

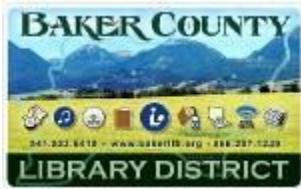
Baker County Library District

2015-2016 Budget Committee

Meeting Minutes

Wednesday, May 27, 2015, 6:00 – 8:00 pm

<p>Call To Order</p>	<p>Gary Dielman, Board President called the meeting to order at 5:05 pm. The meeting was held in the Riverside Meeting Room at the Baker County Public Library, 2400 Resort Street, Baker City, Oregon.</p> <p>Board of Directors present: Gary Dielman, Nellie Forrester, Betty Palmer, Kyra Rohner-Ingram, and Della Steele, Directors. Budget Committee Members present: Aletha Bonebrake, Linda Collier, Joy Leamaster, and Maryalys Urey. Others present: Perry Stokes, Budget Officer and Library Director; and Christine Hawes, Business Manager.</p>
<p>Elect Budget Committee Chair</p>	<p>Dielman asked for nominations for the Chair position. Stokes stated for the record that the Chair last year was Aletha Bonebrake. Bonebrake nominated Betty Palmer as the meeting. There were no further nominations. Palmer was unanimously elected as the Chair.</p>
<p>Agenda</p> <p>Conflicts of Interest</p>	<p>Palmer asked for any additions or changes to the agenda. None were given.</p> <p>Palmer said that this was the time for anyone to declare conflicts of interest. There were none.</p>
<p>Presentation of Proposed Budget by Budget Officer</p>	<p>Palmer asked Stokes to present the proposed budget.</p> <p>Stokes said that he wanted to read through most of the Budget Message and highlights of the budget. Then he will review the budget details. He invited the committee to ask questions at any time. Starting under Overview (page 1), Stokes began reading through the budget message highlighting the fact that the Library District has achieved a “new record of four staff with library degrees or para-professional certifications.” Equally noteworthy, the branch lead staff are being reclassified to reflect the level of responsibilities equal to that of the main branch staff. Training and duties have increased significantly in recent years. They are well-deserving of the step increase in pay, he stated.</p> <p>The summary of 2015-16 budget goals (page 2) included estimating revenue using a conservative approach, the budget will be based on a 3.5% growth rate (prior year 4.4%) of property values. Current service hours will be maintained. Employee salaries and benefits increase by 13% overall; which is 69.6% of budget and is in the target range (65%-70%). There was some discussion about compression due to Measure 5 limits noting that it is estimated that the library will lose \$90,598 in operating funds next fiscal year as compared to the current year loss of \$88,629.</p> <p>Under Personnel Services (page 5), it was noted that core positions are being restored (mainly the catalog specialist position being filled), merit-based promotions, and all staff will receive a 1% cost-of-living increase. There was a one-time large savings on health insurance this year because Special Districts</p>



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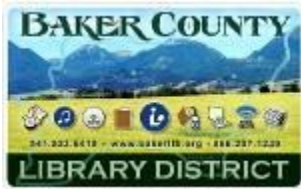
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negotiated a contract with a new carrier. And with new regulations in the Affordable Care Act, the district is eliminating the in-lieu payments previous available to staff getting health insurance elsewhere. The proposed budget does retain \$5,000 from the savings in this change to cover deductibles at \$1,500 per employee.

Under **Materials & Services** (page 6), there will be an increase in consortium membership fees. Sage has had to discontinue the interlibrary loan service previously provided by Eastern Oregon University. BCLD will opt into its own interlibrary loan subscription with OCLC for an additional \$800. Even with the reduction, the book budget is still close to 10% of the operating budget (starting at 9.6%, \$92,500) which he feels shows budget health. There will be a focus on building and grounds in this new budget as the district addresses several deferred maintenance projects. Computer maintenance will be increased to cover planned special projects. Children's Programs are being increased to include early literacy programs and Storytime expanded to the branches. Debt Service is budgeted at \$2,000 annually for the Resort Street Improvement Project that will take about 13 years to pay off. The Operating Contingency of \$215,704 includes a reserve to replace the need for a Tax Anticipation Note (TAN), having achieved the \$205,000 goal, plus \$10,704 for general reserve. The new TAN fund target is being increased to \$250,000 that goal will be incrementally increased in the coming years. There was discussion on the need for a TAN and growing the fund.

Leamaster wanted to know about the book budget, asking what the appropriate collection size should be for the community. Bonebrake (retired Library Director) said that Oregon Library Association (OLA) set a standard years ago of a percentage per capita, although she couldn't recall the rate. Smaller communities usually need a higher rate per capita. BCLD has around 160,000 physical volumes plus another 50,000 downloadable units, so approximately 210,000 total volumes offered—not counting materials available through Sage partners. That equates to over 13 items per capita. The traditional tool used by BCLD is the national standard ratio of 10%-15% of operations budget (total budget less contingency & reserves) dedicated to collections.

Returning to the Budget Message, Stokes said that he talked with Kent Bailey (District Auditor) about the County assessed value growth rate. He agreed with budgeting at the 3.5% growth rate. Bailey felt that the economy is recovering and the growth rate will probably be a little higher. Referencing the Revenue Considerations found on page 2. Bonebrake asked if he will increase the Sage Administration Fee in General Fund revenues \$300 (\$7,300 less \$7,000 in Sage to cover Business Manager salary). Stokes made that change throughout the budget documents. The E-Rate program is changing, they are funding infrastructure and decreasing support for telephone service. The Internet funding remains the same. The table showing property tax growth (page 3),



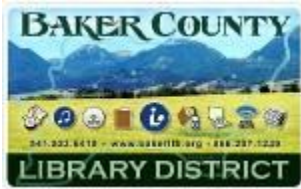
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	<p>projecting a 3.5% growth rate, puts us in a good position to get more revenue than expected. As for compression, talk of reforming Measure 5 periodically comes up. Should that ever happen it would be a great boon for services in our County and a tremendous benefit to the Library. The Prior Year Taxes were decreased by \$2,500 to \$40,000 after talking with Kent Bailey. He continued through pages 2 and 3, reviewing each paragraph. Under Personnel Services (page 5), Stokes commented that he had to reduce contingency by \$10,000 to cover the increase in personnel due to a couple errors he found. Under Materials & Services (page 6), Stokes commented on special computer projects: makerspace, public tablets and network upgrade. He explained the concept of a Makerspace. The District has ambitions to provide a 3D scanner & printer for public use. Jim is collaborating with School District IT staff in preparation for setting up the space. Leamaster commented that the school has six 3D printers. She also asked about the severance payout and the PERS portion. Aletha explained about the PERS reporting and the perspective behind the benefit accrual payout. Finally moving on to Conclusion and Acknowledgements (page 8), Stokes read through the entire page covering the fiscal agency transfer for Sage and the concluding comments. In Acknowledgements, Stokes thanked the Business Manager, the department heads and staff that contribute to the development of the budget, and his mentor Aletha Bonebrake. He stated that the budget is “based on a Strategic Investment approach” that focuses on expanding early literacy programs, tackles some facility maintenance issues, and collection development strategies.</p>
	<p>Looking at the detail sheets, starting with Form LB-20 Resources, Stokes reviewed the revenue detail, adding a line for Sage Fiscal Agency Fee.</p> <p>Form LB-30 Requirements, the category increases and decreases were previously discussed. He added \$300 to the operations contingency to balance.</p> <p>Form LB-31 Personnel Services, Bonebrake noted a typing error on line 3; Stokes made the correction. There was discussion on the Director’s salary. There is a schedule included in the packets giving Library Salary Survey. He explained that the salary was created during a boon time, before the recession. The survey was provided by the Hood River Library. The Director’s salary is right in the middle. Library managers are in the lowest range while Library Assistants are in the first quartile. Bonebrake said that she wanted to explain the reason behind the schedule for the Director salary schedule. The schedule to increase the Director’s salary was set to bring the position up to the peer standards. During her tenure as the Director, she was in the lower salary rate. The salary schedule set before she retired was presented as a goal to bring the salary up to par comparatively, and had nothing to do with the economy at the time. The District wants to retain the Director for the long-term. Stokes said that deferring the Director salary increase enables the district to bring up other salaries in more need of increase. Bonebrake said she can agree with that. Dielman had</p>



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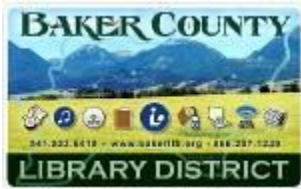
also talked with Stokes about deferring the salary increase; he wanted him to take the increase. Bonebrake said the schedule brings the salary up to the middle range; she wants to go on record saying that he is not overpaid, but rather an equitable salary for his position.

As there were no further questions on this detail sheet, discussion moved to the next page, Form **LB-31 Materials & Services**, Stokes pointed out that most lines are increasing some for inflation with the exception of the collection line. No further discussion.

Other Funds Form LB-10 detail sheet was reviewed. The grants line is an estimate of anticipated grant applications. The Library typically applies for a Leo Adler grant for a project. Forrester asked for an explanation for book donations and books sold through Amazon. Stokes said the Library receives a large volume of book donations. They are sorted, with some being pulled to add to the collection, some being sold through Amazon, with the majority going to the summer book sale. For the books sold through Amazon, the district has recovered about \$4,000 annually on the sales, with 20% of the proceeds being paid to those who make the listings, on a volunteer basis. Pearson also takes advantage of a work experience program and keeps the books moving with the program. The sales are transferred to the General Fund to support the book budget. There were no further questions. Stokes said the Technology Department will spend about \$6,000 on a building wiring project using grant funds available through the E-Rate program. This fund has no personnel.

Sage Library System Fund LB-10 detail sheet was reviewed. This budget was approved by the User Council but the Budget Committee or Library Board may still make changes or needed adjustments to the fund. Stokes pointed out two highlighted lines; the way Hawes is paid from this fund is changed. It had been budgeted in Materials & Services as a contractor, but is being moved to the Personnel line as another staff position for Sage. Bonebrake said that addition of a transfer line is needed or addition of the \$300 to the expense line. She also added that makes a change in General Fund, changing it from a transfer in to miscellaneous revenue. Stokes made the correction in both funds calling the line Fiscal Agency Fee \$300. Palmer agreed that she liked the term "fee" better than other options.

Stokes completed the presentation of the proposed budget, he has provided a tax revenue projection, salary worksheets, salary schedule, a COLI graph, and director salary schedule in the committee packets. Referencing the COLI report, Bonebrake asked if wages still compare to the County. Stokes said he called the County. Per Union agreement, they have given a 2% COLI the past 3 years. The Library gave 1% this fiscal year, none the year before that and 1% the previous 3 fiscal years. Bonebrake said one reason BCLD tries to stay on track with the County is that the County is unionized and the library is not. She explained the



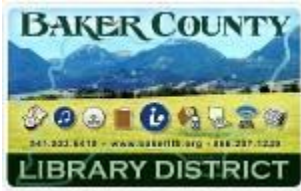
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	<p>history and flexibility of being non-union. Library staff opted to not unionize when the library broke away from the County. She explained the flexibility with being non-union. She encouraged Stokes to try to catch up with the COLI shortfall as the budget allows. Part of the reason the Library has long-time staff is due to paralleling with County pay rates as she described. Bonebrake suggested giving more than 2% to catch up at some point. Stokes presented the committee with different COLI options he explored (1%, 1.5%, 2%) and explained his determination that 1% was the most affordable at this time. An increased rate would force reduction of the operating contingency or other line item but the budget committee can certainly make that change. He re-iterated the long overdue fair pay achievements included in this budget. With those goals in place, he does intend in future years for the COLI to be increased to restore parity. Bonebrake added that she is advocating the COLI correction for future years and would not want to upset the numbers at this time and that Stokes has done a good job. There was no further discussion on the budget.</p>
<p>Public Comment</p>	<p>Palmer noted for the record that there were no members of the public present. She asked Stokes if he had any correspondence to share. He had none.</p>
<p>Budget Committee Deliberations</p>	<p>Palmer said that this is the time for the committee to ask questions and further discussion. There were no further questions or comments. Urey said that Stokes has done a good job.</p>
<p>Approval of Budget</p>	<p>Palmer called for a motion to approve the budget. Leamaster asked about the purpose of adopting the tax rate when it is already set. Palmer said that it was a formality showing acceptance of the tax rate. Bonebrake added that local budget law requires it and that agencies are given the option to approve a lesser rate than the maximum allowed.</p> <p>Leamaster moved to approve the Baker County Library District budget for the 2015-16 fiscal year for the total amount of \$1,835,168 and the amounts per fund as shown: General Fund \$1,249,527, Other Fund \$177,750, Sage Library System Fund \$407,891, Totaling \$1,835,168 as corrected. She also moves to approve the tax rate of \$0.5334 per \$1,000 of assessed value in support of the General Fund, and a tax rate from the Local Option Levy of \$0.249 per \$1,000 of assessed value in support of the General Fund; Urey seconded; motion passed unanimous.</p> <p>Palmer said she will sign the resolution later. The official motion form will be corrected and signed at the next board meeting.</p>
<p>Next Meeting Date</p>	<p>The additional budget committee meeting scheduled on June 2, 2014, 5:00 pm is not needed. Budget Committee members and the public are welcome to attend the regular Board of Directors meeting to be held June 15, 2015 at 6:00pm where the budget will be adopted.</p>



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	<p>Palmer said this concludes our official budget presentation tonight. She thanked Stokes and Hawes for their hard work. She thanked the committee members for being a part of the budget process for the Library.</p>
Adjourn	<p>The meeting was adjourned at 6:35 pm.</p> <p>Respectfully submitted,</p> <p>Perry Stokes, Secretary to the Board</p> <p>PS/ch</p>