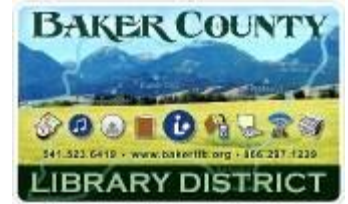


# Budget Committee Meeting Agenda



Electronic meeting via Zoom platform  
Meeting ID: 890 1430 8139

<https://us02web.zoom.us/j/89014308139?pwd=SmdzamZLYldtVUIrT0tHS1JWVVVTQT09>

Or dial in using a phone. United States: 1 719 359 4580 Access Code: 622251

Wed. May 22 2024 6:00pm – 7:30pm

## Board Directors

Ashley	McClay	<input type="checkbox"/>
Betty	Palmer	<input type="checkbox"/>
Kyra	Rohner	<input type="checkbox"/>
Beth	Bigelow	<input type="checkbox"/>
Joan	Spriggs	<input type="checkbox"/>

## Committee Members

Aletha	Bonebrake	<input type="checkbox"/>
Linda	Collier	<input type="checkbox"/>
Jacque	Cobb	<input type="checkbox"/>
Joy	Leamaster	<input type="checkbox"/>
Gary	Dielman	<input type="checkbox"/>

**Budget Officer:** Perry Stokes

- I. **Call to Order by President of Library Board** Rohner
  - i. Introductions & roll call
- II. Nomination & election of Chair of Budget Committee Rohner
- III. **Additions/deletions from the Agenda (ACTION)** Chair
- IV. **Conflicts or potential conflicts of interest** Chair
- V. **Presentation of proposed budget by Budget Officer** Stokes
  - i. Budget Message
  - ii. General Fund
  - iii. Other Uses Fund
  - iv. Sage Library System Fund
  - v. Reserve Fund – Capital Investment
- VI. **Public comment** Chair
- VII. **Budget Committee questions and deliberations** Chair

## VIII. Approval of Budget (ACTION) [if applicable]

Vote on Approval of Budget  
Standard motion language: "...that the Baker County Library District budget committee approve the YYYY-YYYY fiscal year budget and the property taxes it contains at the permanent rate of \$0.5334 per \$1,000 of assessed value for operating purposes, and at the rate of \$0.249 per \$1,000 for local option tax."

See attachment: Recommended Budget Committee Motion

Motion	2 <sup>nd</sup>	
Vote		
Y	N	A

## IX. Recess or Adjournment Chair

**Second Budget Committee Meeting  
(in case of recess)**  
Wed, May 29, 2024, 6:00 pm

**Other Local Budget Meeting(s):**  
Budget Hearing / Regular Board Meeting  
Tue, June 11 2024, 12pm

## FY24-25 Budget Committee Membership

### Appointive Members

	Name	City	Term start (3 years)	Term expiration
1	Aletha Bonebrake	Baker City	5/2022	6/30/2024
2	Linda Collier	Halfway	5/2022	6/30/2024
3	Jacque Cobb	Baker City	5/2023	6/30/2025
4	Joy Leamaster	Baker City	5/2021	6/30/2026
5	Gary Dielman	Baker City	5/2023	6/30/2025

### Governing Body (Library Board) Members

	Name		Term start (4 years)	Term expiration
6	Ashley McClay*	Baker City	2/14/2023*	6/30/2027
7	Kyra Rohner	Baker City	7/1/2021	6/30/2025
8	Betty Palmer	Baker City	7/1/2021	6/30/2025
9	Beth Bigelow	Haines	7/1/2021	6/30/2025
10	Joan Spriggs*	Halfway	2/14/2022*	6/30/2027

\*Appointed to fill vacant position

## Statutory Authority

### ORS 294.414 Budget committee.

(1) Except as provided in ORS 294.423, the governing body of each municipal corporation shall establish a budget committee in accordance with the provisions of this section.

(2) The budget committee shall consist of the members of the governing body and a number, equal to the number of members of the governing body, of electors of the municipal corporation appointed by the governing body; if there are electors fewer than the number required, the governing body and the electors who are willing to serve shall be the budget committee; and if there are no electors willing to serve, the governing body shall be the budget committee.

(3) The members of the budget committee shall receive no compensation for their services as members of such committee.

(4) Appointive members of the budget committee may not be officers, agents or employees of the municipal corporation.

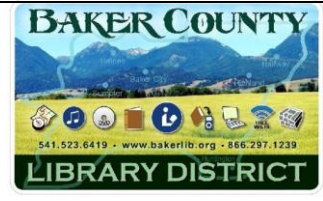
(5) Appointive members of a budget committee that prepares an annual budget shall be appointed for terms of three years. The terms shall be staggered so that, as near as practicable, one-third of the terms of the appointive members end each year.

(6) Appointive members of a budget committee that prepares a biennial budget shall be appointed for terms of four years. The terms shall be staggered so that, as near as practicable, one-fourth of the terms of the appointive members end each year.

(7) If any appointive member is unable to serve the term for which the member was appointed, or an appointive member resigns prior to completion of the term for which the member was appointed, the governing body of the municipal corporation shall fill the vacancy by appointment for the unexpired term.

(8) If the number of members of the governing body is reduced or increased by law or charter amendment, the governing body of the municipal corporation shall reduce or increase the number of appointive members of the budget committee so that the number thereof shall be equal to but not greater than the number of members of the governing body. To affect a reduction, the governing body of the municipal corporation may remove such number of appointive members as may be necessary. The removals shall be made so that the number remaining will be divided into three, if the terms of the appointive members are governed by subsection (5) of this section, or four, if the terms of the appointive members are governed by subsection (6) of this section, equal or approximately equal groups as to terms. In case of an increase, additional appointive members shall be appointed for such terms so that they, together with the members previously appointed, will be divided into three or four, as appropriate under this section, equal or approximately equal groups as to terms.

(9) The budget committee shall at its first meeting after its appointment elect a presiding officer from among its members.



# 2024-2025 Budget Calendar

April						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

**A. MEETING – BOARD (Regular)**  
**Tuesday, Apr 9, 12.00 pm**

Regular Board Meeting - Budget proposal preview

**B. PUBLICATION 1**  
**April 23 - May 4**

Publish 1st **Notice of Budget Committee Meeting\***  
*(one publication, 5 - 30 days before hearing)*

*\*Also publish online.*

**C. MEETING – BOARD (Regular)**  
**May 14, 12.00 pm**

Regular Board Meeting - Budget proposal review

**D. MEETING – BUDGET COMMITTEE 1**  
**Wednesday, May 22, 6.00 - 8.00 pm**

First Budget Committee Meeting

- Receive budget message
- Presentation of budget document
- Budget Committee deliberations and questions
- Public comment

**E. MEETING – BUDGET COMMITTEE 2**  
**Wednesday, May 29, 6.00 - 8.00 pm**

Second Budget Committee Meeting *(if necessary)*

- Budget Committee deliberations and questions

**F. PUBLICATION 2**  
**May 28 - Jun 4**

Publish financial summaries and **Notice of Budget Hearing**  
*(one publication, 5 – 30 days before hearing)*

*\*Also publish online.*

**G. MEETING – BOARD (Regular)**  
**June 11, 12.00pm**

Public Hearing and Annual Fiscal Meeting

- Meeting to adopt budget, appropriate funds, and levy property taxes

**H. Before July 15**

Deliver notice of property tax form LB-50 to County Tax Assessor

## 2024-25 Budget Notes

May 22, 2024

Prepared by Budget Officer Perry Stokes

Thank you all for agreeing to serve on the Library District Budget Committee.

I have prepared these notes as a general overview of the budget process and guide to the budget proposal.

### Overview

Our Budget Committee is composed of the BCLD Board of Directors plus five additional individuals. Board members currently include: Kyra **Rohner** (President), Betty **Palmer** (Vice President), Beth **Bigelow**, Ashley **McClay**, and Joan **Spriggs**. Additional appointees include: Aletha **Bonebrake**, Linda **Collier**, Joy **Leamaster**, Jacque **Cobb**, and Gary **Dielman**.

The Library District budget is composed of four funds: General Fund, Other Uses Fund and Sage Fund, and Reserve Fund – Capital Investment, which the District established in Fiscal Year 2019-2020.

- **General Fund:** This fund is where most of the activity happens. It includes the District's major income (namely, tax revenue) and expenses. This fund is represented in Legal Budget (LB) forms **LB-20, LB-30, and LB-31** (2).
- **Other Uses (Grants & Contingencies) Fund:** This fund is used for special-purpose grants, such as those given to the District by foundations, as well as donations from our Friends and Foundation support groups, income from online book sales, and transfers from the General Fund put aside for strategic purposes. Expenditures from this fund are for the purposes outlined in the grant, special project needs, or particular items the contributors choose to fund. This fund is represented with an **LB-10** form.
- **Sage Fund:** This fund is used for operation of the Sage Library System (Sage). BCLD assumed fiscal agent responsibilities for Sage from Eastern Oregon University (EOU) as of July 1 2014. Sage revenue primarily comes through membership fees and grants. Expenditures from this fund are for staff and various services, technical support contracts, materials, training, grant and special project needs, or any other purpose the Sage User Council chooses to fund. This fund operates from its own separate bank account, so funds are not comingled with BCLD. Sage checks are signed by the BCLD Board Chair and myself as Fiscal Agent officer. Interfund transfers are disallowed between the Sage Fund and other BCLD funds. Bills that include costs for both BCLD and Sage are paid by BCLD, then Sage compensates the District. Monthly financial reports are reviewed by the BCLD board. Those reports are also provided to Sage User Council at its bi-monthly meetings. This fund is represented with an **LB-10** form.
- **Reserve Fund – Capital Investment:** This is the district's youngest fund, created in 2019 or the purpose of strategically planning for anticipated expenditures for major repairs and maintenance of district facilities or other capital assets. This fund is represented with an **LB-11** form.

Each fund is divided into at least two sections: resources (i.e. Income) and requirements (i.e. Expenditures). Those are then divided into individual line items, such as fines & fees or taxes (for income) or office supplies or building maintenance (for expenditures).

The attached budget sheets are made from forms provided by the State of Oregon supplemented with additional columns to help with historical analysis. The basic forms are submitted to the County Assessor and County Clerk after approval. The budget process is as follows:

1. The budget is prepared by District staff.
2. It is presented to the Budget Committee by the Budget Officer (me).
3. You recommend changes to the Budget and pass a resolution formally recommending the Budget to the Board of Directors.
4. The Board of Directors makes changes to the budget and then formally approves it in June.
5. The final adopted budget is submitted to the appropriate authorities.

We have one Budget Committee meeting scheduled. If needed, a second meeting is reserved for the following day.

For your assistance, following the budget message, I will present each budget fund form, noting rationales for the numbers as well as the reason for significant changes.

The Budget Committee packet includes the meeting Agenda with notes and enhanced legal budget worksheets. Reports with more detail will be made available on the library website.

I will notify Budget Committee members when print copies of the packet are available to pick up from the Baker branch library. I can also send print versions via express postal delivery on request. If you would like a print copy of anything from the Supplemental Packet, please let me know.

#### Budget Committee Packet (Standard)

- **Attachment I:** *Agenda and Notes with Recommended motion to approve the budget.*
- **Attachment II:** Budget proposal goals & highlights
- **Attachments III.a-g:** Legal budget packet (LB20, LB31 PS, LB31 M&S, LB30, LB10 Other Fund, LB10 Sage Fund, LB11 Reserve Fund, Resolution with table, LB1 Budget Hearing Notice)

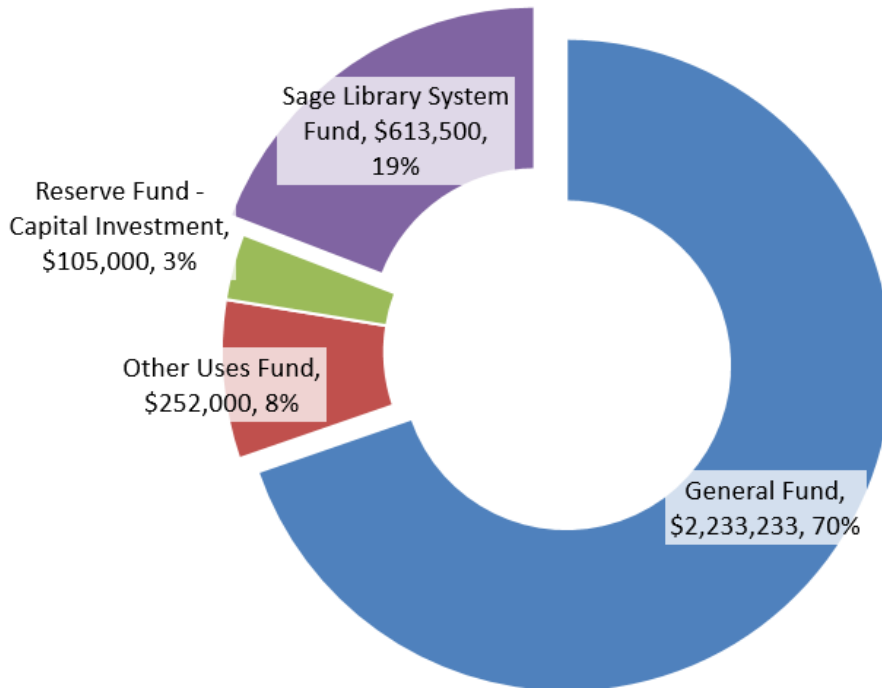
#### Supplemental Packet

- **Attachment IV:** 2023 Salary Survey
- **Attachment V:** Tax Revenue Projection
- **Attachment VI:** Budget salary detail
- **Attachment VII.a-b:** Wage & management salary scale
- **Attachment VIII:** Most recent financial statements
- **Attachment IX:** General Fund Master Budget Plan, featuring current fiscal year budget closeout projection, proposed budget for the next fiscal year, and history detail for prior years

Please let me know if you have any questions or would like additional information to help with your deliberations. I can be contacted at [director@bakerlib.org](mailto:director@bakerlib.org) or 541-403-0450 (voice or text).

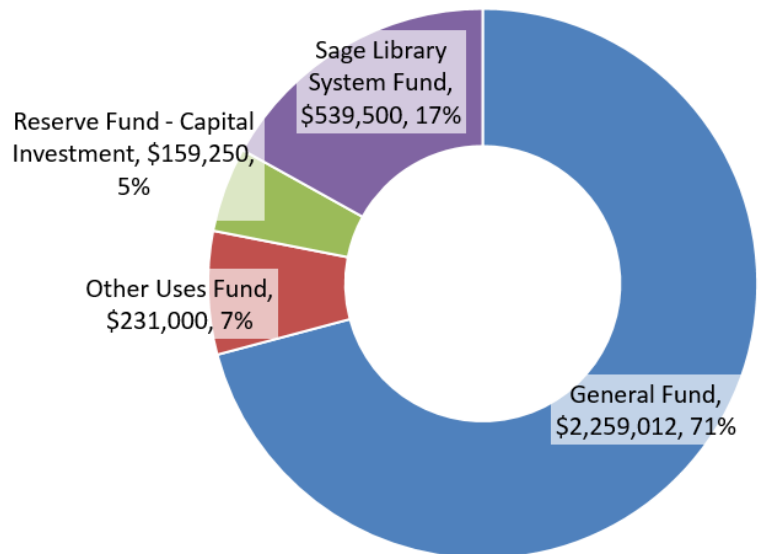
**Proposed Budget**

**FY24-25 BCLD FUNDS**



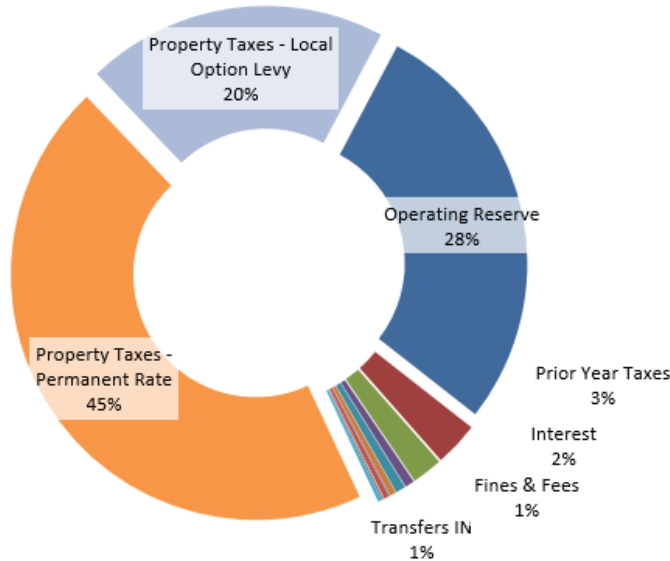
**Current Original Budget**

**FY23-24 BCLD FUNDS**



For the following budget descriptions, please refer to the Legal Budget (LB) form spreadsheets, referencing the form numbers at upper left corner of the page.

**BCLD BUDGET FY24-25  
General fund - resources**



**LB20 General Fund – Resources**

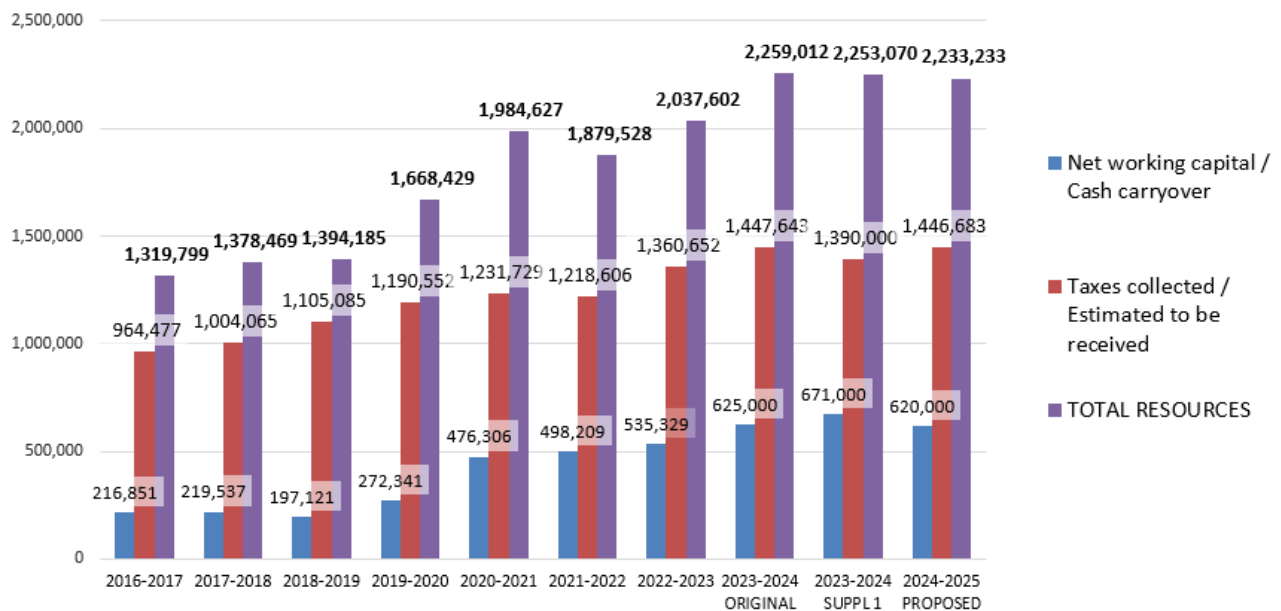
Revenues forecasts for the budget proposal assume moderate growth of property values, a somewhat optimistic outlook after an unexpectedly low rate in the current year. Interest income is projected to remain strong, prior year taxes will have a moderate increase, fines/fees and cash carryover of Net Working Capital (AKA Operations Reserve) will be kept steady.

- **2 – Net working capital (AKA Cash on hand / Cash carryover):** This is the base amount of Operations Reserve the District has accumulated to support expenses accrued from the start of the fiscal year until taxes are received in November. It is important that this Reserve remain proportionate to projected budget expenses in the

First Quarter in order for the district to continue to be self-sufficient and debt free.

In previous years, to support operations until tax receipts are distributed in early November the district has incurred short-term debt from a banking institution in the way of Tax Anticipation Note (TAN). More recently, while building its Operations Reserve, the General Fund has temporarily borrowed from the District’s Other Uses fund. The District’s current practice to remain debt-free has been achieved by

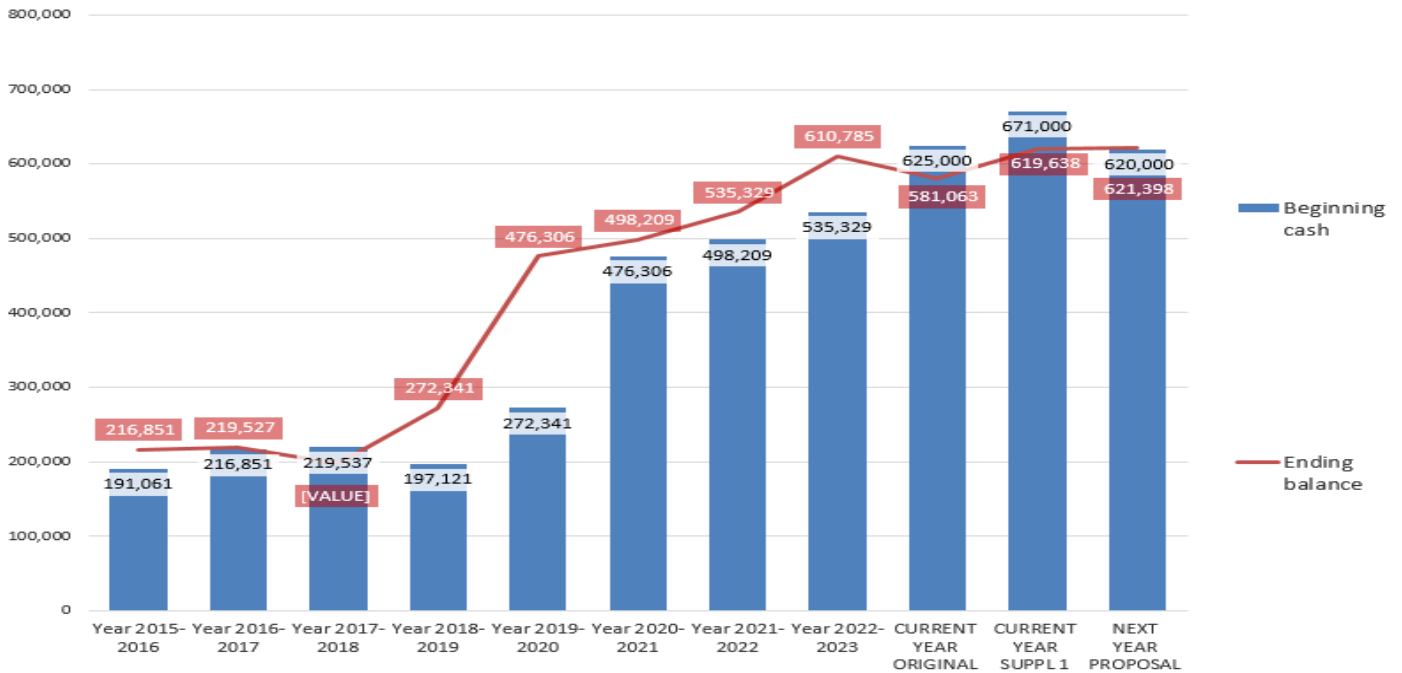
**LB-20 RESOURCES**



maintaining the Operations Reserve at a level sufficient to make borrowing from the Other Fund unnecessary in general.

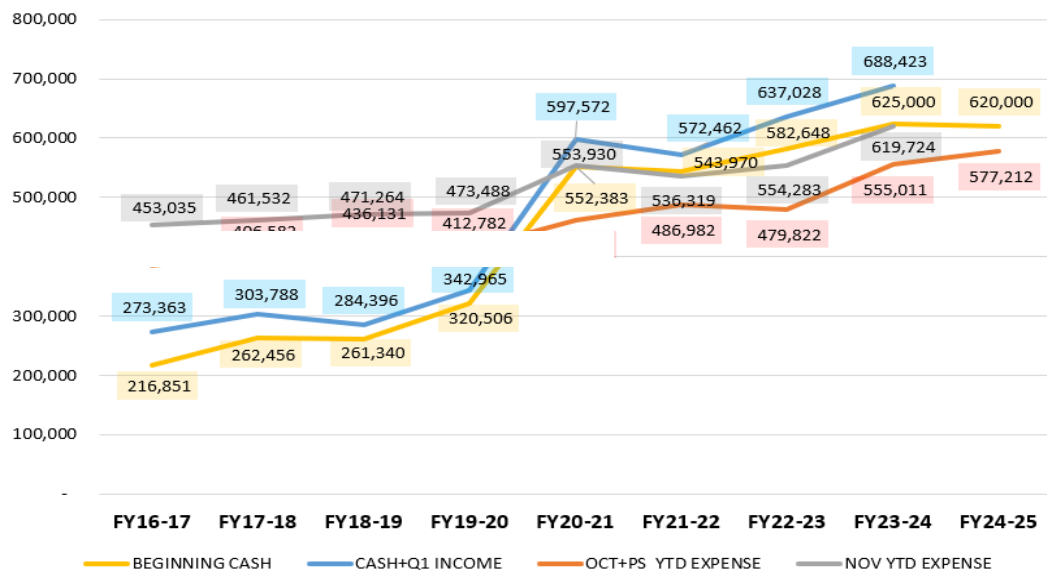
Going into FY24-25, I am budgeting the Net Working Capital (Cash Carryover) at approximately \$620,000, about the same as the original prior year estimate, but a decrease of about \$50,000 from the actual amount of \$670,869. Surplus carryover is typically from underspent programs and projects planned but not yet accomplished. When possible, those surpluses are re-allocated to their same categories to finish projects already underway and accomplish strategic goals.

Beginning Cash vs Ending balance



Operations expenses from July-November 2024 will require about \$577,000. Next year the reserve need may rise to around \$600,000. The Operations Reserve of \$620,000 is expected to be sufficient to cover needs through 2027 without having to borrow from the district's Other Fund.

GEN FUND: RESOURCES VS EXPENSES JUL-NOV



**GENERAL FUND - EXPENSES**

	<b>Q1</b> Jul-Sep	<b>Q2</b> Oct-Dec	<b>Q3</b> Jan-Mar	<b>Q4</b> Apr-Jun	<b>TOTAL</b>
<b>FY23-24</b>	<b>378,356</b>	<b>412,901</b>	<b>364,892</b>	<b>407,054</b>	<b>1,301,676</b>
% of whole	26.5%	28.9%	25.6%	28.5%	
<b>FY22-23</b>	315,539	287,123	429,868	394,287	<b>1,426,817</b>
	22.1%	20.1%	30.1%	27.6%	
<b>FY21-22</b>	252,849	321,125	310,227	413,223	<b>1,297,424</b>
	19.5%	24.8%	23.9%	<b>31.8%</b>	
<b>FY20-21</b>	209,654	462,477	332,116	349,451	<b>1,353,698</b>
	<b>15.5%</b>	<b>34.2%</b>	24.5%	25.8%	
<b>FY19-20</b>	284,755	282,252	349,167	278,075	<b>1,194,249</b>
	23.8%	23.6%	<b>29.2%</b>	23.3%	

PROJECTED  
AMT

- **3 - Previously levied taxes:** These amounts are based on the rate of this year's receipt of back taxes from previous years. FY19-20 was an anomalous year with a boost from settlement of tax assessment challenges from commercial property sales and improvements. Disbursements for FY23-24 are forecast to slightly above the amount originally anticipated by about \$1,000. The proposed budget allows for receipt of an additional \$4,000 for a total up to \$65,000.
- **4 – Interest:** This revenue is earned from the District’s investment pool managed by Baker County. With the District’s growing reserve fund balance and recent interest rate hikes, the rate of returns in 2022-23 were nearly *triple the average return*, rising from around \$8,500 to about \$28,000. A high return rate has continued through the current year. The proposed budget is projected at a negligible change due to forecasts of Fed loan rate cuts in the next 2 years. Actual figures are not known until after the start of the next fiscal year.
- **5 – Transferred IN:** This amount is primarily from online book sales collected in Other Funds transferred over to support Collection Development.

**ONLINE SALES - USED BOOKS**

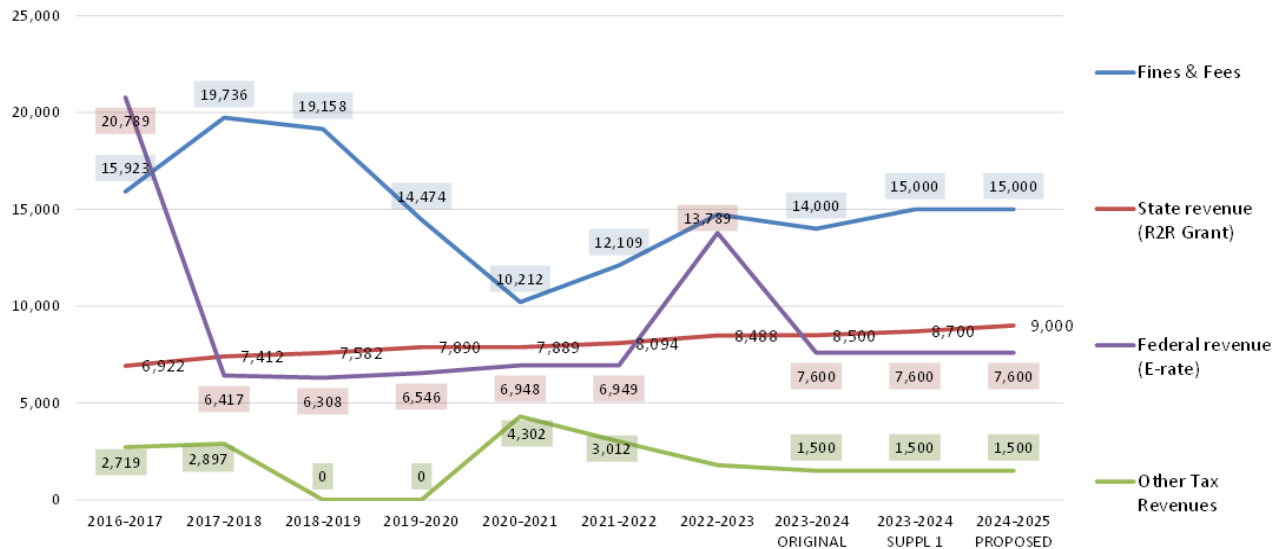
<b>FY15-16</b>	<b>FY16-17</b>	<b>FY17-18</b>	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>	<b>FY22-23</b>	<b>FY23-24</b>
3,922	5,500	5,196	6,633	4,695	3,178	3,710	3,485	<b>3,975</b>

to date

- **7- Fines and fees:** These are generated from overdue fees, lost item charges, faxes, copies and printouts, out- of-area library card fees, and miscellaneous other items. The purpose of fees is intended to recoup actual costs rather than generate income. Looking at the history of this category, collection of overdue fines was mostly suspended during the pandemic and copying fees plunged from the drop of visitation. Some services launched for the pandemic have been adopted as standard such as continuance of the 5 free print pages per day for library users.
- **8 – State revenue (R2R) funds:** This amount is from Oregon funding of early literacy and Summer Reading through the Ready to Read grant program from the Oregon State Library. The grant program scope includes early literacy, summer reading, and school age (afterschool) projects for youth birth—12<sup>th</sup> grade. Funding is based on youth populations & is expected to remain stable.

- 9 – Other tax revenues:** This amount is from various County sources such as foreclosure and timber sales. Due to high variability, it is budgeted with only a baseline “placeholder” figure.

**LB-20 RESOURCES, Lines 7-10**

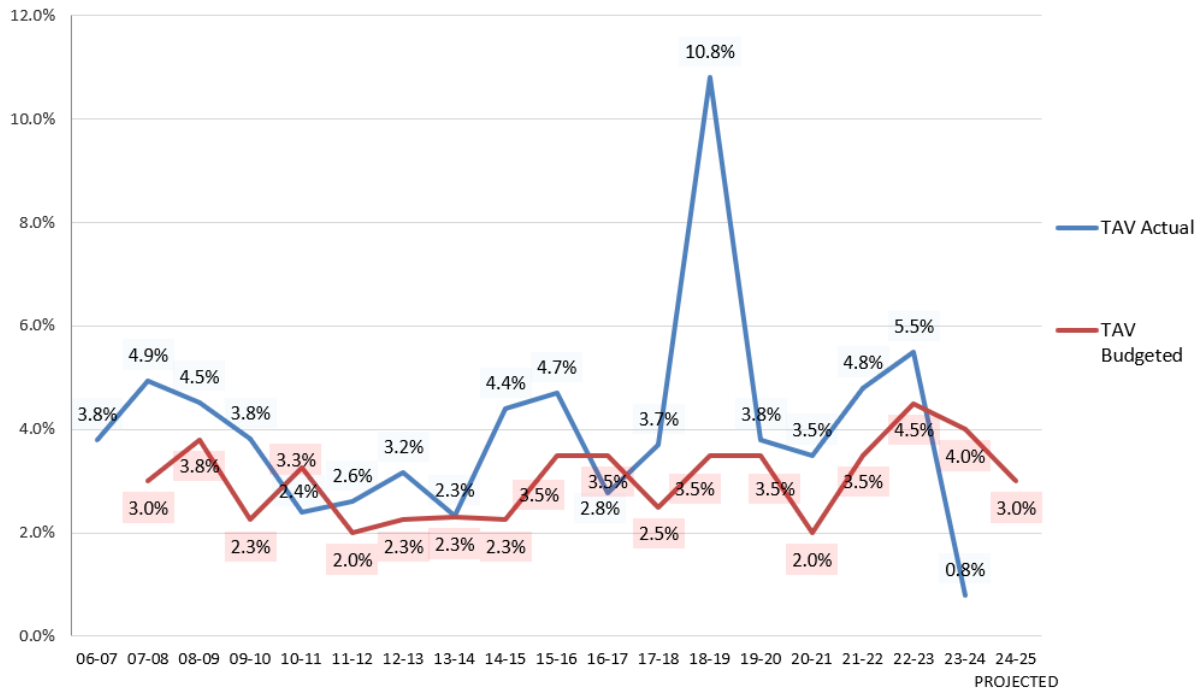


- 10 – Federal funds:** This amount is from reimbursements for telecommunications expenses under the federal E-Rate program distributed through the Institute for Museum and Library Services (IMLS). In prior years, federal grant funds have helped upgrade the Internet network infrastructure at the main library branch. In prior years it subsidized Wi-Fi Hotspot devices for public loan, but that grant was not continued. E-rate revenue is projected at a regular rate of reimbursement.
- 11 – Special Contracts (Tech Support):** In the past, this category received payments from regional libraries that contracted tech support service from our IT staff and consultant work from our Business Manager. No outsourcing contracts are planned for next year.
- 12 – Job Training Programs:** Primarily pass-through funding for state or federal job training programs. Hosting agency contribution is minimal. No Job Trainee is anticipated.
- 13 – Donations, grants & miscellaneous:** Contributions directed specifically for general fund items. For FY20-21, this category spiked due to CARES Act pandemic grant funds which the district used to upgrade of its HVAC and building ventilation systems. For the proposed budget, a modest figure is projected.
- 14 – Capital financing:** The last use of this category was the 2013-14 financing of \$22,871 with Baker City for the District’s portion of the Resort St Improvement Project. The District has paid \$2,000 on that debt annually, with completion scheduled in 2028. With surplus funds available, I am proposing to pay the balance of that debt with the new budget (see LB-30). No new debt is anticipated for next year.
- 15 – Fiscal agency fee:** The administrative fee for fiscal agency services to the Sage Library System is calculated at 1 hour per week of the Director’s hourly rate for oversight time. See also the Sage Fund from which labor costs are paid to the district’s Admin Services Manager for 5 accounting hours per week.

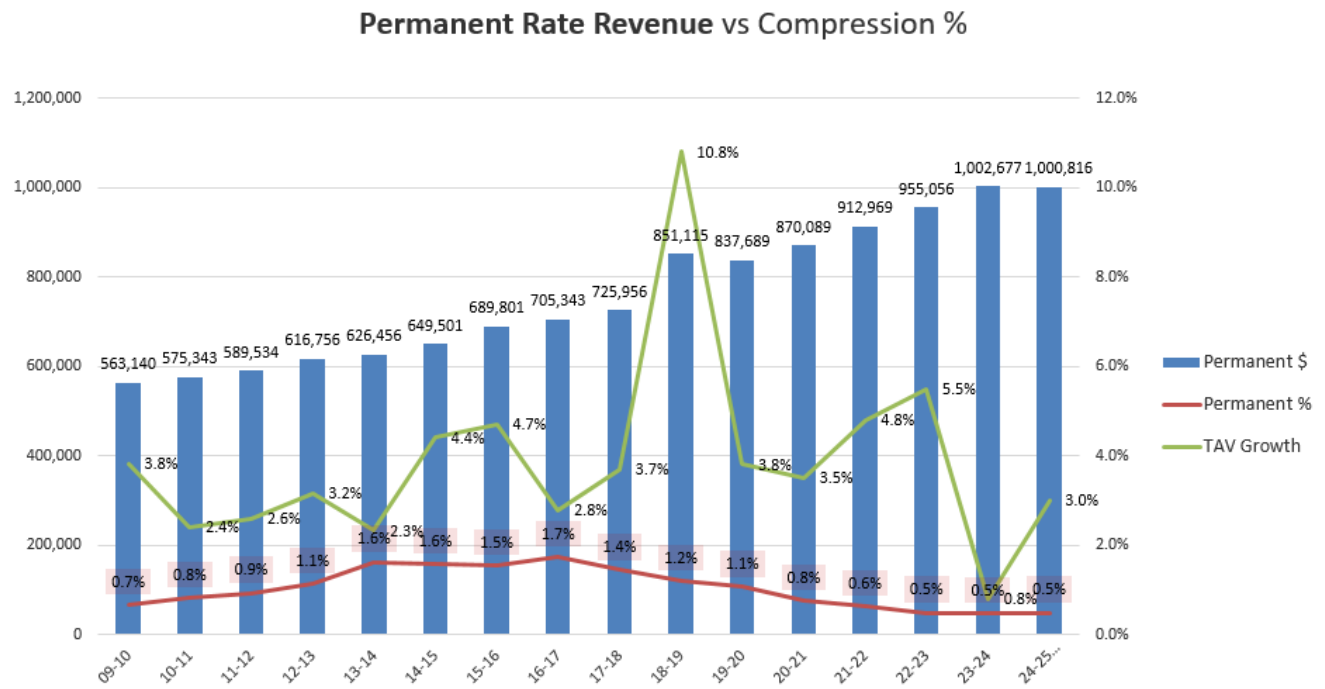
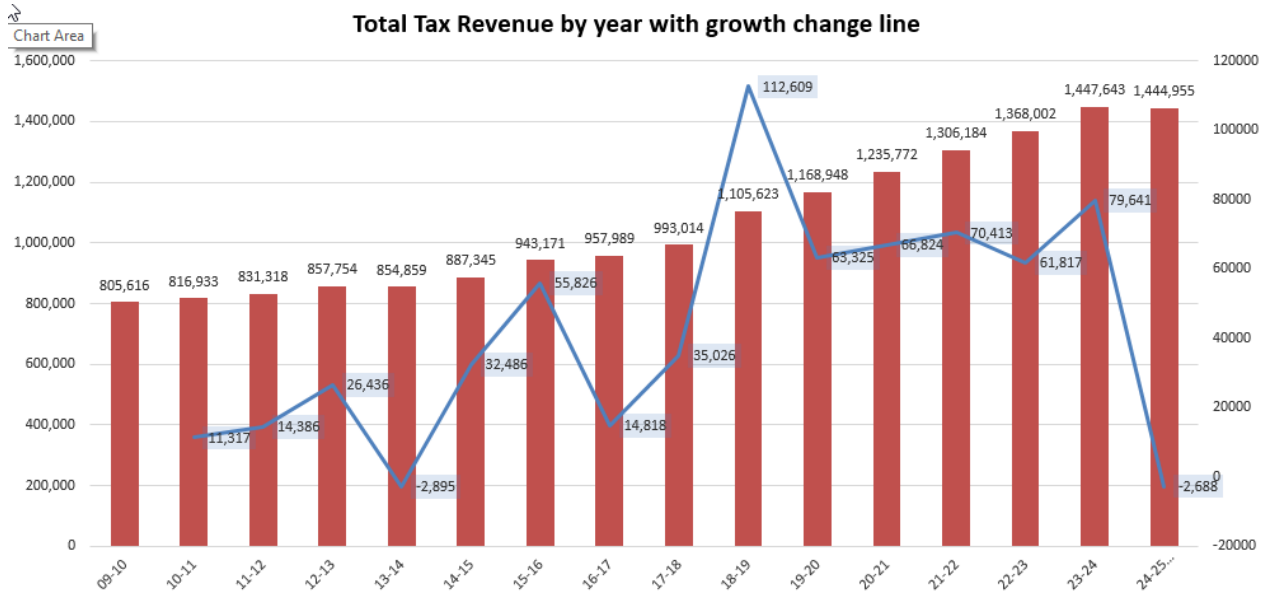
- 16 – Other financing sources:** This line has previously been used for miscellaneous income such as insurance settlements for damage claims. E.g. roof damage incurred from ice buildup in the severe winter of 2016-17 (settlement in FY17-18). The large sum in FY23-24 is due to a final federal reimbursement from FEMA for COVID-19 expenditures. The proposed budget amount is for projected incentive payments from the district’s continued participation in the Strategic Energy Management program from Energy Trust of Oregon.
- 30 - Taxes estimated to be received:** Figures are based on the assessed value of countywide property, divided by 1,000 then multiplied by the District millage permanent rate of 0.5334 and local option levy rate of 0.249. The rate of collection and compression are two factors which significantly reduce this revenue. See the Tax Revenue Projection report for details on this calculation.

While reports of strong home and property sales continue, the district is taking a conservative approach by forecasting a moderate growth rate. Until the current year, the rate had been strongly trending upward the prior two years. This year, the rate unexpectedly dropped 4.7% from 5.5% to 0.8%. With a 1% change in the growth rate resulting in about \$14,000 of increase or decrease in revenues, the 4% drop equates to a \$56,000 revenue shortfall.

**Baker County**  
Total Assessed Valuation (TAV) Growth History



The Board customarily adopts a Supplemental Budget annually at its June meeting to accommodate any surplus revenue and modify expenditure authority for various categories.



## LB 31 General Fund - Expenditures

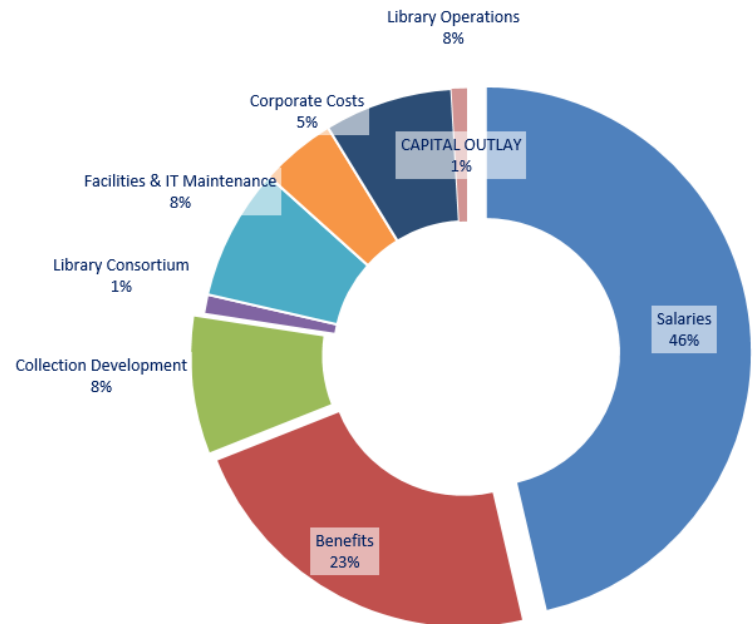
### Personnel Services

The FY24-25 budget proposed for staff assumes a 4.0% Cost of Living Adjustment (COLA) to all non-salaried employees approved by the Library Board at its May 14 meeting. The Library Director COLA is calculated at half the staff rate as part of a strategy to mitigate pay disparity with senior staff. With a 4% COLA, the district's lowest wage will be \$14.58.

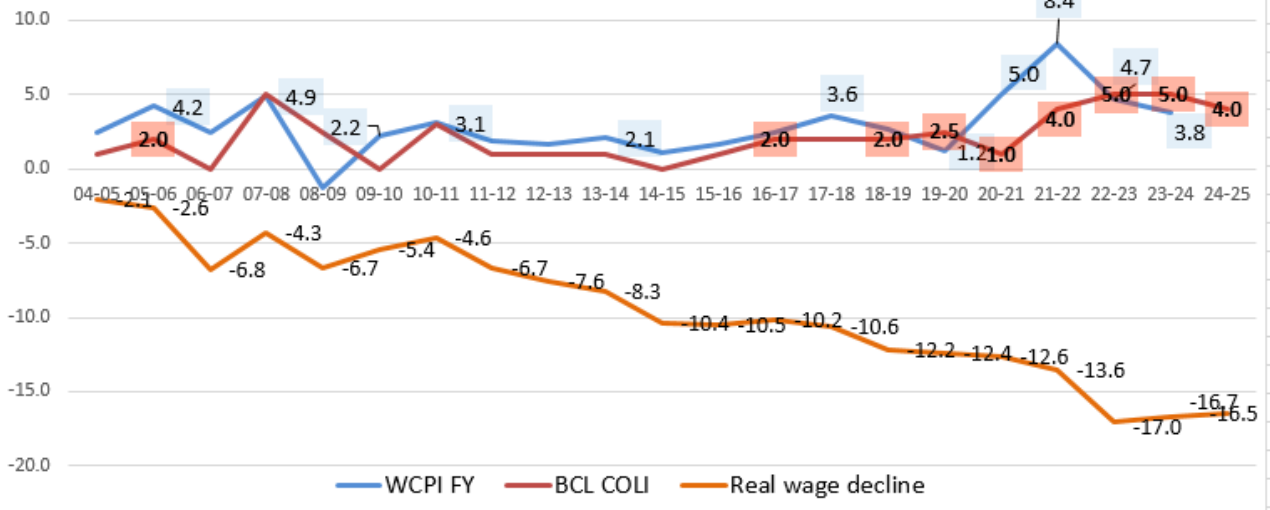
Since 2023, annual increases in the Oregon minimum wage have been tied to the rate of inflation. The Consumer Price Index, the inflation measure used to calculate the increase, rose 3.5% nationally over the past 12 month period. Increases announced in mid-April range from 2.9% for the Portland metro (\$15.95) to 3.8% raise in rural areas (\$13.70).

The most recent [Western Region Consumer Price Index](#) chart shows the rolling 12-month total remains high at 6% in April. For 2023 altogether, the rate was 3.8% and the district was able to provide staff a 5% COLA, recovering some wage-loss ground from the 2021 differential of 4% COLA to a record high 8.4% inflation rate.

**BCLD BUDGET FY24-25  
GENERAL FUND - EXPENSES**



**BCL COLI vs WCPI gap  
(Staff wage depreciation)**

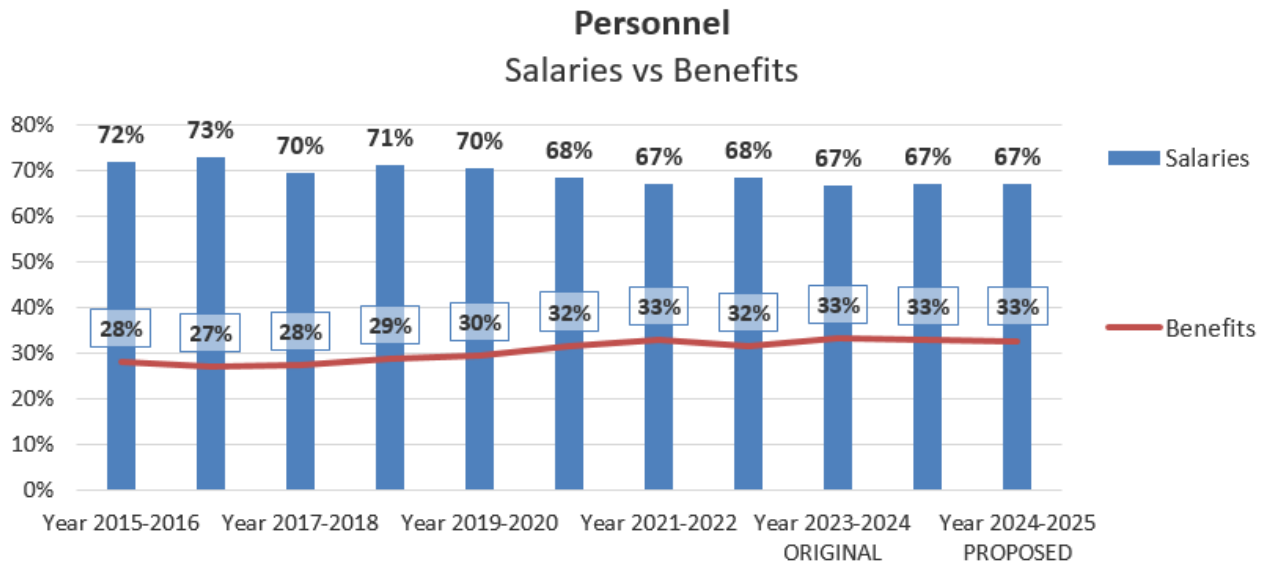


Other significant salary elements include

- Step increases (5%) for 9 para-professional staff
- Total FTE maintained at 15.7

**In aggregate, the total Salary line is increased by 5% as compared to the original current year budget.**

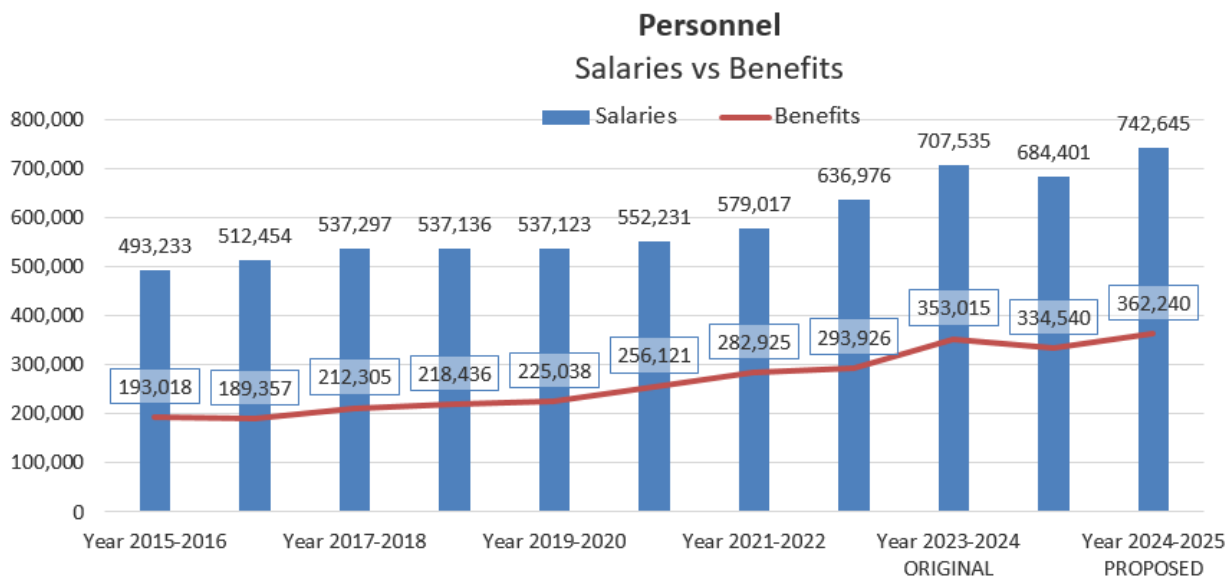
In the **Benefits** category, health insurance rates from Special Districts Insurance Services (SDIS) rose by 7%, slightly higher than the 6% increase of last year. Over the past 10 years, benefits costs have grown from 28% of the Personnel budget to 33%.



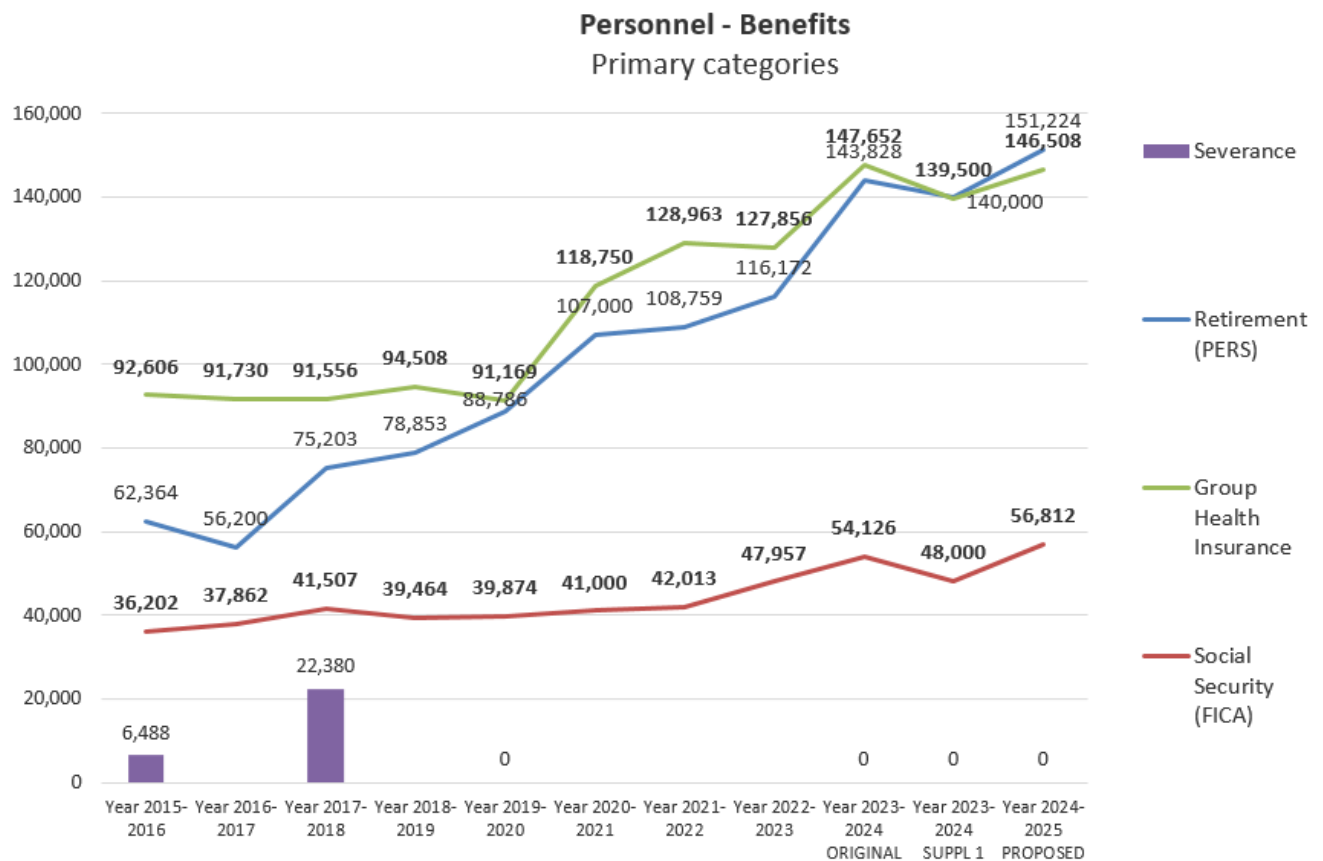
This is the second year of the 2023-2025 biennium for Oregon’s Public Employee Retirement System (PERS) rates. As reported last year, compared to the prior biennium:

- For BCLD Tier 1 employees, the rate rose one percent from 26.44% to 27.43%.
- For OPSRP employees, the rate increase was a little greater than 1% from 20.14% to 21.37%.

**As a proportion of the Total Operating Budget, the Personnel Services category increases to 69.6% as compared to the prior year of 67.5%. This remains within the best practices target ratio of 65-70%.**



- **23 - Retirement:** Employees participate in the Public Employee Retirement System, contributing 6% of their salary.
- **24 - Social Security:** Calculated at 7.65% of payroll.
- **25- Unemployment insurance:** Previously calculated at 0.01% of payroll, this rate spiked to 0.06% in FY18-19 based on rate report from the State of Oregon.
- **26 - Health insurance:** A sum of premium rates for the new Regence Blue Shield plan provided through SDAO. The coverage assumes a \$3,000 out-of-pocket deductible cap from the District for each employee of which the District contributes 50% (\$1,500). The district typically sees two or three deductible claims from employees per year. Therefore, the district maintains a Health Benefit Contingency Reserve Fund of \$6,000 lumped here with the premiums. Unused Health Benefit Reserve Funds may be re-allocated to other General Funds as needed late in the year.
- **27 - Workers compensation:** Based on recent invoices from Special Districts Association of Oregon (SDAO).
- **28 - Life Insurance:** Provided through Lincoln Financial Group, calculated based on rate history.
- **29 - Severance:** Category reserved for payout of unused accumulated vacation hours (capped) and half of sick-leave to qualified employees.
- **30 - Payroll expenses:** Unused. See Financial Management Fees.



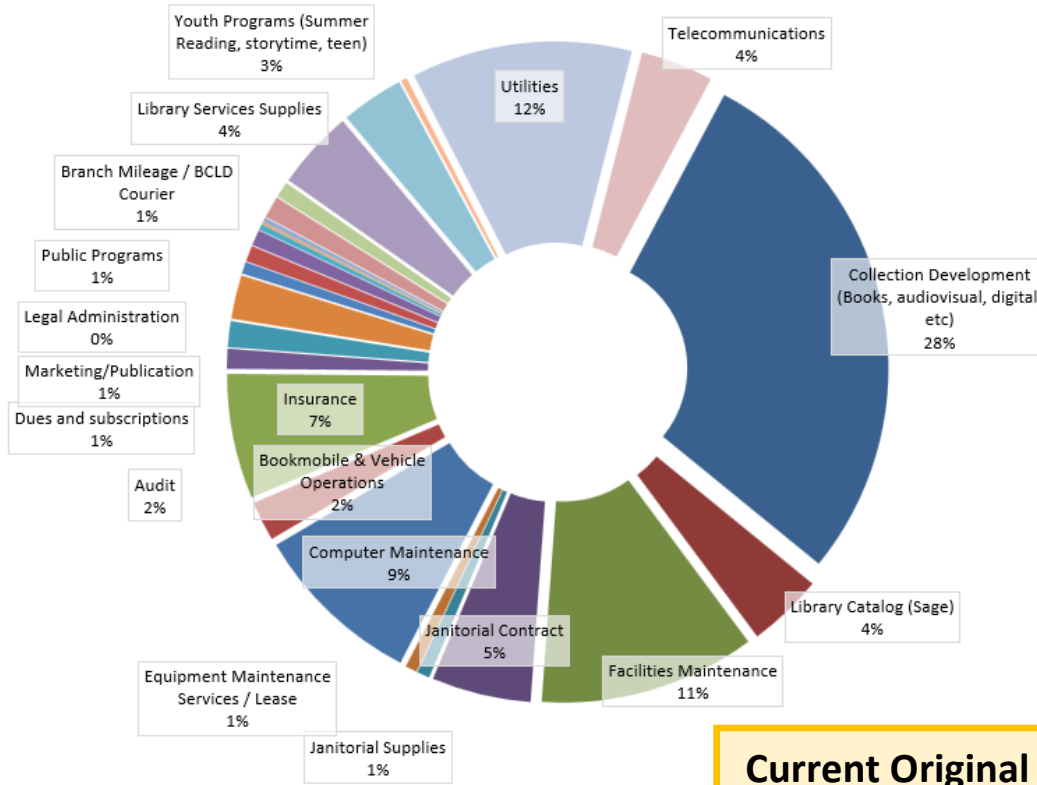
# LB 31 General Fund - Expenditures

## Materials & Services

- 1 – Heading line

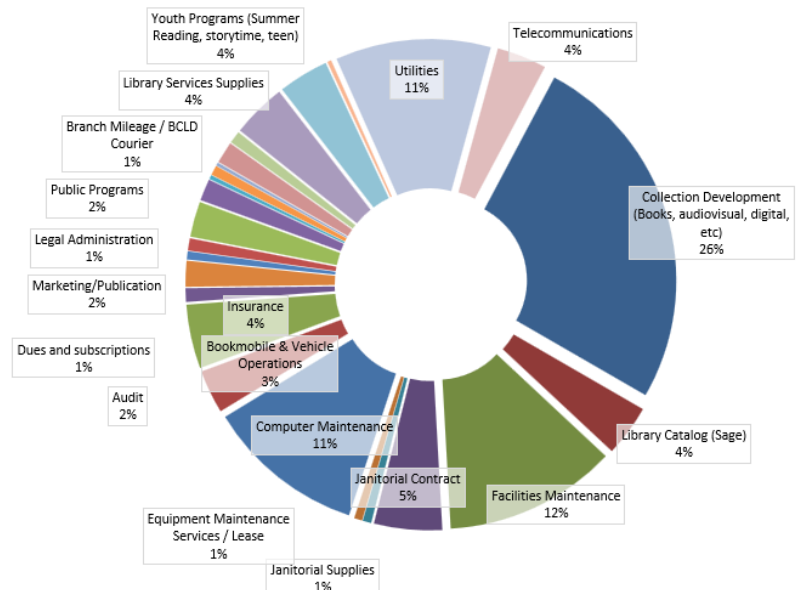
### Proposed Budget

**BCLD BUDGET FY24-25**  
General fund - Expenses



### Current Original Budget

**BCLD BUDGET FY23-24**  
General fund - Expenses

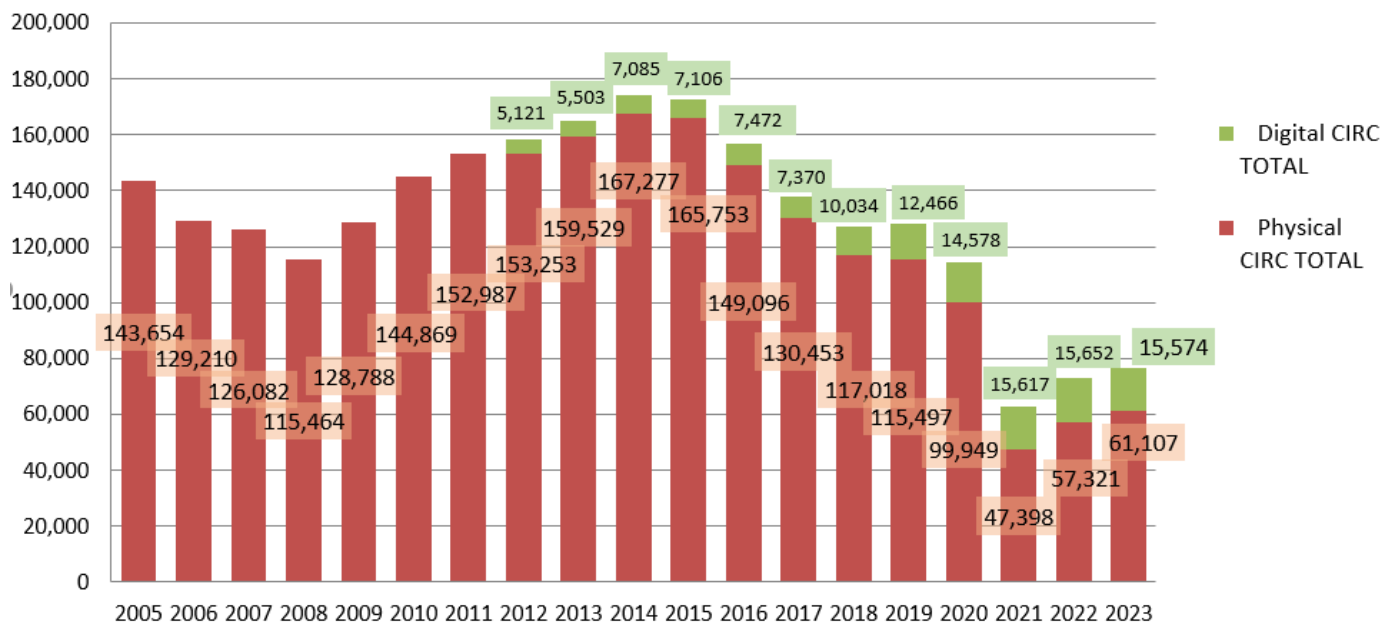


• **2 – Collection Development:** This line item tracks purchasing of materials for the collection including books, magazines, DVDs, audiobooks, electronic resources (eBooks, eAudiobooks and database subscriptions), costs for mending and bindery and more. As one of the few discretionary funds, Collection Development is a strong indicator of the budget strength. In previous years, as needed, it has been drawn down to accomplish other priorities. Typically, this Collections line is infused with bonus cash late in the year as unanticipated funds become available or with excesses moved from other lines.

	2019-20	2020-21	2021-22	2022-23	2023-24	2023-24 YEAR END	2024-25 PROPOSED
<b>Personnel</b>	862,938	808,352	862,938	930,902	1,060,549	1,018,941	1,104,884
<b>M&amp;S</b>	434,472	545,346	434,472	456,813	509,400	505,175	481,950
<b>TOTAL</b>	<b>1,297,410</b>	<b>1,353,698</b>	<b>1,297,410</b>	<b>1,387,715</b>	<b>1,569,949</b>	<b>1,524,116</b>	<b>1,586,834</b>
<b>Personnel %</b>	66.5%	59.7%	66.5%	67.1%	67.6%	66.9%	69.6%
<b>M&amp;S %</b>	33.5%	40.3%	33.5%	32.9%	32.4%	33.1%	30.4%
<b>Books/collection</b>	106,399	97,097	110,210	156,345	133,500	155,250	135,500
<b>Books %</b>	8.2%	7.2%	8.5%	11.3%	8.5%	10.2%	8.5%
<b>Facilities &amp; IT</b>	102,369	275,215	149,781	123,034	153,200	138,400	128,700
<b>Facilities/IT %</b>	7.9%	20.3%	11.5%	8.9%	9.8%	9.1%	8.1%
<b>Carryover</b>	<b>476,306</b>	<b>498,209</b>	<b>535,329</b>	<b>610,785</b>	<b>674,063</b>	<b>619,638</b>	<b>621,398</b>
<b>% chg</b>	74.9%	4.6%	7.5%	14.1%	35.3%	24.4%	0.3%

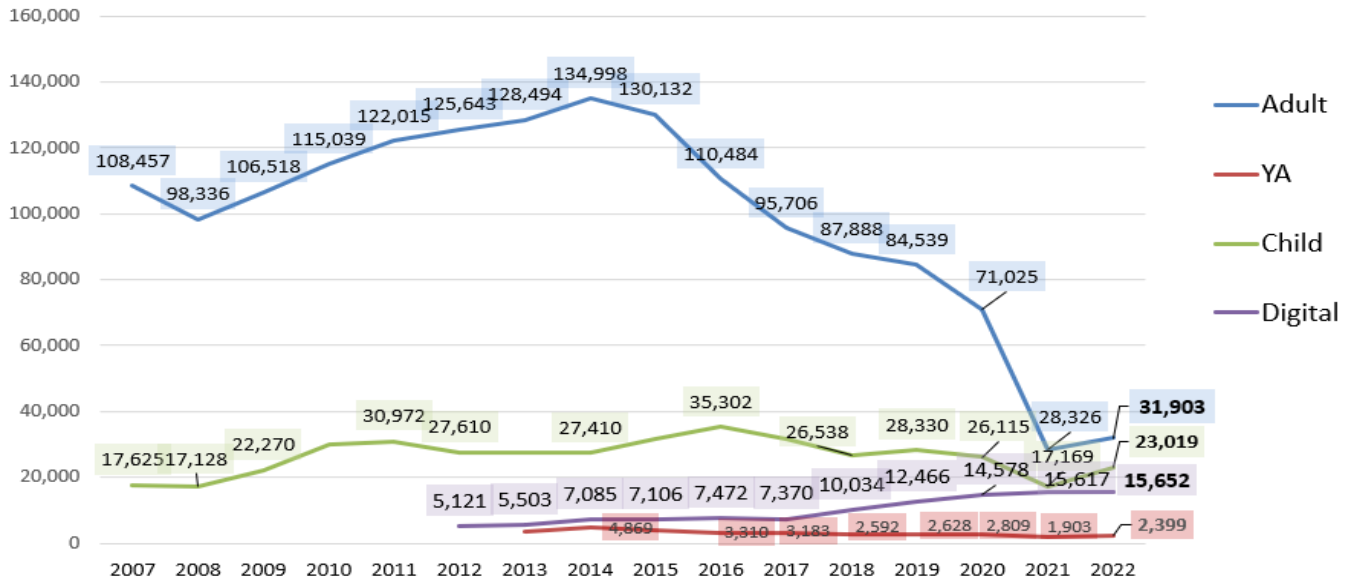
In recent years, the district has been able to budget near or above the benchmark target of 10% minimum ratio portion of the Operations Budget. Lows have occurred in 2017-18 and 2020-21 when funds were rerouted to facilities repair priorities. The proposed budget begins with a Collection investment of 8.5% to start, which is typical in “lean years”.

### Physical vs. digital checkouts



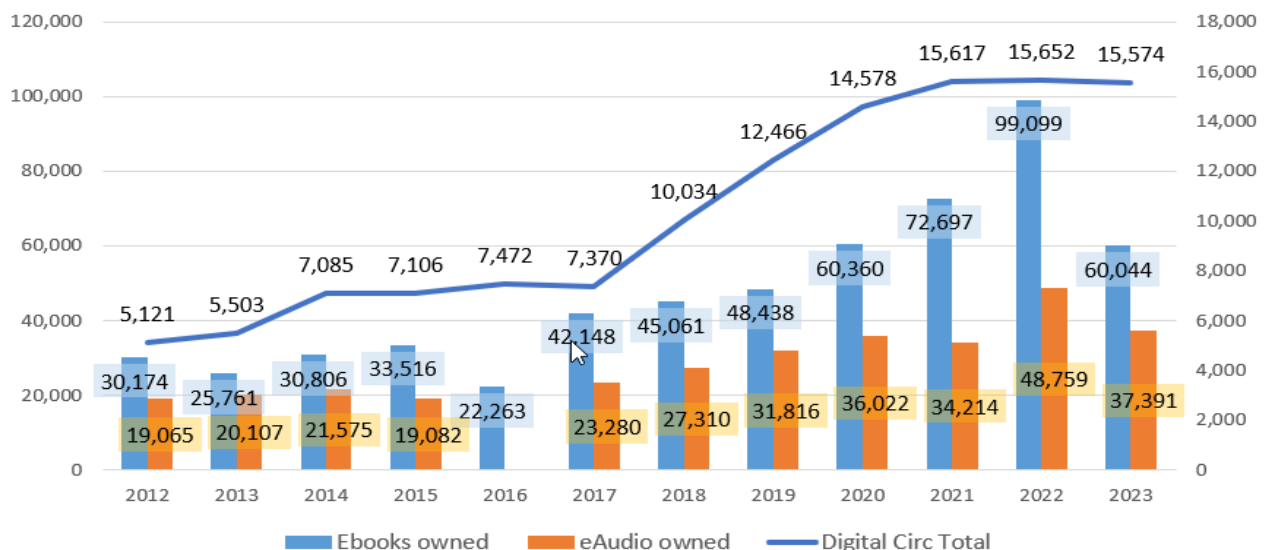
Total circulation is still bouncing back from pandemic lows in 2021, but has only recovered to about half of pre-pandemic levels. Circulation had been trending downward prior to Covid-19, mostly due to movie loans which peaked in 201. Libraries nationwide are finding that movie viewers are shifting to streaming services to access that content. Digital catalog use began to surge in 2017 with the release of the Libby app, doubling in 3 years before basically plateauing in 2022-2023.

### BCLD Circulation

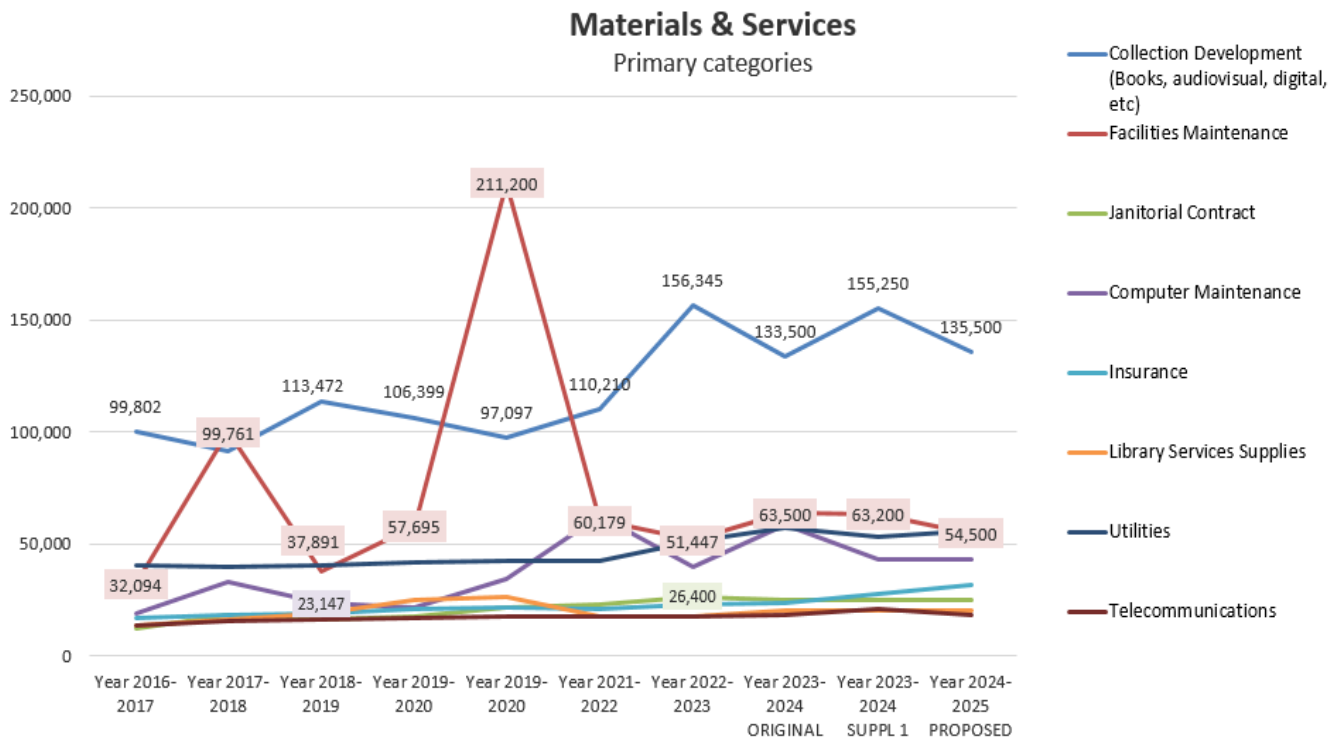


In July of 2023, BCLD launched a new digital content service with the Hoopla platform. The primary advantages Hoopla offers over Libby are zero wait times, a larger catalog of materials, and additional formats. It provides on-demand eBooks, eAudio, plus music, movies, tv shows, and digital comics. Streaming platforms available to public libraries are generally based on pay-per-use (PPU) subscription models and can be a tremendous drain on library budgets. BCLD Hoopla service has a cap of 4 borrows per month as a budget constraint, and it is being well-utilized. To date, 173 patrons have borrowed 1,622 items with audiobooks being the primary demand (new data not reflected in chart).

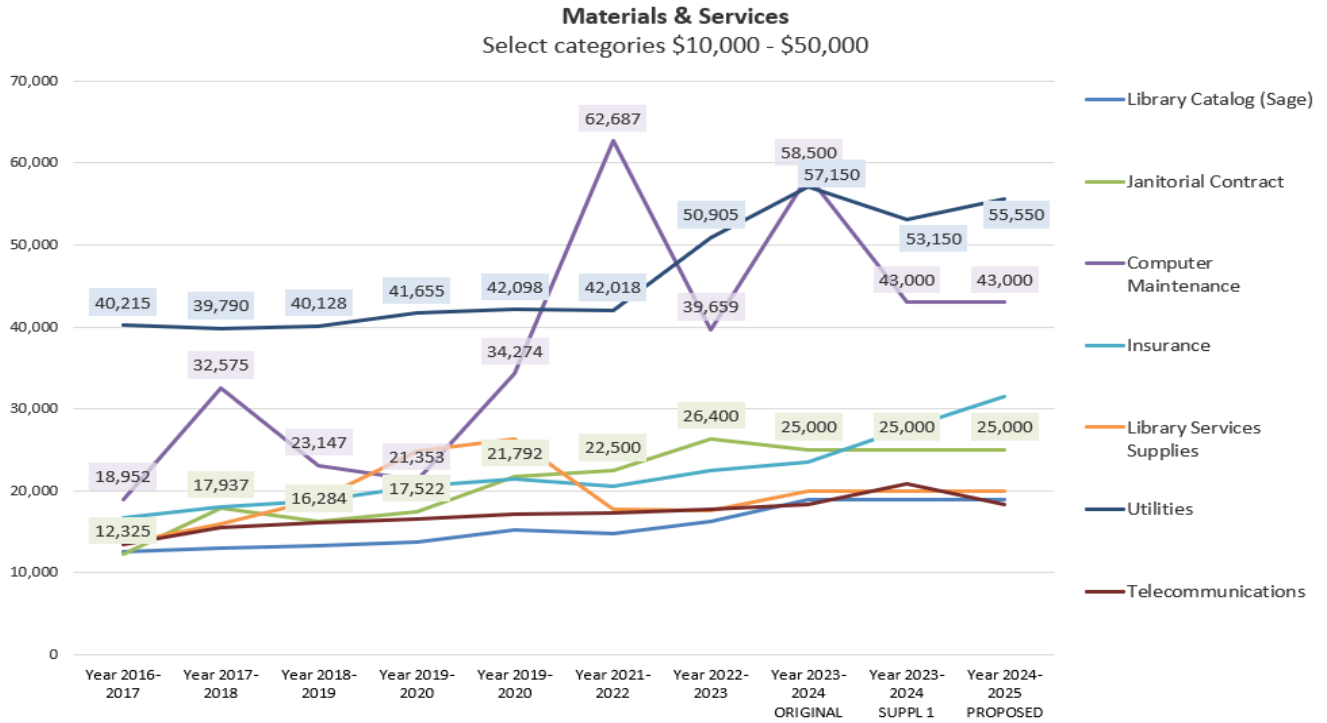
### Digital Collection



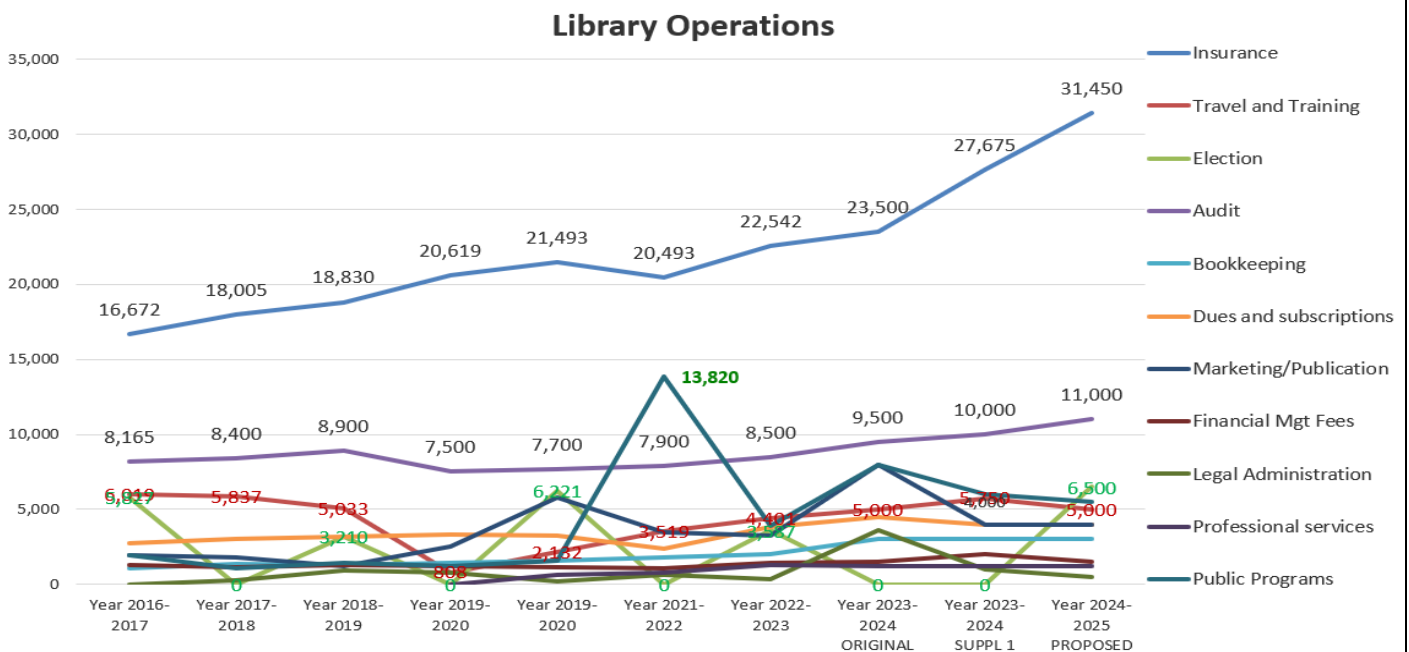
**3 - Library Consortium:** The majority of expenses in this category consists of the annual Sage Library System membership which operates the Integrated Library System (ILS), or catalog, for the consortium of over 75 libraries of different types (public, school, academic). **The Sage membership fee may increase up to 9% over the previous year.** Sage fee hikes continue to be driven by inflation-related increased courier costs and strategic succession planning for replacement of the Sage Systems Administrator expected to fully retire in the next couple of years. BCLD’s Sage fee will be offset by approximately \$2,500 to compensate for fiscal agency duties. This amounts to a discount to our Sage membership of approximately 15%. This category also includes subscriptions to resources for cataloging (WebDewey), Interlibrary Loan (ILL) services (OCLC), and patron account management software tools (LibraryElf).



- **4 - Facilities maintenance:** Includes building services contracts for snow removal, HVAC, boiler, sprinkler, fire and security systems, rugs and mats, as well as building and landscaping supplies, contracted repairs as necessary, and special projects. With a highly-skilled Facilities Specialist now at full-time, the district aims for prioritization of building & grounds maintenance repair projects by keeping this line well-funded. Revenue shortfalls, however, may force planned maintenance projects to be deferred when possible.
- **5 - Janitorial Contract:** This line has traditionally funded Professional Janitorial Services for at least 4 days at the Baker branch.
- **6 – Janitorial Supplies:** Includes cleaning products and disposable restroom supplies.
- **7 – Equipment Maintenance Services:** Includes Xerox copier services contract and piano tuning.
- **8 – Computer Maintenance:** Includes funds for replacement and repair of outdated or defective computers, printers and other tech equipment, license fees, and branch travel for the IT manager. The allocation is generally based on expense history. It assumes continuing upgrade of aging computers, catalog stations, and network infrastructure components. Recent category growth accommodates the addition of Wi-Fi hotspot equipment and services for public loan.



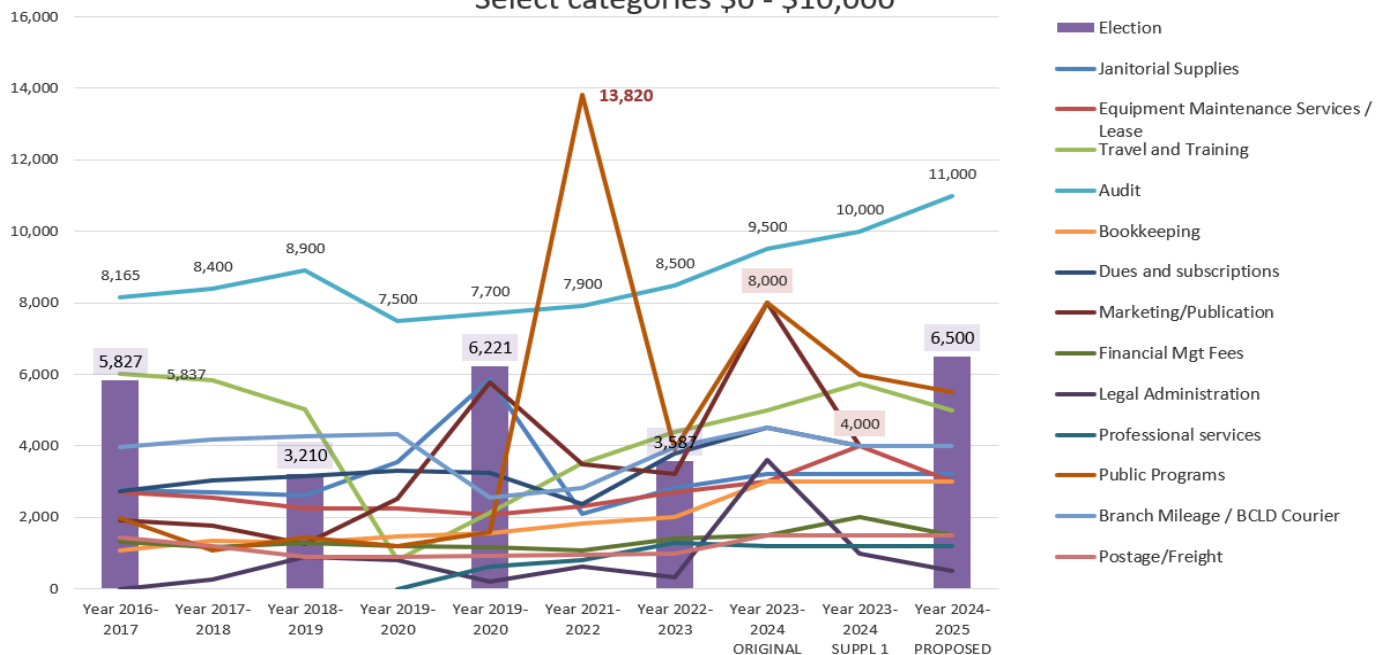
- 9 – Bookmobile & Vehicle operations:** Includes fuel, repairs and replacement needs such as tires for district vehicles (Bookmobile, 2008 GMC SUV, 1996 Ford Winstar minivan). Amount based on history with increase for rising fuel cost and maintenance. In FY23-24, the bookmobile received a new engine and major overhaul of essential systems, so demands are expected to be low next year.
- 10 - Insurance:** Amount based on previous invoices from SDAO for liability and flood insurance. An increase of this line is necessary this year based on actual costs. SDAO has also announced a



fee hike of up to 20% for the coming year due to a high rate of losses in the industry.

- **11 – Travel & training:** Includes costs associated with professional development opportunities, in-house training event expenses, and outreach activities, including mileage, meals, lodging and parking reimbursements. I propose to keep this line at a moderate level.
- **12 - Elections expense:** This is a periodic expense for board member election or local option levy measure. The District’s costs are calculated as a proportion of other items on the ballot each year. Every four years, the charge is around \$6,200 instead of the usual \$3,500. The district will have board member seats on the ballot in the next fiscal year. It will be a high-cost election cycle.
- **13 - Audit:** The Professional Audit Services Contract was up for bid in FY19-20 and awarded to a firm at a lower rate. The proposed budget is based on the amount paid in the prior year plus a projected increase and consulting fee contingency.
- **14 - Bookkeeping:** Includes accounting software costs, annual payroll subscription, and related supplies (check orders, deposit slips, and year-end forms).
- **15 – Dues and subscriptions:** Includes memberships in local organizations and professional societies. Includes membership dues for the Government Ethics Commission, Chamber of Commerce, Libraries of Eastern Oregon, Costco, Oregon Public Broadcasting, and the director's dues for the Oregon Library Association, American Library Association, Public Library Association, and Rotary Club.

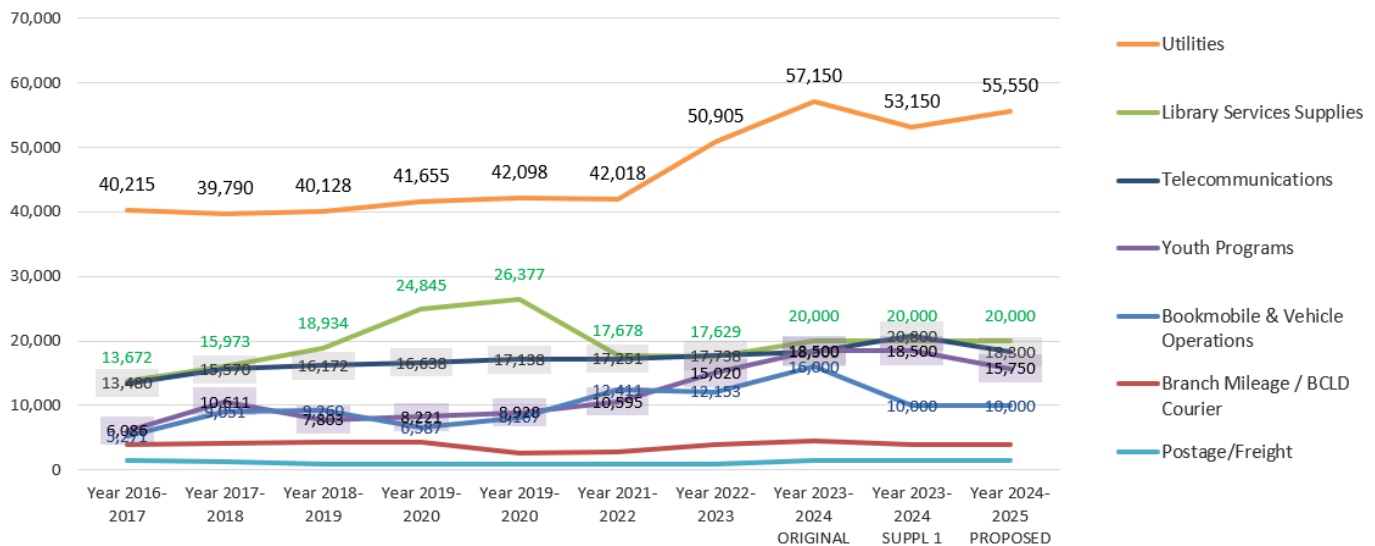
**Materials & Services**  
Select categories \$0 - \$10,000



- **16 – Debt service:** An outstanding debt of \$24,500 plus low rate accruing interest was assessed to BCLD in FY14-15 from the City of Baker City for the Resort Street Project. The District plans to pay at least \$2,000 each year until paid off (estimated to be in year 2027), but is allotted up to 20 years. In past years, the line has also included bank loan origination fees and interest for Tax Anticipation Note loan if necessary for operating funds prior to receipt of tax funds beginning in mid-November.
- **17 – Marketing/Publication:** Ordinarily includes advertising library services and events in local media. Publishing of legal notices is moved to Legal Administration. The proposed budget is sustained at greater than its history due to planned redesign of website and logo.

- **18 – Financial management fees:** This amount is from checking account, credit card payments (PayPal), payroll direct deposit, and other bank fees.
- **19 – Legal Administration Services:** Includes Secretary of State audit filing fee and publishing of legal notices required by local budget law. This category is significantly increased this year to accommodate possible services contract for legal counsel, as needed. Figure based on average amount paid by peer library.
- **20 – Professional Services:** Includes contract for Materials Recovery Service (Collection Agency) which pursues delinquent accounts for return or reimbursement for far overdue items.
- **21 –Public Programs:** This line item includes the costs for hiring performers and buying supplies for programs. Includes potential costs for events organized by partner agencies such as Oregon Humanities, Libraries of Eastern Oregon, OMSI, and other independent program costs. FY21-22 spiked due to the Worksource Oregon programs funded by an LSTA grant. Proposed expenses for next year are back to normal.
- **22 – Branch Mileage / BCLD courier:** Funds twice monthly visits of branch staff travel to the main library primarily for courier of materials.
- **23 – Library Services Supplies:** Includes office supplies and processing materials for the technical department, and other consumables necessary for operations such as printer toner, copy paper, envelopes, pens, book and AV cases and covers, barcodes, library cards, forms, etc. For FY19-20, the line was expanded for investment in COVID-19 Pandemic-related Personal Protective Equipment (PPE). This line is corrected to standard anticipated costs.

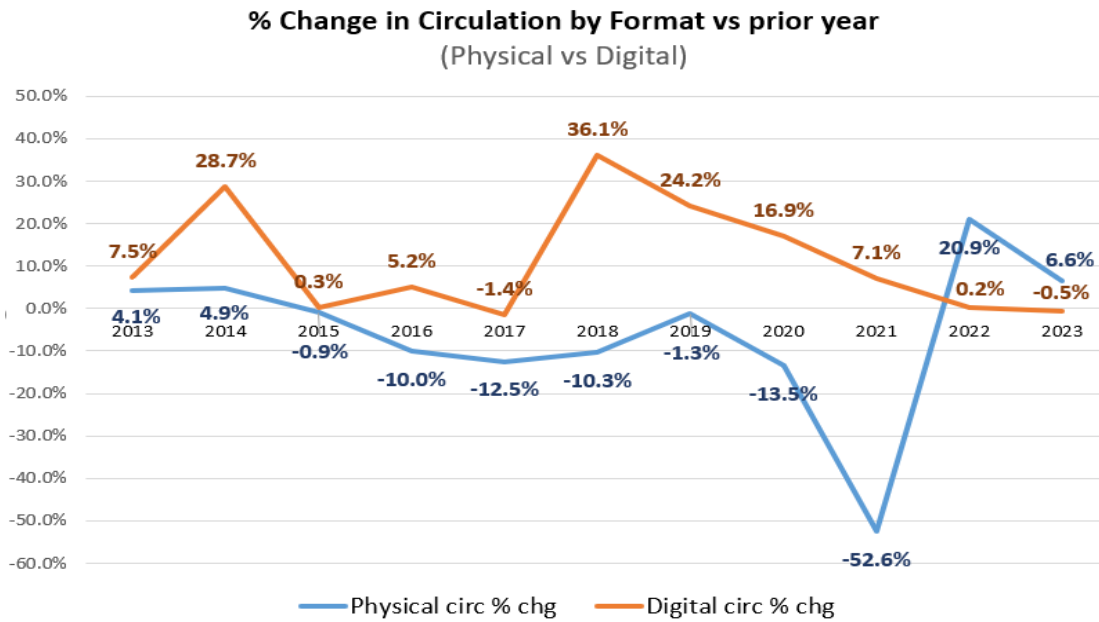
### Corporate Costs



- **24 – Youth Programs:** Includes Ready to Read grant expenses, covering supplies for Summer Reading Program, regular story times, special events and early literacy programs, and teen events. This category has fluctuated with expansion of Summer Reading and Early Literacy programs in coordination with the branches, and new youth initiatives such as Maker Club and Young Adult activities. The proposed budget is based on current expense trends.
- **25 - Postage/Freight:** Primarily used for sending bills, checks, certified mail, return shipments.
- **26 - Utilities:** Based on history of utility rate costs for all six branches. Includes electricity, garbage, natural gas, and water. Increases are primarily from projected inflation rates on heating fuel and electricity.

- **27 - Telecommunications:** Includes Internet for all branches and bookmobile, telephone services for all branches and bookmobile, plus mobile phones provided to select administrative staff.
- **28 – Special contracts – grants, IT support:** Used in past year for staff consulting to partner agencies for IT support, or accounting procedures. None anticipated in the next fiscal year.
- **29 - Miscellaneous:** This line is expected to be unused. Nothing budgeted.

## CHART APPENDIX



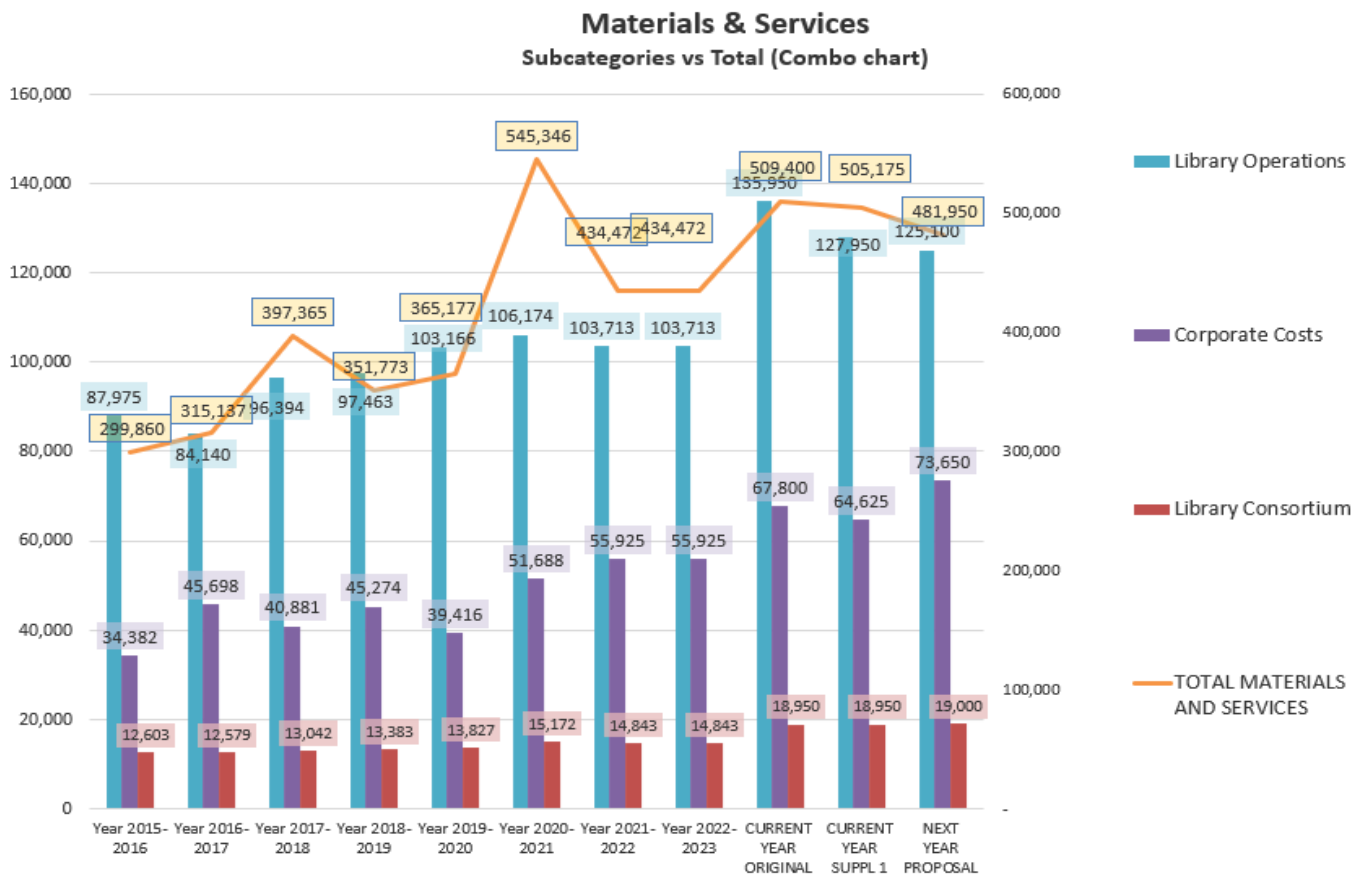
### LB 30 General Fund – Requirements Summary (2 pgs. – Allocated/Not Allocated)

This form presents a summary of aggregate categories for both Personnel Services and Materials & Services shown in the LB-31s. Note that Materials & Services is less than the LB-31 total by the amount for Debt Service which is listed separately on the LB-30 form. The Total Requirements figure (line 35, bottom page 2) must match the Total Resources from LB-20 (line 32).

**Pg. 1 Allocated**

**Capital Outlay**

- 35 – Total Capital Outlay:** This line allocates funds for planned capital outlays. In previous years, these have included LED lighting upgrades, rebuild of the Baker branch boardwalk, safety handrails, and other projects. For the proposed budget, \$15,000 is allocated for qualifying projects not paid from the Facilities Maintenance or Reserve Fund for Capital Investment.



**Pg. 2 Not Allocated**

**Debt Service**

- 15 – Debt Service – Baker City LID Resort St Project:** In 2013, Baker City created a Local Improvement District (LID) to pay part of the bill to bury utilities along Resort Street. A LID is a funding system that provides for a group of property owners to share costs of infrastructure improvements. BCLD contributed \$2,000 annually to the City to repay its portion of the project costs. With loan interest costs growing, the district used surplus funds to pay off the debt balance in FY23-24.

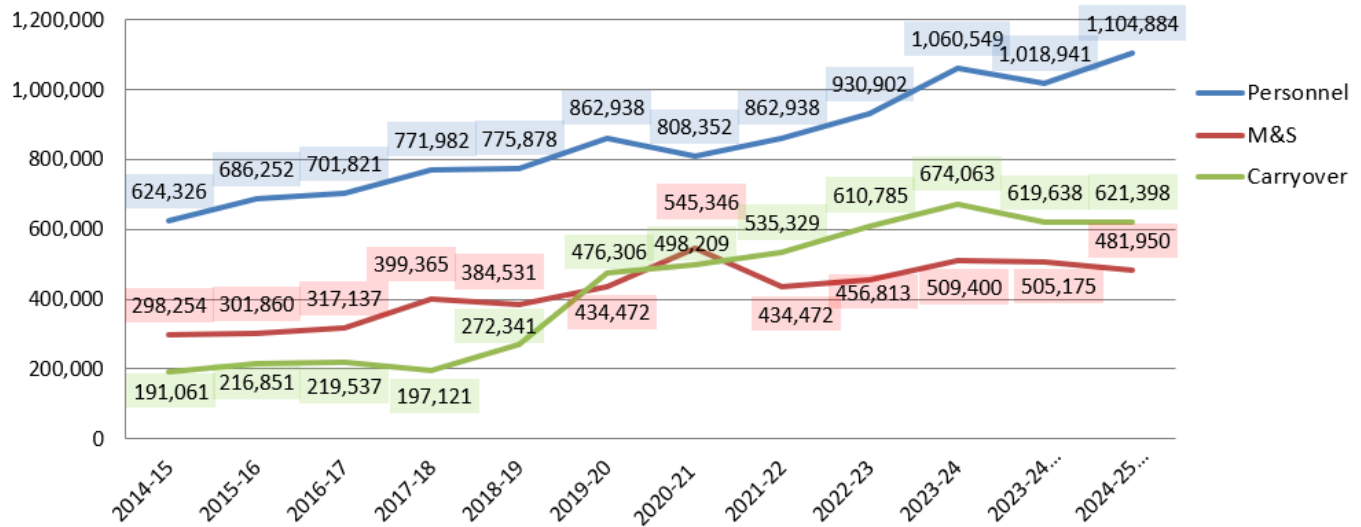
**Interfund Transfers**

- **23 – Transfer – technology & election:** Usually consists of \$1,000 set aside for scheduled server replacement or other IT project need. On years when there is no election, the line also includes \$1,500 transferred to a reserve line in Other funds for future elections. With a shortfall of revenues, these transfers are discretionary.
- **24 – Transfer – Severance:** based on projections of retirement eligibility for staff and reimbursements due for unused vacation pay and half of unused sick leave.
- **25 – Transfer – Capital Investment Fund:** Surplus funds are used to replenish this Reserve Fund when available. Unfortunately, that is not the case this year. This line may be prioritized for increase with unanticipated surplus revenues.

**Operating Contingency**

- **29 – Operating contingency:** this small allocation is primarily intended as a redundant contingency to the Health Insurance Benefit line. When unused, it is re-allocated as necessary or converted to reserve.

**Operating Budget - with Reserves**



- **30 – Reserved for future expenditure:** this allocation, also known as the Cash Carryover and Operating Reserve, is essential to fund district operation from July 1 until receipt of tax disbursements in early November. This reserve will be maintained and developed annually proportionate to budget expense growth. If absolutely necessary, the General Fund may temporarily borrow from its Other Uses Fund to meet operation needs but it is preferable to avoid that.

## ***LB 10 Other Uses Fund***

This fund is used for special-purpose grants, such as those given to the District by foundations, as well as donations from our Friends and Foundation support groups, income from online book sales, and transfers from the General Fund put aside for strategic purposes. Expenditures from this fund are for the purposes outlined in the grant, special project needs, or particular items the contributors choose to fund.

### ***Resources***

- **3 – Working Capital:** consists of carryover amounts from grants, donations, reserve and contingency transfers. Recent draw down due to payout of gifted funds to Foundation, digitization grant project with match requirement, and transfer to Capital Investment Reserve.
- **5 – Interest:** Budgeted at recent trend of interest revenue.
- **6 – Transferred IN:** Typically includes annual deposits for severance liability reserve, and variable amount for technology and election reserves. Severance reserve transfer may be skipped if funds calculated to be at sufficient level.
- **7 - Grants & Loans:** Most grants and limited use gifts are managed through this category. The amount budgeted is for approximate planned grant projects, typically such as requests to Leo Adler, SDAO, and other foundations.
- **8 - Donations:** Budgeted conservatively. Consists of miscellaneous donations from individuals, often for memorial purposes.
- **9 –Book sales:** Based on history of recent years. Volunteers and Library Pages have been posting many items online with great success. These sales have reached annual level that is equal to or greater than the total raised by the Friends' annual book sales.
- **10 – Other financing sources:** Place taker. Used for non-standard resources that do not fit in prior lines.

### ***Requirements***

- **16 – Personnel Services:** Un-used for the proposed budget. In prior years, this line funds special project personnel such as for the Vroom grant early literacy project.
- **20 – Memorial & Grants:** Includes approximately \$45,000 of unrestricted funds from a large estate bequest in 2013, plus a balance of funds on other restricted and unrestricted grants and donations.
- **21 – Election Reserve:** Accumulated amount from General Fund transfers of during non-election years (even numbered years) to help offset the cost of board member elections and ballot measures such as the 5-year local option levy. Election costs cycle between about \$3,200 to \$6,500. The next high-cost election will be in May 2025.
- **22 – Literacy:** This amount is grown slowly from targeted gifts and periodically paid out to support activities in partnership with the Baker County Literacy Coalition.
- **23 – Technology:** This reserve pool is for unplanned IT project needs or to support scheduled major hardware replacement. It was last used to help fund upgrade of the Baker branch network infrastructure.
- **24 - Capital Projects:** This category was recently used to put aside funds for planned capital projects or emergency building needs. With creation of the new Reserve Fund for that purpose, funds were transferred out and the line is discontinued.
- **25 – Severance Liability:** Includes contingency to pay out unused accumulated staff sick and vacation benefits. The District typically transfers in a deposit of \$10,000 annually from the General Fund to prepare for this liability. Projections are that the district is on track with

adequate reserves needed for payout on the next employee eligible for retirement.

- **26 – Corporate Costs:** Consists of bank and sales fees for accounts.
- **27 – Transfer Out:** This line typically consists of projected online book sale revenue (\$4,000). This year, it also includes transfers to support the Election expense (\$5,000) and Technology projects (\$5,000).

### LB 10 Sage Fund

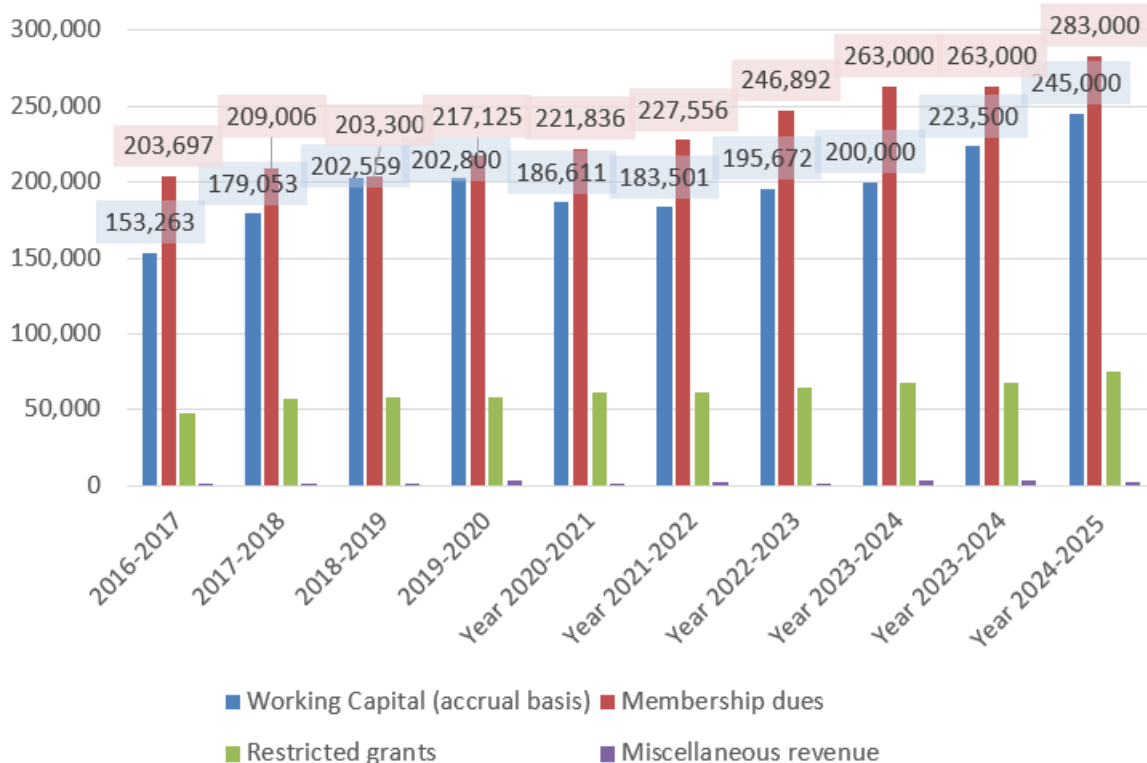
This fund is used exclusively for operation of the Sage Library System. BCLD assumed fiscal agent responsibilities from Eastern Oregon University (EOU) as of July 1 2014. The Sage User Council approves the fundamentals of this budget at its regular meeting in March each year. The revised and proposed budgets may be slightly modified based on more recent information.

#### Resources

Sage has its own revenue source through membership fees and grants and maintains its own operations reserve as unappropriated ending fund balance.

- **2 – Net working capital (AKA Cash on hand / Cash carryover):** Like the General Fund, this is the base amount of Operations Reserve that Sage has accumulated to support expenses accrued from the start of the fiscal year until membership dues and grants are received. Sage needs between \$135,000 - \$150,000 to operate through November. The proposed budget preserves the full amount of the carryover Working Capital (See lines 52, 53, 57).
- **5 – Interest:** With the rising interest rates, Sage funds were deposited in an interest-bearing account in FY22-23. Interest revenues have increased with rate hikes. The proposed budget assumes continued strong returns.

### SAGE FUND - RESOURCES



- **6 -- Membership dues:** Sage has needed to raise its dues by up to 9% this year to accommodate various increased operations costs. A proposed redesign of the pricing model is under consideration by the Sage User Council and membership. A new rate, if approved, will be more tied to service population.
- **8-- Restricted grants:** An annual LSTA grant from the Oregon State Library supports half of Sage’s courier services at approximately \$75,000. The full courier expense calculation includes a cash contribution plus in-kind expenses from various members (See line 47).
- **9 – Miscellaneous revenue:** primarily reimbursement payments from select members for use of Sage cataloging resource.

**Requirements**

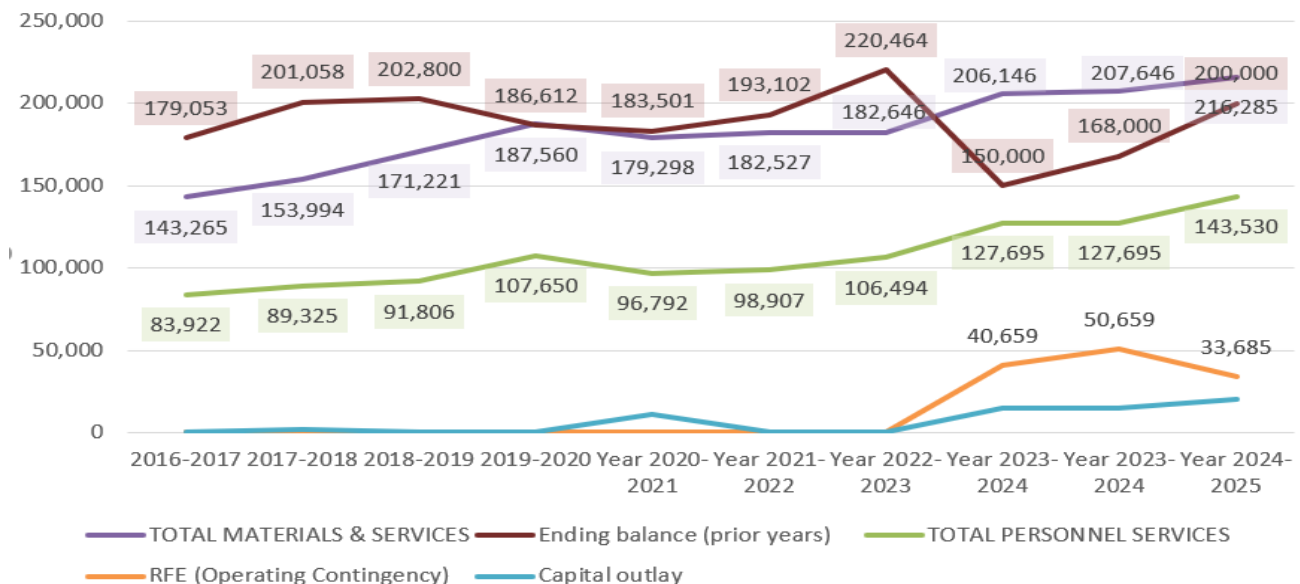
Expenditures from this fund are for staff and various services, technical support contracts, materials, training, grant and special project needs, or any other purpose the Sage User Council chooses to fund. This fund operates from a bank account that is separate from the BCLD general fund. Sage checks are authorized by the Sage administrator and signed by District Library Director and Board President. No interfund transfers between the Sage Fund and other BCLD funds are allowed. Bills that include costs for both BCLD and Sage are paid by BCLD, then Sage compensates the District. Financial reports are reviewed monthly by the BCLD board and bi-monthly by the Sage User Council.

- **19-20 -- Personnel / Salaries:** One of two full-time Sage Systems Administrators is listed here. The other is an independently contracted support service staff listed in Materials & Services under System Support (See line 38). The Admin Assistant listed is funding for accounting services by BCLD staff for up to 5 hours per week.
- **23-29 -- Personnel / Benefits:** These amounts are based on the same rates as regular BCLD staff. Ordinarily the Health Insurance line includes the District’s premium only; the \$1,500 liability for deductible reimbursement is in contingency
- **30-47 – Materials & Services:** These categories are identified and budgeted by the Sage Budget Committee. The majority of expenses are for contracted system support and courier.

As described in the General Fund Resources notes, the District assesses an Administrative Services

**SAGE FUND - REQUIREMENTS & RESERVES**

Major Categories

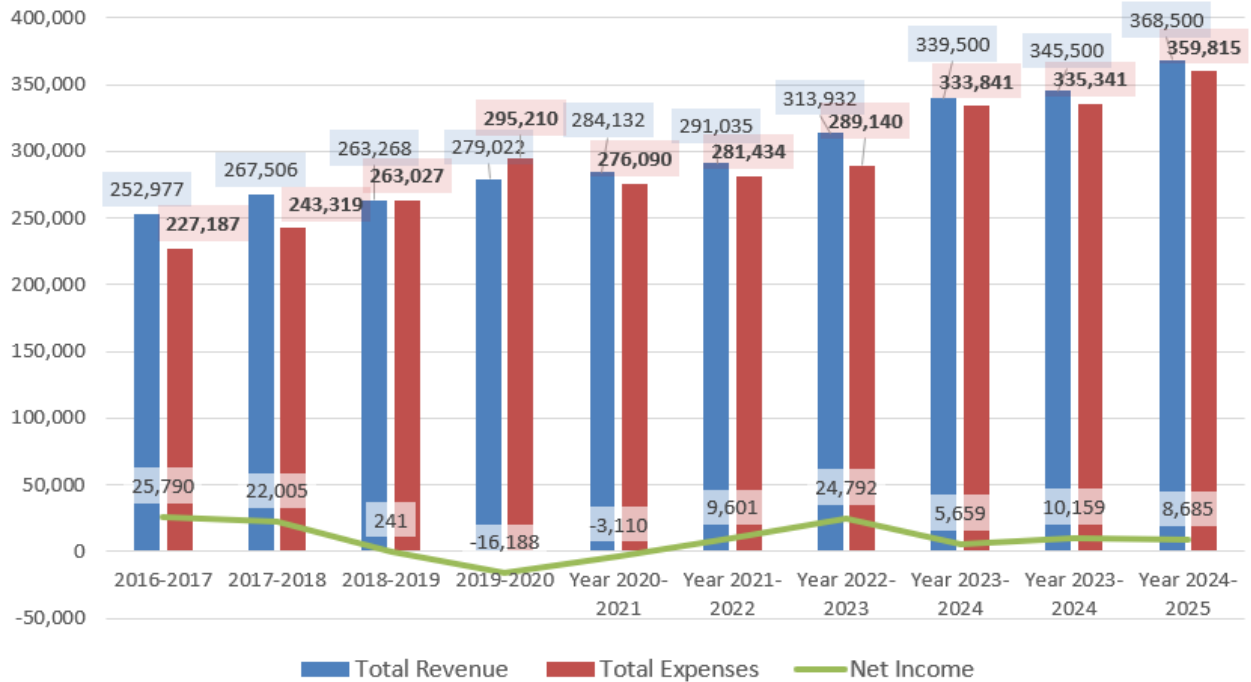


fee to Sage for fiscal agency oversight (See line 37). The amount is calculated at 1 hour per week of the Director’s hourly wage.

- **52 -- Capital outlay:** This fund is reserved for server upgrades and expansions.
- **53 – Contingency:** This fund is reserved for health premium liability and emergency operation needs.

### Sage Fund Net Income

Reserves growth vs reductions

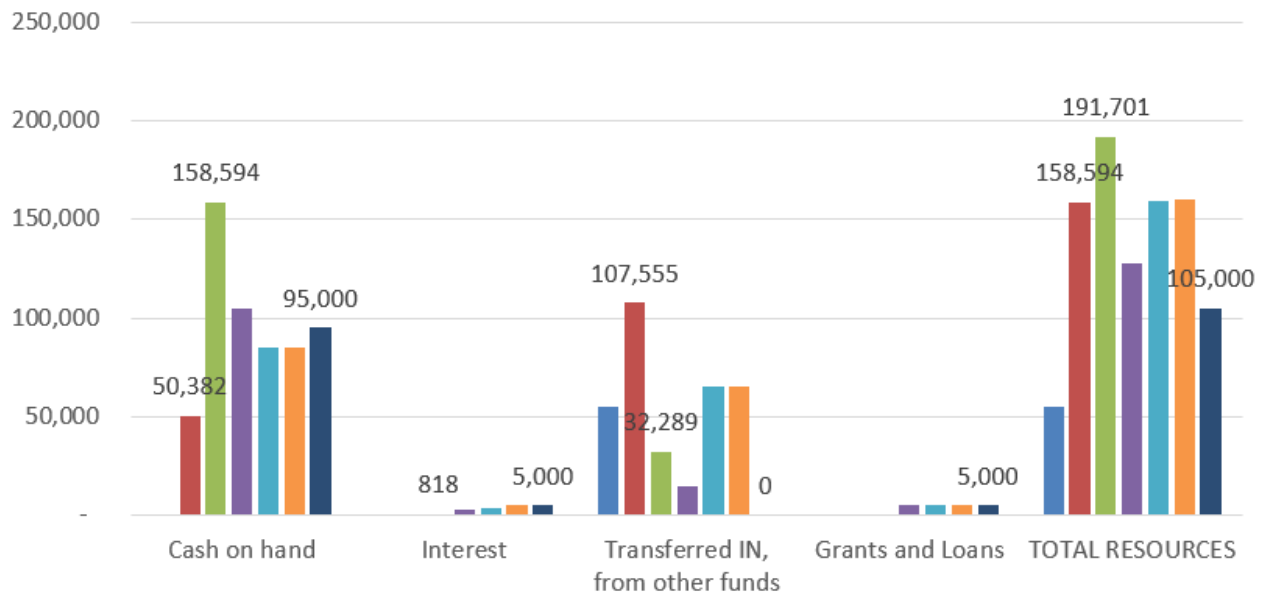


**LB 11 Reserve Fund – Capital Investment**

This fund, established by resolution at June 2019 Board Meeting/Budget Hearing, is designated exclusively for “the purpose of strategically planning for anticipated expenditures for major repairs and maintenance of district facilities or other capital assets.”

The proposed budget is nearly identical to the prior year. Expenditures drawn out for projects in the prior year were able to be replaced with a final payment from FEMA for COVID reimbursement. With interest earnings, and grants anticipated from the Energy Trust of Oregon, the total reserve is projected at around \$105,000.

**RESERVE FUND - CAPITAL INVESTMENT**  
Resource Activity by category 2019-2024



The Facilities Maintenance Strategic Plan now consists of repair and renovation projects totaling approximately \$500,000. These are prioritized by the Facilities staff and the Library Director by need and as the budget will afford.

**PROJECT NEEDS**

**\*PRIORITY 1 PROJECTS (sorted by priority level)**

- Replace wheeled office chairs for computer labs & staff (\$5,000) **IN PROGRESS**
- Convert lighting fixtures to LED at branches (\$10,000), **IN PROGRESS**
- Radon gas testing & mitigation at all branches (\$3,000), **IN PROGRESS**
- Remodel staff workroom for improved efficiency / replace staff desks in workroom with ergonomic, flexible worktables (\$25,000)
- Replace roof at Haines branch (\$20,000)
- Replace wood siding at southwest side of Baker branch (\$25,000)
- Reseal and restripe parking lot at Baker (\$5,000)
- Replace compressors and motors in main HVAC Chiller unit at Baker branch (\$20,000)
- Replace 3 Rooftop HVAC units (RTU) at Baker branch (\$45,000)

**PROJECTS PLANNED (sorted by cost)**

- Purchase next generation Bookmobile, 4x4 cargo van model with ADA lift (\$180,000)
- Replacement of carpet in worn areas (Meeting Room, Computer lab, etc.) at Baker branch (\$50,000?)
- Remodel Story Time Room and Discovery Center at Baker branch (\$30,000?)
- Replace ADA automatic door motors (\$11,000)
- Replace rubber seal strips on exterior windows at Baker branch (\$10,000?)
- Install vape sensors in restrooms and study rooms (\$9,000)
- Convert plumbing fixtures to touchless controls (\$8,000)
- Replace emergency exit signage at Baker (\$6,500)
- Install mineral filter to incoming water main at Baker branch (\$5,000)
- Contract a professional commercial landscape plan for a native plants design at Baker branch (\$5,000?)
- Install custom shelving for Record Courier volumes (\$5,000)
- Install reflective window tinting on Baker branch north east windows for energy efficiency and user privacy, (4,000)
- Update Huntington branch crawlspace for energy efficiency (\$1,000)
- Remodel Reference Room at Baker to be temp/humidity-controlled Archive Room (\$?)
- Remodel old restrooms at Baker branch (\$?)
- Add acoustic noise-canceling panels to problem areas (\$5,000?)

**PROJECTS COMPLETED IN RECENT YEARS (partial list)**

- Repaint exterior at Huntington branch (\$6,000) **COMPLETED**
- Overhaul Bookmobile engine, transmission (\$25,000) **COMPLETED**
- Replace meeting room tables with set of lighter, rolling, nest-able tables (\$10,000), **COMPLETED**
- Add handrail at Baker branch northeast approach from parking lot for safety (\$3,000) , **COMPLETED**
- Install flashing extensions to metal roofing at Baker branch to mitigate water intrusion (\$5,000), **COMPLETED**
- Apply new roof layer at Baker branch (\$96,000), **COMPLETED**
- Upgrade of boiler at Baker branch (\$44,000), **COMPLETED**
- Replace ADA automatic door activation switches (\$2,000), **COMPLETED**
- Replace drive-up book drop inserts at Baker and Halfway (\$4,000) **COMPLETED**
- COVID-19 RELATED: install air scrubber devices in HVAC main systems and various small rooms as needed for indoor air safety in period of COVID-19 pandemic (\$100,000) **COMPLETED**
- Repair walkway at northwest corner of Baker branch (~~-\$3,500~~), **COMPLETED**
- Prune large trees at Baker branch (\$5,000), **COMPLETED**
- Construct outbuilding for equipment storage (\$2,000), **COMPLETED**
- Replace exterior litter bins (\$4,500), **COMPLETED**
- Create water feature at front entrance (\$2,000), **COMPLETED**
- Add handrail at front entrance for safety (\$1,000), **COMPLETED**

Baker County Library District

**Recommended Budget Committee Motion**

Fiscal Year 2023-24

I move to approve the Baker County Library District budget for the 2024-25 fiscal year for the total amount of **\$3,202,733** and the amounts per fund as shown below:

Fund	FY24-25	Historical data	
		FY23-24 (revised)	FY23-24 (original)
General Fund	2,233,233	2,253,070	2,259,012
Other Fund	252,000	235,000	231,000
Reserve Fund – Capital Investment	105,000	160,250	159,250
Sage Library System Fund	613,500	569,000	539,500
<b>TOTAL:</b>	<b>3,203,733</b>	<b>3,217,319</b>	<b>3,188,762</b>

I also move to approve:

- 1) A tax rate of \$0.5334 per \$1,000 of assessed value in support of the General Fund; and
- 2) A tax rate from the Local Option Levy of \$0.249 per \$1,000 of assessed value in support of the General Fund

Motion made by	
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Seconded by	
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**Certification of motion & Vote** (A – Aye; N – Nay; AB – Abstain)

BB	AM	BP	KR	JS	AB	JC	LC	GD	JL

PASS	FAIL

\_\_\_\_\_  
Budget Committee Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Budget Officer

\_\_\_\_\_  
Date