

# NORTH BAY COOPERATIVE LIBRARY SYSTEM

## Board of Directors Meeting Minutes April 23, 2019

1. Meeting called to order at 11:00 a.m. by Chair, Suzanne Olawski.
2. Roll Call  
Present were: Suzanne Olawski (Solano County Library), Henry Bankhead (San Rafael Public Library), Danis Kreimeier, (Napa County Library), Ann Hammond (Sonoma County Library), Aida Buelna (Dixon Public Library), Chris Kreiden (St. Helena Public Library), and Sara Jones (Marin County Library). Also present were Carol Frost, Pacific Library Partnership and Jacquie Brinkley, NorthNet Library System/Pacific Library Partnership.
3. Public address – No public in attendance.
4. Approval of Agenda.  
  
Olawski noted that the meeting was scheduled for one hour and if needed, Item 7 may be deferred for future discussion.  
  
Motion to approve –Kreiden moved. Buelna seconded. Motion carried.
5. Approval of Minutes of May 31, 2018.  
Motion to approve – Olawski moved. Jones seconded. Kreiden abstained.  
Motion carried.
6. Discussion of NBCLS CalPERS revised 15-year amortization schedule and valuation report.  
  
Frost noted that CalPERS offers a Lump Sum Prepayment Option to pay the annual obligation (versus quarterly payments throughout the year) which would save NBCLS \$6,268.47 for FY 2019/20. To obtain this reduction for the annual obligation, payment would need to be made by July 5, 2019.  
  
Kreimeier recommended that this pre-payment option be authorized to reduce annual obligation. Olawski supported the recommendation for the cost savings.  
  
NBCLS will meet before or in early June to approve retiree Health Care benefits. The pre-payment recommendation will be included on that meeting Agenda for Board approval.
7. NBCLS Fund Balance and Suggestion for Shared Funding Formula.  
Based on CalPERS changing its schedule for unfunded liability payments from 30 years to 15 years, it is recommended that NBCLS develop a cost sharing formula and assess members on an annual basis, once the fund balance is depleted (expected in FY 2020/21). Frost reviewed the two models in the packet.

Kreimeier asked what source was used to determine library budgets and noted that the budget used in the example for Napa County included one-time capital improvement funds. She recommended that only Operating Budgets be used for any formula to establish cost sharing allocations. Frost noted that the budget numbers come from the State Library Statistical Data website, and that members will be given the opportunity to review and verify any budget figures used for the cost sharing formula before anything is adopted.

Discussion ensued regarding past members of NBCLS and their obligation to CalPERS retirees from which they benefited. Members discussed the likelihood of former members including public, academic, and special libraries agreeing to pay their share of retiree benefits. Frost suggested that the Bylaws and any current and historical documentation be reviewed to determine if the affiliate members (academic and special) received the same amount of services with their NBCLS membership as public libraries or if their membership included fewer services. The review should also include the steps for withdrawing from membership. It was noted that if a system had created a local resolution, a similar resolution would also be needed at the local level to confirm withdrawing, along with any actions by the NBCLS Council.

Discussion continued regarding one strategy to dissolve NBCLS and default on the CalPERS obligation. It was believed that with that scenario, CalPERS would be responsible to seek remedy from the individual members. The memo from BB&K was referenced with regard to the members having an opportunity to develop a cost share model, and in the absence of consensus, CalPERS would make that determination based on share of service received by each member, or the population of each member agency.

Discussion continued regarding what and how many retirees currently receive benefits. BB&K provided this documentation with original reporting submitted to NLS. Staff will obtain those records, redact names and any confidential information and provide to NBCLS Chair for review.

Jones commented that all Marin County libraries understand their CalPERS obligations to former retirees, however the County would not appreciate knowing they are paying the share of what other members owe. Bankhead agreed that paying for others' debt would be against San Rafael's city policy.

Members in attendance agreed that CalPERS is the most qualified to determine individual liability and requested NLS staff to identify a CalPERS representative to discuss options that NBCLS might consider in moving forward (developing a model of shared costs, dissolution, default, other options). It was also recommended that each NBCLS jurisdiction ask their city or county counsel about the proposed plan of dissolution and obtain their legal advice for this or other action. Frost pointed out that per the Actuarial report, a CalPERS Termination Penalty (p. 41) would increase the total obligation to NBCLS, versus continuing on the annual payment plan, now scheduled for 15 year amortization.

Discussion ensued of drafting a letter to all current and former NBCLS members to notify them of AB1912, the change of CalPERS to a 15-year plan to pay down the unfunded liability, and the

resulting NBCLS need for developing a cost share model; and to encourage them to attend the next meeting. Kreimeier and Olawski volunteered to form an Ad Hoc group and draft the letter.

Olawski requested that staff set up an appointment to meet with CalPERS staff before the next NBCLS meeting to identify and/or determine strategies to address concerns; to discuss options to get all members, current and former, to pay their share, and to understand the advantages and disadvantages of dissolution and to ask what CalPERS' approach would be if NBCLS elected to dissolve. Also, for CalPERS to provide amount each member owes or would owe, when accounting for former members. Olawski volunteered to participate in the phone call with CalPERS.

Brinkley will develop contact list for past and current members and provide for the Ad Hoc Group.

The NBCLS Board of Directors Annual Meeting date was scheduled for Friday June 7, 2019, 10:00 a.m. to 12:00 p.m. Hammond, Sonoma County Library, offered to host and will work with staff to confirm location.

June 7 meeting's agenda to include:

- Recommendation for NBCLS to pay the FY2019/20 Lump Sum Pre-Payment by July 5 to obtain reduction in annual obligation (versus quarterly payments throughout the year).
- Approval of Payment for Retiree Health Benefits, FY 2019/20
- CalPERS discussion and plan for NBCLS

Meeting adjourned at 11:56 a.m.