

**PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
MINUTES FOR THE REGULAR MEETING**

September 28, 2017

I. CALL TO ORDER AND ROLL CALL

The regular session of the Pueblo City-County Library District Board of Trustees was called to order at the Giodone Library at 5:32 p.m. by the Board President, Fredrick Quintana.

Board Members Present: Fredrick Quintana, President; Doreen Martinez, Vice President; Marlene Bregar (participating by teleconference); Lyndell Gairaud; Philip Mancha; Jim Stuart

Staff Present: Jon Walker, Executive Director; Sherri Baca, Chief Financial Officer; Midori Clark, Community Relations & Development Director; Kayci Barnett, Giodone Library Manager; others not recorded

Attorney Present: Nicholas Gradisar

Others Present: David Vecchio and Holly Hanson from Benefits Broker

II. CORRECTIONS AND MODIFICATIONS TO ADENDA None

III. APPROVAL OF MINUTES

Mr. Quintana said the Minutes of the Library Board Work Session held on August 15, 2017, Minutes of the Regular Library Board meeting held on August 24, 2017, and Minutes of the Special Library Board meeting held on September 1, 2017 were provided to Board members prior to the meeting.

Dr. Mancha made a Motion, seconded by Ms. Gairaud, to approve the Minutes of the Library Board Work Session held on August 15, 2017. The minutes were approved by unanimous consent.

Ms. Gairaud made a Motion, seconded by Mr. Stuart, to approve the Minutes of the Regular Library Board meeting held on August 24, 2017. The minutes were approved by unanimous consent.

Mr. Quintana made a Motion, seconded by Ms. Bregar, to approve the Minutes of the Special Library Board meeting held on September 1, 2017. The minutes were approved by unanimous consent.

VI. REPORTS

A. Executive Director Report

Giodone Library: Mr. Walker introduced Kayci Barnett, Giodone Library Manager. Ms. Barnett said this is the third year for Giodone, and she reviewed branch goals to increase key results. She was especially pleased there had been no staff turnover at Giodone. Ms. Barnett commented on photographs in her presentation calling attention to the Easter Egg Hunt and Storytime and the Mothers' Day Tea. Program attendance at Giodone had increased 45% which she credited to using all staff for what they could teach as well as community resources to provide opportunities for the Giodone community. Giodone circulation had increased by 13% which she attributed to more displays to keep books moving, a countdown to summer reading to inspire customers to read more, and customer picks to share favorite books. Ms. Barnett said circulation had skyrocketed at the Avondale Satellite after learning from the school librarian that students needed to be able to identify AR (advanced reading) levels. Giodone is one of the only locations in the district with increasing circulation. *(Ms. Martinez arrived at this point.)*

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Giodone visits were up by 2%. Ms. Barnett said Giodone also answers calls for the district on Tuesdays, Thursdays and Fridays. Computer use is the only area where Giodone is down by 7.2%, which she attributed to the fact that Giodone's computer supply is sufficient that customers are not bumped, but continuing sessions on the computer are not counted. Customers are happy to be able to stay on the public computers as long as needed.

Ms. Barnett said opportunities for development include keeping an eye out for new community partnerships like the Boone Head Start program. She continues to seek community input and increase the number of programs the library takes out to schools and after-school organizations like the Boys and Girls Club. Staff are encouraged to take advantage of training opportunities and pursue higher degrees. Her vision for the future is for customers to leave feeling engaged in learning and exposed to new ideas, develop a strategic plan for future growth, and impact customers' lives in positive ways. Ms. Barnett then offered to respond to any questions.

Mr. Quintana asked what had been her favorite program, and Ms. Barnett said the Mothers' Day Tea because everyone really enjoyed it. Ms. Gairaud said she recently attended an English wedding where a number of the guests wore fascinators similar to the hats shown at the Mothers' Day Tea. Ms. Martinez commented that her children really love this library where Mr. Quintana even comes in for Fireside Crochet, and her kids now have yarn to crochet at home. Ms. Barnett said the Fireside Crochet program has been popular, and Lori Kern leads that program very well.

Mr. Walker concluded that he appreciates the work at this branch. He added that Ms. Barnett had been the Circulation Manager when she first arrived and will be teaching the Circulation training class during staff development in October.

All Pueblo Reads: Mr. Walker referred to the All Pueblo Reads program guide provided for *Station Eleven* by Emily St. John Mandel which is presented in tabloid style in keeping with the theme of this year's book. The companion book for younger readers is *I Survived Hurricane Katrina* by Lauren Tarshis, and the library has already received 2,800 requests for copies to go into the schools. The library fundraiser will be the Friday, October 20 dinner with the author. Mr. Walker had sent an email with a special offer for Board members to purchase tickets at an additional discount, and he will be asking Board members to arrive a little early in order to help greet the guests as they arrive.

Staff Development Day Recognition Program: Mr. Walker distributed a small program for the staff recognitions and a larger format which includes the recommendations of the Board and a script about each of the recognitions. The program starts at 8:00 a.m. on Monday, October 9, with a continental breakfast beginning at 7:30 a.m. There will be a table set up where staff can pick up their recognition gifts.

Planning Retreat: Mr. Walker distributed the priorities developed during the Planning Retreat held earlier in September. Stakeholders, including managers, Steering Committee, and representatives from the Library Board, Friends Board and Foundation Board attended. Mr. Walker said the format was changed to ask participants to work within the constraints of the budget. He heard comments from people who do not typically work on the financial side about how the exercise resonated with them. The priorities included: 1) Maintain a capital contingency fund; 2) Provide funding to replace district back-up servers; 3) Accommodate a robust programming budget (and the Friends' representative spoke up in favor of the Friends continuing to support programming which they had done this year with approximately \$35,000 in grants); 4) Ensure replacement of Lamb Library roof; 5) Keep Microsoft Assurance Software; 6) Improve Sunday staff coverage processes; 7) Replace Barkman book drop; 8) Cut all new position requests, except possibly Facilities and Books in the Park.

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Mr. Walker said staff are in the process of working on the budget. The statutes require the preliminary budget to be delivered to the Board by October 15, so it will be emailed. The preliminary budget will be discussed at the October 17 Work Session.

B. Friends of the Library Report No report

C. Pueblo Library Foundation Report No report

D. Attorney Report No report

E. Employment Changes

Mr. Quintana said the Board is asked to ratify the August 2017 Employment Changes as presented by the Executive Director.

Mr. Stuart made a Motion, seconded by Dr. Mancha, to approve the Employment Changes contained in the September 28, 2017 Board materials.

Mr. Walker pointed out six of the new hires were substitutes. Periodically it is necessary to refresh the substitute pool who serve on-call to fill absences because substitutes often find other employment or are hired to fill permanent positions in the library. Mr. Walker reviewed the other permanent positions filled, noting that with the new custodial contractor, the library decided to hire day porter services in-house. Promotions included Heather Wilder, who the Board met last month and had been promoted to Manager for the Pueblo West Library; and Denise Vargas, a substitute who was hired to fill the Museum Services Coordinator position. Mr. Walker also reviewed the three voluntary terminations.

There being no further discussion, MOTION CARRIED 5-0.

F. Financial Report

Mr. Quintana said the Board is asked to ratify the August 2017 bills and accept the August 2017 Fund Statements. Sherri Baca, Chief Financial Officer, would provide a synopsis of the Financial Report and was available to answer any further questions.

Mr. Quintana made a Motion, seconded by Dr. Mancha, that the Library Board approve the August 2017 bills and accept the August 2017 Fund Statement as contained in the September 28, 2017 Board materials

Ms. Baca reviewed the Combined Balance Sheet, pointing out property tax receipts were starting to slow, but the library now has a good cash balance of over \$3.3 million, but not many changes from last month. Under liabilities, the long-term debt obligations were about \$9.6 million which represents the COP balance for the buildings.

In the General Fund, the target percentage for the end of August is 66%. Revenues were 95% collected compared with 94% last year. Under expenses, Personnel was 64% spent and slightly trailing target, which was the same as last year. Materials expenditures were 61% spent, compared with 62% last year. Facilities was 44% spent, which was the same last year. Various things, such as rent, were ahead of target but will even out. The lease-purchase payment on the building is made twice a year will catch the Facilities line item up to match the budget. Operating expenses were 75% spent which is ahead of last year at 63%. Ms. Baca commented that postage and freight is over budget, and they will increase the budget for that next year. Another category that was over was professional memberships, which she attributed to an increased membership fee from Mountain States Employer's Council. The County Treasurer's fee is paid for collecting tax receipts which follow property tax receipts, so she is not concerned. Information Technology was 76% spent, compared with 81% last year. Total expenses were 61% spent which is under target overall. Ms. Baca offered to respond to any questions.

In the Capital Project Fund, Ms. Baca said there had not been a lot of activity. There was some interest income, and the miscellaneous revenue was a check from the library's insurer.

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The expenses were under capital asset expenses. Information Technology expenditures were to upgrade the audio-visual equipment in the Thurston Room. The expenditure of \$13,627 was to replace the air conditioning unit at the Lamb Library and refinish the flooring on the 2nd floor at Rawlings. The library is still tracking under budget on spending.

The Special Revenue Fund only earned \$5 in interest.

The J.T. Nesbitt Fund is held as a fiduciary fund that did not have much activity with a total cash balance of \$8,806.05.

Ms. Baca said the Check Summary Report includes budgeted and recurring items and offered to respond to any questions. Ms. Baca pointed out the payment to Partners in Leadership was a budgeted expense to help facilitate the library's development of its cultural beliefs.

Ms. Baca concluded with the amounts presented for the Board's approval to include ACH payments of \$115,750.26, Payables of \$421,243.02, and Payroll of \$227,743.78, for a total of \$764,737.06.

There being no further discussion, MOTION CARRIED 5-0.

V. BOARD COMMENT

Distinguished Budget Presentation Award: Mr. Quintana read the following into the record: "The Government Finance Officers Association is pleased to announce that Pueblo City-County Library District, Colorado, has received GFOA's Distinguished Budget Presentation Award for its budget. The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentations. When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual designated as being primarily responsible for having achieved the award. This has been presented to Sherri L. Baca, CPA, Chief Financial Officer."

Mr. Quintana added that the Board is excited to have Ms. Baca as part of the team to get the library to this stage as he presented the Distinguished Budget Presentation Award.

Ms. Baca said she does not do this alone, and she has an outstanding team that helped her get this award. She agreed it is exciting to get this because it is a lot of work.

Medal of Honor Convention: Mr. Stuart thanked Pueblo Library for sponsoring and being part of the Medal of Honor opening breakfast on Wednesday, September 13. There were over 200 people there. The most heartfelt part was the kids who won the essay contest. It went off very well.

Mr. Stuart thanked Midori Clark, Sara Schwartz and Jon Walker for making it happen. It was a great kick-off to the convention. Mr. Stuart also thanked Mr. Walker and Dr. Mancha for serving as hosts. The host program went very well, and it was the first time it had been tried. Hosting worked well because of the classy people of Pueblo who bent over backwards for their guests.

Mr. Stuart presented six copies of the *Pueblo Colorado Home of Heroes* book published as a commemorative to the convention. The book is also available for sale at Books Again. Mr. Stuart said it will be quite a historic document because the Medal of Honor memorial will be taken down and relocated because of the expansion of the Convention Center.

VI. PUBLIC COMMENT None

VII. OLD BUSINESS None

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A. 2017 Audit

Mr. Quintana said the Board reviewed the 2017 Audit engagement agreements for the Pueblo City-County Library District and Pueblo Library Foundation at meetings in August and September.

Mr. Stuart made a Motion, seconded by Dr. Mancha, that the Library Board approve 2017 Audit engagement letter agreements for the Pueblo City-County Library District and the Pueblo Library Foundation.

There being no further discussion, MOTION CARRIED 5-0.

VIII. NEW BUSINESS

A. Announcements

- ☐ All libraries will be closed on Monday, October 9 for the Columbus Day holiday. Staff will be participating in staff development on that day. Board members are encouraged to arrive at 8:00 a.m. for Employee Recognition presentations.
- ☐ The next regular Work Session is scheduled for Tuesday, October 17, at 3:00 p.m. in the Ryals Room at the Rawlings Library.
- ☐ The *2017 All Pueblo Reads: Station Eleven* distinguished author dinner and fundraiser featuring Emily St. John Mandel is scheduled for the evening of October 20. Please contact Gloria Madrill at 553-0221 or Gloria.Madrill@pueblolibrary.org for reservations.
- ☐ The next regular Board meeting is scheduled on Thursday, October 26, at 5:30 p.m. at the Patrick Lucero Library, 1315 East 7th Street.

B. Action/Discussion Items

1. Health Benefit

Mr. Quintana said the current employee health benefit package ends on December 31, 2017. A proposed benefit renewal commencing January 1, 2018 and ending December 31, 2018, will be presented for discussion. Trustees' action to approve this expenditure is required since the cost of this proposal will exceed \$25,000. The information provided is for preliminary review and discussion. The Board will be asked to approve the health benefits at the October Board meeting. No formal action is requested at this time.

Mr. Walker commented on the importance of the library's health benefit renewal for employee satisfaction, and it represents about 5% of the operating budget. Mr. Walker introduced David Vecchio and Holly Hanson from Benefits Broker. Mr. Walker prefaced their presentation that this is really good news, and they have a good proposal for the Board.

Mr. Vecchio said their firm is excited about the partnership with the Library District. He expects to be doing a lot of these presentations, but not all will be this positive. Mr. Vecchio provided background on sending the RFP to market and explained how insurance companies use pharmacy data to predict risk to identify any underlying conditions. There were five companies qualified: Kaiser, Anthem, Cigna, United Healthcare, and Aetna, and he reviewed some of those results. Cigna came in 8.5% under Kaiser's current rates for the identical plan design, and Cigna offered expanded provider access. The Kaiser model narrows access with preference for Kaiser facilities, so this will be helpful for members who have dependents out of state. The library and its employees can save a significant amount of money. This was a really easy decision which was 14% under Kaiser's renewal offer for 2018.

Benefits Broker is also recommending a tele-health component. Based out of Scottsdale, Arizona, the company offers 24/7 access to a doctor by phone. There is a cost to subscribe, but no cost to members when they use it. They go through questions about symptoms and medical history, and they can prescribe medication. This is a benefit for the health plan

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because it does not count against the loss ratio. Mr. Vecchio said they have had a lot of success with it.

Ms. Hanson distributed side-by-side comparisons for Kaiser and Cigna with details. Ms. Hanson said Cigna had acquired Great West Healthcare to expand in the west because it is easier to acquire an existing carrier than to start new. She feels very comfortable with them as a partner and believes this will be a good fit.

Ms. Baca distributed information showing comparisons with current and proposed costs for employees based on the coverage selected. She compared current and proposed Kaiser/Cigna costs for a single employee where the library covers 80% of the healthcare cost. The library pays 75% of employees' dependent coverage. Ms. Baca pointed out that based on the average gross wage per paycheck, the resulting savings will result in an average 2.5% wage increase for participating employees. The bulk of employees subscribe to Kaiser 1000 with lower deductibles and higher premiums.

Mr. Walker said they met with the Employee Steering Committee, and the three things that stood out for them were the reduction in cost, the match of benefits with the current plan, and the expanded access to doctors and pharmacy. Kaiser recently forced employees on maintenance prescriptions to a mail-order program, which has some upsides, but also some inconvenience. Employees can continue to get medicine by mail order with Cigna, but they can also use all of the common pharmacies, including Walgreens, Walmart, and others. There was a lot of discussion, and the 100% consensus was for changing to Cigna. The library has not changed insurance carriers a lot, but when it did change last it was from Great West to Kaiser. Great West is now Cigna. The library had a good experience with Great West, and when Kaiser came into this market they aggressively priced the product. Cigna is now giving a strong offer.

Ms. Baca pointed out the changes in employee dental plans which is going up 18.2%. Ms. Hanson commented that the Alpha Discount Plan is not true insurance but a discount plan, and the library has 11 employees participating, so they looked for insurance companies that would work with the Alpha Discount Plan. There will be no increase in the Alpha Discount Plan. The Companion quote is in line with what they are seeing, but still less than the quote from the MetLife dental plan.

The vision plan with EyeMed also quoted no increase.

In conclusion, the Benefits Broker team is recommending Cigna for health insurance, Companion for dental coverage, and EyeMed for the vision plan.

Mr. Quintana asked about dental plans that will work together with the Alpha Discount Plan. Ms. Hanson explained that most dental insurers only want the plan they quote to be offered. Companion and MetLife will allow companies to offer both their plan and the Alpha Discount Plan, but not all insurers will do that. Employees still have to select one or the other. The charge of 98¢ per pay period is very different from dental coverage, but Alpha offers access to fewer dentists. Most employees are using Companion, with only 11 enrolled with Alpha.

Dr. Mancha asked if the differences are explained to employees when they select the plans. Mr. Vecchio said their representatives would be on hand for group settings during open enrollment, and they have great marketing materials that will be available for employees. Employees who selected Alpha last year may change their mind and select the more robust insurance during open enrollment.

Mr. Walker said the Board will be asked to approve the expenditure for health insurance benefits at the October Board meeting. After that, there will be opportunities for staff to attend group open-enrollment meetings to hear about the plans, ask questions, receive materials, and make their choices. The only other enrollment period is for new employees, and their questions will be answered in Human Resources. Ms. Baca added that employees may sign

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up for insurance outside the open-enrollment period only for certain qualifying events, e.g., they lose coverage from a spouse, a new child, etc.

Ms. Baca pointed out line 62 shows the full anticipated cost to the Library District which is \$579,998, but approximately 80% of that is paid by the district, with the remainder deducted from employee pay. Ms. Baca pointed out this is a substantial expense the district is undertaking.

There was discussion of the history of that percentage, and Mr. Vecchio pointed out they do not usually see that kind of cost sharing for family coverage. Ms. Baca said it has been a recruiting tool that gives the library useful leverage and helps retain employees.

Dr. Mancha questioned whether the library should go back to picking up more of the share since the cost is decreasing. Mr. Vecchio said although it looks great on paper, if the costs increase next year, the library might have to take it away again. Mr. Walker suggested letting the percentages stand as they are now.

Mr. Walker concluded that this will be brought to the October Board meeting for the Board's approval. Mr. Walker said they did not have these numbers at last week's work session, and he did not know how the quotes would come in.

No formal action was required at this time.

2. Executive Session

Mr. Quintana said the Trustees will enter into Executive Session for the purpose of developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations pursuant to C.R.S. 24-6-402(4)(e). Mr. Gradisar added that it would also be for the purpose of receiving legal advice pursuant to C.R.S. 24-6-402(4)(b).

Ms. Martinez made a Motion, seconded by Dr. Mancha, to move into Executive Session. MOTION CARRIED 5-0. The public was excused at 7:00 p.m., and Ms. Baca, Chief Financial Officer, was asked to remain during the Executive Session.

The Board reconvened in public upon Motion made by Ms. Martinez, seconded by Dr. Mancha, and MOTION CARRIED 5-0 at 7:17 p.m.

Mr. Gradisar certified for the record that the discussion in Executive Session was limited to receiving legal advice on matters subject to negotiation, and was therefore not recorded.

Mr. Quintana said the Board will need to make a Motion to authorize payment to satisfy underpayment of PERA in the amount of \$41,543.21 as well as the estimated interest payment of \$9,000 for both the employee and employer portion of interest for a total of \$50,543.

Mr. Stuart made a Motion, seconded by Dr. Mancha, that the Board of Trustees authorize the library to make a payment to PERA to satisfy underpayment of both the employee and employer portion in the total amount of \$50,543.

There being no further discussion, MOTION CARRIED 5-0.

IX. ADJOURNMENT

Mr. Stuart made a Motion to adjourn the meeting at 7:21 p.m.

Respectfully submitted,

Jane Carlsen
Secretary