PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES
WORK SESSION MINUTES
2:00pm, Tuesday, October 19, 2021
The meeting took place at the Rawlings Library, 100 E. Abriendo, Pueblo CO. The option to watch via an online video link was available by contacting Rose Jubert at 719-562-5633 or rose.jubert@pueblolibrary.org

I. CALL TO ORDER AND ROLL CALL

Mr. Quintana called the meeting to order at 2:00 p.m. and conducted roll call.

Board Members Present:	Fredrick Quintana, President Dustin Hodge, Vice President Marlene Bregar Lyndell Gairaud Doreen Martinez Phil Mancha
Board Members Not Present:	Stephanie Garcia
Attorney Present:	Bart Miller
Staff & Guests Present:	Jon Walker, Executive Director Sherri Baca, Associate Executive Director Amy Nelson, Director of Rawlings Library Alexandria Romero, Director of Finance Terri Daly, Director of Human Resources Nick Potter, Director of Community Relations and Development Jill Kleven, Director of User Services Regina Renee Ward, Manager of RRA Missy Mantelli, Accountant Patricia Sanchez, Account Specialist III Rose Jubert, Secretary to the Board Dave Vecchio, Benefits Brokers Cherish Deegs, Urban Renewal Jerry Pacheco, Urban Renewal Ralph Williams, Urban Renewal

II. CORRECTIONS OR MODIFICATIONS TO THE AGENDA

Members of the Board of Trustees or the Executive Director may suggest corrections or modifications to the agenda at this time.

There were no corrections or modifications to the agenda.

III. Discussion Items

1. **Pueblo Urban Renewal Authority**
   OVERVIEW: Representatives of the Pueblo Urban Renewal Authority presented a report on the process used for establishing Tax Increment Financing areas.

Jerry Pacheco – Mr. Pacheco introduced himself as the Executive Director for Pueblo Urban Renewal Authority (PURA) he was first retained by the Authority in 2015.

He said that as Urban Renewal had evolved over time at the direction of the City, it was brought to the Authority's attention that their process or at least the state statutory requirement for establishing a new Urban Renewal district/area wasn't clear to all parties. Clarification needed to be made on what the procedures were, what the process was and what appeal rights everyone had. He said that he would clarify the process. He shared that they had been inundated with requests. He reported that Vestas' contract would expire next year and all of the work they had done 10 years ago would allow all the taxing entities to reap the benefits. They would dissolve the district or collect the revenue and give it back to the taxing entities. What was planned 10 years ago had come to fruition, the full 25 years on the Vestas' case would not be used. He shared that PURA had a relationship with the Healy Fellows at CSU-Pueblo's Hasan School of Business and they would prepare some independent third party post mortems of the plan areas. Questions such as; Was Vestas successful? How many jobs did they bring? How many housing starts did it cause?

He said that there were two pieces to economic development they were: the primary job piece, that's what PEDCO handled and then for the most part commercial and residential redevelopment which fell within PURA's purview at the direction of the Mayor and City Council.

Next Mr. Pacheco spoke about the Urban Renewal plan process. He shared that any project area creation must follow PURA's mission to eliminate blight and it could range from large economic development to small individual business projects. The slide that he presented showed graphic of the steps that PURA needed to take for a new urban renewal district.

He said that first and foremost PURA doesn't get involve or initiate a study without the explicit direction of the City Council and the Mayor. This direction comes to them as a resolution approved by the City Council and signed off by the Mayor. The Mayor can veto the creation of a district. Once PURA receives their instructions from the City, within 30 days they need to send a notice to all property owners within the proposed area that they are the subject of a blight study. They then collect information to determine if the project meets the statutory conditions of blight and what public improvements were warranted in the area. Once the conditions survey's completed, and PURA has a staff recommendation from both the Urban Renewal Authority board and the City Council and the Mayor step 3's initiated, the mandatory 120-day public notice to the taxing entities. This timeframe would be used to hammer out any differences, any revenue sharing or any negative overarching impacts that would need to be mitigated, this would happen between steps 3 and 4.

Mr. Pacheco shared that at step 4 of the plan process PURA would need to go before the Planning and Zoning Commission to make sure that whatever plans they had complied with the regional comprehensive plan. At step 5 they would go to the PURA Board. The board takes the planning and zoning recommendation, staff recommendation and then makes a recommendation to City Council and the Mayor. Step 6 a 30-day notice of a public hearing is put in the newspaper, to the property owners and to the taxing bodies. Step 7 City Council conducts a public hearing if it's determined that it's blighted by resolution a blighting resolution's approved. Shortly thereafter they would review and approve the Urban Renewal plan subject to the public hearing. Immediately after that, property owners are sent notices that there may be an intent for Urban Renewal to condemn the property as blighted.

Mr. Pacheco reviewed the EVRAZ Rail Project Bonding and said that it was the most complicated project they had undertaken. He said they were brought in by PEDCO and the City and were tasked to do certain things. The bond issuance to keep EVRAZ in Pueblo and expand the long rail mill was very successful. PURA issued $88 million in tax increment revenue bonds and $3.9 million in tax increment revenue capital appreciation bonds both totaled about $92 million. He said that the reason for the capital appreciation bond was that the property tax increment was not going to come in for at least 3 years but EVRAZ needed the money upfront because PURA's proceeds were being used primarily for the environmental remediation of the old coke plant sight. He shared that workers had to go down 40 feet and 40 acres and remove the soil and take it to a hazardous waste dump. New soil was brought in and a concrete cap was put over the area. He reported that in the 1970's this area was the single largest source of environmental pollution in Colorado. Since 1916 there had been contaminates and chemicals spewed out of that plant onto the ground and into the air. The new long rail project would now eliminate those contaminates.

Mr. Pacheco reported on the Mitchell Park South Property Evaluation. PURA had been working on this project area for about a year. This area is from East 12th Street on the North to the alley between East 4th and East 5th Streets on the South and on the West, Joplin Avenue and on the East, Norwood Avenue. He shared that contained in that area would be the new Pueblo Community Health Center, Risley Middle School, St. Leander's Church, Park Hill Elementary and several churches. He explained the color coding on the graphics and said that it was an inventory survey that determined there were about 24-25 houses/sights that are either condemned and the house had either been removed or needed to be removed. He said that normally PURA doesn't take on projects like this because it doesn't generate much tax income revenue but the reason they were interested in this project was they would bring in outside resources and have the jurisdiction to help the City take down these properties. They would then be able to replace these dilapidated building with affordable housing. He shared they had a committee that was helping with prototypes of different housed. He shared that the cost of construction was out of sight, he had never seen it this high. This had cause it to price citizens out of the market, he said that they had also seen a lot of citizens get pushed out of their affordable rentals. He said this was a growing problem. He said that there is more information about this project down the line and at that time they would share more information with the PCCLD Board of Trustees. He reported that the Healy Fellows would be involved with this project so there could be an independent third party on things.

He said that Fire Station 6 would need to be re-located and expanded to facilitate female firefighters. The block between Lacrosse and Monument on 4th Street where Station 6's and the Park Hill Community Health Facility were currently located would all be redeveloped.

He shared that PURA did recognize that both the School District and the Library District had facilities in this area. Should there be enough tax increment, those facilities could receive funding for improvements. He said that the Lucero Library may have a parking concern so that would be something PURA and the City would work with the Library about. He said that the funding could also be used for computers in the library, anything that would serve the neighborhood, the library and in broader terms the community.

Ralph Williams – Mr. Williams said that with regard to the EVRAZ bonds the community was very fortunate to have an entity that had such good bonding power. He said that when PURA opened the bids for the bonds, which was supposed to be $86 million for both issues, they sold out in ten minutes. It was required that they stay opened for two hours, during the two-hour period 101 individuals from 65 investor accounts placed 25 order that day. In the last fifteen minutes, the number of basis points was reduced which raised the amount of issuance on the bond from the $86 million to $92 million.

Jon Walker – Mr. Walker thanked the speakers from PURA for their presentation and said that the EVRAZ project was a once in a generation project and was very important to the community. He asked if there was a timeline for the Mitchell Park South project? He shared that he did realize it was in process now but expected that it would be presented to City Council in the near future.

Cherish Deeg – Ms. Deeg shared that the City Council directed PURA on July 26, 2021 to complete the study for Mitchell Park South. PURA was in the process of finalizing the required documents and would probably later this month or early November be initiating the 120-day period by submitting those documents to all of the taxing entities, to include City Council because they would also be an entity.

Jon Walker – Mr. Walker asked Ms. Deeg to speak about the Vestas timeline.

Cherish Deeg – Ms. Deeg said all of the reimbursement obligations for Vestas/St. Charles project area should end next year. PURA would be fully reimbursed to the County and to the Board of Water Works. Vestas had been already reimbursed at this time. Total reimbursements would be completed within the next year. This would mean that in 2023 the district would be dissolved. There's conversation with the City currently going on with how that works since no one had every dissolved a district before. She shared that there were questions if PURA would continue to receive the funding and then they would send it to the taxing entities like taxes would be received from the County or could PURA dissolve the district and the County would handle everything. She said that PURA estimated PCCLD's portion to be on an annual basis somewhere around $165,000 that would be received in 2023.

Marlene Bregar – Ms. Bregar pointed out to the Board members that there were a couple of places on the PURA roadmap that were important to PCCLD. Step 3, getting all of the documentation on Mitchell Park South. The next piece that would be of importance to PCCLD would be from steps 6-7, where the taxing body agreements would be completed within 120 days. If agreements can't be made within this time it would go to a mediation process. She said that at this point is where, as a library board, need to keep eyes and ears open and understand all information to make sure the deadlines were met.

Cherish Deeg – Ms. Deeg said that the library would receive a blight study, an impact report, a draft of the plan (completed by the City), and the taxing entity agreement (the agreement between PCCLD and PURA that lays out if anything was impacted or anything that needed to be handled between the two entities). She explained that the was just a draft and PCCLD comments and feedback were welcome. Ms. Bregar said it was at this point where PCCLD could say that the impact was valid.

Fredrick Quintana – Mr. Quintana thank the people from PURA and said it was good to hear about these types of things as they developed. The goal would be to work together as partners. He appreciated their time and thought it was all a good thing for Pueblo.

Cherish Deeg – Ms. Deeg shared her presentation and shared that the contact info was listed on the computer.

2. **2022 Preliminary Budget**
   OVERVIEW: The preliminary 2022 PCCLD Annual Budget was discussed by Alexandria Romero (Director of Finance), which was officially presented for public inspection. A public hearing on the proposed budget will follow at the November Trustees' meeting, and the Trustees will be asked to adopt a 2022 budget, set the mill levy, and appropriate sums of money for the 2022 budget in December.

Alexandria Romero – Ms. Romero reported that she would go over the 2022 budget document then the 10-year plan and how both align.

2022 Budget - Summary/Revenues
Ms. Romero said that the report would include summaries of the General Fund and the Capital Project Fund as well as a combined spreadsheet showing totals in the funds.

She shared that after this presentation the next presentation would be in November which would be the public hearing and then in December the Board would go over the resolutions for adopting the budget and setting the mill levy. Ms. Romero said that after that's completed she would be sending the certification of the mil levy to the County. She explained that the beginning pages of the document she shared described what the budget was and the mill levy.

She reported that Page 3 of the document referenced the mill levy calculation for the 2022 budget. The preliminary total gross assessed valuation for 2022 was provided by the County, next was the TIF reductions that left a Total Next Assessed valuation which crossed over the $2 billion mark compared to $1.896 billion last year. The next calculation would be the Total Net Assessed valuation multiplied by the mill levy of 5.8 and then multiplied by .001 which gave a Total Revenue of $12.3 million. Added back to this number would be the abatements and refunds of $82,073 which would be a mill adjustment of .039 and would bring the adjusted mill levy to 5.889. She said that budgeted revenue was at 99.6% rather than 100% of adjusted total revenue to be conservative and to have PCCLD at an accurate revenue figure.

The next graph was a 5-year general fund revenue, expense and capital fund transfer history. Added this year was the capital fund transfer history. 2018-2020 showed audited figures and 2021 were estimated figures. 2022 were budgeted figures. She reported that in 2018 and 2019 the revenue and expenses were close to one another, transfer from the general fund to the capital project fund was shown in green above the expenses. Those transfers were done for the library replacement plan items, capital expenditures and a $10,000 contingency amount which is done every year. 2018 and 2019 between the revenue and the expenses they are close to being level all the way across.

Ms. Romero reported that in 2020 a lot of the Cares Act grant money was received and we had less spending there was quite a difference between fund balance and the revenues/expenditures. There was an amount that was transferred to the Capital Fund, PCCLD did not know the results of the 2020 when the 2021 budget was completed so the budgeted transfer for this year wasn't as significant as it could have been with the results from 2020. What PPCLD had done was to put that amount in the budget for 2022. That brought close to $1 million that went to fund balance from 2020 into the capital fund for 2022. The amount was not being retained in the fund balance we would be investing in ourselves in the capital project fund and specifically with the Master Facility Plan. This had to do with the 6B ballot initiative, the results from last year's Cares Act grants and the decreased expenditures due to the pandemic. Mr. Quintana shared that he liked the additional information and how it was presented it helped to clarify things.

Ms. Romero presented the Fund Balance Summary. She showed the audited figures from 2020, the estimated 2021 figures (the results from September 30th and then an estimation of the last three months of the year), the budgeted 2021 figures and the budgeted 2022 figures. She shared that this report was the beginning of what the fund balance would be to include the revenues, total balance less the expenditures which would show the transfer of in/out to the capital project and finally the balance at the end of the year. She pointed out under the 2020 Audited column that the in/out transfer under Capital Projects of $1,489,000 was negative then under the transfer in/out under the General Fund you will see a positive $1,489,000.

She said that in the 2022 Budget the transfer in/out under Capital Projects into the General Fund showed a large number, $2,825,510. This number consisted of a number of different items to include: $400,000 into the Library Replacement Plan, $10,000 for the annual contingency amount, $914,500 for the Rawlings Renovation, $1,325,000 for the Master Facilities Plan, $176,010 for new fixed assets, e-rate items/infrastructure items, and Library replacement plan repairs and maintenance.

Next she reviewed the Capital Project Fund and pointed out the revenues and expenditures and shared that the $6,000 under the Sale of Fixed Assets was the sale of a truck. The number listed for Other Financing Sources, $6,677,944 for the for the sale of the COPs last year.

She shared that under the Restricted Funds there as a line item called, Emergency Reserve which was at 3%, the amount TABOR said should be kept. She said that in Ballot Initiative 1995 the library asked to have TABOR reserve requirements even though they weren't required. The library also had the Nesbitt and Chamberlain line item. Under Nesbitt $3,000's kept and under the Chamberlain was also restricted. Total Restricted for the 2022 budget was $447,504.

Ms. Romero reviewed the narrative for the general fund, this report would compare the 2022 Budget with the 2021 Estimated Actual. Under revenues she stated that the property taxes had increased and assessed valuation within Pueblo County had increased so the Library District would be looking at an 11.6% increase and property tax revenue would be 83% as of this budget.

The Specific Ownership Tax Revenue would constitute approximately 7% of the total revenue budget. Contracts and Grants were higher than they had been in past years, that was because the American Rescue Plan Grant had been added. She shared that the Pueblo Library Foundation received the majority of grants and contributions. The Interest was driven by economic activity, PCCLD had budgeted less interest in 2022 but there had been an increase in property taxes. While the interest in total went down PCCLD looked at total interest in two pieces, the interest in investments and the interest from property taxes. Fines and Fees are at the same amount in 2022 as 2021 because PCCLD went fine free in 2021. PCCLD does have its outside collection agency that does collections on activities of $50 or more. The photocopier and internet copy fees were less than the prior year budget and are higher than the current year estimate. This was due to Covid-19 and the start of the Rawlings Renovation.

She shared that the total general fund revenue for 2022 reflected a 13% increase over the 2021 estimated actual.

Ms. Romero reviewed the Expenditures for the General Fund. They showed an increase of 6% in total. She reviewed how it was broken down into four different sections.

The first was People to Provide Services. She reported that salaries and wages increased from the 2021 estimated actual by 4% due to salary increases, added or upgraded positions, and a minimum wage increase.

The total FTE (full-time equivalent) count for the District was decreasing by 0.35 for 2022 after final adjustments and other organizational changes. The budget also allowed for a 3.5% adjustment to salaries, this was part of the pay for performance plan that's included with the annual reviews.

Ms. Romero shared that PERA would increase from 14.22% to 14.73% for the employer portion in July of 2022.

She reported that Employee Relations (items that were employee related, but didn't fall into the benefits or training category) would increase. This increase reflected the return to the standard amount in expenditures in this area after the irregular amount from 2020 and 2021, and additional spending for Covid-19 testing. She shared that Employee Training would increase in 2022 by just over $20,000. This had a lot to do with the many cancelled trainings and the move to remote training in 2021 due to the virus. She said that they anticipated an increase in trainings in 2022 so $10,000 would be carried forward from 2021 to 2022 for Public Service Training.

The next category was Materials and Services. Mr. Romero reported an increase of 11% due to the continued demand for digital materials and downloads. Also in 2022, materials as a percentage of budgeted operational costs would be 24.1%. Typically, as an operating procedure, the District seeks to spend 15% of total annual operating costs on library materials. The 2020 budget continued to reach and exceed the 15% of operating expenditures due in large part to the budgeted $1 million Summer Reading Pays Program.

Books, periodicals, AV and digital materials were estimated to be budgeted at 6% higher. Some of this increase was due to the Rawlings refresh of materials to coincide with the Rawlings Library renovation completion.

Library Programs. Friends of the Library had seen an increase in the amount of income that had been generated so they increase the amount they would be able to grant in the next year. This generous donation amounts to 13% of the 2022 programs budget outside of the $1 million Summer Reading Pays Program.

The next category was Facilities. The budgeted amount in 2022 in this section was flat compared to the estimated expense for 2021. She reported that the Building, Repair and Maintenance would decrease by 4% in 2022, there would be less repairs because of the Rawlings renovation. The Lease Purchase of Buildings reflected the annual payments for debt service on the reissuance of the 2012 COPs and the new 2020 COPs.

Ms. Romero reported on Operating expenses. There was an increase of 12% due to community relations expenditures, contract services, and the County Treasurer fees. Community Relations had an increase of 79% due to a rebranding project set to begin in 2022. Office supplies expenses increased by 51% in 2022 since they were down in 2021 due to Covid-19. This amount would bring office supplies back to its normal amount prior to Covid-19.

Information Technology had an overall decrease of 4% for 2022. Within the category was Telecommunications with a 1% decrease from 2021. She said that it was important to note in this area that the E-Rate reimbursement, revenue anticipated in 2022, was $88,512 which was a significant offset to this expense. When the telecommunications bill's paid off at 100% the E-Rate reimbursement would be approximately 88% so the expenditure would only be 20%. Hardware repair and replacement's expected to be less due to the need for fewer repairs on the new patron copiers that were replaced in 2021. With the new machines, it's expected that less repairs would be necessary.

The total increase in expenditures in this budget in comparison to 2021 estimated actual expenditures was 6%.

Ms. Romero shared information about the Fund Balance and then reviewed the General Fund worksheet. This report went into detail about the following: Actual 2020, Estimated 2021, Budgeted 2021 and the Budgeted 2022, the increase/decrease, and the percentage of change.

She reviewed the General Fund budget pie charts that showed the different revenue and expenditure amounts.

The Capital Project Fund was reviewed. It covered the Library Replacement Plan, the Acquisition of Capital Assets and the Master Facility Plan.

Ms. Romero reported on the revenue and said that the Library anticipated $1,172,500 in contributions for the Rawlings renovation and $101,128 for internal network connections for the Rawlings Library which were E-Rate items. Expenditures included the Master Facility Plan project which were the renovations and refurbishment of the Rawlings Library and were budgeted at $8,257,511. The renovation and expansion of the next Libraries on the Master Facility Plan were budgeted at $1,325,000 in 2022. She said that the Contingency amount was the next reported expenditure at $10,000 and the Capital Asset Acquisitions which included such items as photocopiers, laptops, replacement of the phone system, and HVAC unit and network upgrades were calculated at just under $300,000. The total spending for the Capital Project Fund was at $9,869,648.

The breakdown for the Capital Project Fund was presented. She provided the Percentage Comparison Analysis between the General Fund and the Capital Project and presented the data in a pie chart format. She did note that on the Combined Fund Budget for expenditures, the Facilities expenses were fairly large due to the Rawlings renovation and the Master Facility Plan. The last page of the report showed the COP payments, the next payment would be in 2022 which left a total amount due of just over $1.2 million.

Ms. Romero presented the 10-year Projections. The report showed the 2019-2020 audited figures, the 2021 estimated figures, the 2022 budgeted figures, and the 2023-2029 projected figures. She highlighted the Unassigned Fund Balance% of Operating Expenditures by policy this needed to be above 20% and the budgeted for 2022 was at 29%. She asked if there were any questions and there were none.

<u>Fredrick Quintana</u> – Mr. Quintana said that it was always a big dump of information that was shared at the October meetings and the timing allowed the Trustees to mull things over. He said that the information provided was tremendously helpful. He thanked everyone involve for all of their work in the creation of the 2022 budget.

3. **Employee Health Benefits**
   <u>OVERVIEW</u>: The current employee health benefit package approved by the Board of Trustees ends on December 31, 2021. A proposed benefit commencing January 1, 2022 and ending December 31, 2022, was presented for discussion by Terri Daly (Director of Human Resources) and Dave Vecchio (Benefits Brokers).

<u>Dave Vecchio</u> – Mr. Vecchio presented the Key Plan Performance Indicators and compared years 2020 and 2021. He shared that claims data and plan performance was a good way to begin the presentation since it would be impactful on the renewal especially with the plan the library transitioned to in 2018. He said it was a partially self-funded plan with Cigna and gave a lot of claims detail and utilization information which were valuable when there were renewal increases that were on the high end. It allows for information to be available to support the renewal and make strategic decisions going forward.

He shared that the document showed the 2020 plan year and the 2021 plan year through October 15th. He said that there were a couple of key points of reference. PCCLD had two stop loss protections, the aggregate stop loss protection was the insurance Cigna provided when claims reached a certain level, those claim dollars were no longer a liability of the health plan they were then paid by the insurance company. The second was the individual stop loss protection, when claim dollars for any one plan member reached over $30,000, which was the individual stop loss level, any claim over that amount would no longer count against the plan. Prior to 2020, this coverage was in place but was never talked about because the plan performed below stop loss and that was why PCCLD received surplus's back.

Unfortunately, in 2020 that picture changed. The aggregate stop loss was $90,300 and the individual stop loss was at $162,463 which were both paid by Cigna. Mr. Vecchio reported on the high cost claim members (HCC), members who went above the individual stop loss. He gave the example of a person who was at $67,903, he shared that was actually $97,903 in claims, $30,000 counted against the plan. 2020 was a year when the plan under performed but through negations some of the high cost claim members looked to be one time occurrences. The renewal went down to 6% which was positive in looking back. Fast forward to 2021, the aggregate stop loss amount was $75,814 and the individual stop loss was at $294,910. There was one individual who had sustained substantial claims this year. Combined both years would be approximately $623,000 in stop loss claims paid by Cigna. Unfortunately, that number would not be shrinking over the next two and a half months and hopefully it would not grow. He said that the reference point would be over the same 21 months. PCCLD paid CIGNA a premium of $510,000. When you looked at loss ratios you would see a payment to the carrier of $510,000 and an expense of $623,000 which would be a negative and it would impact the renewal.

Mr. Vecchio reviewed the Cigna renewal worksheet. He complimented the PCCLD team in that they provide to him the goals for the organization which was very helpful to him when working with carriers and identifying solutions. The challenge this year within the market was all of the carriers were aware that a group with Cigna would get great plan data which was a good thing. The other carriers would want to see that data, it would give them a good idea of how the plan was running and the makeup of the group, what the risk was. When he went to market he had to send all the data and in a year like this it would limit the market. Cigna's renewal was 36%. He shared that he tried to warn everyone that the number would be higher than talked about in the past. He said that it was a bi-product of consecutive years of a plan performing at the levels that were seen. The increase of $22,000/month or $260,000/year, that doesn't offset what was spent. The question he was asked was do you think Cigna would reduce the renewal rate? He felt it would be some but the increase would not go from 36% to anything lower than 29%. He did have viable solutions.

He reviewed Kaiser's HMO plan, they were the carrier prior to Cigna. He said that he did send PCCLD's information to 4 viable carriers; Kaiser, Cigna, United Health Care and Anthem Blue Cross/Blue Shield. He said that Anthem and United declined to quote this year. Kaiser did issue a quote and it was significantly lower than the Cigna renewal by 14.65%. Kaiser tried to match the plan design/the cost a person pays at the time of care however they operate solely as an HMO for the most part. The benefits looked similar and they are from a dollar perspective, the access to care and how care was accessed differed greatly. PCCLD was currently on a huge nationwide network, Kaiser's an HMO network and in Pueblo it would match up similar to Cigna but in El Paso County Kaiser did not have large medical facilities like Penrose Hospital and Centura so it shrank what would be offered for healthcare in Colorado Springs. In Denver a member had to be seen at a Kaiser facility to include pharmacy needs, the freedom of pharmacy choice would increase their quote by 2%. He shared that one of the things Kaiser had done was recognize that the HMO model didn't work for everybody so they contracted with the First Health Network who's owned by Aetna to allow employer groups to pair a PPO plan alongside their HMO plan. He shared that this spoke greatly to how much people sacrifice in the HMO world because their PPO rate was 46% over the current, 10% higher than Cigna's offer.

Mr. Vecchio said he had a couple of options. His office has had a plan that operated under the Colorado Joint Powers of Authority statute for special districts. They had two plans that combined into one in 2021, and they were the Public Sector Health Care Group (PSHCG). They are comprised of 65 agencies from across Colorado who joined together under the plan statute to form a healthcare group to have strength in numbers. This plan would have 1400 employees/3000 lives on it and would renew in 2022, a larger pool spreads the risk. It's a PPO plan with United Health Care, there were six plans and PCCLD would be an eligible entity to participate. He presented 3 of the 6 plans that were closest to what PCCLD currently had. Two of the plans, PPO Plan C and PPO Plan E were better than the currently plans. PPO B was slightly different but when you look at in a total perspective it was very similar. The total compared was about 14.94% higher and was close to Kaiser's HMO plans but United's plan was closer to what PCCLD currently had. He said that he was aware of PCCLD's budget goals, if one of the public sector plans was taken out leaving only two of them it was have a renewal of 3%.

Mr. Vecchio presented a spreadsheet titled 2022 PCCLD Financial Analysis that compared Cigna's renewal, Kaisers options and PSHCG's options. If PCCLD transitioned to PSHCG, the $15,000 broker fee that PCCLD paid to Benefits Brokers had to go away. One reason this plan was compliant was Benefits Brokers compensation had to be paid from the insurance company and this would be built into the rates. So, PCCLD would not have that expense plus the additional of the virtual medical service, Healthiest You, would also be included in the PSHCG plan. He stated that the move the PSHCG would be the right move. Benefits Brokers has had this plan for 20 years and it had been very stable.

Presented to the Board was the Public Sector Healthcare Plan booklet. Mr. Vecchio said that the booklet was developed this year for two reasons. Last year there had significant growth in the plan but due to Covid-19 they couldn't go out and meet with many people with the growth they saw the need to provide a bigger picture to the boards that govern these entities. The booklet outlined the pool, product, the history and executive committee. There's an independent actuary who helped to guide the group and the board. This person ran monthly reports and would report to the group what the renewal should be, it was .7 less than what United offered. This info was used to leverage the carrier. He shared the Pueblo West Metro District, the Environment of Public Heath, The Housing Authority and the Colorado City Metro District were all a part of this plan. Due to the high participation in the Pueblo area, a Pueblo employer group would always have a seat on the board. He said that the plan was developed when the Affordable Care Act hit and small employers were hit with situations where they needed to be part of something bigger.

Mr. Vecchio asked if there were any questions he could answer?

<u>Jon Walker</u> – Mr. Walker added that he saw this as being similar to when PCCLD joined the Special Districts Association for property and casualty insurance and started to see savings. As an employer with a smaller group, PCCLD's employee base was approximately 150 people fewer were eligible for the health plan, there was a risk of a large claim where PCCLD could go upside down. He said that by pooling PCCLD with other special districts around the state it puts PCCLD in a stronger place.

<u>Marlene Bregar</u>– Ms. Bregar shared that she thought that being a part of the public sector group was a great idea. She shared that she had been a part of health care negotiations since her second year of teaching. She agreed that the small employer would always take it on the chin when it came to the cost of health care. She felt the rates were a good deal. She shared that she was part of the PERA retiree plan and was insured by Kaiser and said that her health care went down last year and was going down about $30 this year. She said that the size of the group does make a difference. She was impressed with the Plan C PPO pharmacy figures. She appreciated that PCCLD employees were getting similar or better benefits.

<u>Sherri Baca</u> – Ms. Baca said that typically at this stage PCCLD would be showing the Trustees the cost to employees per paycheck but the renewal from Cigna was just recently received so more time was needed in order to provide this data. The goal would be to have the information by the next meeting. She shared that through the Public Sector Healthcare Group PCCLD was at about a 14% higher. This amount was not budgeted so finance would need to do some calculation to get to a good balance, what PCCLD could afford and what portion of that cost could employees shoulder. She asked the Trustees to be ready to work with them at the next meeting.

<u>Jon Walker</u> – Mr. Walker expected that next week the Trustees would be asked to approve the health benefit plan. In addition, they would be asked to approve the cost sharing measure, he asked them to keep in mind that the district would pay 80% and the employees would pay 20% of the cost depending on the mix. He shared that he would like to have the steering committee to meet and get their input.

<u>Fredrick Quintana</u> – Mr. Quintana asked for any further comments or questions and there were none. He shared that this would be put on the next agenda. He thanked Mr. Vecchio and Ms. Daly for the work they put into this presentation.

4. **Tax Form 990**
   <u>OVERVIEW</u>: The Library District is required to file IRS Form 990 for 2020 by November 15, 2021. The document was presented by Alexandria Romero (Director of Finance). The Trustees were asked to consider action at the regular meeting on October 28 to accept the IRS Form 990 for filing.

<u>Alexandria Romero</u> - Ms. Romero reviewed the tax form 990 with the Trustees which she had just received prior to the start of the meeting. She shared that she had glanced through the document and said that there had been a few changes.

She shared that the tax form 990 was due on November 15, 2021 but hoped it would be reviewed today and approved at the Board's Next meeting. She said that the first page was the authorization for e-filing the form and did not need to be reviewed. The application for extension was approved.

The first page of the 990 showed the most information about the district and the pages behind it were all the supplemental items. Gross receipts were $13.2 million and volunteer numbers were at a little over half of what was normally seen. Revenues and expenses for the prior and current years were shown. Total assets minus total liabilities gave the past and current fund balance amounts, past was $21 million and current was $23.6 million. Described next on the report was the mission and the exempt status. Ms. Romero showed that the next pages were standard questions that had not changed. The next schedule was for the governing body and executives that showed all of the Board members and the executive staff. Also listed on the form were vendors who provided services that were over $100,000. Colorado Building Maintenance who provided janitorial services was listed at $103,701. The Statement of Revenue was presented and showed all of the different categories the revenues fell into. The Statement of Functional Expenses was presented and the showed the program expenses, management and administration expenses, and the fundraising expenses. The Reconciliation of Net Assets showed the total revenue and expenses and then the ending fund balance for the year. Schedule A – Public Charity form was showed and indicated that PCCLD was an organization that normally received a substantial amount of its support from a governmental unit or from the general public by 99.05%. The general public support was broken down into detail by gifts, grants and contributions and levied tax revenues for the last 5 years. Schedule B was where the schedule contributors were listed. There were some spelling errors that would be corrected by the next meeting. Schedule D was the supplemental financial statements and showed the breakdown of the fixed assets. Schedule I showed the amounts that were given to a related party or organization, this was where the Chamberlain transfer was reported. Schedule K reported on the COP and the tax exempt portion of those bonds. Schedule O was where the narratives were located, they were too long to be written on the areas located on the returns so this just noted where the return was located.

Ms. Romero closed by saying that there were no significant changes to the report except for the tax exempt bond where PCCLD had 2020 amount rather than the 2012 amount.

<u>Fredrick Quintana</u> – Mr. Quintana said it would be added to the agenda for action at the next meeting.

5. **Finance Policies**
   <u>OVERVIEW</u>**:** The Trustees heard a report and recommendation regarding updates to PCCLD's Finance Policies presented by Alexandria Romero (Director of Finance).

<u>Alexandria Romero</u> – Ms. Romero said that one of the plans for the financial department was to review PCCLD's financial policies and see if they needed to be updated. Once concern from staff was the purchasing policy that was last updated in 2009. The finance department researched best practices from the Government Finance Officers Association (GFOA) and purchasing policies of sister libraries in Colorado. They then compared PCCLD's policies with the sister city policies and then presented the updated policy to the Executive Team, PCCLD Directors, and the Public Service Managers for feedback. She said that the authoritative literature that was used did not specify a certain dollar amount for the procurement policies. It did say that you needed to have procedures in place for competitive pricing for larger purchases but you needed to have the flexibility for staff to be able to purchase items that were priced in smaller dollar amounts.

Ms. Romero showed the results from the sister libraries and their budgets. The chart also showed the amount they required for bids, their dollar limit, what their approval process was, and what's needed for documentation. They also ranged in size from 4 branches to 15 branches. She shared that Arapahoe and Douglas Counties policies were similar showing they worked together on them. They do not have set dollar amounts for bids, if an items was within their budget it did not have to be bid out. Other branches range from $10,000 - $20,000 for bids.

She provided PCCLD's purchasing policy updates.
Currently PCCLD required a bid at the $1000 mark the proposed would increase that amount to $10,000. The proposed policy would allow the department supervisor to ok the purchase of up to $4999 with no bids required but competitive pricing may be requested to get the best value. The next range would be from $5000 - $10,000 and would allow the department supervisor and the CFO or their designee to approve a purchase with no bids

but would require competitive pricings. The $10,0000 - $24,999 level would require 3 bids and the approval of the Executive Director, $25,000 would require a formal RFP and the approval of the Board of Trustees.

The finance department asked to increase the dollar amounts for bids and that adjustments to the purchase chart to reflect the bid requirement change. Finally, they asked to update the narrative for cooperative purchase programs, purchase orders and requisitions, procurement cards, and a bid recovery summary. Added to the cooperative purchase program was, anything purchased through this program must include the contract number and also the contact for the awarded agency. She said that there were no changes to the code of ethics or the bid record summary. There were a few changes to the purchasing procedure. Independent contractor requests must include a contract and an itemized invoice if available. She said that the P-Card purchasing limits would be changed to $500 from $200. In an emergency Facilities, Tech Services and Information Technology may exceed the $500 limit. Bid record summary was changed from $1000 to over $10,000 and the verbiage catalog or phone quotes was changed to the just quotes.

Phil Mancha – Mr. Mancha asked what was driving the change or the need to do this now?

Alexandria Romero – Ms. Romero found that the current policy was antiquated and needed an update after comparing PCCLD with sister libraries. The low dollar amounts and the need for 3 bids had hindered departments from purchasing items quickly. After 12 years' things had changed and the need for quicker response times were necessary.

Fredrick Quintana – Mr. Quintana asked to put this on the agenda for action at the next meeting. Glad it is coming into align with best practices.

6. **Laptop Vending**
   OVERVIEW: A presentation and recommendation regarding procurement of a laptop vending system was provided by Jill Kleven (Director of User Services).

Jill Kleven - Ms. Kleven shared that this request was in conjunction with the Rawlings renovation.

Project Overview – PCCLD solicited proposals from qualified vendors to provide 48 laptop bays in three separate locations including 12 in a youth-focused area, 12 in a teen-focused area, and 24 in an adult-focused area. In addition to the 4 kiosks, PCCLS was seeking the cost for a five-year service agreement to include annual licensing, support, and maintenance fees. Laptop vending solutions would minimize the staffing resources needed to manage a laptop borrowing program and would empower customers to self-manage computer use at the library. These laptops would be for use in the library only, not to be checked out.

Ms. Kleven provided the following timeline for the project.

-RFP's were issued on 8/27/21, vendors were contacted and were given the opportunity to ask questions or to visit the Rawlings Library to see where the kiosks would be located.
-On site visits and questions were due on 9/17/21.
-Proposals were due on 9/30/21 and the committee reviewed the proposals.
-Recommendation to the Board was on 10/19/21 (today).
-Board approval (pending) on 10/28/21.
-If approved by the Board, the contract would be awarded on 10/29/21.
-Anticipated project installation would be March 2022.

Ms. Kleven said that they used a scoring rubric and the criteria the committee looked at were the features and functionality at 35%, cost at 30%, customer service and support, the implementation plan and then they would conduct reference checks on each of the vendors.

She said that there were two vendors they scored, Laptops Anytime and D-Tech. There were not as many laptop vendors as there were self-check and AMH vendors so they only had two proposals. The scoring was based on a range of 1-5 from the 3 committee members, the highest score would be 15. Laptops Anytime scored a 15 in features and functionality she said that D-Tech did not have quite what they were looking for so

scored a 9. Their product looked like a locker system instead of a vending machine and the committee was looking for a vending machine style set-up.
The remaining features and scores were as follows:

	Laptops Anytime	D-Tech
Cost	9	11
Customer Service/Support	13	11
Implementation Plan	12	10
Reference Checks	15	13

Ms. Kleven reported that Pueblo Community College used Laptops Anytime and they had a positive relationship with the company. Total scores for each were; Laptops Anytime – 64 and D-Tech – 54.

She reviewed the pricing proposals for both vendors and they were as follows:

	Laptop Bays + 1st Year Maintenance	Years 2-5 Maintenance	Total Cost
Laptops Anytime	$119,566.50	$61,066.00	$180,632.50
D-Tech	$106,780.00	$48,000.00	$154,780.00

Ms. Kleven shared some of the committee notes.

Features and Functionality – Laptops Anytime would provide memory wipes and factory resets of devices upon return. As soon as the customer returns the laptop to the kiosk the memory wipe would start, they would just place them item back into the kiosk. D-Tech return would require customers to plug in the laptops, close the door of the kiosk and verify that the laptop was check in. It would involve more involvement from the customer. Both systems would function like a self-checkout and would adhere to ILS rules. They would check the item out with their library card, if they had fines over $10 they system would not allow them to check out which was how the current self-checks work at PCCLD.

Laptops – She said that in terms of the laptops, D-Tech's product was more compatible to work with a variety of devices. The new laptops that PCCLD looked to purchase in the near future would be compatible with both D-Tech and Laptops Anytime systems.

Refresh Program – One of the key points Ms. Kleven pointed out was that Laptops Anytime provided a free refresh program. After the 5-year contract was completed Laptops Anytime would replace the kiosks and anything associated with the kiosks for free. PCCLD would only have to purchase the new laptops.

Customer Service/Support – Ms. Kleven reported that Laptops Anytime would offer both onsite and online training at the time of installation. D-Tech only offered online training.

Customizable – Laptops Anytime would customized the side panels with the PCCLD logo. D-Tech would not be able to do this.

Ms. Kleven's and the committee's final recommendation, based on the refresh program and less staff management of equipment, was to award the contract to Laptops Anytime.

Lyndell Gairaud – Ms. Gairaud thought the group's choice made a lot of sense.

Jill Kleven – Ms. Kleven emphasized how much the refresh program would be a huge win and helps to offset the cost over the next five years.

Jon walker – Mr. Walker shared that Laptops Anytime would replace the dispensers every five years at no additional cost, he felt that was advantageous to the district in that perspective. He added that the management of the laptops would help to lessen the impact on the IT department. This would require Trustee approval since it was over $25,000.

Fredrick Quintana – Mr. Quintana asked how this aligned with the budget? Mr. Walker said that it did align with the budget and the procurement costs was $119,000, budgeted was $150,000 within the Rawlings renovation project.

Fredrick Quintana – Mr. Quintana said that it would be put on the agenda for consideration and set for action.

7. **Disposal of Property**
   OVERVIEW: A recommendation for disposal of surplus property was provided by Alan Rocco (Facilities Superintendent).

Jon Walker – Mr. Walker reported that 18 chairs from Pueblo West Library were at the end of their life and were recommended to dispose. He said that with the Rawlings renovation there were items that were still in decent shape that were relocated to Pueblo West this created a surplus of chairs. The older chairs dated back to 2007 and he supported the request to dispose of these items. He asked the board to take action at their next meeting to approve the disposal of these assets.

Fredrick Quintana – Mr. Quintana added this to the next agenda for action.

8. **Facemask Policy**
   OVERVIEW: The Trustees reviewed PCCLD's temporary COVID-19 masking policy.

Jon Walker – Mr. Walker presented the PCCLD Temporary Masking Policy that was adopted in September on the screen for the Trustees. He said it had continued to serve the District well. He commented on the Covid-19 rates in Pueblo County and reported that they remained too high. He reported that there were 100 new cases per day which was double of what it was 30 days ago. Case count was high and there were still recommendations from the CDC and from the State and local health departments to mask. Mandated masking was still in effect in local schools. He shared that he had requests for exemptions from the policy and there were ADA accommodations that could be offered. He said for the most part the policy had continued to work well. He reminded the Board the additional security had been placed at all library locations when the policy was first implemented but since that time some locations have backed off from the additional security because there was no need. This would continue to be monitored.

Mr. Walker's recommendation was for the policy to stay in place. He said that there was a piece in the policy that allowed the library's Executive Director to action within the updated guidance of the CDC, CDPHE or PDPHE.

Fredrick Quintana – Mr. Quintana he shared that it was disheartening that the community health was still struggling but it was good that the District was taking steps to be proactive to help mitigate that even in little ways.

Mr. Walker added that the hospitalization rate in Pueblo was in the red zone at both hospitals which meant that they were above 90% capacity.

IV. ADJOURNMENT

The meeting was adjourned at 4:21pm.

The next regular meeting of the Pueblo City-County Library District Board of Trustees is scheduled to take place beginning at 5:30pm, Thursday, October 28, 2021, at the Giodone Library, 24655 US Hwy 50E (BUS), Pueblo, CO.

Respectfully Submitted by

Rose Jubert – Secretary to the Board of Trustees.