



# Baker County Library District

Board of Directors

## Regular Meeting Minutes

Monday, May 13, 2013, 7:00 – 8:30 pm

Riverside Meeting Room, Baker County Public Library

2400 Resort St, Baker City

Gary Dielman, President

<p><b>Call To Order</b></p>	<p>Gary Dielman, President called the meeting to order at 7:06 pm. The meeting was held in the Riverside Meeting Room at the Baker County Public Library, 2400 Resort Street, Baker City, Oregon. Present were: Gary Dielman, Della Steele, Nellie Forrester, Kyra Rohner-Ingram, and Betty Palmer, Directors; Perry Stokes, Library Director; and Christine Hawes, Business Manager. Guest speaker, Kevin Bell of Clarke &amp; Clarke Insurance was also present.</p>
<p><b>Agenda Approved</b></p>	<p>Stokes made one correction to the agenda after sending the board packets out. The subject of Custodial Contract will be postponed to another meeting. No other changes were given.</p>
<p><b>Minutes Approved</b></p>	<p>Dielman asked for corrections or changes to minutes from last month. None were given. <b>Palmer made a motion to approve the Agenda as corrected and the April 8, 2013 Regular Meeting Minutes as presented; Forrester seconded; passed unanimously.</b></p>
<p><b>Conflicts of Interest</b></p>	<p>Dielman verified there were no conflicts of interest to be declared.</p>
<p><b>Public Comment</b></p>	<p>Dielman stated for the record that there were no other members of the public present for comments.</p>
<p><b>Health Insurance Plan Review</b></p>	<p>Dielman asked Kevin Bell to present the health insurance renewal information. Bell explained the Library District has its insurance through Special Districts Association of Oregon which manages health insurance for hundreds of its District members. Special Districts bids out the insurance contract annually. Last year Pacific Source won the bid; Blue Cross came in second. This year only Pacific Source put in a bid; Blue Cross didn't want to bid because of the loss ratio. Last year there was no increase in health insurance rates as losses were minimal while this year losses were significant. This year Library District rates will increase 15.93% to continue with the same insurance plan.</p> <p>Bell reviewed factors that contributed to the rate increase as listed in the SDAO 2013 Health Insurance Renewal report he passed around: 2012 SDAO Claims Experience 101%; 2013 Administrative Costs 12%, 2013 Claim Trend Factor 11%, and 2013 ACA Premium Tax 3% totals 127% indicating a potential 27% rate increase. Compared to that 27% indicated rate increase, this year's increase could have been worse but Pacific Source was able to keep the average rate increase down to 16.6%. The Library District's rate is a little better because it is in a pooled group rate. Bell explained most of the Affordable Care Act (ACA, Obama's insurance law) doesn't go into effect until 2014. The ramifications of insurance reform on the industry are not yet known.</p> <p>Bell reviewed the Library District current insurance plan and comparison of an alternate plan that would hold costs down at slightly less than current rates. The current Bronze Value K insurance package costs \$476.47 for a single person with renewal of the same plan at \$550.98 (including pharmacy plan, vision and dental). Comparing the K plan to the Bronze Value L, the major difference is increasing the individual deductible from \$3,000 to \$5,000. One change in coverage is that the ACA removed the lifetime limit cap on what the plan would pay (there had been a million dollar benefit lifetime maximum). The plan has preferred provider coverage; employees need to use physicians that are under contract with Pacific Source or are liable for full costs. The</p>



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	<p>plan continues to cover 70% of medical costs and has co-pays for routine office visits, emergency room visits. Pacific Source has coverage in Oregon and Idaho.</p> <p>The Library District currently maintains a \$200 deductible through a reimbursement account for employees while the Library covers up to \$2,800 of the \$3,000 plan deductible. Most other organizations Bell works with, he said, have gone to \$500 or \$1,000 portion paid by the employee. Bell also reviewed highlights for pharmacy, vision and dental plans. Bell went on to say that he does not anticipate an increase in liability insurance this year.</p> <p>Stokes asked about the window for plan changes. Bell said that the Library District's open enrollment is May. Contract changes must be made prior to the June 1 renewal date. For new employees, enrollment is June 1 and December 1. Bell suggested keeping the same plan and raising the employee deductible. Stokes added that he ran the numbers for both options. He determined it is more cost effective to stay with the current plan until the cost increase is greater than the liability. Currently, the Library District sets aside \$15,000 for medical liability funds. The Alternate Plan L would require at least \$27,000 in the liability account, nearly double. Stokes displayed a report showing the actual medical reimbursements over the past 5 years. Stokes recommended maintaining the staff deductible portion at least 10% of the deductible, currently \$300 and, since moving to Plan L we would need an additional \$15,000 in savings, maintaining the Plan K renewal premium. Dielman agreed with staying with the same plan and asked the directors for their opinion on staying at \$200 or moving to \$300-\$500 for deductible. Stokes recommended that if the District intends to have employees pay \$500, or 20% (\$600), it should be done in increments.</p> <p>Rohner-Ingram opened discussion on non-preferred coverage. Palmer was asked about the school district coverage. She replied that most have chosen larger deductibles to decrease the cost of insurance paid by the employee. She will hear about the school district plan tomorrow. The school district has a cap on how much they will pay per person. Dielman verified that a \$300 deductible would mean that the Library District pays \$2,700 of the deductible with the employee being liable for the rest. <b>Forrester made a motion to increase the employee deductible to \$300 and stay with the current Pacific Source Bronze Value K health insurance plan; Steele seconded; motion passed unanimously.</b></p> <p>Palmer asked for checks to sign. She has to leave early from the meeting. Hawes passed out checks for signatures to the Directors. Checks were signed and bills were approved.</p> <p>Stokes gave Palmer her budget packet to review before the budget meeting.</p>
<p><b>Budget Draft FY2013-14; Adopt Resolution 2013-13.006</b></p>	<p>Stokes began by stating that he had to struggle to get the books budget at 6% of the operating budget (the goal is a minimum of 10%). The book budget drain is due to a significant increase in personnel costs: a health insurance increase of 16% and PERS retirement cost increase of 50%. Together, the two increases total \$35,000. He consulted with Aletha Bonebrake (retired Director) to discuss options: one option was to cut a position; another option was to cut back bookmobile runs since one bookmobile driver is retiring. However, bookmobile usage is comparable to the branches and neither of these options directly addresses the primary issue that staff with benefits are more expensive. The plan of action that seemed most plausible was</p>



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to cut one open hour four evenings a week, closing at 7:00pm rather than 8:00pm Monday through Thursday. This spreads the cut across all the eight staff that work an evening shift including himself. Stokes explained that he feels that administration should share in the burden that will be shared by eight staff. With the exception of one who has already retired through PERS, the increases in retirement the staff is actually receiving a raise in benefits. He reviewed reports where he had compared the options: Option 1 – cut one bookmobile driver will save \$7,251; Option 2 – cut one hour four evenings will save \$7,265. The Directors agreed that they liked the option of staff sharing the burden.

Stokes reviewed the draft budget documents at LB-20 Resources; added columns show the current fiscal year original budget, adopted budget, final budget and variance. The Final Budget column includes the year-end close out adjustments. The Variance column will serve as the Resolution Detail for the year end close out adjusting the budget lines as needed. The Resolution appropriates \$24,282 in additional income. Revenues were higher in fines and fees by \$5,000, prior taxes by \$4,500, other tax revenues of \$2,300 and other small increases with a slight decrease in Interest income totaling \$24,282. Looking at the total budget this year compared to the projected fiscal year 2013-2014, the budget will remain flat with a nominal revenue increase next year of \$1,658.

Stokes next reviewed draft budget documents LB-31 Detailed Requirements. In the **Materials & Services detail**, the book budget decrease of \$18,000 looks like a lot but when one looks at the current fiscal year, the book budget was originally \$84,673 (7.4%). Increases through the year totaled \$12,927 as funds were available. The starting point for next year would be \$79,589 (6.8%) and hopefully that budget line can again be increased during the year. In Facilities Maintenance, the budget was increased to cover some big projects going on this year; currently we are replacing the waterline to the building while the City is working on the street. Next year, the maintenance budget will decrease back down to historical levels. The Election budget is zero as no position will be up for re-election. Other lines that decreased from the final budget back to comparable to this year's beginning budget include Computer Maintenance, Bookmobile Operations, and Travel & Training. The one increase was in Public Programs, this is an area we need to improve. The total requirement for M&S is \$23,117 less than the final budget this year. Moving on to **Personal Services detail**, Stokes reviewed each line of payroll with the big increases being the PERS budget at 50% or \$22,812. The Health Insurance budget will increase \$13,487. Wage adjustments include a 1% cost-of living increase for non-benefit staff only, step increases as scheduled, and decreased wages for those staff working one fewer hour per week due to the hours change. The benefits staff will not receive cost-of-living increases. Stokes demonstrated how they are effectively getting a raise through the increased PERS and health insurance costs. The total requirement for Personal Services is \$15,769 more than the final budget this fiscal year. The LB-30 summarizes everything already covered in detail. The board was supportive of strategies presented in the draft budget. **Rohner-Ingram made a motion to approve Resolution 2012-13.006 Resolution to adopt the supplemental budget, appropriate income & authorize transfers and the attachments referred to; Forrester seconded; passed unanimously (4 yea).**

Palmer left the meeting at 8:20pm.



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<p><b>Administrative Reports</b></p>	<p>Stokes gave administrative reports beginning with a report on <b>Facilities</b>. The City recommended replacing the deteriorating water pipe coming into the building. It probably has been leaking and may be the culprit causing high water bills. The repair should be cheaper and easier to do while Resort Street is already under construction. Stokes arranged for a PRCF work crew to excavate the line; they are coming again tomorrow to complete the work at a contracted rate. He has received a bid from Action Plumbing of \$2,432 to replace the line; this does not include excavating or the backfill. The City will put in the new sidewalk. The Boiler compressor is being replaced by Cook &amp; Emele for approximately \$3,000 plus installation. Failure of the unit was caught by Jim White who noticed the pressure was down and brought it to Stokes' attention. White has loaned the Library his personal portable compressor for a temporary fix, allowing the building to remain at a comfortable temperature, until the new one arrives. The digital video recording unit for building security needs replacement. Alpine Alarm is checking on the warranty and looking into a solution for the public phone. An additional phone line for the fax machine may be needed to solve the problem of blocking long distance on the public phone. They are also checking the alarm system. There have been a few false alarms due to the motion sensor and a couple other minor errors. In Branch news, a letter of complaint was received from Eagle Telephone. A copy of the letter was included in the director packets. The company provides telephone service to the <u>Richland Branch Library</u>, and until this month, had also provided Internet services. Hawes posts open bid forms on the USAC website; a bid was received and was determined to be the winning bid. Eagle Telephone feels unfairly treated. Stokes described the incident and how it was handled. Stokes believes the District acted appropriately so as to efficiently use public resources and hopes good business relations can be maintained with this vendor.</p>
<p><b>Business Report</b></p>	<p>Hawes passed out financial statements. The General Fund received tax turnovers of \$7,370.09 on May 1. The Baker Library is now using PayPal to accept visa transactions for payment of library fines or lost items over \$5 minimum. It was tested a few times by Stokes and other managerial staff before general staff was trained to use it. There have been 16 transactions to-date totaling \$455. PayPal automatically transfers the funds to the District checking account. Also, E-Rate funding requests of \$4,392.56 have been filed; the funds will come in the next month. Personal Services percentage is a little high; Stokes has fixed this with the year-end resolution. Under Materials &amp; Services, books are 102% spent with checks to Ingram \$1,226.28, Grey House Guide to Common Stocks \$424.05, and Visa \$2,912.71 for books and DVDs. In Maintenance, checks include H&amp;H Lock &amp; Key \$50 service call for a jammed lock on one of the main library doors, Millers \$389.67 grounds maintenance, and Thatcher's \$278.01 building maintenance. In Travel &amp; Training, the Director and two staff went to the WLA/OLA Conference; checks to Sara \$156.83 and Carmen \$52 for travel reimbursement, and Visa \$677.06 hotel, parking and registrations. PayPal visa fees total \$15.50 to-date (4% of related revenue). Under Telecommunications, the MTE Communications branch long distance bill had 2 calls totaling \$25.00 made from the Sumpter Library for OPRD training; we have requested reimbursement.</p> <p>Additional E-Rate funds available to be filed in June \$1,556.66. Fiscal Year 2013-14 applied for funding for Baker telephone and branches of \$4,785.02 plus a separate request for Baker Internet \$6,930 that NERO applies for directly. The Discount percentage dropped from 80% funded this year to 70% funded next year. Our percentage is tied to the National School Lunch Program data. According to the data available at the time we applied, students eligible for the program declined from the</p>



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	<p>prior year. The data currently available looks like the funding will go back up the following fiscal year.</p> <p>In other news, we received replies in response to the letter requesting abatement of penalties for filing November payroll taxes late. The IRS declined the response. The fine had already been paid by the due date. The Oregon Department of Revenue did approve the request and forgave the fine. Should the disgruntled vendor for Richland Internet services file a complaint with the USAC over the decision to move service, it may cause an audit of the bid records. That vendor has stated it may refuse to cooperate with E-Rate in the future. Ending on a good note, Hawes 8 year anniversary was in April 2013, while Stokes 6 year anniversary was also in April! The Directors congratulated both.</p>
<b>Next Meeting Date</b>	<p>Stokes passed out the budget packets for the Directors to review for the budget meeting.</p> <p>The next Board meeting will be June 17, 2013.</p>
<b>Adjourn</b>	<p>The meeting was adjourned at 9:07pm.</p> <p>Respectfully submitted,</p> <p>Perry Stokes, Secretary to the Board</p> <p>PS/ch</p>