

PIKES PEAK LIBRARY DISTRICT BOARD OF TRUSTEES
JANUARY 10, 2017
PENROSE LIBRARY
4 PM



- I. CALL TO ORDER
- II. ITEMS TOO LATE FOR THE AGENDA
- III. PUBLIC COMMENT (*3 Minute Time Limit per Person*)

Short Break for Board Photo

- IV. CORRESPONDENCE AND COMMUNICATIONS
 - A. Minutes (encl. p. 1)
 - B. Correspondence
 - C. Events & Press Clippings (encl p. 8)
 - D. Presentation
 - 1. Adult Reading Program: Melissa Mitchell, Adult Services Librarian
- V. REPORTS
 - A. Friends of the Pikes Peak Library District Report (encl. p. 9)
 - B. Pikes Peak Library District Foundation Report (encl. p. 10)
 - C. Board Reports
 - 1. Governance Committee
 - 2. Internal Affairs Committee
 - 3. Public Affairs Committee
 - 4. Board President
 - D. Financial Report (encl. p. 11)
 - E. Executive Director's Report
- VI. BUSINESS ITEMS
 - A. Consent Items: Decision 17-1-1

Consent items shall be acted upon as a whole, unless a specific item is called for discussion. Any item called for discussion shall be acted upon separately as "New Business".

 - 1. New Hires (encl. p. 12)
 - 2. Resolution to Apply for 2017-2018 AEFLA Grant (encl. p. 13)
 - 3. Resolution Designating Posting Places for 2017 Board Meetings (encl. p. 14)
 - 4. Resolution Designating the Official Custodian of Records (encl. p. 15)
 - 5. Disposition of PPLD Property (encl. p. 17)
 - 6. 2016 Contract/Vendor Approval (encl. p. 20)
 - 7. Conflict of Interest Statement (encl. p. 28)
 - 8. Insurance Policies (encl. p. 30)
 - 9. Auditor for Audit of 2016 Financial Records (encl. p. 34)
 - B. Unfinished Business
 - C. New Business
- VII. ADJOURNMENT

MINUTES
PIKES PEAK LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING
December 6, 2016
8 am
Penrose Library

MEMBERS PRESENT

President Ken Beach, Vice President Cathy Grossman, Secretary/Treasurer John Wilson, Trustee Keith Clayton, Trustee Molly Dippold, Trustee Kathleen Owings

MEMBERS ABSENT

Trustee Katherine Spicer

PIKES PEAK LIBRARY DISTRICT STAFF and OTHERS PRESENT

Executive Director John Spears, Foundation & Development Officer Dolores Cromeens, Executive Assistant Sue Hammond, Human Resources Division Head Sally Jensen, Associate Director for Library Services Janice McPherson, Associate Director for Branches Lynne Proctor, Technology & Virtual Services Officer Richard Peters, Community Engagement & Outreach Officer Sean Anglum, Facilities Division Head Gary Syling, Chief Financial & Business Officer Michael Varnet, Friends of the Pikes Peak Library District Board President Laura Ettinger, Old Colorado City Library Supervisor Trish Blakely, Manitou Springs Library Manager Margaret Morris, Wayne Vanderschuere, Verlene and Roger Thorp of Thorp Associates P.C., Charise Boomsma of The Preservation Studio

PUBLIC HEARING FOR THE PIKES PEAK LIBRARY DISTRICT 2017 BUDGET

Call to Order

President Beach called the public hearing for the Pikes Peak Library District 2017 budget to order at 8:01 am.

Public Comment Regarding the 2017 Budget

There was no public comment.

Adjournment

President adjourned the public hearing for the Pikes Peak Library District 2017 budget at 8:02 am.

REGULAR MEETING OF THE BOARD OF TRUSTEES

CALL TO ORDER

President Beach called the December 6, 2016 meeting of the Pikes Peak Library District Board of Trustees to order at 8:02 am.

ITEMS TOO LATE FOR THE AGENDA

There were no items to add to the agenda.

PUBLIC COMMENT

There was no public comment.

CORRESPONDENCE AND COMMUNICATIONS

Minutes

The minutes of the October 25, 2016 meeting of the Board of Trustees were presented for review.

Motion: Cathy Grossman moved to approve the minutes of the October 25, 2016 meeting of the Board of Trustees as presented.

Second: The motion was seconded by Keith Clayton.

Vote: The motion was approved unanimously.

Correspondence

GFOA Certificate of Achievement for Excellence in Financial Reporting

A Certificate of Achievement from the government Finance Officers Association commending the Pikes Peak Library District for its Comprehensive Annual Finance Report for the fiscal year ended December 31, 2015 was included in the Board packet. PPLD has received this recognition for the past 25 years. The Board commended Chief Financial & Business Officer Michael Varnet and his staff for their excellent work.

Events & Press Clippings

A list of recent press clippings and upcoming events was included in the Board packet. Trustee Wilson commented that the staff compliments included in the press clippings section made good reading.

Presentations

Introduction of Staff

Executive Director John Spears introduced Old Colorado City Library Manager Evelyn "Trish" Blakely. Ms. Blakely has stepped up to manage the Old Colorado City Library

as PPLD waits for staffing recommendations from the Compensation Study to make permanent staffing decisions.

Laura Ettinger joined the meeting at 8:11 am

Introduction of Incoming PPLD Board Member

President Beach introduced Wayne Vanderschuere who was selected by the joint City/County team to fill the Board seat that will be vacated when Trustee Wilson's second term ends on December 31, 2016. Mr. Vanderschuere has served on the PPLD Foundation Board of Directors before this appointment.

Manitou Springs Library Project

Roger Thorp, President of Thorp Associates, P.C. , Architects and Planners provided a brief overview of plans for the proposed addition and remodeling at the Manitou Springs Library. The City of Manitou Springs owns the building and will fund the project. Several public meetings have been held and citizens have given input into the project. Mr. Thorp noted that Manitou Springs citizens have a strong desire to maintain the iconic character of the existing building. Handicapped access is also important. There is no cost estimate for the project at this time.

Verlene Thorp, Roger Thorp and Charise Boomsma left the meeting at 8:27 am

REPORTS

Friends of the Pikes Peak Library District

Friends of the Pikes Peak Library District Board President Laura Ettinger announced that the Friends Annual Meeting is scheduled for January 14, 2017. A new executive council will be installed at that meeting.

Pikes Peak Library District Foundation

Foundation & Development Officer Dolores Cromeens reported that PPLD has received a \$50,000.00 grant from Comcast for equipping and furnishing the Sand Creek Library Maker Space. The Foundation has five new Board members: Jennifer Bain, Michael Berniger, Laura Ettinger, Arden Feldman and Arthur Oretgon.

Board Reports

Governance Committee

Governance Committee Chair Keith Clayton reported that the committee met on November 14, 2016. Discussion items at that meeting included the annual review of the Executive Director, the slate of Board officers for 2017 and the interviews of candidates for the Board position.

Internal Affairs Committee

Internal Affairs Committee Chair John Wilson reported that the Internal Affairs Committee had not met in November.

Public Affairs Committee

Public Affairs Committee Chair Cathy Grossman noted that the committee did not meet in November. Trustee Grossman participated in a tour of the YMCA's new acquisition on Powers Boulevard, the "ITZ Building". PPLD will continue to explore the possibilities of a joint-use collaboration with the YMCA at that building.

Board President

President Beach commented on the great group of applicants that applied for the Board position, stating that he is encouraged by the number of applicants and the depth of abilities that the candidates brought to the recent interviews.

Financial Report

The financial report for the period ending October 31, 2016 was included in the Board packet. Chief Financial & Business Officer Michael Varnet reported that right where it should be and tracking well.

Executive Director's Report

The Board took a quick tour of the recently updated Penrose staff lounge. A team of staff members were given a budget and charged with updating the area. The team worked diligently to make the area comfortable for the Penrose Library staff and kept the costs at a reasonable level. The area includes a "Little Free Library". There will be funds in the PPLD budget to update other staff areas going forward. This team will introduce the concept to other facilities in the District in 2017.

Executive Director John Spears announced that PPLD has received the Library Journal designation of "Star Library" for the first time, receiving 3 stars. Mr. Spears noted that the data used to calculate this designation comes from data recently released by the Institute of Museum and Library Services (IMLS) for Fiscal Year 2014.

A report from Executive Director Spears was included in the Board packet. A discussion of how, at a time when the nation is extremely divided by the 2016 Presidential election, the American Library Association is also divided. The tenets of intellectual freedom and social justice are clashing in the library world. Librarians are reacting to the election in different ways, many seeing opportunities to connect people to ideas, as well as to each other through library services and programs. Libraries are dedicated to helping people evaluate information and understand issues.

BUSINESS ITEMS

Decision 16-12-1: Consent Items

New Hires: A list of new hires for the period October 1, 2016 – November 30, 2016 was included in the Board packet.

Motion: John Wilson moved that the Board approve the Consent Items as presented.

Second: Molly Dippold seconded the motion.

Vote: The motion was approved unanimously.

Unfinished Business

Decision 16-12-2: 2017 Budget

The final draft of the Pikes Peak Library District 2017 Budget was included in the Board Packet. The Board received the first draft of the 2017 budget on October 15, 2016. Notice was published in the local newspaper and there were no questions or comments from the public. A public hearing was posted and held immediately prior to this Board meeting and there was no public input.

The PPLD budget for 2017 includes a mill levy of 3.957 on the total valuation for assessment of all taxable property within the Pikes Peak Library District for total property tax revenue of \$25,942,634.

General fund budgeted revenues for 2017 are \$30,402,388. The 2017 budget for expenditures is \$30,792,251.

The estimated fund balance as of December 31, 2017 will be \$7,945,640.

Motion: John Wilson moved that the Board approve the Pikes Peak Library District 2017 budget as presented.

Second: Kathleen Owings seconded the motion.

Vote: The motion was approved unanimously.

Decision 16-12-3: 2017 Board Meeting Dates

Motion: Cathy Grossman moved that the Board schedule regular meetings on the 2nd Tuesday of each month in 2017 with the meeting start time of 4 pm.

Second: Keith Clayton seconded the motion.

Vote: The motion was approved unanimously.

New Business

Decision 16-12-4: Parking Lot Improvements at Library 21c

Complete removal and replacement of the parking lot surface at Library 21c is necessary. An RFP to complete this work received 4 responses. Martin Marietta Materials provided the low bid of \$533,000.

Motion: John Wilson moved that the Board approve Martin Marietta Materials as the vendor to complete parking lot improvements at Library 21c at the cost of \$533,000.00.
Second: Cathy Grossman seconded the motion.
Vote: The motion was approved unanimously.

Discussion: Compensation Philosophy Policy

A draft Compensation Philosophy was included in the Board packet for discussion and feedback. The Board commented that the draft looks like a good starting plan. The Board applauded the addition of succession planning and rewards for outstanding performers to promote a high performance culture.

Decision 16-12-5: Suspension of Board Bylaws Related to Meeting Dates in 2017

The Board Bylaws state that the Board will hold 2 meetings in January – an organizational meeting and a regular meeting. With the new change to Board meeting dates, it is impractical to hold 2 meetings in January. A suspension of the Bylaws will allow the Board to operate within the Bylaws without amending them at this time.

Motion: John Wilson moved that the Board of Trustees suspend the section of the Bylaws stating that the Board will hold 2 meetings in January for 2017.
Second: Kathleen Owings seconded the motion.
Vote: The motion was approved unanimously.

Decision 16-12-6: 2017 Board Officers

Motion: John Wilson moved that the PPLD Board of Trustees elect the following officers for 2017:
President: Cathy Grossman
Vice President: Keith Clayton
Secretary/Treasurer: Molly Dippold
Second: Cathy Grossman seconded the motion.
Vote: The motion was approved unanimously.

Decision 16-12-7: Replacement of Self-Check Systems

In 2015 The Board approved Bibliotheca as the vendor for self-check systems. Phase 1 of self-check replacements was completed in 2015. Phase 2 requires the purchase of 22 self-check systems at a cost of \$231,223.76. There is sufficient budget in Capital Reserve Funds to complete Phase 2.

Motion: John Wilson moved that the Board of Trustees approve the acquisition of 22 self-check systems from Bibliotheca at a total cost not to exceed \$231,223.76.
Second: Cathy Grossman seconded the motion.
Vote: The motion was approved unanimously.

Decision 16-12-8: Resolution to Honor John Wilson

- Motion:** Kathleen Owings moved that the Board resolve to honor John Wilson for 10 years of distinguished service to the Pikes Peak Library District.
- Second:** Molly Dippold seconded the motion.
- Vote:** The motion was approved unanimously.

ADJOURNMENT

There being no further business to conduct, President Beach adjourned the meeting at 9:38 am.

Upcoming Events January 10, 2017

Photographer Robin Schneider Exhibition, through Tuesday, January 31, Library 21c Gallery

Second Sunday Concert Series, The Taiko Society (DRUMS!), Sunday, January 8, 2 p.m., Venue @ Library 21c

Friends of the Pikes Peak Library District Annual Meeting
Saturday, Jan. 14, 10 a.m., The Venue at 21c

Friends of the Pikes Peak Library District Board of Directors Meeting
Wednesday, Jan 18, 5:15 p.m., Penrose Library

PPLD Foundation Board of Directors Meeting
Thursday, Feb. 2, 8 a.m., Penrose Library

PPLD Adult Reading Program, January 14 – March 15, district wide...**Kick-Off Party**, Saturday, Jan. 14, 10 a.m.-1 p.m., East Library

Love Poems with Colorado State Poet Laureate Joseph Hutchinson and Others
Tuesday, Feb. 7, 7 p.m., The Venue at 21c

Philanthropizza, continuing through Feb. 28, California Pizza Kitchen (use your Philanthropizza card to support PPLD programs with each purchase)

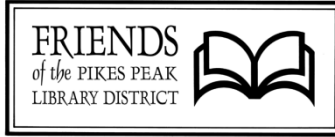
Press Clippings

[December Compliments](#) (Compiled by Amy Rodda, Adult Services Manager, January 3, 2017)

[Kirkpatrick's Green Box Arts Festival wraps up exciting year with a reception](#) (*The Gazette*; Jan. 1, 2017)

[New Hampshire Journalist Kicked Out of Colorado Library for Trying to Record Anti-Trump Event](#) (*Photography Is not a Crime*; Dec. 16, 2016)

[Archivist stumbles upon forgotten hero from COS](#) (KRDO News Channel 13; Dec. 5, 2016)



Mission: To support, preserve, and promote our public library system.

Vision: Every person in our community values the critical role of the Pikes Peak Library District for the common good.

Our slate of officers was voted on in the November meeting and will be installed during the Annual Meeting.

The Annual Meeting is scheduled for Saturday, January 14 at 21c. Gordon Anderson, co-winner of the Golden Quill Award, will have a presentation based on his book.

Friends board members and managers from community libraries met in December at Sand Creek Library for the final community library meeting of the year.

Plans for the 2017 Frank Waters/Golden Quill Luncheon are underway.

We are in the process of working with the Center for Nonprofit Excellence to schedule a board retreat in January.

Online Sales 12/19/16

SALES TOTALS (Month, Year, Project-Amazon only)

MTD: \$582 (49% FBA)	17 units (47% FBA)	\$34.21 avg. sale
YTD: \$23,257	931 units	\$25.03 avg. sale
PTD: \$25,958	1028 units	\$25.30 avg. sale

INVENTORY

827 active Merchant-Fulfilled SKUs are currently online

123 active (plus 52 in transit) Fulfilled by Amazon SKUs are currently online

2/3 of small cart of items for eBay

Approximately 7 tubs of items waiting to be listed on the basement shelves

The laptop in online sales office was replaced today! IT also set up new user accounts on both laptops so they would be more secure.

December 19th is the deadline for items to reach the Amazon warehouses for January 2017



Sand Creek Library, C 3 Staff, Facilities and Finance staff successfully identified and purchased equipment and furniture, spending the entire \$50,000 Comcast grant, for the Sand Creek Maker Space. This was no easy task, as only non-Intranet connected items could be purchased with the funds and within a very tight window. The check was received and will most likely be distributed to the Library at the first PPLD Foundation Board meeting. The Sponsorship names the Maker Space for Comcast for a period of 2 years.

So far (12/27/16), we have received approximately 230 gifts in response to the End-of-Year solicitations including direct mail, personal solicitations, Colorado Gives Day and Indy Gives Campaigns. And right now it looks like we should have a \$20,000 to \$25,000 End-of-Year campaign. This compares very well with previous years when we raised between \$10,000 and \$18,000.

We also received word of a \$21,000 grant from El Pomar Foundation. It will support the El Pomar Nonprofit Resource Center for 2017, 2018, and 2019.

Women, Wealth, and Wisdom, is being re-scheduled to Saturday in March 4, 2017.

Analysis of the year's performance will be forthcoming.

Pikes Peak Library District
 General Fund Summary
 For the Eleven-Month Period Ended November 30, 2016

Percent of year: 91.67%

General Fund	2016 Budget	Actual	% Budget	Encumb.	Percent of Budget	November			Year-To-Date			Notes
						2016	2015	% Chg.	2016	2015	% Chg.	
Revenues												
Property Taxes	\$ 24,783,827	\$ 24,770,635	99.95%			\$ (10,727)	\$ 8,495	-226.3%	\$ 24,770,635	\$ 24,143,290	2.6%	
Specific Ownership Taxes	2,800,000	2,641,043	94.32%			255,240	211,303	20.8%	2,641,043	2,521,956	4.7%	
Fines and Fees	502,500	452,988	90.15%			36,822	35,815	2.8%	452,988	473,985	-4.4%	
Interest Income	25,000	86,058	344.23%			9,791	2,720	260.0%	86,058	20,645	316.8%	1
Other Revenue	1,147,174	725,642	63.25%			254,572	1,073,529	-76.3%	725,642	1,572,116	-53.8%	2
Total Revenues	\$ 29,258,501	\$ 28,676,366	98.01%			\$ 545,700	\$ 1,331,862	-59.0%	\$ 28,676,366	\$ 28,731,991	-0.2%	
Expenditures												
Personnel	\$ 17,072,542	\$ 14,245,782	83.44%	\$ 25,564	83.6%	\$ 1,233,959	\$ 1,210,970	1.9%	\$ 14,245,782	\$ 14,095,565	1.1%	
Supplies	938,147	620,545	66.15%	61,442	72.7%	77,072	67,873	13.6%	620,545	602,178	3.1%	
Library Materials	4,573,039	3,810,749	83.33%	443,215	93.0%	240,733	838,310	-71.3%	3,810,749	3,903,231	-2.4%	
Utilities	631,853	439,594	69.57%	155,325	94.2%	45,703	43,554	4.9%	439,594	448,469	-2.0%	
Telecommunication costs	448,533	289,167	64.47%	45,105	74.5%	24,975	2,509	895.2%	289,167	328,161	-11.9%	3
Contractual Services	3,088,268	2,631,442	85.21%	336,745	96.1%	149,201	153,068	-2.5%	2,631,442	2,505,848	5.0%	
Repairs and Maintenance	757,603	522,594	68.98%	96,127	81.7%	108,735	50,939	113.5%	522,594	448,047	16.6%	4
Other Services	807,018	555,880	68.88%	69,434	77.5%	40,012	53,065	-24.6%	555,880	585,524	-5.1%	
Capital Outlay	518,208	105,995	20.45%	42,580	28.7%	28,879	4,457	547.9%	105,995	88,180	20.2%	
Operating Transfers To Other Funds	1,259,088	1,259,088	100.00%	-	100.0%	-	20,000	0.0%	1,259,088	1,133,652	11.1%	
Total Expenditures	\$ 30,094,299	\$ 24,480,836	81.35%	\$ 1,275,538	85.6%	\$ 1,949,269	\$ 2,444,746	-20.3%	24,480,836	24,138,854	1.4%	

Financial Statement Notes

- For the past several years, interest rates have been at historical lows. Interest rates for 2016 are relatively much higher than the interest rates were for 2015.
- In 2015, as part of the mid-year budget resolution, a total of \$919,300 was transferred to the General Fund from the Penrose Renovation Fund and the North Facility Fund, both Capital Projects Funds.
- In 2015, after a thorough RFP process, PPLD switched its telecommunications vendor from CenturyLink to Comcast. For a period of time, CenturyLink did not shut off all of the services that needed to be shut off when the switch to Comcast was made. PPLD ended up ultimately receiving a credit from CenturyLink for approximately \$30,000. In addition, the monthly charges payable to Comcast were lower than what was charged by CenturyLink.
- Total paid on maintenance for equipment in 2016 is \$323,200. The amount paid during 2015 was \$280,253. All payments made are within budget for 2016. A total of \$27,500 has been paid towards the annual support agreement for the automated material handling equipment in 2016. In 2015, this amount was recorded under the Capital Reserve Fund.

Consent Agenda: New Hires

The following individuals were hired by the Pikes Peak Library District for the positions indicated during the period of December 1, 2016 – December 31, 2016.

John Rubolino: East Library, Facilities Technician (40 hrs)
Desiree Adams: Monument Library, PSA1 (15 hrs)
Laurel Cazier: Rockrimmon Library, PSA1 (15 hrs)
Nicholas Demetriades: Library 21c, Librarian 1-Catalog Management (40 hrs)
Anne Dennis: Rockrimmon Library, PSA1 (15 hrs)
Chun Siang Ho: East Library, PSA1 Shelving (20 hrs)
Tisha Mueller: Rockrimmon Library, PSA1 (15 hrs)
Rebecca Operhall: Penrose Library, Librarian 1-Adult Services (20 hrs)
Rebecca Boer: High Prairie Library, PSA1 (15 hrs)
Sheryl Hoover: Monument Library, PSA1 (17 hrs)
Alla Bruns: Fountain/Sand Creek Libraries, SPA1 (15 hrs)

Resolution for Grant Application and Support

By: Pikes Peak Library District Board of Trustees
Date: January 10, 2017

Grant Source:	Adult Education and Family Literacy Act (AEFLA)
Category:	Colorado Dept. of Education/Federal Grant
Lead Agency:	Pikes Peak Library District Foundation
Grant Deadline:	February 21, 2017
Notification Timeframe:	December
Grant Implementation Period:	July 1, 2017 to June 30, 2018/possible 2-year extension
Grant Amount:	\$100,000 to \$500,000
PPLD Match/In-Kind:	PPLD In-Kind: 40% match
PPLD Contact:	Dee Cromeens, Development Officer and PPLD Foundation Executive Officer Teona Shainidze-Krebs, Manager, Adult Education

Project Summary:

The Colorado Department of Education (CDE) Office of Adult Education Initiatives (AEI) is soliciting applications from eligible providers within Colorado to develop, implement, and improve adult education and literacy activities within Colorado by establishing or operating programs that provide a comprehensive service model for adult education and literacy services and instruction, including programs that provide such activities concurrently.

Approximately \$5.2 million is estimated to be available for adult education and literacy for the 2017-2018 fiscal year (July 1, 2017 – June 30, 2018). CDE anticipates awarding 20-30 three-year grants, ranging from \$100,000 to \$500,000+. Applicants must demonstrate a match of 40% of the funds requested.

The Department successfully applied for a similar grant in 2011. Since then, the impactful initiative has reached hundreds of adult learners. The PPLD Adult Education staff has leveraged these funds and PPLD support with their expertise and dedication to help these adult learners become productive workers, family members and citizens.

**Pikes Peak Library District Board of Trustees
Resolution approving all designated posting places of notices for all meetings of the Pikes
Peak Library District Board of Trustees, as required by State statutes.**

Whereas, the Board of Trustees must designate and post the time and place for all Board meetings; and

Whereas, the Board of Trustees must pass a resolution at the first regular meeting of each year as to the posting place of the agenda notice; and

Whereas, the Board of Trustees must designate at least one place to post the notice of all meetings of a quorum of the Board at which public business is discussed in a designated public place no less than 24 hours prior to said meeting, the notice of which must include specific agenda items when possible (C.R.S. 24-6-402(2)(c)).

Now, therefore, be it resolved by the Board of Trustees of the Pikes Peak Library District that:

1. The public bulletin board located on the main floor at the Penrose Public Library is the designated place to post the 24-hour notices as required by State Statute for all meetings of the Board of Trustees during 2017.
2. In addition, meeting notices and agendas are to be posted in at least three other District facilities no later than 24 hours prior to the meeting.
3. In addition, meeting notices and agendas are to be posted on the District's web site no later than 24 hours prior to the meeting.

Adopted, this 10th day of January 2017

Cathy Grossman
President
Board of Trustees

**RESOLUTION DESIGNATING THE OFFICIAL CUSTODIAN OF RECORDS
OF THE PIKES PEAK LIBRARY DISTRICT**

WHEREAS, the Board of Trustees of the Pikes Peak Library District ("District") is responsible for the management, control and supervision of all of the business and affairs of the District; and

WHEREAS, the Board of Trustees of the District has the authority to appoint an agent; and

WHEREAS, the Board of Trustees of the District has determined that it is appropriate to designate an official custodian of the District's records for the protection of such records and in order to permit their inspection by the person entitled to examine and copy such records in an orderly fashion.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Pikes Peak Library District that for calendar year 2017:

1. Official Custodians.
 - a. The Secretary of the Board of Trustees is hereby designated as the Primary Official Custodian responsible for the maintenance, care and keeping of all records of the District, except as provided herein.
 - b. The Executive Assistant to the Director is hereby designated as the Official Custodian responsible for the maintenance, care and keeping of all official minutes of the regular, special and executive session meetings of the District, and all other legal records of the District. The location of all such records shall be the Penrose Library, 20 N. Cascade Ave., Colorado Springs, CO 80903.
 - c. The Facilities Officer for the District's construction projects is hereby designated as the Official Custodian responsible for the maintenance, care and keeping of all records associated with the District's construction projects, subject to the control, supervision and direction of the Primary Official Custodian.
 - d. The Chief Finance Officer for the District is hereby designated as the Official Custodian responsible for the maintenance, care and keeping of all records associated with the District's finances, subject to the control, supervision and direction of the Primary Official Custodian.
 - e. The Human Resources Officer is hereby designated as the Official Custodian responsible for the maintenance, care and keeping of all records associated with the District's employee personnel records, subject to the control, supervision and direction of the Primary Official Custodian.
 - f. The Associate Director of Public Services is hereby designated as the Official Custodian responsible for the maintenance, care and keeping of all records associated with the District's patron records, subject to the control, supervision and direction of the Primary Official Custodian.
2. Agents of the Official Custodian. The Official Custodians shall have the authority to designate such agents as they shall determine appropriate to perform any and all acts necessary to enforce and execute the provision of the Resolution.

3. Inspection of Public Records. All public records of the District shall be open for inspection at the times designated herein, unless prohibited by the provisions of Part 2 of Title 24, Article 72 ("Open Records Act") or policies adopted by the Board of Trustees in conformance with the Open Records Act.
4. Request for Inspection. Request for inspection and copying of any public record(s) of the District shall be made to the office of the appropriate Official Custodian in writing and shall set forth the particular documents or record desired to be inspected or copied. If such document or record is available for inspection and copying, the appropriate Official Custodian will notify the applicant of the date, time and location where the material can be inspected or copied. If such public record is not available in such Official Custodian's office, the applicant shall be notified of this fact.
5. Times for Inspection. Inspection of the District's public records shall be made, where permitted by law, during normal business hours, Monday through Friday, except on holidays, at an hour specifically set by the appropriate Official Custodian for each particular request for inspection.
6. Copies, Print-Outs or Photographs of Public Records. In a case where a person has a right to inspect a public record under the control of the Official Custodian and requests in writing that the District furnish copies, print-outs or photographs thereof, the Official Custodian shall notify the applicant if such record is available for copying, and may furnish such copies, print-outs or photographs for a reasonable fee to be set by the Official Custodian, which shall not exceed One Dollar and Twenty-Five (\$1.25) per page, unless the actual cost exceeds that amount, in which case the actual cost may be charged.
7. Exemptions. No person shall be permitted to inspect or copy any record of the District if, in the opinion of the Official Custodian after consultation with the District's general counsel, such inspection or copying would come within the prohibition of one or more exemptions set forth in the Open Records Act.

The foregoing Resolution was approved and adopted this 10th day of January 2017.

PIKES PEAK LIBRARY DISTRICT

By _____
Cathy Grossman
President
Board of Trustees

Resolution Approving Property Disposal Guidelines, Pursuant To State Statutes

Whereas, State Statutes dictate the responsibilities for library Board of Trustees in terms of disposing library property; and

Whereas, the Board of Trustees of the Pikes Peak Library District (Library) should adopt a policy during January of each year that dictates how library property shall be disposed of during the year; and

Whereas, Colorado Revised Statute 24-90-109(1) states:

“The Board of Trustees shall:

Sell, assign, transfer, or convey any property of the library, whether real or personal, which may not be needed within the foreseeable future for any purpose authorized by law, upon such terms and conditions as it may approve, and lease any such property, pending sale thereof, under an agreement of lease, with or without an option to purchase the same. The Board, prior to conveyance of such property, shall make a finding that the property may not be needed within the foreseeable future for library purposes, but no such finding shall be necessary if the property is sold or conveyed to a state agency or political subdivision of the state.”

Whereas, other library districts throughout Colorado have adopted a similar resolution on an annual basis to clearly dictate how property shall be disposed of during the year to comply with the State Statutes; and.

Whereas, the Library has several classes of assets that may be identified for disposal, at such times they may not be needed for library purposes in the foreseeable future, including:

- a. Library materials (books, CD's, etc)
- b. IT equipment (PC's, printers, monitors, servers, etc.)
- c. Furniture and equipment (including, but not limited to, chairs, tables, shelving, telephones, other office items such as lamps and filing cabinets, book cases, cash registers, etc.)
- d. District fleet vehicles
- e. Real property (land and buildings owned by the Library)

Now, therefore, be it resolved by the Board of Trustees of the Pikes Peak Library District that the following guidelines shall be used for disposal of Library property during the year 2017:

1. Any disposal of an item that has a value \$10,000.00 or more requires specific approval by the Board of Trustees before the asset can be disposed of in any manner.
2. Discarded or weeded library materials (books/materials weeded during 2017 calendar year which are no longer needed by PPLD) may be disposed of in one of the following methods:
 - a. They may be donated to the Friends of the Pikes Peak Library District for sale to the public.
 - b. They may be taken to and sold at an auction house, or sold through an on-line vendor service or some other establishment that sells used books to the public. The Library receives the proceeds less a commission to the establishment for their services.

- c. They may, with Executive Director approval, be donated to charities or other non-profit organizations.
 - d. They may, with Executive Director approval, be given to other political subdivisions of the State of Colorado.
 - e. They may be recycled when other methods of disposal have been exhausted. Items that are broken, destroyed or otherwise have no value may be disposed of in the same manner.
3. Information Technology (IT) equipment with a value less than \$10,000.00 that the Information Technology and Virtual Services Officer (ITVSO) (or the Community Engagement and Outreach Officer (CEO) for IT-related equipment for its Video Center operations) has certified is no longer needed or obsolete shall be disposed of in the following manner:
- a. Library staff shall hold a public sale, only if the ITVSO/CEO estimates proceeds from the sale exceeds the estimated cost of conducting the public sale by more than \$5,000.00.
 - b. The IT staff/CEO staff may take the equipment to an auction house, or sold through an on-line vendor service or some other establishment selling used IT equipment. The Library receives the proceeds less a commission to the establishment for their services.
 - c. The ITVSO/CEO shall place Individual IT equipment on the Library's Internet web site for a period not less than 1 week for public and staff to place bids for IT equipment the ITVSO determines with an estimated value in excess of \$500.00. The ITVSO/CEO will sell item to the highest bidder. The Chief Finance Officer shall place a legal notice in the local newspaper that promotes the item for sale as deemed appropriate.
 - d. The ITVSO/CEO shall place Individual IT equipment on the Library's Internet web site for a period not less than 1 week for public sale for IT equipment the ITVSO/CEO determines with an estimated value less than \$500.00. The ITVSO can establish a sale price based on comparable sales of similar items on internet sale sites (i.e., E-bay, Craigslist, etc.). The ITVSO/CEO can group items together for sale as necessary to ensure quick removal from inventory.
 - e. The ITVSO/CEO may return to the supplier for credit any equipment excess to the needs of the district.
 - f. The ITVSO/CEO with Executive Director approval may donate IT equipment to the Friends of the Pikes Peak Library District for sale to the public.
 - g. The ITVSO/CEO with Executive Director approval may donate IT to charities or other non-profit organizations.
 - h. The ITVSO/CEO with Executive Director approval may transfer IT equipment to other political subdivisions of the State of Colorado.
 - i. The ITVSO/CEO may dispose of IT equipment through regulated IT disposal companies after other methods of disposal are exhausted. Items that are broken or otherwise have no value may be disposed of in the same manner.
4. Surplus furniture and equipment with a value less than \$10,000.00 that is no longer needed or obsolete shall be disposed of in the following manner:

- a. Library staff shall hold a public sale, only if the estimate of proceeds to be received exceeds the estimated cost of conducting the garage sale by more than \$5,000.00.
 - b. Surplus furniture and equipment can be taken to and sold at an auction house, or sold through an on-line vendor service, or some other establishment that sells surplus furniture and equipment to the public. The Library receives the proceeds less a commission to the establishment for their services.
 - c. Surplus furniture and equipment with an estimated value in excess of \$500.00 shall be placed on the Library's Internet web site for a period not less than 1 week for public and staff to place bids. The item shall be sold to the highest bidder. The Chief Finance Officer shall place a legal notice in the local newspaper that promotes the item for sale, as deemed appropriate.
 - d. Surplus furniture and equipment may be donated to the Friends of the Pikes Peak Library District for sale to the public.
 - e. Surplus furniture and equipment, with Executive Director approval, may be donated to charities or other non-profit organizations, but only with the approval of the Executive Director.
 - f. Surplus furniture and equipment, with Executive Director approval, may be given to other political subdivisions of the State of Colorado, but only with the approval of the Executive Director.
 - g. Surplus furniture and equipment may be disposed of through recycling when other methods of disposal have been exhausted. Items that are broken, destroyed or otherwise have no value may be disposed of in the same manner.
5. Library fleet vehicles and real property (land and buildings) owned by the Library requires approval by the Board of Trustees prior to disposal in any manner.

Adopted, this 10th day of January 2017.

Cathy Grossman
President
Board of Trustees

**Pikes Peak Library District Board of Trustees
Resolution Approving Contracts and Vendors with Projected 2017 Activity Greater Than
\$50,000.00**

Whereas, the Financial Guidelines) dictate that the Board of Trustees must approve all contracts and purchases (singularly and in aggregate) in excess of \$50,000.00 annually; and

Whereas, Attachment A to this resolution includes the list of contracts, other estimated obligations and estimated purchases with vendors that either are or may be in excess of \$50,000 during 2017; and

Whereas, the Board of Trustees legally approved the expenditures when they approved the 2017 budget.

Now, therefore, be it resolved by the Board of Trustees of the Pikes Peak Library District that:

The list of contracts and all other obligations included under Attachment A to this resolution are approved for 2017 for the purposes stated and at the specified amounts.

Adopted, this 10th day of January 2017

Cathy Grossman
President
Board of Trustees

Attachment A

List of Contracts/Vendors with Projected 2017 Activity greater than \$50,000

1. Contract Purpose: Rent charges – Cheyenne Mountain Library.

Vendor: Loup Management Company

Status: This amount represents the total rent due for all of 2017 in accordance with the lease agreement..

Amount: \$117,076.00

2. Contract Purpose: CAM charges – Cheyenne Mountain Library

Vendor: Loup Management Company

Status: This amount represents an estimate of the CAM charges for the Cheyenne Mountain Library for 2017. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$20,159.00

3. Contract Purpose: Rent charges – Rockrimmon Library

Vendor: Ismet Sahin

Status: This amount represents the total rent due for all of 2017 in accordance with the lease agreement.

Amount: \$166,165.00

4. Contract Purpose: CAM charges – Rockrimmon Library.

Vendor: Ismet Sahin

Status: This amount represents an estimate of the CAM charges for the Rockrimmon Library for 2017. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$44,462.00

5. Contract Purpose: Rent charges – Monument Library

Vendor: Woodmoor Village, LLC

Status: This amount represents the total rent due for all of 2017 in accordance with the lease agreement.

Amount: \$110,126.00

6. Contract Purpose: CAM charges – Monument Library.

Vendor: Woodmoor Village, LLC

Status: This amount represents an estimate of the CAM charges for the Monument Library for 2017. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$27,000.00

7. Contract Purpose: Rent charges – Ruth Holley Library

Vendor: Murray Square Investments

Status: This amount represents the total rent due for all of 2017 in accordance with the lease agreement.

Amount: \$116,755.00

8. Contract Purpose: CAM charges – Ruth Holley Library.

Vendor: Murray Square Investments

Status: This amount represents an estimate of the CAM charges for the Ruth Holley Library for 2017. The amount is calculated in accordance with the provisions of the lease agreement.

Amount: \$30,500.00

9. Contract Purpose: Estimated utilities costs for 2017 – various District facilities.

Vendor: Colorado Springs Utilities

Status: It is recommended that an open purchase order be prepared for the following estimated utility costs:

Penrose	Water and Sewer charges	\$27,750.00
Penrose	Electricity charges	\$115,875.00
Penrose	Gas charges	\$28,000.00
East	Water and Sewer charges	\$29,000.00
East	Electricity charges	\$126,000.00
East	Gas charges	\$20,000.00
Chy. Mtn.	Gas charges	\$3,200.00
Chy. Mtn.	Electricity charges	\$14,445.00
Library 21C	Water and Sewer charges	\$27,800.00
Library 21C	Gas charges	\$27,000.00
Ruth Holley	Gas charges	\$3,000.00
Ruth Holley	Electricity charges	\$11,250.00
OCCB	Water and Sewer charges	\$1,930.00
OCCB	Electricity charges	\$8,975.00
OCCB	Gas charges	\$2,400.00
Rockrimmon	Electricity charges	\$9,800.00
Rockrimmon	Gas charges	\$2,900.00
Sand Creek	Water and Sewer charges	\$2,300.00
Sand Creek	Electricity charges	\$15,200.00
Sand Creek	Gas charges	\$3,200.00

Amount: The total of all open purchase orders listed above is \$480,025.00.

10. Contract Purpose: Payment of the El Paso County Treasurer's Office fees during 2017, as mandated by State Statute.

Vendor: El Paso County Treasurer's Office

Status: State Statutes authorize all County Treasurers to withhold 1.5% of all property tax collections made on behalf of other governmental entities within their jurisdiction. This charge has been imposed on the District since inception.

Amount: \$386,656.00

11. Contract Purpose: Printing services

Vendor: RICOH

Status: This amount covers estimated printing charges for 2017. RICOH is the Printshop vendor at Library 21c.

Amount: \$85,000.00

12. Contract Purpose: Broadband services

Vendor: Comcast Business

Status: Comcast provides broadband service for PPLD to meet requirements for internet services.

Amount: \$190,000.00

13. Contract Purpose: Employee benefit – vision plan offered to employees during 2010.

Vendor: Vision Services Plan of Colorado

Status: This vendor has been selected to provide vision insurance coverage to eligible District employees. The District pays only the "employee only" premium for all eligible employees. The District has used this vendor for several years.

Amount: \$54,000.00

14. Contract Purpose: Life and accidental death and dismemberment insurance policy offered to eligible District employees.

Vendor: Lincoln Financial Group

Status: The District selected this vendor to provide this benefit to eligible District employees for 2017. The cost below is an estimate of the District's cost for 2017.

Amount: \$70,000.00

15. Contract Purpose: The District's share of the estimated 2017 contribution to the El Paso County Retirement Plan.

Vendor: El Paso County Retirement Plan

Status: The District offers a retirement plan benefit for all of its full time employees. The District contributes 8.0% of all full time employee salary to the El Paso County Retirement Plan. The District has participated in this plan for many years. The amount below is an estimate of the District's cost (only) for 2017.

Amount: \$775,000.00

16. Contract Purpose: Library book purchases - an estimate for 2017.

Vendor: Baker and Taylor

Status: Baker and Taylor is the District's secondary vendor for book purchases, and the primary provider for standing orders. In addition, some pre-processing processes are set up with Baker and Taylor. Baker and Taylor has been the District's primary vendor for many years.

Amount: \$200,000.00

17. Contract Purpose: PC/laptop purchases for 2017

Vendor: Dell Manufacturing

Status: The District has previously selected Dell as its vendor to purchase PC's. The District receives significant discounts from this vendor, being that the District is a government. In addition, practically all of the District's PC's and computer peripherals are Dell products, and product line consistency is very important. Stated differently, it is much less efficient for many reasons if more than one vendor is used to acquire computer products.

The estimate below includes figures for district-wide PC replacements along with additional IT equipment for various capital projects included in the 2017 budget.

Amount: \$100,000.00

18. Contract Purpose: Postal costs for 2017

Vendor: United States Postal Services

Status: The District has always used funds and resources for postage and mailing purposes, including but not limited to special mailings, circulation notices, billing notices, district wide newsletters, and so forth.

The amount below is an estimate of total postage cost for 2017.

Amount: \$90,000.00

19. Contract Purpose: Law collection – library materials

Vendor: West Publishing Corporation

Status: This vendor is used to purchase library materials for our law collection.

Amount: \$75,000.00

20. Contract Purpose: Purchases of library materials (CD's, DVD's or other items) – 2017 "not to exceed" estimate.

Vendor: Midwest Tape

Status: The amount below is simply an estimate of how much the District will spend on library materials with this vendor during 2017. It is based on total annual amounts spent with this vendor during prior years. The District's Collection Management Department determines which vendor to use to purchase selected items, and it generally selects the vendor that offers the best price.

Amount: \$850,000.00

21. Contract Purpose: Purchase of periodicals and serials for 2017 and certain databases

Vendor: EBSCO

Status: The amount below represents an estimate of what the Library will pay during 2017 for the purchase of periodicals and serials (subscriptions) and databases. The District has used this vendor in the past because they provided the best services at the most competitive price rates.

Amount: \$170,000

22. Contract Purpose: Purchases of library materials (ebooks, CD's, DVD's, online platforms or other items) – 2017 “not to exceed” estimate.

Vendor: Recorded Books, Inc.

Status: The amount below is simply an estimate of how much the District will spend on library materials with this vendor during 2017. It is based on total annual amounts spent with this vendor during prior years. The District's Collection Management Department determines which vendor to use to purchase selected items, and it generally selects the vendor that offers the best price.

Amount: \$200,000.00

23. Contract Purpose: Purchase of Freegal database subscription for 2017

Vendor: Library Ideas, LLC

Status: This amount covers the purchase of Freegal, a database that allows unlimited downloads of music for PPLD's patrons.

Amount: \$125,000.00

24. Contract Purpose: Attorney fees for 2017

Vendor: Bryan Cave

Status: This amount is an estimate of legal fees for 2017.

Amount: \$50,000.00

25. Contract Purpose: Telecommunications equipment

Vendor: Flair Data Systems, Inc.

Status: This amount includes the following:

- Annual Smartnet Subscription service required to perform monitoring of Cisco switches to facilitate switch maintenance.
- Vendor required enabling purchase of Cisco switch equipment used throughout PPLD to support switch replacement and technology refresh.
- Annual cost for systems engineering professional services critical to supporting Network Administration

Amount: \$150,000.00

26. Contract Purpose: Purchases of library materials – 2017 “not to exceed” estimate.

Vendor: Overdrive, Inc.

Status: The amount below is simply an estimate of how much the District will spend on electronic library materials with this vendor during 2017. It is based on total annual amounts spent with this vendor during prior years.

Amount: \$1,200,000.00

27. Contract Purpose: Office supplies - 2017

Vendor: Staples

Status: This amount covers an estimated amount of office supply purchases from Sun Office products.

Amount: \$130,000.00

28. Contract Purpose: ILS upgrades and maintenance

Vendor: SIRSIDYNIX

Status: This amount covers maintenance on PPLD’s ILS (SIRSI) and anticipated upgrades to the system for 2017.

Amount: \$250,000.00

29. Contract Purpose: Courier services

Vendor: Stat Courier Services

Status: This amount covers delivery services for all district facilities during 2017.

Amount: \$160,000.00

30. Contract Purpose: Library book purchases – an estimate for 2017

Vendor: Ingram

Status: Due to the results of the RFP for processing services, Ingram is the District’s primary vendor for book purchases for most materials. Ingram has shown to have the best discounts for materials, as well as superior processing, cataloging and shipping services.

Amount: \$1,200,000.00

31. Contract Purpose: Mechanical maintenance and repairs

Vendor: American Mechanical Services

Status: This vendor is used to preventative maintenance and repairs of HVAC equipment throughout the District.

Amount: \$85,000.00

32. Contract Purpose: Janitorial and carpet cleaning services

Vendor: Frank Martin

Status: This vendor is used to provide janitorial and carpet cleaning services throughout the District.

Amount: \$375,000.00

33. Contract Purpose: Purchase of databases and reference materials

Vendor: Gale Group

Status: This vendor is used to purchase certain databases.

Amount: \$90,000.00

34. Contract Purpose: Off-site hosting and support service for the District's fully-integrated Finance/Payroll/HR system

Vendor: Tyler Technologies

Status: This vendor provides such services to both host and support the District's fully integrated finance/payroll/HR system.

Amount: \$62,000.00

35. Contract Purpose: Purchase RFID tags for library materials

Vendor: Intelletto Technologies

Status: This vendor provides RFID tags for our library materials.

Amount: \$50,000.00

36. Contract Purpose: Purchase of library materials - playaways

Vendor: Findaway World, Inc.

Status: This amount covers the purchase of playaways (library materials) during 2017

Amount: \$100,000.00

37. Contract Purpose: Solar power for Library 21c

Vendor: Sunshare

Status: This amount covers estimated costs for 2017 related to PPLD's commitment to use solar power for electrical utilities at Library 21c.

Amount: \$130,000.00

Interim Conflict of Interest Statement Pikes Peak Library District

- I. Certain activities sponsored by the Pikes Peak Library District (PPLD) may pose an actual or potential “conflict of interest” between a member of any one of the three PPLD Boards (Board of Trustees, PPLD Foundation, PPLD Friends of the Library), or any employee’s business or personal affiliations and his or her participation in that association. The following will serve as a guide to the possible types of activities that might cause conflicts of interest and that should be fully reported to the Executive Director or his/her designee:
- To hold, directly or indirectly, a position or financial interest in any outside concern from which the individual has reason to believe PPLD secures goods or services.
 - To hold, directly or indirectly, a position or financial interest in any outside concern that competes, directly or indirectly, with PPLD.
 - To render managerial or consultative services to any outside concern that does business with, or directly competes with PPLD.
 - To accept excessive gifts, entertainment, or other excessive favors from any outside concern that does, or is seeking to do, business with, or is a competitor of PPLD.
 - To participate, directly or indirectly, in any matter involving the District where they or a member of their family has a direct or indirect financial interest.
- Full disclosure of any situation in doubt should be made so as to permit an impartial and objective determination.
- II. Members of the PPLD Board of Trustees, the PPLD Foundation, the Friends of the PPLD and employees asked to serve as officers or on committees must be aware of potential conflicts of interest and the possible effects of such conflicts on PPLD. Such activities include, but are not limited to:
- Service as an elected or appointed officer.
 - Service on nominating committees; service on award committees.
 - Service as a liaison from PPLD to other organizations within or beyond Pikes Peak Library District.
 - Discussion and evaluation of standards for services received from suppliers and other vendors.
 - Awarding of contracts to investment firms or consultants.
 - Participation in programs or presentations to the membership as a whole.
 - Other activities that may influence or have financial implications on one's work or personal life.
- III. No member of the PPLD Board of Trustees, the PPLD Foundation, the Friends of the PPLD, or any employee should make, participate in making, or use his/her PPLD position to influence the making of any committee, section or division decision in which the member has a direct or indirect financial or personal interest.
- If a member of the PPLD Board of Trustees, the PPLD Foundation, the Friends of the PPLD or any employee determines that he/she should not participate in a decision due to an actual or potential conflict of interest, disclosure should be made to either the group chair or group as a whole.
 - In the case of a voting body, the determination and disclosure should be made part of the official record of the body, and the member should abstain from action on the matter(s) in conflict.
 - In the case of a committee appointment, the disclosure should be made in writing to the appropriate appointing officer.
 - In the case of disclosure of potential conflicts of interest, written or verbal, by committee appointees, written response should be received from the appropriate appointing officer or nominating committee.
 - Potential conflicts of interest should be disclosed to nominating committees prior to agreeing to run for office.
- IV. Any member of the PPLD Board of Trustees, the PPLD Foundation, the Friends of the PPLD or any employee who is unsure of his/her responsibilities in this area may request assistance from the Executive Director or his/her designee.
- V. If a member of the PPLD Board of Trustees, the PPLD Foundation, the Friends of the PPLD or any employee fails to identify a conflict of interest that may reflect negatively on the actions of PPLD, following appropriate review the Executive Director or his/her designee may recommend appropriate and or corrective action, up to and including termination of employment.

(This statement is to be readopted by the PPLD Board of Trustees each year.)

PIKES PEAK LIBRARY DISTRICT STATEMENT OF ECONOMIC INTEREST

Updated May 2007 – Readopted January 10, 2017

Pursuant to the purposes and intent of the Pikes Peak Public Library District (PPLD) Board of Trustees requiring disclosure of certain interests, a copy of which has been furnished to me, I hereby state that I, or members of my immediate family have the following affiliations of interest, and/or have taken part in the following transactions that, when considered in conjunction with my position, may constitute a conflict of interest. (Check NONE where applicable).

1. Financial and Business Arrangements () NONE

Describe any financial arrangements or other continuing financial, business or professional dealings with business associates, clients or customers who may be affected by policies/work product that you will influence through the duties of the position you hold.

2. Organizational Loyalties () NONE

List and describe, with respect to yourself or your immediate family, any affiliation with any organizational entity that might affect how you vote or make decisions for the PPLD. Examples might be other board positions or professional organizations to which you belong.

3. Investments and Other Obligations () NONE

List any investments, obligations, liabilities, or other financial relationships, including real estate holdings, which constitute potential conflicts of interest through the duties of the position you hold.

4. Business Relationships () NONE

Describe any business relationship, dealing or financial transaction during the last five years whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the duties of the position which you hold.

5. Fiduciary Relationships () NONE

List names of all corporations, firms, partnerships or other business enterprises, and all nonprofit organizations, and other institutions with which you are now, or during the past five years have been, affiliated as an officer, owner, director, trustee, partner, advisor, attorney or consultant.

6. Disciplinary Actions () NONE

Have you ever been disciplined or cited for a breach of ethics or unprofessional conduct by, or are currently the subject of a formal complaint procedure in any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, please provide full details.

7. Acceptance of Gifts () NONE

List and describe, with respect to yourself or your immediate family, any accepted gifts, gratuities or entertainment; that might influence your judgment or actions concerning business of PPLD.

8. Library Information () NONE

List and describe, with respect to yourself or your immediate family, any instances in which you have disclosed or used information relating to PPLD's business for the personal profit or advantage of yourself or any members of your immediate family.

I hereby agree to report to the Executive Director or his/her designee any change in the responses to each of the foregoing questions that may result from changes in circumstances before completion of my next questionnaire.

SIGNATURE _____ DATE _____

Insurance Policies - 2017

During 2015, the District completed a formal RFP process to select an insurance consultant for all non-employee benefit-related insurance policies. The consultant selected was HUB International (HUB).

HUB obtained renewal quotes for 2017 from the current carriers (Travelers and Pinnacol), and it received a quote from the Colorado Special Districts Association (CSD). Please refer to the attached summary sheet, which shows the quote from CSD is \$5,379.22 less than the quote from the current carriers.

HUB recommends we stay with our existing carriers for our 2017 insurance programs. HUB provided the following rationale:

After a careful review and final discussion with both markets, our team sees the Travelers/Pinnacol program as one that better aligns with PPLD's risk management appetite and goals. We understand there is a financial incentive in the premium savings presented within the Colorado Special Districts program. However, the following coverage and service areas are items that we consider crucial:

Property Limits - Travelers is presenting "Blanket" limits across your entire portfolio; while CSD is only able to extend limits on a per location basis with a Margin Clause. Property valuation is the most difficult to predict due to unknown replacement cost variables after a catastrophic loss. These factors include availability of labor, cost of construction materials, and timing of project completion. Travelers is offering over \$140,000,000 in values toward any one location or loss. CSD is offering the limit assigned to each location that you estimate at the beginning of the policy period.

Catastrophic Property Perils - Your historical program design has been aligned to react to both catastrophic and common property occurrences. The CSD proposal is lacking robust Flood and Earthquake limits. These catastrophic perils are insured to \$25,000,000 for most locations throughout the Travelers policy, with a few locations limited to \$10,000,000 or \$5,000,000 for Flood. All locations share a \$25,000,000 Earthquake limit. The CSD program is only able to extend \$3,000,000 for both of these perils. We fear that this limit would be very low for some key locations that are susceptible to catastrophic loss.

Executive Risk Program - Travelers is currently providing coverage for, and would continue to cover, the Executive Risk lines - D&O, Crime, Fiduciary. There are potential instances where a claim could be considered under multiple policies. By introducing another carrier, you are increasing the possibility of insurance carriers arguing over the extent of their limits, applicability of their coverage, or responsibility of their company. We support aligning carriers to avoid the potential conflict when possible.

Claims Support - Both Travelers and Pinnacol have their own local claims teams and online management systems. This is a big deal. CSD would certainly provide guidance and support in the event of a claim, but they outsource a majority of the function to a Third Party Adjustment (TPA) firm. This can cause two main areas of concern: timeliness of response & settling losses beyond their optimal amount. The lack of immediate control could possibly lead to larger claim dollars being spent on your behalf, which will ultimately lead to higher premiums in the long run.

Our team works with all the markets presented and can find value in their offerings. However, for your risk type and program management, we would recommend maintaining a relationship with the current insurance carriers. Their risk management approach provides catastrophic defense, ease of management, and a long-term, consistent relationship.

The 2017 premiums quoted by Travelers and Pinnacol are as follows:

Property Insurance	\$67,163.00
Inland Marine	4,490.00
General Liability	9,472.00
Auto	23,108.00
Sexual Abuse/Molestation	3,100.00
Umbrella	7,707.00
Executive Risk	22,503.00
Workers Compensation, net	53,362.00
Broker Fee payable to HUB	<u>15,000.00</u>
Total for 2017	<u>\$205,905.00</u>

Please note the District elected to pay the consultant this fee directly for 2016 and 2017, whereas in prior years, the broker was paid a commission for each policy and the commission was included in the premium costs.

In addition, the attached sheet addresses Workers Compensation premiums for 2017. The term of this policy is 2/1/2017 – 1/31/2018.

Given the size of the District and all of the issues that face the District, the total premium for these policies for 2017 is favorable in comparison to prior year premium totals. The 2016 premium amount is approximately \$1,399.00 lower than the total for 2016 (including the \$15,000.00 fee), and this savings includes the \$3,100.00 premium for the Sexual Abuse and Molestation policy which HUB recommends that we add to our insurance program for 2017.


















The District has not had any significant claims in several years, and when claims do occur, they have been appropriately managed and resolved by both District and Insurance personnel. This helps keep the premium cost lower from year-to-year.

Per discussion with HUB representatives, they believe the District is adequately covered in all areas, meaning they believe there is no significant exposure to liability for uninsured items.

Recommendation

It is recommended that the Board of Trustees approve Travelers Insurance as the carrier for the insurance policies listed above for 2017, and Pinnacol as the carrier for the Workers Compensation program for 2017, and the HUB broker fee, at a total annual cost of \$205,905.00.

Premium Summary

Coverage	Expiring		Renewal	
	Carrier	Premium	Carrier	Premium
Property including Equipment Breakdown		71,961		67,163 -6.6%
Inland Marine		5,425		4,490
General Liability		9,552		9,472 -3%
Business Automobile		14,387		23,108
Sexual Abuse & Molestation (Option)	---	---		3,100
Workers' Compensation		66,428		59,291
Commission Credit		(\$6,643)		(\$5,929)
Umbrella Liability		8,691		7,707
Executive Risk – CRIME,D&O,EPLI, FIDUCIARY		22,503		22,503
Brokerage Consulting Fee		15,000		15,000
Total Premium		\$207,304		\$205,905

Data provided on this page is proprietary and confidential

Risk	Travelers		CO Special Districts Pool	
	Coverage	Premium	Coverage	Premium
Property including Equipment Breakdown	Blanket Limit	67,163.00	No Blanket Limit	102,621.77
Inland Marine		4,490.00		included
General Liability	Abuse & Molestation quote pending completion of applications. Initial indication of \$3K annually.	9,472.00	Abuse & Molestation - \$1M Limit Included	21,910.58
Business Automobile	Separate limit for each occurrence	23,108.00	Auto Liability limit is shared with General Liability limit & could cause depletion of the aggregate	3,740.93
Sexual Abuse and molestation		3,100.00		3,100.00
Workers' Compensation	effective date remains 2/1/17 - Continue with access to online reports, claim notes.	59,291.00	effective date would move to 1/1/17 - No Access to online reports, claim notes.	56,600.01
Commission Credit		-5,929.00		-17,549.46
Multi Program Discount		None		-9,949.00
Umbrella Liability	10,000,000 limit	7,707.00	8,000,000 limit	2,547.95
Executive Risk - CRIME, D&O, EPLI, FIDUCIARY		22,503.00		22,503.00
Brokerage Consulting Fee		15,000.00		15,000.00
Total		205,905		200,525.78
Difference in Premium		5,379.22		

Independent Auditors – 2016 Financial Records

The Local Government Audit Law (Section 29-1-601 et seq., C.R.S.) requires Colorado local governments such as the Pikes Peak Library District (the District) to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant, and be in accordance with Generally Accepted Accounting Standards.

The District completed a formal Request for Proposal process several years ago, and BKD, LLP was selected as the District's independent auditors. BKD has completed four years of audits since then (fiscal years 2011, 2012, 2013, 2014 and 2015).

The recommendation for the District's independent auditor for its 2016 financial records was discussed with the District's Board of Trustees President. The main points of discussion included the following:

- Continuity of the District's independent auditor is very important given the fact that the District is still in a transition period (for all of 2015 and part of 2016) in relation to its Executive Director position and other key leadership positions. Changes in leadership, regardless of the reason, is an issue for auditors, and the District's 2016 audit will be less problematic with a continuation of auditors during the transition period.
- Their proposed fee for the 2016 audit is \$31,620, which is higher (about 2%) than their fee of \$31,000 for the 2015 audit. See page 5 of the attached Engagement Letter.
- There are no grant programs that are subject to an A-133 audit (refer to page 5 of the Engagement Letter).
- The Internal Affairs Committee previously indicated they were pleased with the outcome of the 2015 audit, and that they expressed no concerns related to the work done by BKD, LLP.
- Staff found BKD's audit work to be professional, thorough and efficient.

Recommendation

The recommendations made to the Board of Trustees are as follows:

- a. The Board of Trustees should select BKD, LLP to conduct a complete audit of the District's financial records for the period January 1, 2016 – December 31, 2016, as required by state statutes; and
- b. The Board of Trustees accept BKD, LLP's fee of \$31,620 plus reimbursable expenses; and
- c. Authorize management to complete a formal RFP for auditing service during 2017 for a year-to-year agreement for up to five years (subject to annual approval).

December 5, 2016

Internal Affairs Committee and Board of Trustees
Cathy Grossman, President, Board of Trustees
Michael Varnet, Chief Finance and Business Officer
Pikes Peak Library District
Library 21C
1175 Chapel Hills Drive
Colorado Springs, Colorado 80920

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide to Pikes Peak Library District.

ENGAGEMENT OBJECTIVES AND SCOPE

We will audit the basic financial statements of Pikes Peak Library District (the District) as of and for the year ended December 31, 2016, and the related notes to the financial statements.

Our audit will be conducted with the objectives of:

- ✓ Expressing an opinion on the financial statements
- ✓ Issuing a report on your compliance based on the audit of your financial statements
- ✓ Issuing a report on your internal control over financial reporting based on the audit of your financial statements

OUR RESPONSIBILITIES

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance having a direct and material effect may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

In making our risk assessments, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, in the future, procedures could become inadequate because of changes in conditions or deterioration in design or operation. Two or more people may also circumvent controls, or management may override the system.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate letter to be signed by you and BKD.

Travis Webb, Partner, will oversee and coordinate the engagement. Steven Sauer, Director, is responsible for supervising the engagement and authorizing the signing of the report or reports.

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Trustees of Pikes Peak Library District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph(s), or withdraw from the engagement. If we discover conditions that may prohibit us from issuing a standard report, we will notify you as well. In such circumstances, further arrangements may be necessary to continue our engagement. We will also express an opinion on whether your combining and individual fund statements and schedules (supplementary information) is fairly stated, in all material respects, in relation to the financial statements as a whole.

YOUR RESPONSIBILITIES

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- c. for identifying and ensuring compliance with the laws, regulations, contracts and grants applicable to your activities; and
- d. to provide us with:
 - i. access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - ii. additional information that we may request from management for the purpose of the audit; and
 - iii. unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, where appropriate, those charged with governance, written confirmation acknowledging certain responsibilities outlined in this engagement letter and confirming:

- The availability of this information
- Certain representations made during the audits for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures or other engagements that satisfy relevant legal, regulatory or contractual requirements or fully meet other reasonable user needs.

With regard to supplementary information:

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of our engagement
- Management will include our report on this supplementary information in any document that contains this supplementary information and indicates we have reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

OTHER SERVICES

In addition, we may perform other services for you not covered by this engagement letter. You agree to assume full responsibility for the substantive outcomes of the services described above and for any other services that we may provide, including any findings that may result. You also acknowledge that those services are adequate for your purposes and that you will establish and monitor the performance of those services to ensure that they meet management's objectives. Any and all decisions involving management responsibilities related to those services will be made by you, and you accept full responsibility for such decisions. We understand that you will designate a management-level individual to be responsible and accountable for overseeing the performance of those services, and that you will have determined this individual is qualified to conduct such oversight.

ENGAGEMENT FEES

The fee for our services will be \$31,620. This fee assumes we will not be required to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. If we are required to perform an audit in accordance with OMB Circular A-133, our fee will increase by \$6,500 to \$7,000 per program for each major program tested. Our estimate of time assumes no substantial problems with obtaining the requested information needed to complete our audit.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. We will issue progress billings during the course of our engagement, and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 30 days at the rate of 10% per annum.

Our engagement fees do not include any substantial additional procedures related to the implementation of Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* nor Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures* or early adoption/implementation of other relevant statements. If it is determined that additional billings are necessary, we will discuss this with you prior to charging any additional fees.

Our engagement fee does not include any time for post-engagement consultation with your personnel or third parties, consent letters and related procedures for the use of our reports in offering documents, inquiries from regulators or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

Our fees may also increase if our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. We will consult with you in the event any other regulations or standards are issued that may impact our fees.

If our invoices for this or any other engagement you may have with BKD are not paid within 30 days, we may suspend or terminate our services for this or any other engagement. In the event our work is suspended or terminated as a result of nonpayment, you agree we will not be responsible for any consequences to you.

OTHER ENGAGEMENT MATTERS AND LIMITATIONS

Our workpapers and documentation retained in any form of media for this engagement are the property of BKD. We can be compelled to provide information under legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information.

You agree to indemnify and hold harmless BKD and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement attributable to false or incomplete representations by management, except to the extent determined to have resulted from the intentional or deliberate misconduct of BKD personnel.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Either of us may terminate these services at any time. Both of us must agree, in writing, to any future modifications or extensions. If services are terminated, you agree to pay us for time expended to date.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and BKD.

We may from time to time utilize third-party service providers, *e.g.*, domestic software processors or legal counsel, or disclose confidential information about you to third-party service providers in serving your account. We remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information. In the event we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.

We will, at our discretion or upon your request, deliver financial or other confidential information to you electronically via email or other mechanism. You recognize and accept the risk involved, particularly in email delivery as the Internet is not necessarily a secure medium of communication as messages can be intercepted and read by those determined to do so.

You agree you will not modify these documents for internal use or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way and should be destroyed as soon as possible.

If you intend to include these financial statements and our report in an offering document at some future date, you agree to seek our permission to do so at that time. You agree to provide reasonable notice to allow sufficient time for us to perform certain additional procedures. Any time you intend to publish or otherwise reproduce these financial statements and our report and make reference to our firm name in any manner in connection therewith, you agree to provide us with printers' proofs or masters for our review and approval before printing or other reproduction. You will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are in addition to those discussed elsewhere in this letter.

You agree to notify us if you desire to place these financial statements or our report thereon along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that we have no responsibility as auditors to review information contained in electronic sites.

Any time you intend to reference our firm name in any manner in any published materials, including on an electronic site, you agree to provide us with draft materials for our review and approval before publishing or posting such information.

BKD is a registered limited liability partnership under Missouri law. Under applicable professional standards, partners of **BKD, LLP** have the same responsibilities as do partners in a general accounting and consulting partnership with respect to conformance by themselves and other professionals in BKD with their professional and ethical obligations. However, unlike the partners in a general partnership, the partners in a registered limited liability partnership do not have individual civil liability, directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for any debts, obligations or liabilities of or chargeable to the registered limited liability partnership or each other, whether arising in tort, contract or otherwise.

Internal Affairs Committee and Board of Trustees
Pikes Peak Library District
December 5, 2016
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In accordance with *Government Auditing Standards*, we have attached hereto a copy of our Firm's latest peer review report.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. If the signed copy you return to us is in electronic form, you agree that such copy shall be legally treated as a "duplicate original" of this agreement.

BKD, LLP

Acknowledged and agreed to on behalf of:

PIKES PEAK LIBRARY DISTRICT

BY _____
Cathy Grossman, President, Board of Trustees

DATE _____

BY _____
Michael Varnet, Chief Finance and Business Officer

DATE _____

System Review Report

To the Partners of BKD, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, audits of carrying broker-dealers, and examinations of service organizations (SOC 1).

In our opinion, the system of quality control for the accounting and auditing practice of BKD, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 19, 2014