

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

October 14, 2014

I. CALL TO ORDER AND ROLL CALL

Mr. Quintana, Vice President, called the meeting to order at 3:01 p.m. in the Ryals Room on the 4th floor of the Rawlings Library.

Board Members Present: Marlene Bregar, President; Fredrick Quintana, Vice President; Philip Mancha; Roy Miltner; Donna Pickman; Jim Stuart

Board Members Absent: Lyndell Gairaud

Attorney Present: Tony Perko

Staff Present: Jon Walker, Executive Director; Chris Brogan, Chief Financial Officer; Sara Rose, Human Resources Director; others not recorded

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA

Mr. Walker requested adding item III.F. for the purpose of discussing a joint meeting with the PURA (Pueblo Urban Renewal Authority) Board. *(Ms. Bregar arrived at this point but suggested Mr. Quintana continue to preside.)*

III. DISCUSSION ITEMS

A. Preliminary 2015 Annual Plan & Budget

Mr. Quintana said the Library District Board of Trustees will be presented with the preliminary Pueblo City-County Library District 2015 Annual Plan and Budget. The Trustees will be asked to consider and discuss the plan and budget presentation. The preliminary presentation will be followed by a public hearing on the plan and budget at the November Trustees meeting. The Trustees will be asked to adopt a 2015 plan and budget, set the mill levy, and appropriate sums of money for the 2015 budget at the December Trustees meeting.

Ms. Brogan distributed the 10-Year Financial Projections and the 2015 Budget & Annual Plan which was also distributed to Board members. Ms. Brogan emphasized that the Budget & Annual Plan was preliminary, and changes will continue to be made prior to final approval. The 10-Year Financial Projections have been revised to reflect the 2015 Budget & Annual Plan. Ms. Brogan will provide a formal presentation at the October Board meeting and wanted to give the Board an opportunity to review it prior to the meeting. There is also a statutory requirement to provide Board members the Preliminary Budget by October 15.

Ms. Brogan pointed out the highlighted line showing the remaining unrestricted fund balance as a percentage of operating expense which must be at 20% by policy. The further out the projections go, the more speculative it becomes, and by 2018 it drops to 19%, but there are budget measures that can be taken to correct that. Ms. Brogan said the 2015 budget is within that guideline.

Ms. Brogan said money had been budgeted to manage three new libraries, but 2015 will be the first year of actual expenses so it will be a year of analysis to make sure the amounts are accurate. Ms. Brogan said the opening day collection expenses were budgeted in 2014 so that expense is not in the 2015 budget.

Ms. Brogan reiterated that additional changes will be made prior to the public hearing. She encouraged the Board to review the Annual Plan & Budget and call her with any questions or comments. Ms. Brogan suggested Mr. Walker discuss the Annual Plan.

Mr. Walker said there are increases in almost every category except Materials because opening-day collections were budgeted in 2014. There is a decrease in Friends expenditures because those will be going through the Foundation. There is a contingency in the salary budget to allow some

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flexibility for staffing allocations if needed. The budget maintains 15% of operating expenditures for materials. Mr. Walker reiterated that it is preliminary with plenty of time to make changes.

Mr. Walker said the Annual Plan was developed in a similar manner as in the past with the exception that members of the Friends Board and the Foundation Board were also invited to participate. The invitation was very favorably received by the Friends and helps build mutual understandings. Their participation was positive and served as a communication tool. Mr. Walker said the Annual Plan is similar in other respects showing each objective and action steps.

Mr. Walker discussed his perspective that 2015 will be a year of balancing from the growth spurt of adding new libraries, and it may be clumsy as the library adapts to its larger size. It will be important to make sure support services, such as Facilities and Finance, are sufficient to support the needs of more public service areas. Some estimates have been made, but it will take a year of operation to be absolutely certain the estimates are accurate.

Mr. Quintana thanked all the staff who put this together. Mr. Quintana asked if there is a category that will fluctuate more than others, and Ms. Brogan provided an example that casualty insurance estimates will come in later and is likely to change. She also suggested that utility cost estimates may fluctuate. Ms. Brogan believes that salary and personnel expenses are accurate because the library has the benefit quotes needed.

B. Health Benefit Renewal

Mr. Quintana said the current employee health benefit package approved by the Board of Trustees will end December 31, 2014. A proposed benefit renewal commencing January 1, 2015 and ending December 31, 2015 will be presented for discussion. Since the cost of this proposal exceeds \$25,000, the Trustees will be asked to consider action to approve this expenditure.

Ms. Rose distributed a summary of the health benefit renewal. Going into 2015, the biggest impact is the Affordable Care Act which mandates that employees who work an average of 30 hours a week must be offered affordable health benefits. Spouses and dependents must be allowed to enroll in the health benefit plan, but that coverage is not required to meet the same affordability criteria. The 30 hours per week was based on a 12-month look back period, and the library will have 12 newly eligible employees, a 19.6% increase.

Ms. Rose noted that benefits and compensation is a big expense for the library, so they were trying to maintain competitive benefits and control costs. A two-tier benefit structure was developed. Tier 1 is for employees who work 30-39 hours per week. PCCLD will pay 80% of the insurance premium for the employee, but will not pay for spouse or dependents although they can enroll, and those employees will not be eligible for life insurance. Tier 2 is for employees working 40 hours per week. PCCLD will pay 80% of the insurance premium for the employee and 75% of the insurance premium for spouse or dependents and includes life insurance coverage. Ms. Rose credited the Leadership Team and Steering Committee for their work to keep costs down.

Ms. Rose referred to the second page which shows a budget summary, and explained the library recommends renewing with Kaiser with a dual-option plan. The page shows the monthly premiums paid by the library based on anticipated enrollments. The estimate projects that of the 12 new enrollments, 7 will select the current plan and 5 will select the second option. The second option is a high-deductible plan that will cover higher medical expenses intended for people who do not make many trips to the doctor, and it will cost less out-of-pocket. The regular Kaiser plan reflects a 3.08% increase, and the high-deductible plan is a 10.13% decrease.

For dental coverage, the Steering Committee was willing to make some changes to save costs, and the recommendation is for a dual-option plan with Beta Health & Companion Life. The first option is similar to the current plan coverage, and the second option offers a certain percentage of savings for each type of benefit and has a very narrow network with lower out-of-pocket costs. The change from Delta Dental to Beta Health & Companion Life is an 11.08% decrease, and the Dental DMO is a 57% decrease. Estimates project 7 new members in the regular plan and 5 in the Dental DMO.

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For vision insurance, the recommendation is to switch from VSP to EyeMed which is a vision insurance provider competitive with VSP. The change to EyeMed will be 40.27% less than VSP, but vision insurance only costs \$4,216 annually.

Life insurance will be renewed with a 5.3% increase.

The library is also looking at offering TeleHealth, a supplemental benefit that will connect employees with an online physician who can write prescriptions for standard drugs at a very low cost to employees.

There was specific discussion on details of life insurance, additional eligible employees, pharmacy coverage, potential of joining with larger libraries to further reduce costs, and vision coverage. Ms. Rose said the library's experience rating helped drive down costs. Mr. Walker discussed the Steering Committee's preference for staying with Kaiser but willingness to try new vision and dental providers.

Ms. Rose concluded that the library will be seeking the Board's approval of the health benefit coverage. Mr. Walker pointed out that this is a component of the 2015 Budget, and he would like the Board's approval at the next Board meeting in order to gear up for employee enrollment. Dr. Mancha asked the amount the Board would be approving, and the annual amount is \$516,570.

Mr. Quintana thanked Ms. Rose for putting in all the work and he appreciated the time it took to work with employees to get buy-in. Ms. Bregar asked Ms. Rose to pass along the Board's thanks to the committees for their work. Ms. Rose agreed they did a great job.

C. Pueblo Library Foundation Board of Directors

Mr. Quintana said Jim Stuart serves as a PCCLD Trustee on the Pueblo Library Foundation Board of Directors. Mr. Stuart's current term on the Foundation Board expires effective December 31, 2014. According to the Foundation bylaws: "At least one, but not more than two members of the Board of Trustees of Pueblo City-County Library District (the "Board of Trustees") shall be members of the board of directors. The representatives of the Board of Trustees shall be appointed by the Board of Trustees." The Trustees will discuss future representation on the Foundation Board.

Mr. Walker said the Trustees can have as many as two representatives on the Foundation Board. Mr. Stuart indicated that he was willing to serve another term. Ms. Bregar suggested it would be helpful to have a second representative working with Mr. Stuart if there is interest from anyone on the Board. Mr. Stuart said the Foundation has two positions open now. Mr. Stuart said it is not a big time commitment because the Foundation only meets every quarter. The Foundation is transitioning now to help the library on an ongoing basis. They have other ideas to expand the Foundation, and it can use help to formulate a new plan.

Mr. Quintana asked about the deadline, and Mr. Stuart responded that the terms expire at the end of the year, but Mr. Walker suggested the Board proceed to approve Mr. Stuart's appointment. If there is not another representative from the Trustees, the Foundation would need time to find another at-large member. Ms. Bregar suggested having the Board Secretary poll Board members to see if there is interest without putting anyone on the hot seat and to give Ms. Gairaud an opportunity to participate.

It was agreed that the Pueblo Library Foundation board appointment would be added to the October meeting agenda to appoint Mr. Stuart and consider any other Trustees interested.

Mr. Stuart invited recommendations to fill the at-large positions on the Foundation Board. The Foundation recently lost Dr. Gary Parks who passed away, and Priscilla Lucero from Wells Fargo, both of whom had been dynamite and left big gaps to fill. Mr. Stuart said they would be happy to meet with anyone suggested to make the request.

D. Scheduled Meeting Dates – 2015

Mr. Quintana said PCCLD is reserving meeting room locations for 2015. Although the Board of Trustees will not approve the 2015 Scheduled Meeting Dates until January 22, 2015, they will

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discuss preferences with regard to times, dates and meeting locations in advance in order to secure the meeting rooms.

Mr. Miltner noted that the 5:30 p.m. meeting time interferes with meal times and suggested the Board consider an earlier meeting time. Mr. Miltner acknowledged that the quarterly recognitions may need to be at that time for staff schedules.

Mr. Walker said the library will meet at the Board's preference, and he provided a brief history of the Board's meeting times which were changed due to the public's interest in Board meetings. The Board meeting times have not been discussed much, but it is up to the Board to decide what will work best. Other Boards in town meet at various times, including noon meetings.

Mr. Stuart suggested retired members of the Board defer to working members of the Board, and Dr. Mancha agreed. Mr. Quintana and Ms. Pickman discussed their work schedules and other commitments, and both indicated a preference for the schedule the Board has now.

Mr. Miltner agreed to drop the issue, but he felt it was important to discuss it.

Mr. Walker referred to the draft meeting schedule provided and asked Board members to review the dates for next year. Although the schedule is not approved until January, this would be the time to discuss changes in order to secure the meeting rooms.

It was agreed that it will be added to the October meeting agenda to give Board members an opportunity to review the dates and make any additional recommendations.

E. CAL Conference

Mr. Quintana said three members of the Board of Trustees will be attending the Colorado Association of Libraries Conference, October 16-18. Board members will discuss logistics and other details in preparation for their attendance.

Mr. Walker said Ms. Bregar, Ms. Pickman and Mr. Miltner would be attending CAL, and he encouraged them to make plans to attend the Awards Luncheon when the Friends of the Library would be recognized as Advocate of the Year, and retired library employee, Kathy Knox, would be recognized for her career contributions.

Ms. Bregar said she planned to travel early Thursday morning in order to attend a workshop provided by Ms. Brogan. Ms. Brogan said she and Jacqueline Murphy, who recently provided a workshop for the Board, would be providing a workshop for the Colorado Library Consortium (CLIC) and they will provide another session at 12:45 p.m. on Saturday.

F. Joint Meeting with PURA Board

Dr. Mancha said there is new leadership on the Pueblo Urban Renewal Authority (PURA) Board with a new attitude of cooperation and a willingness to try to work things out. As part of this, they want all the board members from the public entities to meet together to come up with an agreement. The PURA Board has set aside October 20 from 2:00-4:00 p.m. to meet at the Rawlings Library.

There was discussion of what might be accomplished from the public entities' perspective. Mr. Walker said the idea of this is to get the policy-makers in the room together until they reach an agreement. The Urban Renewal Authority may have an idea for another urban renewal area and would like to have consensus rather than altercation which could be their motivation for the meeting. Mr. Walker acknowledged that boards have a lot of busy people, but he hopes as many as possible can attend to try to reach a consensus.

Mr. Walker expects Mr. Gradisar will clearly articulate the differences of where the two sides are, so the groups can talk about what they are willing to do to resolve the differences. The Library Board has seen Mr. Gradisar's presentation, and he has that presentation ready. Mr. Stuart, Mr. Quintana, Ms. Bregar, Ms. Pickman, Mr. Miltner, and Dr. Mancha indicated that could attend if it is held on October 20 at 2:00 p.m.

IV. ADJOURNMENT

Mr. Walker shared photos showing the progress at each of the new libraries which are coming along with a lot of people working very hard.

Prior to adjournment, Mr. Quintana reminded Trustees that the Regular Board meeting will be held beginning at 5:30 p.m. on Thursday, October 23, at the Rawlings Library. There will be an Employee Recognition event at 5:00 p.m., and he encouraged Board members to attend.

There being no further discussion, the Work Session adjourned at 4:18 p.m.

Respectfully submitted,

Jane Carlsen
Secretary

DRAFT