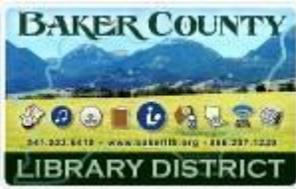


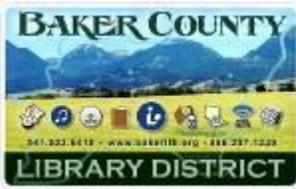
**Baker County Library District**  
 Board of Directors  
**Regular Meeting Minutes**  
 Monday, May 12, 2014, 6:00 – 8:00 pm

<b>Call To Order</b>	<p>Gary Dielman, President called the meeting to order at 6:05pm. The meeting was held in the Riverside Meeting Room at the Baker County Public Library, 2400 Resort Street, Baker City, Oregon. Present were: Gary <b>Dielman</b>, Nellie <b>Forrester</b>, Della <b>Steele</b>, Kyra <b>Rohner-Ingram</b> and Betty <b>Palmer</b>, Directors. Also present were Perry <b>Stokes</b>, Library Director; Christine <b>Hawes</b>, Business Manager; and one guest speaker in attendance, Kevin Bell of Clarke &amp; Clarke Insurance.</p> <p>The meeting started with three directors present (Dielman, Forrester, and Steele); Rohner-Ingram arrived at 6:12pm and Palmer arrived at 6:14pm.</p>
<b>Agenda Approved</b>	<p>Dielman asked for additions or changes to the agenda. None were given.</p>
<b>Conflicts of Interest</b>	<p>Dielman asked if there were any potential conflicts of interest to be declared. There were none.</p>
<b>Minutes Approved</b>	<p>Dielman asked for corrections to minutes. There were no changes to the minutes. <b>Steele made a motion to approve both the Agenda and the April 14, 2014 Regular Meeting Minutes as presented; Forrester seconded; motion passed unanimously by three directors present.</b></p>
<b>Public Comment</b>	<p>Dielman thanked Kevin Bell for attending and stated for the record that there were no other guests present for comments. Bell had no comments. Stokes had no public comments or correspondence.</p>
<b>Sage Fiscal Agency Proposal</b>	<p>Stokes suggested that the Sage Fiscal Agency discussion be tabled until after the insurance presentation. All members present agreed.</p>
<b>FY14-15 Budget: Pacific Source Insurance Rates</b>	<p>Dielman asked Kevin Bell to give his presentation. Bell said the Library District obtains its property and casualty insurance as well as its group health insurance through Special Districts Association of Oregon (SDAO). There were no rate increases in 2013 but due to requirements of the Affordable Care Act (ACA) there is a substantial rate increase in 2014 of 23%. SDAO is moving toward a practice of being “self-insured” for its health insurance. Special District Insurance Services is the carrier and contracts with Pacific Source to process the claims. He explained how that works. From the Library District’s perspective, it will be much the same.</p> <p>Rohner-Ingram arrived at the meeting at 6:12pm.</p> <p>Bell passed around handouts, focusing on a report that compared the current plan Bronze Value K with the analogous renewal Red PPO Option K plan. He explained the ACA uses plan labels Bronze, Silver, Gold and Platinum. Pacific Source can no longer use these labels so they went to Red, White and Blue. The ACA did away with lifetime maximums; there are no longer limits. The deductible remains at \$3,000 for an individual. One of the changes is that the family deductible is met</p>



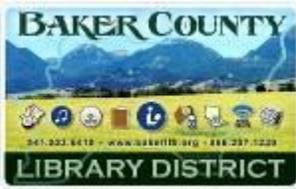
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	<p>after two people reach the deductible at \$6,000 (This used to be \$9,000 or three family members). The out-of-pocket maximum has been set by ACA at \$6,350 for an individual. The plan still has \$35 co-pay for general office visits and the emergency room \$250 deductible. The plan also now includes pharmacy where that used to be an add-on and has added alternative care coverage up to \$1,500 annually. He explained that co-pays now count toward the out-of-pocket total. He moved on to review the dental coverage which he believes is a great plan. He acknowledged that the Library District still maintains a low deductible for its employees; not many employers do that anymore. Stokes said that he will be recommending the board approve changing the deductible benefit to 50% support.</p> <p>Palmer arrived at the meeting at 6:14pm.</p> <p>Bell said this program with Special Districts is a good program. The renewal plan is better for the employee. He clarified that ACA requires the pharmacy package so SDAO folded it together with the rates now blended. The difference is the design. The cost is not based on the age of the staff. Most group coverage is based on the age pool of those being covered. He wishes SDAO had taken an increase last year to soften this year but they didn't. For most groups in Baker the increase was under 25%. The ACA \$6,350 out-of-pocket was a huge rate driver. He believes that the Cover Oregon website will be going away; it simply didn't work. The Federal Government will be offering the subsidy. He asked about the staff deductible portion.</p> <p>Stokes said the district currently pays \$2,500 (of the \$3,000 of the deductible). The insurance rate increase has essentially wiped out the reserve to maintain that benefit. The library district in Hood River does not use SDAO, their coverage has a \$1,000 deductible and the employee is responsible for 100%. Bell added that most in this area no longer cover the deductible. He talked about the other two options listed on the same page: Alternative 1 Red and Alternative 2 White. He felt it was obvious that we would not want to go with Alternative 2. Alternative 1 has a \$5,000 deductible that would reduce the cost some. With no further questions, Kevin Bell left the meeting at 6:34pm.</p> <p>Dielman said that we will now move the meeting back to the Sage Fiscal Agent item on the agenda.</p>
<p><b>Sage Fiscal Agency Proposal</b></p>	<p>Stokes said that there were really only two contenders for the fiscal agency; Baker and Hood River. However, Hood River has declined to move forward leaving BCLD as the "last man standing." Dielman asked if there was anything on the potential draft contract that stood out. Stokes said the draft he copied in the board packets was the one Sage previously used with EOU with changes made to appropriately reference the Library District. Stokes said this still is subject to Sage Council approval. Stokes felt that we need to move forward as if we plan to be the fiscal</p>



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	<p>agent. Palmer reiterated that we are not making a decision, but reviewing the documents and see if we are comfortable to do this. In the Intergovernmental Agreement of Sage Libraries, Dielman asked for clarification on Section V-A as to data “contributed in perpetuity to the State of Oregon” and the comment box question in the margin “What does this mean exactly?” referring to being subject to third party restrictions.</p> <p>There was discussion on data storage and compensation for the accounting and administrative time involved with handling Sage funds. Hawes’ hours will increase a little and she will keep track of hours spent on Sage books. Hawes commented that she would like to see a current P&amp;L and financial detail at some point.</p> <p>Rohner-Ingram had been reading through the contract draft; she wants to see the offer of the fiscal agent getting the annual membership fee reduced to one-half stated in the agreement. She commented on Article IV, Section 4h, stating that clarification is needed on when the council can terminate a member such as what constitutes a membership breach. She also suggested clarification of a member’s withdrawal process, such as whether they are entitled to any pro-rated refund. The group consensus was that no refund would be offered.</p> <p>In the Sage Library System Bylaws, there was a change noted under Article IV, Section 2, under the first item, “One representative from Sage’s fiscal agent” adding Baker County Library District. Stokes replied that he left the reference out to make this document generic should the fiscal agency ever be moved. Under Article VI, Section 1, the topic of the members present at a meeting constituting a quorum was discussed. With the 13 members on the Council, 25 percent to form a quorum means 4 members must be present. A couple of the directors agreed that was a small number but no changes were suggested at the time. With no further discussion, the meeting moved to the next item on the agenda.</p>
<p><b>FY2014-2015 Budget Proposal</b></p>	<p>Stokes referenced the draft budget documents included in the board packets. Starting with the LB-20 Resources, he projects the revenues will be close to the budget amounts for the current fiscal year. The operating and health insurance contingency funds will be available to be spent on Collections. He reviewed each of the revenue line items highlighting funds of \$4,000 to be transferred in from Other Funds from online book sales and that the tax revenues estimated to be received at \$863,823 decreasing \$5,995 from the current fiscal year. Next, Forms LB-31 starting with General Fund – Materials &amp; Services, the Collection Development line is budgeted at \$64,500 (5.5% of budget) for fiscal year 2014-15, a decrease of \$15,000 over the current fiscal budget.</p> <p>Stokes said the Collections budget is starting at a low level not seen since 2006. With the large increases in Personnel Services, this line is the one that can be adjusted to balance the budget and has taken a big reduction in the upcoming year. The District’s goal is to budget books at 10% of the operating budget; with a</p>



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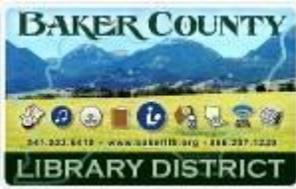
historical high three years ago at 9.6% and the previous two fiscal years at 8.8% and 8.7%. Typically, this line will increase over the fiscal year. He hopes that will be true of the upcoming year. His strategy will be to focus on keeping new materials coming in the more popular authors. The Election budget of \$3,300 is to cover election expenses for two board members next year.

Looking at the expanded LB-31 General Fund – Personnel Services budget forms provided in the packets, the personnel budget increases \$19,843 over the current fiscal year due to the large insurance increase. The budget includes no cost-of-living increases, step increases for four staff scheduled with a step freeze for the Director. Looking at the dollar variance column, the largest increases are for the Finance & HR Administrator increasing 5 hours a week for Sage Administration, and increases for the four scheduled staff step increases. There is a decrease for the Catalog Specialist who is retiring June 1. Her position will remain open for two months to save some funds and anticipates the replacement to be hired at a lower wage. He will open the position to the staff before listing it. There may be special training needed as this is a highly skilled and demanding position. The one large personnel decrease was for a position vacated earlier than anticipated last year by an early retirement. Stokes said that we normally budget \$15,000 to cover health insurance deductible reimbursements, but that the budget draft shows zero contingency available to reserve.

Stokes passed out a “Library Salary Survey” to provide a comparative perspective on the executive pay he receives. There is one final “step” increase scheduled for his position, however, he recommended his salary be frozen this fiscal year. The survey results shows the Director salary rate is currently in the 2<sup>nd</sup> Quartile and the rest of the staff are in the 1<sup>st</sup> Quartile. If he gets the final step increase in the management scale, the Director moves up to the 3<sup>rd</sup> Quartile. He feels this would be too great a disparity between the Director and staff, which is unhealthy for an agency’s operations. Discussion and questions on the survey data ensued. The Personnel Salary Option sheet provided showed the cost of various options of COLI level increases and step increases with the budgeted option highlighted.

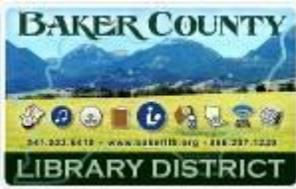
Stokes said that with benefit and other monthly costs on the rise, the operating contingency will need to be increased in future years to avoid having to use tax anticipation notes again. He talked with Kerry Savage, Baker County Assessor, and Kent Bailey, District Auditor. Savage said that the county operates on a six year cycle of property evaluation. That re-evaluation occurred this past year at what is believed to be the low point in the recession. Property values should improve in coming years.

Some discussions were held on budget topics. Forrester asked about the levy renewal to which Stokes replied that the levy renews in 2 years (we are currently in year three of the five-year levy). Rohner-Ingram asked about the contingency budget line being zero. Stokes said usually we budget contingency at \$10,000 and



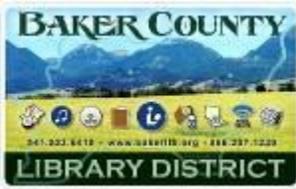
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	<p>health insurance contingency at \$15,000. He added that next year’s cash carryover is budgeted at \$205,000; he can increase that to \$210,000. Forrester asked how the staff is going to feel about cutting back that benefit. Stokes replied that he has already talked about this in a staff meeting. It is a big blow to go from \$2,500 to \$1,500, but they were resigned to the reality.</p> <p>Palmer suggested that we don’t do step increases and put that money toward the health insurance contingency. She wants to see that contingency at \$7,500 (budgeting one-half of what we have previously budgeted of \$15,000 for health insurance contingency). There was discussion on using the step increases for the budget and the idea of no step only for executive staff. Palmer suggested that we have five employees up for step increases. The bottom three are non-benefits staff increases; with no step for benefit employees, we can put that into contingency for health insurance. Those figures put us close to the \$7,500. The group agreed with the suggestions.</p> <p>Stokes said that everyone hopes the ACA will stabilize health insurance increases over the next couple years. In his view, we skipped a year of regular increases. Previously, we had seen annual \$10,000 increases. Since there was no increase last year, this year there is a \$20,000 increase. Dielman asked for a motion to approve the budget changes at this level. <b>Rohner-Ingram made a motion to approve the budget as discussed; adopt a Personnel Policy to reimburse staff up to one-half (\$1,500) of the health insurance deductible (\$3,000), and to accept the group health insurance plan renewal option Red PPO Option K both effective at June 1, 2014; Steele seconded; motion passed unanimous.</b></p> <p>There was some discussion on the book collection purchase strategy and donation adoption program that Stokes is working on with staff.</p>
<p><b>Resort Street Project LID</b></p>	<p>Dielman moved the meeting on to the topic of paying for the LID of \$24,500. If we go with payments, this can be paid off early. The interest rate is 1% plus the current LGIP rate of 0.54%. Stokes said he has budgeted to pay \$2,000 in fiscal year 2014-15. Dielman asked for a motion to authorize the agreement. <b>Palmer moved to authorize that the document be signed, “Notice of Assessment lien and Application to Pay for Local Improvements in Installations”; Forrester seconded; motion passed unanimous.</b> Stokes agreed to check on the signature requirements and get Dielman’s signature, if needed. It was noted that the budget for payments had been included in building maintenance would be moved to the Debt Service line.</p>
<p><b>Personnel Policy Revision</b></p>	<p>Dielman asked Hawes to review the Personnel Policy recommended change. Hawes said that in the case where the date-of-hire and the date-of-qualifying position are different there is often confusion. The example provided showed an employee who was hired in March 2007 and then began a qualifying position July 2010. This person worked less than 20 hours a week over 3 years. In July 2010,</p>



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	<p>the hours were increased over 20 hours thus qualifying for benefits. The real issue is vacation pay which is the only benefit on a graded scale based on years of service. The perception being that since they had already worked for the District for three years, then they would move up the accrual scale in 2012. In practice, the benefit begins accruing at the date they qualify for these benefits, with the waiting period waived because they have already worked for the District. She read the first paragraph of Article 12.3 Eligibility and added the recommended statement to clarify the policy. <b>Forrester moved to approve the Personnel Policy change to Article 12.3 Eligibility as presented; Rohner-Ingram seconded; motion passed unanimous.</b></p>
<p><b>Administrative Reports: Director's Report</b></p>	<p>Stokes said that the administrative report was short this time. The <b>Bookmobile is in need of maintenance.</b> It had work done on the brakes of \$958.69 this week. It is going to Ontario for an alignment (quote of \$290; but could be another \$1,000 if other front end repairs are needed) and is getting 2 new tires (quote from Commercial Tire of \$876.88 was approved). In <b>Facility Maintenance</b>, our Facilities Specialist over-pruned two trees located in the staff south parking lot. He said that he was attempting to fix what the prison crew had done. Stokes directed him to get authorization before significantly pruning trees in the future. Stokes prefers that a professional arborist is hired to perform tree maintenance. Dielman concurred.</p>
<p><b>Business and Financial Report</b></p>	<p>Hawes passed out financial reports and check packets for signatures during the report. Palmer signed checks and left the meeting at 8:03 pm apologizing for needing to leave a little early.</p> <p>Hawes gave the financial report. The General Fund received <b>tax turnovers of \$11,270.14</b> on May 5. <b>E-Rate Refunds of \$3,086.82</b> have been received. The funding requests submitted to-date has been received. There is another three months of the fiscal year that will be submitted in June, anticipating another \$1,000 to come in July. At this point, Personnel Services is on budget in total. There will be a couple of budget modifications when Stokes presents the year-end budget adjustments. The <b>Group Insurance Liability line of \$5,796</b> will be covered out of the budgeted contingency and a <b>retirement payout of \$9,452</b> (to be issued in June) will be taken out of the Severance Liability funds in Other Funds. In Materials &amp; Services, notable checks include <b>Ingram \$7,643.33</b> for a large order of new books; <b>Grey House \$435.55</b> annual reference renewal; <b>Thatcher's Ace Hardware \$253.31</b> for landscape maintenance and paint for hallway wall; <b>Oregon Trail Landscape \$180</b> for spring sprinkler service; <b>Gaylord \$561.15</b> included a wall unit \$276.86 for displaying and organizing information pamphlets in the front entry way (clearing off the service counter); <b>Ed Staub \$358.50</b> for a heating fuel delivery to the Haines Library; and Perry Stokes <b>\$337.58 OLA conference travel reimbursement.</b> And finally, the US Bank Visa of \$2,623.46 included <b>\$392.70 OLA conference motel</b> for the Director, \$535.74 Summer Reading Program supplies, <b>\$143.88 Children's area supplies</b> (Friends are sponsoring this expense), and <b>\$107.14 1000Bulbs.com</b> for fluorescent tubes for the building.</p>



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	<p>The Other Funds financial report included <b>online book sales revenues of \$276.80</b> with net <b>revenues to-date of \$3,010.22</b>, of which \$3,000 is budgeted to be moved to General Fund. A payment of \$200 was received from Charette (current balance due of \$1,220).</p> <p>Checks were signed and approved by those present.</p>
<b>Next Meeting Date</b>	<p>The next regular meeting will be June 16, 2014 at 6:00pm.</p>
<b>Adjourn</b>	<p>The meeting was adjourned at 8:12pm.</p> <p>Respectfully submitted,</p> <p>Perry Stokes, Secretary to the Board</p> <p>PS/ch</p>