLD Board of Trustees will be asked to take the following actions at the December 12, 2019, meeting:

1. Adopt the 2020 PCCLD Annual Plan
2. Adopt the 2020 PCCLD Annual Budget
3. Set the Annual Mill Levy
4. Appropriate funds for the 2020 PCCLD Annual Budget

Sherri Baca

There are a few handouts at your spot. These resolutions are typical to this time of the year. The adopting of the Annual Plan is required by statute and is one of the resolutions. The adoption of the Annual Budget is a culmination of all the budget work we have been doing. It references the statutory requirements of having a first draft to the Board on October 15th, having a budget hearing on November 21st, and then on December 12th you are scheduled to approve the budget. You will also have a resolution to set the Mill Levy. There is a mill calculation in the budget document itself. All of this is standard, nothing is new this year. You are seeing that the amount of property tax that is coming into the District as a result of the mill is \$10,848,066. There is a net assessed valuation in Pueblo County of \$1.9 billion. The last resolution is Appropriating Sums of Money for the 2020 PCCLD Annual Budget. As you all know, as a Board governing a local government in the state of Colorado, in order for the District to expend funds they have to be appropriated. The resolutions are all standard and the numbers come from the budget. You will see at your places a final version of the budget document. I don't anticipate any changes happening in the next 48 hours, but they can happen. Come Thursday, if there are any changes, I will be sure to point those out and you will have a new version of the document. You also have a copy of the new ten year projection. (*Sherri went line by line through the document with the Trustees.*) Again, I will give you a budget update if for some reason it changes between now and Thursday.

D. **Special Revenue Fund**

Overview: The PCCLD Board of Trustees will discuss action to authorize the transfer of \$5,000 in 2019 from the Special Revenue Fund to the Pueblo Library Foundation.

Jon Walker

I will remind the Trustees that there is an agreement in place between the Library District and the Foundation for the past few years. On an annual basis funds have been moved from the Library District to the Foundation. It comes from the Special Revenue Fund which comes from the Chamberlain Foundation under that agreement. That agreement requires and holds that we expedite those funds for books and equipment. We would ask that the Trustees take an action on Thursday to authorize the transfer of \$5,000 from the Special Revenue Fund to the Pueblo Library Foundation in 2019.

E. **PCCLD Workers' Compensation, Property/Casualty, Liability, and Cyber Insurance**

Overview: PCCLD workers' compensation, property/casualty and liability insurance coverage will expire at the end of 2019. PCCLD insurance consultants have solicited information for coverage renewal. The quoted rate for renewal of \$114,024 will be presented for discussion. By policy, this requires PCCLD Board of Trustees' approval since it exceeds \$25,000.

Sherri Baca

You are seeing on the handout at your places the first set of numbers. This current 2019 total costs of \$104,523.89. I was place-holding an 8% increase on the renewal in the budget previously. This is a 12% increase. *(Sherri Baca went over the handout with the Trustees.)* You are seeing an increase of \$9,533, which is a 22% increase on Property Coverage. The reason for that is, the Library District currently has a 93% loss ratio over the last eight years due to the claims on property. The last few years we have been battling the weather. One huge wind storm rolled the roof off of Pueblo West Library and also damaged the Rawlings Library. That was a six figure claim. Carriers try to target a loss ratio for their insured of under 60%. We are at 93%, so we are definitely above where their target it. We are finding that the Colorado Special Districts pool is still the most competitive for us in the market. Insurance is a tough place right now for all of these reasons. We will probably need to go back to market fully next year and ask for hard bids. This year, it just makes sense for us to stay in the Special Districts pool. Although the increase is not great news for us, it isn't surprising given our loss history over the past few years.

F. **Koha ILS**

Overview: PCCLD is entering into its second year with ByWater Solutions Koha ILS. Jill Kleven (Director of User Services) will describe the recommendation to pay ByWater Solutions \$43,060.00. This amount is included in the budget and requires Trustee approval as it exceeds \$25,000.

Jill Kleven

This is to pay for the continued hosting, support and maintenance of our contract for the ILS for next year. This is the second year of our five year contract. I would ask that you approve this renewal so that we can continue to have an ILS.

Jon Walker

We were with SIRSI up to last year and our contract with SIRSI was more in the neighborhood of \$60,000 plus a year. Jill has really worked to reduce that cost. Our request would be to add this to the agenda as an Action Item on Thursday.

G. **Bibliotheca**

Overview: PCCLD utilizes Bibliotheca equipment and support services for assistance in maintaining self-check, checkout, and material sorting equipment. Jill Kleven (Director of User Services) will describe the recommendation to pay Bibliotheca \$55,454.00. This amount is included in the budget and requires Trustee approval as it exceeds \$25,000.

Jill Kleven

Our contract with Bibliotheca covers all 23 self-checks in the District, the three sorters at the new libraries and our RFID readers at our desks. We are on a year to year contract right now with Bibliotheca. I want to

mention that they did try to increase our costs quite a bit, but luckily we got those down. *(Discussion among Trustees on price increase.)* I feel like their level of support has decreased a little bit. We will continue to hold them accountable and wait for next year's invoice to see what kind of increase they try.

Fredrick Quintana

If that seems to be the trend, raising the price each year, are there other options?

Jon Walker

We have had much of this equipment since about 2012 or 2013, so support and maintenance on Bibliotheca equipment is likely going to be best with that company. We checked with other vendors to see if they would be willing to maintain this equipment. Two out of the three vendors said no. Tech Logic, Inc. said they would look at it, but they are slow to get back to us. I think we are best suited to maintain this contract at this time. However, longer term, the District will look at replacement of equipment. At that point, we will go back to the market for the whole thing with a multi-year maintenance agreement. *(Discussion among Trustees regarding the contract presented.)* At this point, I would recommend that this contract be renewed for 2020.

H. **RFID Library Solutions**

Overview: PCCLD utilizes RFID Library Solutions material sorting equipment and support services. Jill Kleven *(Director of User Services)* will describe the recommendation to pay RFID Library Solutions \$63,800. This amount is included in the budget and requires Trustee approval as it exceeds \$25,000.

Jill Kleven

This one is a three year contract. This covers the AMH machines *(Automated Materials Handling)* at Rawlings, Pueblo West, Lamb and Barkman. They are bigger systems and more expensive, especially the one here at Rawlings which is a pretty complex system. This contract covers annual maintenance, any parts that need to be repaired, and any updates. I would like to mention that this company is very responsive.

I. **2020 PCCLD Holiday Dates**

Overview: The Board has reviewed the 2020 PCCLD calendar. It is recommended for the Trustees to take action to approve the 2020 PCCLD calendar of closings and pay periods.

Doreen Martinez

We have looked at this document last month. Is there anything anyone would like to add or changes to suggest? *(No suggestions.)* We will set this as an action item on Thursday's agenda.

J. **Pueblo Library Foundation Board of Directors Appointments**

Overview: The Trustees will discuss upcoming appointments for Pueblo Library Foundation Board of Directors. All appointments to the Pueblo Library Foundation Board of Directors require approval by the PCCLD Board of Trustees.

Jon Walker

You should have at your places two applications. One from Gala White and one from Elizabeth Gallegos. Gala has been a member of the Foundation and her term is expiring at the end of this year. The Foundation Board met recently in November and it is their recommendation to you that she be reappointed to a second term.

Lyndell Gairaud

We would love to see Gala stay on the Foundation Board. She is very enthusiastic and very supportive of the Library District.

Jon Walker

The other application that is at your place is from Elizabeth Gallegos. The Foundation Board has recommended that Elizabeth be appointed as an at-large member. She will be a really positive addition to the Foundation Board. We do have a third individual that we will hopefully bring to you to appoint in January. *(Discussion among Board of Trustees.)*

K. **PCCLD Board of Trustees Assessment**

Overview: The PCCLD Board of Trustees are asked to complete the online self-assessment by the end of December. The assessment tool will be discussed.

Jon Walker

The assessment tool is on-line. The website is pueblolibrary.org/boardassessment. This is the same assessment tool you used over the last few years. There are 33 questions you can respond too as well as a section for comments.

Marlene Bregar

I would like to request that Sonya send us that link.

Jon Walker

This assessment comes back anonymously to us. So it is difficult to determine who has submitted or who hasn't. I would like to ask you to please let Sonya know when you submit your assessment. That will help her determine when all the Trustees have completed the assessment.

L. **Executive Session**

Overview: The PCCLD Board of Trustees will enter into Executive Session pursuant to C.R.S. 24-6-402(4)(f)(I) for the purpose of discussing a personnel matters related to the Executive Director. The involved employee has been notified of this Executive Session and given the opportunity to have the matter discussed in open session. The Board may return to open session for any action the Board desires to take as a result of the Executive Session discussion.

M. **Executive Session**

Overview: The Trustees will 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).

Motion made by Phil Mancha to enter into Executive Session at 3:38 p.m. Motion seconded by Marlene Bregar. Trustees came out of Executive Session at 4:08 p.m.

Motion made by Fredrick Quintana to enter into second Executive Session at 4:08 p.m. Motion seconded by Lyndell Gairaud.

Motion made at 4:25 p.m. by Fredrick Quintana to come out of second Executive Session at 4:25 p.m. Motion seconded by Phil Mancha.

IV. ADJOURNMENT

Reminder: The Regular Board Meeting will be held on Thursday, December 12, 2019 at 5:30 p.m. in the InfoZone Theater at the Rawlings Library.

Meeting adjourned at 4:25 p.m.

Respectfully Submitted by:

Sonya Fetty

Board Secretary