

MINUTES  
REGULAR MEETING OF THE BOARD OF TRUSTEES  
OF THE  
BUENA PARK LIBRARY DISTRICT  
June 1, 2010

AGENDA	A L I B R A N D I	G A N E R	M I L L E R	N I C C U M	S A L T S	MINUTES
CALL TO ORDER						President Niccum called the meeting to order at 5:30 p.m.
PLEDGE OF ALLEGIANCE						President Niccum led the flag salute.
ROLL CALL	Present Absent Also	X	X	X	X	X  Director Mazerov Luann O'Hara, Guild President Patricia Rivera, Public Services Manager Victoria Sanders-Victor, Business Officer Vicki Terbovich, Systems Services Manager
I. ACTION ON MINUTES						
Regular Meeting of May 4, 2010	Motion Second Ayes Noes Absent Abstain	X X	X X	X X	X X	Motion by Trustee Ganer seconded by Trustee Alibrandi to approve the Minutes of Regular Meeting of May 4, 2010. Motion was approved unanimously.
b) Special Meeting of May 17, 2010	Motion Second Ayes Noes Absent Abstain	X	X X	X X	X	Motion by Trustee Miller seconded by Trustee Ganer to approve the Minutes of Special Meeting of May 17, 2010. Motion was approved unanimously.
II. CORRESPONDENCE						
a) Patrons' Suggestions from individuals requesting purchase of materials or proposing changes to Library operations						Trustee Miller stated noticed that there were three books by one author and is assuming that maybe one person requested all three books. Wondered if there is a limit to number of books a patron can request for purchase. Director Mazerov stated most of it is based on our collection development policy so if everything they requests falls into what we would want would add to our collection. If they requested ten, they might be told with our budget and collection policy we might only be able to purchase some of them. Director stated these three books are probably a series. Patrons are not really given a number in terms of what they can request of us, but it doesn't mean we are going to be able to get all of them.
b) Management Team Minutes						Trustee Ganer inquired what the CAVA state testing is. Director Mazerov stated it is State testing for home schooled students. Patricia Rivera, Public Services Manager, interjected that believes it stands for California Virtual Academy. Director stated they have been using



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							<p>Macias, Gini &amp; O'Connell auditors stated that she can address questions or give a background. President Niccum asked to start with the background. Kathryn stated with GASB 45 the requirement is that have an actuarial valuation form so can disclose this actuarial liability. Required to record the liability as a long term liability for each year's annual required contribution. For this year, assuming went with 30 year contribution and did not prefund or set money aside, would show a liability of \$265,000 for the first year. Each year do not fund any portion of that, it is obviously going to grow. If it is \$265,000 for the first year, by the second year it will double. Going to be required to pay the actual premiums themselves for the health insurance. If \$265,000 is what owe for year according to the actuarial calculation, and the premiums were \$132,000 so what would show as liability at end of the year is the difference between \$265,000 and \$132,000. Each year don't fund the whole amount that will increment up. Only required to pay the premiums themselves and record the liability. That is your requirement. The long term actuarial calculated amount that will owe for all future costs is what we call a footnote disclosure. If stayed with just pay as go, then future liability disclosure to be shown in footnote would be \$3.4 million dollars. That is what happens if stay as are now on a pay as you go. If choose to fund any portion of this long term liability, can fund as little as want or whole amount. If prefund, obviously costs will be less because will be making money on money set aside in prefunding. When prefund, required to set up an irrevocable trust. Since with PERs, would actually give that money to PERs to set into OPEB account and money can only be used to pay the premiums for the health care. Cannot use it for any other purpose other than paying these health benefits. Have choices on whether want to fund or not fund. Also have choices on amortization of this long term portion that owe because really covering all retirees plus current employees. This is the amount of the accrued liability to pay for everybody all the way through their retirement to their death. Plan here actually covers employee, a spouse and a surviving spouse. This is amount would cost to set aside their health benefits for the rest of their lives. That is the big picture and will answer any questions now Board might have.</p>

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							<p>Trustee Salts asked if set aside 10% of the \$265,000 whether that would make a substantial difference. If it were better times, maybe 20% then. Kathryn stated it would and can fund it one year and not the next. If the next year were on hard times, could use some of what set aside in funding to pay premium or portion of premium the following year. Just because establish it does not mean have to continue it each year. All it means is that money set aside must be used for health benefits. President Niccum asked for clarification if can be used for current year if in a jam and Kathryn concurred that is correct. District is going to have to pay premiums and currently premiums at \$132,000 so anything funded over pay as go would be set aside into this irrevocable trust.</p> <p>Just to complicate the matter a little bit, they are starting to talk about the actuarial period can amortize these amounts over. Actual actuarial evaluation that was done for District gave three different amortization periods of ten year, twenty year and thirty year. Analysis done has led more toward using a thirty year amortization, which is fine. Most cities and special districts are using that thirty year amortization period. There is talk, and it is under consideration, additional pension legislation, or pension reform, in GASB to require using 20 year amortization period. Hasn't happened and probably won't happen for another two or three years. When it does, everybody will move to the same amortization period. The other move that is going to happen is that currently only required to show the liability for annual required contribution. This new GASB is proposing that take all of that unfunded liability shown in footnote, which is in pay as go \$3.4 million dollars. GASB is saying wants to move all that and show it all as long term debt. Not only doing it for OPEB obligations. Also going to do it for other pension obligations. Hasn't happened yet and GASB is taking comments from people on their position on this so might want to write a letter to GASB with position on this. There are a lot of cities and counties who are writing letters madly because can imagine what long term liability will do to their balance sheet if have to put all of it on their balance sheet. That decision does not have to be made tonight.</p>

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							<p>The decision the Board has to make is whether to use ten year, twenty year or thirty year amortization period. That is decision number one. Based on that must decide whether want to continue pay as go or fund some portion of that annual contribution that is required. Trustee Salts asked if Kathryn has any numbers for Board if they look at the twenty year one. Kathryn stated that for the twenty year one the annual contribution is \$301,732 on pay as go. If have the evaluation report previously given out, it is actually on page 1 of that report. For a twenty year, it would be \$301,000 for the pay as you go versus the \$265,000 that is on the thirty year. If did over ten years, it would be \$416,000. That is the pay as you go. If go with the prefunding, the prefunding for 10 years is \$272,000 and \$205,000 for twenty years and \$186,000 for thirty years. Can see that prefunding definitely reduces annual required contribution because it assumes earning interests at rate of 7.75% interest on amount set aside. President Niccum asked where get that rate. Kathryn stated that currently if put in the PERs fund that is what they credit in interests.</p> <p>Victoria Sanders-Victor, Business Officer, asked if the district chooses to prefund whether have to continue to make monthly premium payments now. Kathryn stated that yes have to. If prefund, annual required contribution is \$265,000. Of that, \$132,000 is made up of those premium payments talking about, using the 30 year, so the difference between the \$265,000 and \$132,000 is amount would prefund. Any portion of that would be considered prefunding. If prefunded long term liability, would be \$1.9 million.</p> <p>President Niccum stated was helpful and shed much clearer light on it. President Niccum stated does interest him to see something would like to move toward, but as a future item. Does not see can make any kind of move in that direction right now. Couldn't prioritize that over restoring things had to take away with budget circumstances, but once those things have been back filled that is something that would be worthy of considering in some degree. Will categorize it as a future, future item. Trustee Salts interjected should</p>

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b) Recommended Unpaid Holidays for FY 2010-2011	Motion Second Ayes Noes Absent Abstain	X X X X X	X X X X X	X X X X X	X X X X X	X X X X X	<p>consider that if something comes along if we can put in only a couple thousand bucks we should start it. We are talking about a huge liability. Not talking about taking and cutting anything else, but should consider as a future item and start paying it down. Trustee Salts would like to think about it in terms of trying to have some kind of an accrual where reducing it.</p> <p>The Board thanked Kathryn Beseau for coming and illuminating them on this. She stated that as long as have their decision by the time they come to do the audit that will be great.</p> <p>Director Mazerov stated this continues policy that started 1 ½ years ago to take the four holidays as unpaid. These are the same holidays used last year. If it is a Monday holiday, the librarians have been working them A/B teams to remain open on Saturday. Some take the day on Friday and some on Saturday. The change here is that recommending on the July 4<sup>th</sup> holiday, which is a Sunday, that we close on Saturday. That time of year is pretty slow, school is out, and everyone would get the three day holiday then. Two unpaid holidays will be this calendar year and two will be in the next calendar year. Motion by Trustee Ganer seconded by Trustee Alibrandi to approve the unpaid holidays as proposed. Motion was passed unanimously.</p> <p>Motion by Trustee Ganer seconded by Trustee Alibrandi to approve Resolution #010-2 as presented. Motion was passed unanimously.</p> <p>Director Mazerov stated this is part of annual review of the Investment Policy and the one change is on the second page and is in bold because we did open a business maximizer account with Bank of America so we were not carrying all of our money in non interest bearing accounts. Right now when the County gets our property tax revenue they transfer it into our General Account, which is non interest bearing. Trustee Ganer wondered if it is necessary to say via online. Victoria Sanders-Victor stated put that in because that is the way</p>
c) Approve Resolution #010-2 Establishing Upper Limit of Appropriations for Fiscal Year 2010-11	Motion Second Ayes Noes Absent Abstain	X X X X X	X X X X X	X X X X X	X X X X X	X X X X X	<p>Director Mazerov stated this is part of annual review of the Investment Policy and the one change is on the second page and is in bold because we did open a business maximizer account with Bank of America so we were not carrying all of our money in non interest bearing accounts. Right now when the County gets our property tax revenue they transfer it into our General Account, which is non interest bearing. Trustee Ganer wondered if it is necessary to say via online. Victoria Sanders-Victor stated put that in because that is the way</p>

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d) Buena Park Library District Investment Policy	Motion Second Ayes Noes Absent Abstain	X	X	X	X	X X	<p>she does it, but Board does not feel that online needs to be in the policy as a way it has to be done. Motion by Trustee Miller seconded by Trustee Salts to approve with the recommended change of the term online. Motion was approved unanimously.</p>
e) Renewal of Kone Elevator Contract	Motion Second Ayes Noes Absent Abstain	X	X	X	X	X	<p>Director stated have not reviewed contract with Kone since 1991. When Vicki Terbovich, Systems Services Manager, arrived she questioned the contract price and there was also a personality conflict with one of their employees who came out. Vicki got a bid from another company, ThyssenKrupp Elevator, who underbid Kone by \$200 a month. ThyssenKrupp stated could do for \$300 and Kone was \$500. Kone asked for opportunity to give counter offer and their counter offer beat ThyssenKrupp. Since it is a 5 year contract and that brought up the dollar amount, it is being brought to the Board for approval. The first 3 years with Attachment A no increase in cost for first 3 years and after that a maximum of 1%. Thanks to Vicki for being on them, getting their response, and negotiating this. Our recommendation is that we stay with Kone and they said they won't send that person out again.</p> <p>President Niccum commented about the misspelling on page 2 of the bolded word obsolescence. Vicki stated she had them add the term Attachment A to the title of the Additional Terms and Conditions page. Vicki stated that since 1991 were paying \$587 month so will be saving quite a bit. Vicki reassured Board will be going through every single maintenance contract she can to save money. Motion by Trustee Miller seconded by Trustee Ganer. Motion was approved unanimously.</p>
a) . OR							No comments or questions.
b)							No comments or discussion.
							Luann O'Hara, Guild President, was not present, but left information with Director Mazerov to report. There are



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							<p>in the old system. It allows us to do more than before. The old system was so old that we needed to upgrade it. Vicki put into place additional T1 lines so the slow down in the middle of the afternoon has pretty much been eliminated. Has been able to separate staff computers and public access ones so no concerns there now. Vicki Terbovich interjected greatest thing is will see savings for services we have purchased through Tele Pacific Communication giving us four to five times the band width for about ¾ of the price or less. We are getting our broad band from a company that provides this service to nonprofits and in particular we fall under this California legislation that allows us to get these at a 50% price break.</p> <p>The audit has started and will be taking place over the next four to five months. More information will follow in the coming months. Director Mazerov asked Board if they had received the Save the Date flyers regarding her retirement and the Board had.</p>
VI. FUTURE AGENDA ITEMS							President Niccum stated have already talked about Ratification for Wall of Stars as future agenda item.
VII. CONSENT CALENDAR							Trustee Ganer asked to remove item b) as a separate item. Motion by Trustee Miller seconded by Trustee Ganer to approve Consent Calendar item a). Consent Calendar item a) was approved unanimously:
a) Unpaid Bills Detail May 2010	Motion Second Ayes Noes Absent Abstain	X	X	X	X	X	a) Unpaid Bills Detail May 2010
b) Personnel Matters	Motion		X				Trustee Ganer stated just didn't want it there as part of the block motion. Trustee Miller stated thinks Trustee Ganer should move it and then second it and then will defeat it. Trustee Miller stated that all of the Board is sorry Director is leaving. Trustee Ganer stated they understand, wish her the best and hope time here has been a good professional experience and has been wonderful for library. Director Mazerov concurred it has been wonderful and couldn't ask for a better place to be a Director or work with better people. As with every job has had, likes to learn and grow and has definitely done that and has had a lot of fun along the way. Thanked the Board for being very supportive and being a very important part of being able to do things have done here. Trustee Salts interjected that Director Mazerov will be missed in the community as well as at the Library.
1) Resignation of F/T Library Director, Louise Mazerov, Effective June 30, 2010	Second Ayes Noes Absent Abstain	X	X	X	X	X	

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						Director has really done what Board asked, which is to reach out and make sure library is part of the community and he appreciates all that she has done both with Soroptimist and Chamber. President Niccum echoed that and will save the balance of his comments for the June 25 <sup>th</sup> celebration. Motion by Trustee Ganer seconded by Trustee Alibrandi to accept the resignation of Director Mazerov. Motion was approved unanimously.
VIII. CLOSED SESSION a) Personnel Matters (Pursuant to Gov. Code Section 54957) -Library Director	Motion Second Ayes Noes Absent Abstain					President Niccum stated will adjourn into Closed Session regarding personnel matters (pursuant to Gov. Code Section 54957) specifically regarding Library Director and reconvene into Open Session and report on any actions taken in Closed Session. The Board recessed into Closed Session at 6:20 p.m.  The Board reconvened in Open Session at 6:32 p.m. The Board took no reportable action. That takes Board to the end of the posted agenda.
ADJOURNMENT	Motion Second Ayes Noes Absent Abstain	X	X	X	X	Motion by Trustee Alibrandi seconded by Trustee Ganer to adjourn. Motion was approved unanimously and meeting stood adjourned at 6:32 p.m.

Submitted by,

Donna Miller, Secretary