

AGENDA
NSCLS COUNCIL OF LIBRARIANS
June 9, 2011

Yolo County Library
AF Turner Community Library
1212 Merkley Street
West Sacramento, CA

11:15 AM – Noon

Call to order: Cheryl Baker, Chair

- | | |
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| ACTION | 1. Introductions: Council Members |
| ACTION | 2. Public invited to address the Council |
| ACTION | 3. Approval of Agenda |
| ACTION | 4. Approval Minutes of May 23, 2011 Council Meeting |
| ACTION | 5. PERS Medical Insurance for Retirees Resolution – Cheryl Baker |
| ACTION | 6. Resolution of Intent to terminate PERS retirement contract – Cheryl Baker |
| ACTION | 7. Election of NSCLS Chair, Vice Chair, and Representative at large to NLS Steering Committee – Cheryl Baker |
| | 8. Announcements (if time is available): Council Members |
| | 9. Adjournment |

Bold indicates document included

Support materials for agenda available for review at NSCLS Headquarters Office and Website
www.nscls.com.

**NORTH STATE COOPERATIVE LIBRARY SYSTEM
COUNCIL OF LIBRARIANS MEETING
May 23, 2011**

CONVENING:

The North State Cooperative Library System (NSCLS) Council of Librarians met this date via WebEx with Chair Cheryl Baker presiding. The meeting convened at 10:05 a.m.

ROLL CALL:

PRESENT	ABSENT	MEMBER LIBRARY	REPRESENTATIVE
X		Butte County Library	Linda Mielke
	X	Del Norte County Library District	Linda Kaufmann
X		Humboldt County Library	Victor Zazueta
X		Lassen Library District	Jeff Hawkins
X		Modoc County Library	Cheryl Baker
X		Orland Free Library	Jody Meza
X		Plumas County Library	Margaret Miles
	X	Shasta Libraries	Jan Erickson
X		Siskiyou County Library	Jon Torkelson
X		Tehama County Library	Jessica Hudson
	X	Trinity County Library	Oresta Esquibel
X		Willows Public Library	Jody Meza
Other Meeting Attendees			
X		State Library Representative	Linda Springer
X		NSCLS System Headquarters – Exec. Dir.	Annette Milliron
X		NSCLS System Headquarters – Asst. Dir.	Patty Hector
X		NSCLS System Headquarters – Admin. Asst.	Kelli Logasa

1. INTRODUCTIONS: COUNCIL MEMBERS

Council Chair Cheryl Baker welcomed the Council Members to the meeting.

2. PUBLIC INVITED TO ADDRESS THE COUNCIL

No public were present.

3. APPROVAL OF AGENDA

A Motion to add the Administrator’s Report to the agenda after Agenda Item #4 and approve the revised agenda was moved by Jon Torkelson and seconded by Margaret Miles. The Motion passed unanimously.

4. APPROVAL OF MINUTES OF FEBRUARY 4, 2011 COUNCIL MEETING

A Motion to approve the minutes from the February 4, 2011 meeting was moved by Jody Meza and seconded by Jessica Hudson. The Motion passed unanimously.

ADMINISTRATOR’S REPORT

Ms. Milliron reported that she and Patty Hector attended CLA Legislative Day held last Wednesday in Sacramento. They were able to meet with Assemblymember Wes Chesboro,

who served as Senator for the north coast region from the mid-1990s through the mid-2000s. In the meeting, he pledged his support and the Democratic caucus' support of the 5.2 million that has been restored to the budget for libraries and said that further cuts to libraries were off the table this year.

Ms. Milliron reported that she attended an InfoPeople Advisory Board meeting last week as well. At the meeting, Holly Hinman announced that she will be retiring in January 2013. Discussion ensued.

Ms. Milliron informed the Council that the next full NLS Council meeting will be held on Thursday, June 9th in West Sacramento. Discussion ensued.

5. CONSENT CALENDAR

A. Statement of Revenue, Expenditures & Encumbrance for FY 2010/11

Ms. Milliron reported that financially, things are moving along as expected. So far this year, NSCLS has only spent money on the retirees' health insurance payments. The system has earned very little interest this year as the rate is low. A Motion to approve the Consent Calendar was moved by Jody Meza and seconded by Jessica Hudson. The Motion passed unanimously.

6. PERS MEDICAL INSURANCE FOR RETIREES RESOLUTION

Ms. Milliron explained that the system is required to approve a PERS medical insurance for retirees resolution annually as this is part of the plan that was put into place by the Council. Ms. Milliron gave a history of this decision:

FY 2007/08

NSCLS Council discussed retiree health insurance at March 14, 2008 and June 9, 2008 Council of Librarian meetings.

FY 2008/09

NSCLS Council discussed health insurance issues at September 28, 2008. No action was taken. At the December 15, 2008 Council meeting, NSCLS staff was directed to acquire more information from CalPERS.

At the March 20, 2009 Council meeting, the Finance Committee presented the proposal for a five year plan. The plan was to cap the NSCLS contribution at its current rate in the first year with retirees absorbing any increase, and then reduce the contribution over the next 4 years by 25%. The Council motion authorized the Finance Committee to bring back the solution in April.

At the April 24, 2009 Council meeting, the Council voted to freeze employer contribution to the premium cost at its current level for 2009/10, and then begin a 25% reduction each year until reaching the minimum allowable by PERS. The minimum will be reached within 5 years. The estimated cost was \$85,764.

Contribution capped 2009/10 paid \$24,842
Contribution reduced by 25% in 2010/11 will expend \$18,851
Contribution to be reduced by 25% in 2011/12 = \$13,779

Contribution to be reduced by 25% in 2012/13 = \$10,334
Contribution to be reduced by 25% in 2013/14 = \$7,751
Total cost estimated to be \$75,557

FY 2011/12

This will be the second year of reducing the payment cost and this amount is available in the reserves. What is tricky is the 2012/13 and the 2013/14 amounts as the reserves will not cover the expense.

Linda Mielke asked for clarification that the system has the money available to pay for the 2011/12 payment but not 2012/13 and 2013/14. Ms. Milliron confirmed that this was correct.

Much discussion was held on the system not having the money or resources to pay for the 2012/13 and 2013/14 retiree health insurance.

The resolution which was included in the Council packet was reviewed and discussed. Margaret Miles clarified that the resolution covers one year resolution and that the system has set aside that amount and it is included in the 2011/12 budget. Ms. Baker added that the Council needs to think ahead for next year because there is a very small window for when the retirees can change their health insurance plans with PERS and it would not be fair to inform the retirees at the last minute that they're being cancelled. Ms. Mielke agreed and stated that the retirees need to be notified now.

Ms. Milliron reiterated that there are enough funds for the 2011/12 year. What's unclear is if there's enough money to cover the PERS projection; the projection is based on the actuarial study conducted and sent out last November.

Cheryl Baker asked about people who reach the age 65 and are eligible for Medicare. This is a supplemental insurance policy for the retirees. Discussion ensued.

A Motion to approve the resolution fixing the employer's contribution under the public employees' medical and hospital care act was moved by Jon Torkelson and seconded by Jessica Hudson. The Motion passed unanimously.

The Council directed Ms. Milliron to advise the retirees that NSCLS may no longer be able to pay their health insurance premiums after June 30, 2012.

7. FUNDING FOR OCLC CATALOGING AND ILL

Ms. Milliron discussed the spreadsheet that was included in the meeting packet which details what each library would owe for cataloging and ILL in the next fiscal year. If the system receives 50% of the CLSA funding, the ILL costs can be paid from the allocation for the year. If the system receives zero State funding, then the ILL costs would also come back to the members. Ms. Milliron reminded the Council that this was part of the progression started four years ago to move the cataloging costs over to the NSCLS members. As of July 1st, each library will be invoiced for their library's cataloging charges. Ms. Mielke asked for clarification that if there is no State funding, the costs will be higher. Ms. Milliron told her that this was correct. If the State funding is at 0%, then NLS will not be able to pay for any of NSCLS' fees. If members choose not to participate in the OCLC contract, the price will not change for the member libraries who decide to stay and participate in the contract. Mr. Zazueta asked for clarification

that the price on the spreadsheet was just for the OCLC cataloging and Ms. Milliron confirmed that this was correct. Ms. Mielke asked that since the numbers on the spreadsheet weren't real, could this item be delayed. Ms. Milliron and Ms. Baker assured Ms. Mielke that the numbers were the actual numbers from OCLC and that NLS will be invoiced as of July 1st. Discussion ensued. No action was proposed or taken by the Council.

8. MEMBERSHIP DUES FOR NORTHNET LIBRARY SYSTEM MEMBERSHIP

Discussion was held on NSCLS member libraries paying membership dues for NorthNet Library System membership. Ms. Baker stated that at the end of the NLS Steering Committee meeting in May in Sacramento, she and Ms. Meza had a discussion about NSCLS paying membership dues as the issue has never been resolved. They then asked Ms. Milliron to put the item on the agenda for this meeting. Ms. Baker reported that at the December 2010 NSCLS Council Meeting, the Council approved paying membership dues that were based on a formula that takes into consideration member libraries population and budgets. However, that Motion was pending approval of the shift of CLSA reference funds into electronic materials. Since then, there is the potential of NSCLS receiving no funding from the State; therefore Ms. Baker feels the issue needs to be revisited again. NSCLS member libraries have never paid dues of any kind and it is Ms. Baker's understanding that North State is the only System in the State of California that doesn't pay dues. NSCLS has contributed TBR over the years but that number has declined significantly. The TBR has covered some of the OCLC and database charges but there are other areas, such as administration, that TBR does not cover. For the past ten years, the Council has voted to use \$30,000 from reserves to put into the system budget to pay for administration. Those reserves are now exhausted and in the coming year, there will not be any money to pay for administration costs. Discussion ensued.

Ms. Milliron reported that if there is no State funding, then the NLS Steering Committee has prepared a 6-month budget that uses reserve money contributed by all 3 systems to give each system time to absorb the costs and duties from NLS before NLS shuts down completely. Discussion ensued. It was noted that the NSCLS bylaws have a provision that a library can withdraw from the system. If a library does withdraw from the system rather than pay membership dues, then the population would drop and NSCLS could ask NLS to recalculate NSCLS membership fee. It was further noted that the withdrawing library would need to notify the Library of California Board as quickly as possible since they are meeting in August. The system would lose some CLSA money for supporting those libraries. Ms. Mielke noted that in California, libraries are not required to belong to a system. Discussion ensued. It was noted that libraries would be invoiced for their membership fees on July 1, 2011 but invoicing on a quarterly basis is also an option.

A Motion to use a membership fees model that uses population and budget from page 17 in meeting packet; column with heading with reserves dues 11/12 that totals \$30,000 but to pay for a 6-month period of time was moved by Jessica Hudson and seconded by Margaret Miles. The Motion carried with the following count: Ayes: 6 Nays: 1 Abstention: 1

9. NSCLS BUDGET FY 2011/12

Ms. Milliron reported that in approving the 2011/12 budget, the Council would be approving the expending of money to pay for the PERS retiree health insurance and setting aside some money for an audit and the payment of a fiscal agent fee to Sonoma County. She stated that the system does have the cash to cover those expenses for the upcoming fiscal year. The PERS

payment is the result of an actuarial study; this is a one-year payment and is not paying off the entire contract. Ms. Milliron noted that this number fluctuates and if the system decides to ask for an actuarial study, then a firmer number will be determined. The report comes out annually in October. Discussion was held on conducting the system annual audit. Ms. Milliron was directed to find out the requirement for systems.

A Motion to approve the NSCLS Budget FY 2011/12 as presented with direction to staff not to conduct an audit until directed to do so was moved by Margaret Miles and was seconded by Jon Torkelson. The Motion passed unanimously.

10. REPORT FROM NSCLS NOMINATING COMMITTEE

The Nominating Committee, consisting of NSCLS Council Chair Cheryl Baker, Vice-Chair Jody Meza and NLS Steering Committee Vice-Chair Margaret Miles, recommend the following slate of officers for the Council's approval:

NSCLS Chair - Jody Meza, Orland Free Library & Willows Public Library
NSCLS Vice-Chair - Jan Erickson, Shasta Public Libraries
Representative to NLS - Jessica Hudson, Tehama County

Ms. Baker asked if there were any additional nominations in addition to this slate. There were no additional recommendations.

Ms. Baker asked Linda Springer, consultant for the State Library, if she had anything to report. Ms. Springer stated that she didn't have any information regarding the pending State budget but asked the Council if they had any questions for her. The Council did not have any questions.

11. ANNOUNCEMENTS

No announcements were made.

12. ADJOURNMENT

A Motion to adjourn the meeting was moved by Margaret Miles and seconded by Jon Torkelson. The Motion passed unanimously. The meeting was adjourned at 12:02 p.m.

Annette Milliron DeBacker
Clerk of the Board
May 23, 2011

Office of Employer & Member Health Services
Public Agency Contracts
P. O. Box 942714
Sacramento, CA 94229-2714

Agency Code:

Health Resolution

Please staple on top of the resolution or cover letter. This will ensure that the CalPERS mailroom expedites delivery to our office.¹

¹ Rev / 08/05

NORTH STATE COOPERATIVE LIBRARY SYSTEM

55 E Street, Santa Rosa, CA 95404-4728, VOICE: 707-544-0142 FAX: 707-544-8411

RESOLUTION # 2011-02

Resolution Fixing the Employer's Contribution Under the Public Employee's Medical and Hospital Care Act

- WHEREAS, (1) Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act, and
- WHEREAS, (2) North State Cooperative Library System is a local agency contracting under the Act; now, therefore be it
- RESOLVED, (a) That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan or plans up to a maximum of \$127.10 per month with respect to employees or annuitants enrolled for self alone, \$395.01 per month for an employee or annuitant enrolled for self and one family member, and \$395.01 per month for an employee or annuitant enrolled for self and two or more family members, plus administrative fees and Contingency Reserve Fund Assessments; and be it further
- RESOLVED, (b) That North State Cooperative Library System has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

ADOPTED at a regular meeting of the North State Cooperative Library System at Santa Rosa, California this 9th day of June 2011.

Signed:

Chair, North State Cooperative Library System
Council of Librarians

Attest:

Secretary to the Council



Actuarial & Employer Services Branch
P.O. Box 942709
Sacramento, CA 94229-2709
Telecommunications Device for the Deaf - (916) 795-3240
(888) CalPERS (225-7377) FAX (916) 795-3005

Agenda Item #6

February 1, 2011

Employer Code #1166
Reply to Section 105

Ms. Annette Milliron DeBacker
Executive Director
North State Cooperative Library System
55 E Street
Santa Rosa, CA 95404

Dear Mr. Milliron DeBacker:

This is in response to your recent inquiry about termination of your agency's contract with this System.

Please review the enclosed Contract Termination Guidelines, form (CON-34), carefully. This is information about the termination process, the financial obligations of the agency and the potential impact of a contract termination on the agency employees' retirement benefits.

The enclosed Resolution of Intention is for adoption by the governing body declaring your agency's intent to terminate the contract. To initiate the termination process, return an original or certified copy to this office. The contract termination may not be effective earlier than one year following adoption of the Resolution of Intention. CalPERS will furnish the documents necessary to effect termination at the end of the one year waiting period.

If you have any questions, please call (888) CalPERS (225-7377).

Sincerely,

A handwritten signature in cursive script that reads "David Peeples".

David Peeples
Employer Representative
Public Agency Contract Services

Attachments

cc: Sacramento

**RESOLUTION OF INTENTION
TO TERMINATE THE CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
COUNCIL OF LIBRARIANS
NORTH STATE COOPERATIVE LIBRARY SYSTEM**

WHEREAS, the Council of Librarians of the North State Cooperative Library System entered into a contract with the Board of Administration, Public Employees' Retirement System pursuant to Government Code Section 20460, effective January 1, 1978, for participation of said agency in the Retirement System; and

WHEREAS, Section 20570 provides that the governing body may terminate the contract between the Board of Administration of the Public Employees' Retirement System and the governing body of the contracting agency by the adoption of a resolution giving notice of intention to terminate, and, not less than one year later, the adoption by affirmative vote of two-thirds of the members of the governing body of a resolution terminating the contract;

NOW, THEREFORE, BE IT RESOLVED, that the Council of Librarians of the North State Cooperative Library System hereby finds that it is in the best interests of the agency to terminate the contract entered into with the Board of Administration, Public Employees' Retirement System; and

BE IT FURTHER RESOLVED, that the governing body of the above agency does hereby give notice to the Board of Administration, Public Employees' Retirement System, pursuant to Section 20570, of the intention to terminate said contract.

By: _____
Presiding Officer

Title

Date adopted and approved

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT TERMINATION GUIDELINES

California Government Code Sections 20570 through 20583 pertain to the termination of a Public Agency's contract with CalPERS. The following information is provided for careful consideration as to the potential impact on the employees and the financial obligation of the agency.

AGENCY INFORMATION

A contracting agency may terminate the contract with CalPERS if the contract has been in effect at least **five years**. A resolution giving notice of intention to terminate must be adopted by affirmative vote of two-thirds of the members of the governing body. The termination may be effective not less than one year following the adoption of the resolution of intention by adoption of a final resolution or ordinance terminating the contract. If the original contract was approved by an ordinance adopted by a majority vote of the electorate, a majority vote of the electorate is also required for termination. The contract termination mandatorily applies to all groups covered in the contract.

Upon receipt of the Resolution of Intention to terminate, the agency will be requested to review the data on active and inactive members, retirees, beneficiaries of members (name, social security number, birth date, sex, service credit, current salary) and to list any recent hires, retirements, deaths, or separations. CalPERS will perform a preliminary valuation based on all current members leaving their contributions on deposit. The final valuation will be based on data validated by the agency and performed three to six months after the effective date of the contract termination. The terminating agency is responsible for sufficient funding to continue paying the retirement and death benefits being paid. Retirees and beneficiaries receiving CalPERS benefits monthly must remain with the System. Based on the actuarial valuation, sufficient funding for future benefits payable to members or beneficiaries of members electing to have their funds remain on deposit with the System, is also the responsibility of the agency.

A comparison is made of funds needed to pay the member benefits and the agency's funds on deposit. Any excess funds as of the termination effective date are refunded to the agency. In the event of a shortage of funds, the agency is required to pay the deficit upon contract termination. Failure to fund the deficit may result in proportionately reduced benefits for all members and/or a lien being placed on the assets of the terminating agency.

If an agency is currently participating in CalPERS health benefits program, eligibility for participation under the Public Employees' Medical & Hospital Care Act terminates when an agency terminates their CalPERS contract. A contracting agency can elect to continue participation in the CalPERS health benefits program as a "special district". To be eligible for continued participation the agency must continue to meet the definition of a public agency and must file a new resolution adopted by the agency's governing body.

An agency that terminates their contract may again contract with CalPERS. The contract, however, may not be effective earlier than three years after the termination effective date.

MEMBER INFORMATION

Withdrawal of Contributions

Members not employed by a CalPERS employer may elect to withdraw their member contributions (including interest) or leave them on deposit with the System, regardless of the amount of service credit.

Members electing to withdraw their contributions will not be entitled to any future benefits based on their employment with the terminated agency. They may not redeposit the contributions for service credit regardless of any future employment with a CalPERS agency, unless the terminated agency again contracts with CalPERS.

Contributions on Deposit

Members who leave their funds on deposit and meet the requirements that apply to other members, may retire for service or disability. The disability must occur prior to contract termination and the application must be received by the System within four months of the contract termination effective date. The minimum service requirement does not apply.

Benefits are frozen and calculations are based on the benefit level in effect on the date of contract termination. However, the agency may enter into an agreement to ensure the final compensation used in the calculation of benefits is based on a higher payrate if the member later works for another CalPERS employer or reciprocal system.

The annual cost of living increase factor is frozen at the percentage applicable on the date of contract termination. Retirees will not be entitled to any one-time allowance increases provided by legislation affecting public agencies, or legislation allowing such increases as optional benefits for public agencies.

Credit for unused sick leave (if offered by the terminating agency) will only be used in calculating the retirement allowance if the retirement becomes effective no later than four months after the contract termination date.

The beneficiary of a member who leaves funds on deposit and dies after the contract termination effective date, and prior to retirement, will not be entitled to elect a monthly allowance, but will receive a refund of the contributions and interest on deposit.

The 1957 Survivor Benefit is not payable unless the member is employed by a CalPERS agency at the time of death.

Unless the member is employed by a CalPERS agency that provides this benefit at the time of death, the 1959 Survivor Benefit is not payable.