

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

May 15, 2012

I. CALL TO ORDER AND ROLL CALL

Ms. Baca called the meeting to order at 3:01 p.m.

Board Members Present: Sherri Baca, President; Rhonda Gonzales; Philip Mancha; Roy Miltner; Jim Stuart

Board Members Absent: Marlene Bregar, Vice President; Fredrick Quintana

Staff Present: Jon Walker, Executive Director; Sara Rose, Human Resources Director; Charles Hutchins, IT Director; others not recorded

Attorney Present: Nicholas Gradisar

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA Mr. Walker recommended the addition of Item III.F. prior to the Executive Sessions regarding the Amendment to the Library @ the Y Agreement.

III. DISCUSSION ITEMS

A. Resolution Preliminarily Authorizing Financing for New Libraries

Ms. Baca said the Board of Trustees had approved a budget and plan that calls for borrowing funds to finance construction of three new libraries. A Resolution had been provided preliminarily authorizing the financing for the new facilities with a COP Lease program and providing reimbursement of money from the COP issue to PCCLD for money spent on the new facilities.

Mr. Walker explained that the Resolution was designed to allow the library to reimburse itself for expenses incurred for the library projects from the proceeds of the COP issue. The COP will not be issued until later this summer and is expected to be around \$4 million. The expenses incurred at this point include some surveying costs and legal fees regarding property and reviewing documents.

Mr. Walker said a more detailed Resolution authorizing the COP with a specific firm will be presented at a later date. Mr. Walker said Ms. Baca, Ms. Brogan and he had met with Jim Manire, financial consultant and had been working on getting information from underwriters and bankers on the \$4 million COP plus the refinancing of the \$6 million for the Pueblo West Library to take advantage of lower interest rates. Mr. Walker described the work underway and planned, and he expects to have a recommendation for the Board as soon as the June Board Meeting. If that recommendation is accepted, there will be a more detailed Resolution to approve the borrowing. The Resolution presented today was recommended by bond council.

Mr. Miltner asked if the climate on interest rates is about the same. Mr. Walker said it changes day-to-day, and he expects it will change a bit, but rates remain low. There is a lot of detail work to be done on a project of this size, so it can be difficult to lock in the interest rate until everything is final.

Mr. Stuart asked why this Resolution was necessary or if it was needed to show the Board's intent. Mr. Walker said it documents that the Board of Trustees have approved the repayment of expenses for the project into the operating funds. Mr. Walker said this was not done on the Pueblo West Library, but it has been recommended to establish due diligence.

Mr. Stuart asked how comfortable they are that \$4 million will be enough and what would happen if another half-million was needed to finish it. There was discussion in which Mr. Walker explained that the Board would have to authorize additional funds, but it would require some reassessment since the proposed budget projections show that \$4 million is what the library can afford.

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Ms. Baca asked about the number assigned to the Resolution, and it was explained the number had been derived from the date the Resolution is to be considered.

Ms. Gonzales said she was struggling to understand how the lease-purchase and COP are tied together. Mr. Walker acknowledged it is interesting how COPs and lease-purchase agreements work in Colorado. Mr. Walker explained that the library is in a COP right now with the Pueblo West Library, so he will use that as an example. With Pueblo West, the library borrowed approximately \$6 million, so \$6 million was issued in certificates available for public purchase. In order to make that happen, the library made part of the Rawlings building and all of the Lamb Library available to a company in the event the library defaults on the payment schedule with a certain interest rate. Mr. Walker also explained that if the library defaulted the company could lease out the buildings over the remainder of the loan period (20 years for Pueblo West) and use that income to get enough value to compensate it for the library not paying, similar to collateral. Mr. Walker added that the library is not giving up ownership of the buildings and explained how the Rawlings Library could be separated sufficiently to assure the company it could get adequate compensation in the case of a default.

Ms. Gonzales asked about the company, and Mr. Walker explained that a certificate of participation (COP) is a financial instrument used by governments to finance capital projects which allows an individual to buy a share of the lease revenues on an agreement made by the government entity. Ms. Brogan noted that American National Bank is the trustee.

The Board agreed that the Resolution Preliminarily Authorizing Financing for New Libraries should be added to the May Board Meeting Agenda.

B. Library Health Benefit Package

Ms. Baca said the current employee health benefit package approved by the Board will end June 30, 2012. A recommended benefit package renewal commencing July 1, 2012 and ending June 30, 2013 will be presented for discussion. Since the cost of this contract exceeds \$25,000, the Trustees will be asked to take action to approve this expenditure.

Mr. Walker welcomed representatives from Wells Fargo Insurance Services, Lacey Dorband and Conan Conboy. Sara Rose, Human Resource Manager, said they had a great renewal year, and the benefits will remain the same with a 2.7% increase from Kaiser for medical, no increase from VSP for vision coverage, and 5% from MetLife for dental. Ms. Rose said one modification which came through the Steering Committee suggested extending the benefits to domestic partners to cover same-sex couples or couples in a common law marriage. Extending those benefits only requires an Affidavit signed by the employee, and there was no additional cost to extend that benefit.

Ms. Rose distributed a spreadsheet comparing the change in coverage with the current plan shown on the left and the renewal on the right. Last year the library unbundled vision and dental from medical, and next year they have unbundled all three. Ms. Rose pointed out the employee pays 20% of the premium for their own coverage and 25% of the premium for dependents. Ms. Rose reviewed the employees' deduction from each pay period under each of the plans. The total amount of the one-year plan to be approved will be \$418,620, and the library had budgeted \$432,639.

Ms. Baca asked what type of medical plan it is, and Ms. Rose said it is an HMO plan with a deductible, which is \$500 per employee/\$1500 for a family. The co-insurance is an 80/20 split, but there are some one-time payments for things like an office visit that have a \$15 co-pay. Ms. Rose said many of the physicians in Pueblo accept Kaiser so employees do not have to go to a Kaiser facility, and all of the hospitals in the vicinity accept the Kaiser plan. There is a Kaiser facility in Pueblo West available for primary care if an employee's own physician is not available, and there is another Kaiser facility at Park West. Ms. Rose said this is the third year the library has been on the Kaiser plan, and each year there have been very good renewal rates.

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Mr. Stuart agreed that the library saved a lot by going to Kaiser, and he has continued to be impressed that the rates have not increased significantly. Ms. Rose pointed out that Kaiser also offers a lot of proactive incentives, for example lab work is covered at 100%. Ms. Rose said the number of employees participating had increased from 48 to 55. Ms. Rose added that the library also offers Health Access for part-time employees, and there are twelve employees enrolled in that.

Ms. Baca asked Ms. Rose to explain the coverage for civil unions, and Ms. Rose said that it would be covered in the same way at the same percentages. Ms. Rose said she does not expect that to drive up enrollment much.

Ms. Gonzales asked about the number of employees participating, and Ms. Rose estimated it is about one-third, but noted that the Kaiser plan is only available to full-time employees working 40 hours per week, so it is a full-time benefit. The library offers Health Access for part-time employees, and that only provides local coverage in Pueblo with a \$10 co-pay, and both the employee and the library pay \$60 per month for coverage. Part-time employees may purchase dental coverage from AFLAC, so part-time employees have a full scope of benefits available.

Mr. Miltner asked if some employees use their spouse's coverage, and Ms. Rose estimated there may be six or seven who do not opt to participate in the library's coverage because they are covered by their spouse's insurance.

Mr. Walker said at the next Board meeting he would like to ask the Board to approve the Health Insurance package at a total 12-month cost of \$418,620. The Board agreed this should be added to the May Meeting Agenda.

C. Board Development Committee Report

Ms. Baca said the Board Development Committee met in May. Marlene Bregar, chairperson of the committee, will report on current developments, including "parking lot" talking points, coordinating advocacy with the Pueblo Library Foundation, and focusing connections between Trustees and community groups.

Mr. Stuart offered to provide the report in Ms. Bregar's absence. Mr. Stuart said the Board Development Committee did more work on the advocacy program, and they will have a video available to use, and Midori Clark will be preparing a new video, so there will be good materials to support advocacy. Mr. Stuart said the committee agreed that the Pueblo Library Foundation should be part of that effort. The committee also discussed elevator talking points for one-on-one discussions which will be distributed later. The committee discussed the Bylaws and reviewed some specifics. One was that the Ethics Statement should be included in the Bylaws. The committee asked the Board Secretary to compare the current Bylaws with the Colorado Library Law. The committee began some work but had not come to any definite conclusions. The Board Development Committee will meet again on Tuesday, June 5.

D. CM/GC Selection Process

Ms. Baca said a request has been issued by PCCLD for CM/GCs to provide qualifications and costs quotations for the upcoming library construction projects. The evaluation process will include a team of individuals who will study vendor submittals and make recommendations to the Trustees regarding selection. It is recommended that the team include representatives from library staff, the architectural firm, and the Trustees.

Mr. Walker said the RFQ (Request for Quotation) was delivered to the public on May 1 and to interested contractors, and there has been a lot of interest. Mr. Walker said the library will go through a process similar to the one used to select the architect. Mr. Miltner served on the architectural selection committee and has indicated that he would be willing to serve on the CM/GC selection committee. Mr. Walker said the Facilities Superintendent will also be part of that committee. Mr. Walker said he wanted to make sure the Trustees are aware of the process. Interested contractors may submit questions until the end of this month, and they will make

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submittals in June. Mr. Walker said the library may be able to make a recommendation by the July Board Meeting in terms of selection.

Mr. Walker expects this to be highly competitive and emphasized the importance of careful consideration to insure a fair process which is also in the best interest of the institution. Mr. Walker asked if there were questions or if others are interested in participating in the selection process.

Mr. Miltner asked if this was published in the local paper. Mr. Walker said the library has a obligation to put it in the newspaper for the area, and it was also posted on some websites that contractors check regularly. Mr. Walker said the library also made a good faith effort to identify CM/GCs in this area, and ten firms were contacted directly.

Ms. Gonzales asked if the CM/GC will also get the local preference. Mr. Walker said local contractors will get a 1.5% local preference. Although it is a modest preference, he has spoken with contractors who appreciated the local preference because they run on slim margins. Mr. Miltner asked if the 1.5% local preference was included in the announcement, and Mr. Walker said it was very carefully described in the RFQ.

Ms. Baca thanked Mr. Miltner for stepping up to participate in the CM/GC selection process.

E. Continuing Education Opportunity

Ms. Baca said PCCLD is a member of the Special Districts Association (SDA). SDA is offering Board training opportunities to its members. The Board will discuss upcoming opportunities.

Mr. Walker distributed an email from SDA alerting him of a training opportunity in Colorado Springs for Board members. Mr. Walker said the email provided does not include the necessary detail, and he will forward more specific information directly to Board members about a training opportunity in June that is available at reasonable cost. SDA will also be providing complimentary copies of a Board Manual. Mr. Walker said SDA will send regular announcements about Board training opportunities, and he will update the Board's contact information. Mr. Stuart and Ms. Baca both indicated that they had been receiving information from SDA. The library is also a member of Board Source, and several Board members indicated they receive announcements from Board Source.

Mr. Walker said the library joined SDA to take advantage of special rates for insurance, but it also includes some training benefits. Some of what they offer may not apply to the library district, e.g., Trustees are not elected.

F. Library at the Y Amendment

Mr. Walker said the Board approved an Amendment to the agreement with the YMCA in March of this year. The YMCA made a slight revision to the Amendment, signed it, and returned it. Mr. Walker said he wanted to make the Board aware of that change, and the Board will probably have to approve the Amendment as it had been revised.

Mr. Walker referred to Covenant 7, in the sentence which read, "With the exception of periodic training for YMCA staff, not to exceed once per week, all access into the computer lab will be solely through the Library entrance." The YMCA removed the phrase, "not to exceed once per week." Mr. Walker said from his perspective it was not an issue. If the Board is in agreement with that change, the Board will need to vote on the Amendment as revised. Ms. Gonzales suggested they refer to the revised Amendment as the one dated April 30.

The Board agreed this should be added to the May Meeting Agenda.

G. Executive Session

Ms. Baca announced that the Trustees will enter into Executive Session for the purpose of discussing matters that may be subject to negotiations, development of strategy for negotiations and instruction to negotiators pursuant to C.R.S. 24-6-402(4)(e).

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H. Executive Session

Ms. Baca announced that the Trustees will enter into Executive Session for the purpose of discussing matters related to a personnel matter with respect to the Executive Director pursuant to C.R.S. 24-6-402(4)(f)(I). The involved employee has been notified of this Executive Session and given the opportunity to have the matter discussed in open session.

Mr. Stuart made a Motion, seconded by Mr. Miltner, to move into Executive Session for both items. The public was excused at 3:55 p.m. (*Dr. Mancha arrived at 3:56 p.m.*)

The Board reconvened in public at approximately 4:53 p.m. upon Motion made by Dr. Mancha, seconded by Ms. Gonzales.

IV. ADJOURNMENT

Ms. Baca announced the regular Board meeting will be held at 5:30 p.m. on Thursday, May 24 at the Barkman Library at 1300 Jerry Murphy Road. Dr. Mancha apologized for arriving late.

There being no further discussion, the meeting adjourned at 4:54 p.m.

Respectfully submitted,

Jane Carlsen
Secretary