

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
MAY 28, 2020 REGULAR MEETING MINUTES**

I. CALL TO ORDER AND ROLL CALL

Due to PCCLD facility closures due to COVID-19, the Pueblo City-County Library District Board of Trustees regular meeting was held via teleconference. Chris Currey, 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.

Doreen Martinez, President, called the meeting to order at 5:30 p.m. Trustees in attendance via teleconference include Doreen Martinez, Stephanie Garcia, Marlene Bregar, Lyndell Gairaud, Dustin Hodge, Phil Mancha and Fredrick Quintana.

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA

Mr. Walker requested the addition of an Action/Discussion Item under VIII B regarding the reopening plan.

III. APPROVAL OF MINUTES

OVERVIEW: Minutes of the Library Board regular meeting held on April 23, 2020, and the Library Board Work Session held on April 14, 2020, were provided to Board members prior to the meeting.

RECOMMENDED ACTION: That the Library Board approve the meeting minutes held on April 23, 2020, and April 14, 2020.

Mr. Quintana made a motion to approve the minutes of the Library Board regular meeting held on April 23, 2020, and the Library Board Work Session held on April 14, 2020. Mr. Hodge seconded the motion. All in favor 7-0.

IV. REPORTS

A. Executive Director Report

Jon Walker, Executive Director, will provide a current overview report on PCCLD.

Mr. Walker turned it over to Ms. Baca to speak about the financial planning coming up for the library. Mr. Jim Manire will be speaking as well. Ms. Baca is doing some forecasting for the Rawlings project originally on a five year schedule but now it is over two calendar years. The summary analysis is a ten year projection contemplating a new 8 million COP issued in 2020 to be paid back over a 20-year time frame. She is also forecasting fundraising may be more challenging in current environment and less money may be coming through the door. The general fund capital transfers represent money coming through general fund representing the master facilities plan. From 2020 to 2040 there is 14.5 million dollars. The money is mostly made up of 6B funding and money that can go towards the plan. We want to look at how much we can raise, what our debt schedule looks like, and if we can borrow to have the Rawlings project be a shorter time frame.

The 10-year projection has seven assumptions:

1. Specific ownership tax declines by 10% (\$100,000) in 2020
2. Final installment of market wage increases are added in 2021 (\$71,000)
3. Property tax growth is projected (projecting it to be flat in 2024)
4. Annual library replacement plan contributions are reduced to \$350,000 from \$489,000
5. Modified master facility plan with refresh of library locations being moved out two additional years
6. Fundraising at Rawlings project at 50%
7. 20-year new COP repayment schedule

Ms. Baca reviewed how it would impact the fund balance. Board policy says it needs to be 20% or above. The current percentages are 39% and it would go to 26% without the library replacement plan. We are doing ok with the percentages. Capital project and general funds stay stable. We can afford this plan which would include renovating Rawlings in two years, taking out debt of 8 million to pay back over 20 years, and raising half of original number. A graph showed the spread between revenue and expenditures which will pay for master facility plan. After we are done with the master facility plan we will have a good fund balance built up. The general fund stays pretty healthy and stable.

Ms. Baca is still working on the projection and would like to pay back the COP in a shorter time frame (15 years). If a shorter timeframe does not work we may want to reduce the scope or cost of project. Overall we believe the library can afford the project based on the projections. Ms. Martinez commented it looks promising. Ms. Bregar asked how collections are coming in. Ms. Baca answered property tax did not drop but specific ownership tax did in May. So far no huge declines in property tax year have occurred but the current year is based on 2018 valuations. Some people may fail to pay but it should be fairly stable since most of the payments has been escrowed. Ms. Bregar asked about the effect of business closures. Ms. Baca said the property will be held by somebody so it is anticipated that the tax will still be paid (although possibly delayed). Mr. Walker commented that it may not affect us until 2024 although specific property tax may drop. Ms. Bregar asked if we happen to know how much property tax is forgiven under the senior program. Ms. Baca said she can look that up and report it. It is a good idea to keep an eye on it. If RAR drops as forecasted it could still affect us negatively by \$900,000 although 6B insulates us from Gallagher.

Mr. Walker introduced Mr. Manire with Hilltop Securities Inc. Mr. Manire helped the library with financial planning in 2012 when the three new libraries were built. We engaged with Mr. Manire to help with the current planning and Certificates of Participation work as a financing instrument. Certificates of Participation (COPs) are similar to lease purchase financing. Certificates are done in the bond market and it is a common form of financing in Colorado. Lease financing involves collateralizations, in our case leasing property assets. As the borrower you have the option to renew the lease in a given year or terminate (or non-appropriate the lease) and this is the main distinction between lease and debt financing. Voter approval is not needed for COPs. In 2007 and 2012 there were two issuances of COPs for the new libraries. We still have 8.2 million on the balance sheet to be paid by 2032. The collateral associated with the existing leases is the Pueblo West Library and a portion of Rawlings Library. Mr. Walker commented the city took action Tuesday night to empower the Mayor to enter clearance of the Rawlings property. This would give us clearance to leverage against the Rawlings Library. The other component of debt structure from current COP's outstanding besides annual appropriation feature there will be a prepayment option in 2022 and due to changes in tax law it may be possible to refinance those COPs and if market allows we can reduce the interest payments due. There are ways to do that now but not recommended with the current tradeoff. If the numbers show a refinancing benefit we will consider adding it to upcoming transaction and give you a choice about that. We are anticipating a financing of another 8 million and using the existing collateral package (re-leveraging Rawlings Library).

Mr. Walker commented that it appears there is an opportunity that exists despite Covid-19 problems there may be some advantages in the construction market, because of the downturn pricing and we may see some advantages on that end. We wanted to bring it to your attention now as it will remain a principal conversation over the next few months.

B. Friends of the Library Report

Ms. Martinez said there was no report for this meeting and the bookstore remains closed. Mr. Walker commented they are doing some work behind the scenes but we do not have a reopening date to report for the bookstore.

C. Pueblo Library Foundation Report

Ms. Gairaud reported the Pueblo Library Foundation hosted their first virtual meeting on May 13. The audit is in

process and all is going well and to plan. The Raymond James portfolio was down about 9% for the first quarter. At the previous January 8 meeting, the board approved the transfer of \$19,000 from New Perspectives Fund to JP Morgan Core Bond Fund and that investment had a 4% return. The investment fund year to date is \$179,506.07, the prior year to date is \$179,494.56. Total liabilities and equity was \$217,189.02. The board approved the renewal of the Directors and Officers insurance for another year. During the Directors Report Mr. Walker reported on the library's response to Covid-19. A new board member application was received from Abbey Hartless and we voted to increase the maximum number of board members from nine to fifteen Mr. Potter reported the impact from Covid-19 on Community Relations activities. Plans are shaping up for the Outstanding Women Awards to be a virtual event and options are being considered for the Booklovers Blacktie Ball. It was also reported the library received a grant from the National Endowment for Humanities (NEH) for \$500,000. Funds need to be matched by PCCLD for \$1.5 million over three years. The library will need to raise half a million each year for three years. The Q1 Fundraising report was voted on and accepted with \$34,578.10 coming in during Q1. The whistleblower and document retention policies were also updated.

D. Attorney Report

Mr. Walker said there was no report this evening. Mr. Gradisar reported at the work session and there are no additional updates at this time.

E. Employment Changes

OVERVIEW: The Board is asked to ratify the April 2020 Employment Changes as presented by the Executive Director.

RECOMMENDED ACTION: That the Library Board ratify the April 2020 Employment Changes as contained in the May 28, 2020, Board materials.

Ms. Bregar made a motion to ratify the April 2020 Employment Changes as contained in the May 28, 2020 Board materials. Dr. Mancha seconded the motion. All in favor 7-0.

F. Financial Report

OVERVIEW: Sherri Baca, Associate Executive Director, will provide a report on the April 2020 bills and fund statements.

RECOMMENDED ACTION: That the Library Board ratify the April 2020 bills and accept the April 2020 Fund Statement as contained in the May 28, 2020, Board materials.

Ms. Baca reported, due to the shutdown, in April there was a reduced number of expenses. Property tax is on track for April receipts. The General Fund is really strong and there are no real issues. The balance sheet has been adjusted for 2019's audit with General Fixed Assets being adjusted. There is an \$8.2 million outstanding COP and no liabilities (other than timing differences). Accruals adjusted once a year and are there for vacation and benefits from prior audit and Library Replacement is sitting at \$1.3 million.

Ms. Baca continued to the Statement of Revenues and Expenditures for month ended April 30. The target percentage is 34% and there are no real budget concerns. Specific Ownership Tax is lower in April than in prior years but property taxes are on target. Overall, 32% was collected in revenue and tracking with 2019 numbers. Expenditures for personal are over target but salaries are under. Due to the closure spending was down. We spent less on materials and in person programming. We made the first payment of the year for the existing COP. Operating is at 35% spent, this time last year we were 46% spent. The percentage will be low in spending for operating because of the six-week closure. We have a little bit of savings on the books but not to offset the drop in specific ownership tax. Ms. Baca wanted to thank Nick Potter, Alexandria Romero and Gloria Madrill for their help looking for grant funding opportunities to help offset Covid-19 expenditures and the drop in specific ownership tax collection.

Ms. Baca reported the capital fund has no expenditures and \$2,000 in interest income, mostly from interest on library replacement and debt services return fund held in investments. Special revenue fund had \$4 in investment earnings and Nesbitt is maintaining almost \$8,000 in their fund. Checks show we were spending

less due to closure and cut fewer checks in the month of April. Expenditures in the month of April accounts payable would be almost double normally. What we saved in expenditures we spent in payroll (since it was a three payroll month). Spending would have been higher if we had not been closed. March 2 to April 2 also shows lower p-card spending.

Mr. Quintana made a motion to ratify the April 2020 bills and accept the April 2020 Fund Statement as contained in the May 28, 2020, Board materials. Ms. Garcia seconded the motion. All in favor 7-0.

V. BOARD COMMENT

There were no board comments.

VI. PUBLIC COMMENT

There were no public comments.

VII. OLD BUSINESS

There were no old business items to discuss.

VIII. NEW BUSINESS

A. Announcements

- 1.** The next regular Work Session of the PCCLD Board of Trustees is scheduled for 2:00 p.m., Tuesday, June 16, 2020, at the Rawlings Library.
- 2.** The next regular meeting of the PCCLD Board of Trustees is scheduled for 5:30 p.m., Thursday, June 25, 2020, at the Rawlings Library.

The next regular work session and regular meeting were announced. Board members will be informed if the meeting will take place by teleconference or in person.

B. Action/Discussion Items

1. Secretary to the Board of Trustees

OVERVIEW: The Trustees discussed appointment to Secretary to the Board of Trustees at their work session on May 19.

RECOMMENDED ACTION: That the Trustees appoint Gloria Madrill as Secretary to the Board of Trustees.

Ms. Gairaud made a motion to appoint Gloria Madrill as Secretary to the Board of Trustees. Dr. Mancha seconded the motion. All in favor 7-0.

2. Extending Temporary Library Policy Regarding Emergency Closings

OVERVIEW: The Trustees last reviewed and reaffirmed a temporary addendum to the Emergency Closings Policy on April 23, 2020. It is to be reviewed every 30 days.

RECOMMENDED ACTION: That the Trustees approve continuation of the Temporary Addendum to Policy 02.09.09 Emergency Closings Temporary Policy Addendum as reconfirmed on April 23, 2020.

Mr. Walker commented it is his recommendation that the policy continue for another 30 days. Ms. Garcia made a motion to approve the continuation of the Temporary Addendum to Policy 02.09.09 Emergency Closings Temporary Policy Addendum as reconfirmed on April 23, 2020. Mr. Quintana seconded the motion. All in favor 7-0.

3. Master Facilities Plan Funds Commitment

OVERVIEW: A recommended resolution was discussed at the May 19 work session regarding PCCLD Master Facilities Plan fund commitment.

RECOMMENDED ACTION: That the Trustees take action to adopt the resolution.

Mr. Walker shared the recommended resolution discussed at the work session. Mr. Walker believes it is prudent practice for the resolution to be put in place as a commitment. It is always subject to appropriations by the board and can be changed by vote by the board of trustees but it helps set a cultural and institutional attitude to the commitment of maintaining the facilities over an extended term. Ms. Baca commented it is an opportunity for the trustees to earmark the money. We would like to commit the \$32,000 (in the buildings project fund) and any future dedicated funds that come from Foundation for capital spending to be put towards the Master Facilities Plan. It doesn't need to formally be done but it helps with long term planning. Ms. Baca also commented she would like to change the policy from unrestricted to unassigned so the fund balance would be clear of fund committed amounts when looking at working capital.

Mr. Quintana asked if this is something we normally do but more of a formal structure. Mr. Walker answered yes that is correct. It was done in the past for the capital replacement plan. How much is put into the plan is determined during the budgeting process. It sets a formal marker setting an institutional cultural norm to look at the plan consciously each year. Ms. Bregar asked Ms. Baca if she can review what impact it would have on the reserve line on the 10-year projection. In the combined fund section we subtract restricted funds. It says 39% but doesn't take into account the library replacement plan which brings it to 26%. The current total includes committed funds which we would like to eventually remove to plan liquidity. Mr. Quintana said he approves of the resolution, it improves accountability and provide transparency in reporting. Ms. Bregar commented she thinks it is important future board members know about this commitment. Ms. Martinez recommended that we table discussion until next work session when we can talk more and take care of both items (the resolution and proposed change in reporting).

4. Pueblo Library Foundation Board of Directors

OVERVIEW: The Trustees reviewed nomination to the Pueblo Library Foundation Board of Directors at their work session on May 19.

RECOMMENDED ACTION: That the Trustees appoint Abbey Hartless to a full term as member of the Pueblo Library Foundation Board of Directors.

Ms. Gairaud made a motion to appoint Abbey Hartless to a full term as member of the Pueblo Library Foundation Board of Directors. Mr. Quintana seconded the motion. All in favor 7-0.

5. Pueblo Library Foundation Bylaws

OVERVIEW: The Trustees reviewed the recommended changes to the Pueblo Library Foundation Bylaws at their work session on May 19.

RECOMMENDED ACTION: That the Trustees approve the recommended changes to the Pueblo Library Foundation Bylaws expanding the maximum number of directors from nine to fifteen.

Mr. Quintana had a question regarding how the maximum number of fifteen was chosen. Ms. Gairaud answered with a capital campaign coming up Mr. Potter thought it would be helpful to have additional board members so we have a broader base to secure money for the library. Mr. Walker added we wanted it to be an odd number and not too large. We knew that we had some possible upcoming candidates. We will not fill to the full fifteen but wanted opportunity to grow.

Ms. Bregar made a motion to approve the recommended changes to the Pueblo Library Foundation Bylaws expanding the maximum number of directors from nine to fifteen. Ms. Garcia seconded the motion. All in favor 7-0.

6. Reopening Plan for PCCLD

Mr. Walker discussed the phased reopening plan. In phase one we spun up the call center, created virtual programming and started to prepare the facilities to bring staff back on campus. On May 4, phase two began and staff returned to campus. During this phase, we began curbside material checkout service and mail service. We also started bringing books back into the facilities and quarantining them. All details are aligning with best practices across Colorado and nationally. For phase three we want to increase access to public computers. Many patrons are facing a digital divide and are in need of computer access. We want to open our facilities in a limited way to support computer access. There will be a reservation system in place and fewer computers will be available due to social distancing measures. Access to browse collections will not happen during this phase, curbside service will continue to provide access to collections. Security guards will be at the entry checking patrons in. We will ask that patrons wear masks and we will have a supply if they do not have one. There will be a health screening and we will ask visitors to please sanitize their hands. Computer sessions will be 45 minutes long with 15 minute breaks that allow staff to sanitize the area.

Later, in phase 3.2, we would allow limited browsing of the collection. Phase three will not happen until we get clearance from health authorities. It is likely we will get this approval in June. Mr. Walker would like the trustees to consider formally endorsing this plan especially in regard to guideline about masks. We would like to ask all visitors to wear facemasks to protect public health. Ms. Garcia commented she has some concerns about inappropriate reactions to having to wear a facemask but supports this guideline. She would also recommend signage with the policy. Mr. Walker said there will be signage and they will speak with patrons upon making a computer reservation. If public health recommendations change regarding masks, our practices will change as well. We would like to make this part of a temporary policy change to the customer code of conduct that masks will be required. If someone violates that and doesn't follow the policy after being warned we might issue a suspension notice (a no trespass notice) if it becomes a problem.

Mr. Quintana agreed with Ms. Garcia about issues that could come up with and supports this policy. Mr. Quintana also asked as part of the health screening will temperature checks be involved. Mr. Walker said as part of the health check we include temperature as a verbal check and not physical check. Ms. Bregar asked if security will be at each branch. Mr. Walker said yes we would have security guards at all locations during phase 3.1 from noon-6p.m. Mondays through Saturdays when computers will be available. Ms. Bregar thinks it is a good idea and agrees with Ms. Garcia. She believes face masks will lessen the risk to staff and visitors. Ms. Gairaud commented she thinks we should require masks and a verbal health screening should be sufficient for temperature check. Ms. Garcia had a question regarding restrooms and how they will be sanitized and monitored. Mr. Walker said we will only open up computers on the second floor during phase 3.1 and confining the location will help with monitoring bathroom use. We also have door locks on the restrooms and visitors will check with a staff member if they need to use the restroom. Dr. Mancha made a motion to endorse the reopening plan as presented this evening and to include a temporary amendment to the customer code of conduct to include the requirement of wearing of the face mask in the building during the health crisis. Ms. Garcia seconded the motion. All in favor 7-0.

IX. ADJOURNMENT

Total meeting time: 2 hours and 2 minutes