

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
WORK SESSION MINUTES**

December 9, 2014

I. CALL TO ORDER AND ROLL CALL

Ms. Bregar, President, called the meeting to order at 3:02 p.m. in the Ryals Room on the 4th floor of the Rawlings Library.

Board Members Present: Marlene Bregar, President; Fredrick Quintana, Vice President; Lyndell Gairaud; Philip Mancha; Roy Miltner

Board Members Absent: Donna Pickman, Jim Stuart

Attorney Present: Tony Perko

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Abby Koehler, Strategic Planner/System Librarian; others not recorded

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA None

III. DISCUSSION ITEMS

A. Amended 2014 Capital Project Fund Budget

Ms. Bregar said the Capital Project Fund Budget adopted by the PCCLD Trustees Board in December 2013 for fiscal year 2014 did not fully anticipate all revenue actually received. The Board would review a supplemental 2014 Capital Project Fund Budget and Appropriation.

Ms. Brogan referred to the Resolution for Supplemental Budget and Appropriation provided in the Board packet which states the amount of additional gift and grant revenue of \$212,000 and additional interest earnings of \$600. The Board will be asked to approve a Resolution increasing the 2014 appropriation for the Capital Project Fund from \$350,188 to \$562,788 which will be used to complete construction of the three new libraries.

Ms. Bregar said this will be added to the December meeting agenda.

B. Resolutions to Adopt the 2015 Annual Plan, the 2015 Budget, Set the Mill Levy, and Appropriate Sums of Money for the 2015 Budget

Ms. Bregar said the Preliminary 2015 Annual Plan and Budget were presented for Board consideration in October, and a Public Hearing was held in November. The Board will be asked to take the following actions: Approve the 2015 Annual Plan; Adopt the 2015 Budget, Set the mill levy at 5.262 mills; and Appropriate funds for the 2015 Budget.

Ms. Bregar said each of those would be a separate item on the December meeting agenda.

Mr. Miltner asked about changes made to the Annual Plan and Budget. Ms. Brogan distributed an updated 10-Year Financial Projection, and she pointed out that it now projects unrestricted fund balance as a percentage of operating expense which never drops below the 20% required by policy.

Ms. Brogan received the final assessed valuation from the County Assessor which went up minimally. Ms. Brogan also discovered the library will be saving about \$246,000 over what was anticipated in the 2014 budget. Ms. Brogan described increased personnel expenses which were offset by PERA savings because employees opted to deduct health care premiums before taxes, which reduces the amount the library pays PERA and for medical FICA and other expenses that go along with that. There was also a decrease in property/liability insurance, as the quote came in at less than the amount budgeted.

Specific Ownership tax and property tax revenue were expected to be better next year based on this year's revenue. The revenue is expected to increase by \$60,424, but expenditures increase by \$62,206, so the variance is just under \$2,000.

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Mr. Miltner expressed concern about employees deducting premiums before taxes. Ms. Brogan said they are careful not to advise employees, but as employees near retirement, there are advantages to deducting premiums after taxes when calculating PERA retirement benefits.

Ms. Brogan said the financial projection for 2015 is to have \$2,691,691 unrestricted fund balance which is 38% of operating expenditures. Ms. Brogan will have the revised budget posted on the website on December 10.

Mr. Miltner asked if there will be funds carried over from the new libraries. Ms. Brogan said she does not expect any because she intends to make sure all the bills are paid in 2014. There will be some carryover in the Capital Fund for the InfoZone.

Mr. Walker said except for those changes in a \$10 million budget, it is the same budget the Board has been discussing for the past couple of months. It is a good budget and will support the existing locations as well as the new libraries, and it continues to support the 15% of operating expenses for materials. It includes a 2.5% adjustment in salaries for the Pay-for-Performance plan, and there are more employees now. There is about a 9% increase from this year to next in terms of expenditures. It is not a rich budget for operating eight libraries instead of five. It is definitely lean. Adjustments were made in the staffing model to plan for the new libraries, it is positive, and the library is positioned in a strong place now. It continues to support the Capital Replacement Plan. Mr. Walker said the Replacement Plan will replace all staff computers in 2015, and the library will continue to fund the Replacement Plan to keep it in sound condition.

Dr. Mancha asked where the replacement fund is shown, and Ms. Brogan pointed out line 31 showing the Transfer to the Capital Project Fund. Ms. Brogan said the Total Projected Expenditures from the Capital Project Fund are shown on line 37. Ms. Brogan said they are working on the page showing the costs of the Annual Plan initiatives which have been incorporated into the budget.

Mr. Miltner pointed out the Capital Fund expenditures projected in 2016 seem very low, and Ms. Brogan said that is because very few items are scheduled to run their course that year. She explained that there is a schedule of projected lives of equipment. Mr. Walker said things may need to be replaced sooner or can last longer, and as staff review this they make adjustments in the replacement fund. The projection for 2016 could change depending on the analysis.

Ms. Gairaud asked about the replacement computers, and Mr. Walker said that has not yet been determined. The library is using a lot more mobile technology now, and the library may replace some desktop computers with laptops. Mr. Miltner commented on how little space was required for computers at the new libraries, and Mr. Walker acknowledged there are very few hard-wired computers at the new libraries. Mr. Walker said librarians have expressed an interest in doing a presentation on the use of mobile devices in libraries.

Ms. Bregar asked if patron information is encrypted in case someone steals a staff computer. Dr. Mancha agreed that could really hurt the reputation of an institution. Mr. Walker said he will look into it and make sure the library continues to be cautious and careful with that.

Ms. Brogan said three years ago, the scheduled replacement of staff computers had a cost of about \$120,000, but now the cost is projected to be closer to \$75,000, so the costs have gone down.

C. PCCLD Workers' Compensation, Property/Casualty and Liability Insurance Renewal

Ms. Bregar said PCCLD's workers' compensation, property/casualty and liability insurance coverage will expire at the end of 2014. PCCLD insurance consultants have solicited information for coverage renewal. The best and lowest proposal is recommended from the Special Districts Association at a cost of \$81,440. By policy, this requires Trustee approval since it exceeds \$25,000.

Mr. Walker referred to the document provided in the packet showing the premium summary. Mr. Walker said the recommendation is to use the bid from the Special Districts Association (SDA). The packet includes the bids from other carriers, but it is clear that the SDA has the best proposal. Some of the vendors declined to bid. Workers' Compensation is down to a .75 rate which resulted

in a 60% reduction in premium. The price is good from SDA, and the coverage is great. The only extra cost is the membership of \$1,200 annually, but that membership also offers training and other advantages.

Mr. Miltner asked if this is an increase or a decrease. Ms. Brogan said it is a small increase, but not as much as anticipated, and certainly better than any other bids received. Mr. Walker said it is a \$4,000 decrease from the amount originally budgeted. Ms. Brogan explained that last year the library declined coverage for equipment breakdown and she described the reasoning behind that decision based on an experience with the insurer declining to cover the replacement of a faulty chiller. HUB made a good case for bringing that back, particularly if anything happened at the new libraries, so that was added back in this quote.

Ms. Bregar said the library employees are to be commended for lowering the Workers' Compensation rate, and it would be wonderful to keep it low. This will be added to the agenda for the December meeting.

D. SirsiDynix Support Renewal

Ms. Bregar said the Board of Trustees will discuss the renewal of the SirsiDynix support contract at a cost not to exceed \$97,135.52. A report and recommendation would be provided. By policy, this renewal requires Trustee approval since it will exceed \$25,000.

Mr. Walker asked Ms. Koehler to speak on this. Ms. Koehler said the figure submitted had been revised today, and she pointed out that it also provides RFID support which she discovered had been overcharged. The final number for the Board's approval will be \$95,013.14.

Mr. Walker said the Board will need to approve this because the support for RFID equipment has been added. RFID represents approximately one-third of the renewal cost.

Ms. Bregar said this should be added to the agenda for the December meeting.

E. Newsletter Articles – Updated Schedule

Ms. Bregar said on the recommendation of the Advocacy Committee, the Trustees have been regularly submitting articles for the Library newsletter. An updated schedule was provided for discussion.

Mr. Walker referred to the updated schedule and encouraged Board members to contact the Board Secretary if they prefer a different month or to declare independence from the task. The schedule does not require formal action. Mr. Walker said there are a lot of good things to write about at the library, and he appreciates their work on the newsletter articles which appear every other month.

F. Board Assessment

Ms. Bregar said the Board of Trustees have adopted a self-assessment tool and were provided access to a Board Assessment electronic form. The Trustees were asked to discuss the assessment process for conducting this year's assessment.

Mr. Walker demonstrated the electronic assessment form. The Board discussed the space for comments, and the form allows comment beyond the space that appears on the form. Board members suggested the form be modified to allow someone to save the form and return to it later before submitting it. It was also suggested that it allow them to print a copy of their assessment.

The Board Secretary will notify the Web Editor of the suggested improvements and resend the link to all Board members asking them to complete the Board Assessment by January 5. The Board will review the results of the assessment at the January 13, 2015 Work Session. The Board Development Committee may be asked to make recommendations based on the results.

G. Trustee Terms

Ms. Bregar reviewed the current terms of the PCCLD Trustees: Dr. Mancha expires 12/31/2019 (assuming reappointment); Ms. Pickman expires 12/31/2018; Ms. Bregar and Ms. Gairaud expire 12/31/2017; Mr. Quintana and Mr. Stuart expire 12/31/2016; and Mr. Miltner expires 12/31/2015.

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Ms. Bregar said she is nearing completion of her two terms as President, and hopefully Mr. Quintana will take over as President. The Board members need to be thinking about who would be interested in serving as the next Vice President.

Mr. Walker pointed out that Dr. Mancha's term expires at the end of this year, and he has reapplied to serve another term. Mr. Walker described the process underway at the City Clerk's office, and he is hopeful that Dr. Mancha will be reappointed at the December 22 City Council meeting.

There was a discussion of the provisions in the Bylaws which state that "to the extent possible" the Board President serves two one-year terms, and the Vice President "to the extent possible" then moves into the role of President. The Board elects officers at the January meeting.

Ms. Bregar asked the Board Secretary to relay the Board's discussion to all Board members providing the pertinent portion of the Bylaws, asking them to contemplate serving as Vice President and to contact her if anyone is interested. It was also suggested the Vice President contact Board members to encourage members to serve.

H. Executive Director Evaluation

Ms. Bregar said the Board would discuss plans for the Executive Director's annual evaluation which is due to be completed in February 2015.

Ms. Bregar said she expects the Board to use the same tool that has been used in the past. If the Board would like to change the evaluation form, the Board should work on that in 2015 in order to have it place for 2016.

Dr. Mancha suggested the evaluation tool should be in line with the job description, which should be the basis for the evaluation. It was agreed it should be handled early in 2015. Dr. Mancha suggested a small Board committee be formed if the Board decides to change the form. Ms. Bregar said she had also talked with Sara Rose, HR Director, about reviewing the process in light of the changes for all staff evaluations.

Mr. Walker was asked to contact Sara Rose, HR Director, to speak with Ms. Bregar about the evaluation process. Ms. Rose should also provide Board members with the job description and previous evaluation. In terms of the future, it was suggested the new Board President guide that discussion. Mr. Walker will ask Sara Rose to provide the documents in an email to Ms. Bregar.

IV. ADJOURNMENT

Prior to adjournment, Ms. Bregar reminded Trustees that the Regular Board meeting will be held beginning at 5:30 p.m. on Thursday, December 11, at the Rawlings Library.

There being no further discussion, the Work Session adjourned at approximately 4:10 p.m.

Respectfully submitted,

Jane Carlsen
Secretary