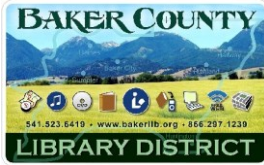


# Baker County Library District Budget Committee Meeting Minutes

May 24, 2023

<p><b>Call to Order</b></p>	<p>The meeting was held in the Riverside conference room at the Baker County Public Library, 2400 Resort Street, Baker City, Oregon, the administrative building for the Baker County Library District.</p> <p>Those attending in person are Directors Kyra <b>Rohner</b>, Beth <b>Bigelow</b>, Ashley <b>McClay</b> and Betty <b>Palmer</b>. Budget Committee members present included Jacque <b>Cobb</b> and Gary <b>Dielman</b>. Also attending is Perry <b>Stokes</b>, Director, and Christine <b>Hawes</b>, Business Manager. One guest attended, Jen <b>Albright</b>, from the Friends of the Library. One board member attended online via Zoom, Joan <b>Spriggs</b>. No other online guests.</p> <p><b>President of the board, Kyra Rohner, called the meeting to order at 5:17pm.</b> Stokes displayed the board packet on a large screen. Printed budget packets were provided for each member along with the Budget Message. An expanded version of the budget packet with extra documentation is available on the District website or by request.</p> <p>With a few budget committee members not able to attend, it was noted that a quorum is present. Everyone introduced themselves. Stokes announced that he is recording the meeting.</p>
<p><b>Elect Chair of Budget Committee</b></p>	<p>Rohner asked for nominations to chair the budget committee meeting.</p> <p>There were two nominations. Bigelow nominated Gary Dielman; Dielman nominated Palmer; to be the chair for the meeting. Rohner said that we have to start with the first motion with Gary Dielman being nominated as the chair; Palmer seconded the motion; motion passed unanimously (6 yea). There were no further nominations.</p> <p>Stokes has delegated the taking of minutes to Christine Hawes.</p> <p>Spriggs rejoined the meeting online after the connection was interrupted.</p>
<p><b>Agenda</b></p>	<p>Dielman asked for additions or deletions to the agenda. There were none.</p>
<p><b>Conflicts of Interest</b></p>	<p>Dielman asked if there were any perceived conflicts or potential conflicts of interest to be declared. There were none stated.</p>
<p><b>Presentation of Proposed Budget by Budget Officer</b></p>	<p>Dielman asked Stokes to present the proposed budget.</p> <p>Stokes thanked everyone for participating. He said this year’s budget went over \$3 million mark. The general fund budget is \$2.25 million.</p> <p><u>Budget Message</u></p> <p>Stokes read highlights from the Budget Message through the last paragraph on page 1. On page 2, the Overview stipulates what he is required to present. He described the main goals for this year’s budget. Page 3 is a Summary of</p>



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Significant Features and Changes in the Proposed Budget. The District reserves are at \$600,000. The Capital Investment Reserve Fund with \$159,000 is in a good position. The Operations Reserve is used to fund expenses from July through November when taxes come in. The district's main revenue stream is from property taxes. He has budgeted conservatively at 4% growth rate. The actual prior year rate is 5.5%. We are anticipating a reimbursement from FEMA for a final COVID-19 reimbursement which is budgeted under Other Financing Sources.

In Personnel Services, PERS rates increased slightly and health insurance rates are rising by 6%. He reviewed the main budget changes for personnel costs increasing by 8.7% to 67.5% of the operating budget. The goal is 65-70%, so we are well within the range. In Materials & Services, the collection development category will begin at 8.5% of the operating budget and is typically boosted later in the year. He reviewed major category changes in facilities, computer maintenance and public programs. Overall this category increases by 10% or \$47,500.

The District has four different funds: General Fund, a Reserve Fund for Capital Investment, and two Special Funds -- Other Funds for grants and miscellaneous reserves, and Sage Library System. There are negligible changes in Other Funds and the Capital Investment Reserve.

The Sage Fund has dipped into its reserves in recent years for upgrade of technology infrastructure. The membership dues are increasing to cover the replacement for the CEO. Dielman asked Stokes to describe how the Sage Fund works. Sage fund is self-funding and operates much like a non-profit.

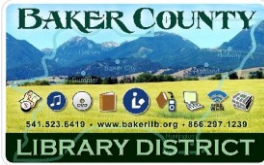
We will continue with the modified accrual basis of accounting.

## Budget Overview - Highlights

Stokes presented the main Goals which include adjusting payroll for inflation and market competitiveness, technology-related increases, pay-off of the LID debt to Baker City, increasing the bookmobile line for rising fuel and maintenance costs and public programs. He read through the list from the prepared report.

For budget figure highlights, Stokes encouraged everyone to follow along on the LB forms. Starting on the LB-20 General Fund - Resources, he described the various columns for historical actual data, the current budget, the proposed Supplemental budget and the proposed budget for the coming year. For income, the cash carryover increased to \$600,000.

Moving to LB-30 General Fund - Requirements Summary spreadsheet, Stokes highlighted major increases in Materials & Services. Collection Development will increase 6%, but may increase later in the year with availability of additional funds. The Library Consortium costs increase of 7% is primarily the



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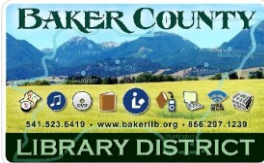
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Sage membership. The IT budget is being increased by 14% to allow for upgrades and increased fees for the new website and email. Corporate costs are up by \$4,700. In Debt Service, we are budgeting to pay off existing debt at \$13,000. The budgeted transfers into reserve funds total \$76,000. The contingency fund includes a small contingency of \$5,000 to cover the health insurance deductible. Typically, we only have one or two claims of \$1,500 in a fiscal year. The Total Requirements is \$2.2 million.

With LB-31 General Fund - Personnel Services, Stokes said salaries include a 5% cost of living increase plus several employees due to receive step increases. He displayed an inflation report with a graph showing the history of district COLI increases compared to the Western Region CPI. Real wages have lagged and have been falling farther behind with high inflation rates. Stokes' "Heat Map" report of the Consumer Price Index history showed the seasonal CPI trends. He anticipates 5% to be the average rate of inflation for the year. Palmer asked about the increase in salary versus benefits; she noticed that the benefits increase is high in proportion to salaries. Cobb pointed out the graphs in the committee packets, pages 16 and 17 display that ratio. Stokes explained the ratio is skewed by the recent replacement of the semi-retired IT Manager, with benefits restored to the new employee. However, it is true that benefit costs outpacing the rise in salaries is a trend that is happening and anticipated to continue.

Pulling up a 2023 Library Salary Survey report, Stokes said that he researched library wage levels and compared BCLD pay rates to peer libraries. According to the data, BCLD salaries are at or below the 1st quartile, which is the lowest level. Cobb asked about the source of the salary data. Stokes displayed a portion of the most recent State Library of Oregon report with an aggregate of data libraries are required to report each year. Libraries report pay ranges for common staff positions. The salary survey was based on libraries with similar sized populations. Rohner asked Stokes if he aims to get the staff in the lower range up to the next quartile. Stokes confirmed as a goal; the greatest disparity currently is in senior administrative staff. The proposed increase will bump those positions up to the 2nd quartile. To recruit and retain quality staff, it is important to be able to provide competitive compensation. Stokes displayed the current Standardized Wage Scale that the District currently uses, which was inherited from the Baker County structure. He wants to re-work this scale and will be presenting a more simplified version to the board in the future. Discussion ensued on the reports and data presented. There were no further questions on personnel.

On the next detail sheet, LB-31 General Fund - Materials & Services, Stokes highlighted the large increases. Collection Development will start low at 8.5% of the Operating Budget but will be increased later in the year as additional funds become available. Our board member elections occur on odd-number years, so the Elections line is at zero or 2024. Library Service Supplies will



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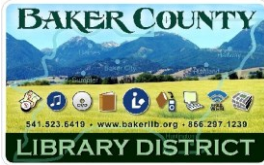
start at a level based on the current year actual. The Youth Programs will remain high to expand branch participation. Utilities are increasing based on the current cost levels.

LB-10 Special Fund – “Other Funds” is virtually unchanged. Looking at Resource, the interest income will increase due to rising rates. We will transfer in \$11,000 for the election and severance reserves. Donations are variable; it has been as high as \$22,000 but usually averages \$4,000. On Book Sales, staff and volunteers sort out books that have collectible value and post those on Amazon. Proceeds from those sales support the book budget. Stokes described some potential grants under consideration this next year. In Expenses, the Memorial category include designated and undesignated funds. The election costs can be as high as \$6,500, so we build a small reserve to offset the cost in the high years. Total Requirements amount to \$217,000.

Next is LB-11 Reserve Fund - Capital Investment; again, changes are negligible from the prior year. With some expenditures, an incoming transfer is allocated to replenishment capacity for upcoming projects. Total Requirements of \$159,250.

On LB-10 Special Fund - Sage Library System, Stokes said a big recent change was moving reserve funds into a pool account to earn interest. This year interest revenue is projected at near \$5,000. Sage Membership dues will increase. Stokes described how they determine member rates based on population. Sage receives a large restricted grant annually from federal LSTA funds administered by the state Library of Oregon that pays for the courier costs among the Eastern Oregon libraries. Miscellaneous revenues are money they collect from members for special cataloging needs. Total Resources are at \$539,500.

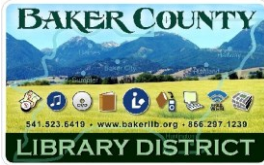
In Sage Fund - Requirements, Salaries include restoring insurance benefits to the System Administrator. The current person will fully retire after 25 years. Prior to leaving they were semi-retired and opted out of the district’s health insurance. The proposed budget assumes health insurance will be included in the benefits package for the new employee. The two Sage System Administrators can work remotely from anywhere in the northwest. One is a salaried position shown in Personnel and a second is a contracted position on line 38. The operating contingency continues to be about \$150,000. Cobb asked about the member credits. Discussion ensued on the Sage System and how it evolved. Previously Eastern Oregon University was the host of the system until it was forced to change its catalog system as part of the university network, which then required Sage to find a new host agency. BCLD was one of the few districts with capacity to be the fiscal agent. Cobb asked if the Sage budget operates on its own. Stokes confirmed Sage has its own governing body that is responsible for development and management of its budget, though he does much of that work. Discussion on what it means to be the fiscal agent. The bottom line is that Sage and BCLD funds cannot be



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	<p>comingled.</p>
<p><b>Public Comment Opportunity</b></p>	<p>Dielman asked if there are any public comments. There were none. The one guest had no comments, saying that she came to observe.</p>
<p><b>Budget Committee Questions and Deliberations</b></p>	<p>Rohner asked about the resolution details; it looks different this year. Stokes said that resolution she is looking at will be used at the Budget Hearing in June. The recommended motion for tonight is in the packets. He reviewed the various forms and what they mean.</p> <p>Cobb asked if projects Stokes mentioned are in the list of Capital improvements. Stokes said that some projects will be paid from the General Fund – Facilities and Capital Outlay lines for immediate action, while other special projects are in the strategic planning list for which Capital Reserve funds may be needed. Cobb asked about the replacement HVAC rooftop unit costs. Discussion on new projection for that and other capital projects. Palmer added that we discuss these topics almost every month. Stokes went through every item on the capital project list and the priorities (page 31 in the packets). Rohner asked about how we have built up the reserve funds. Stokes talked about tax amounts reportedly being withheld by the County due to litigation and when that may be resolved. Tax revenues are budgeted conservatively, he reiterated. Unanticipated surplus revenues can be directed into the Reserve Fund.</p> <p>Dielman asked if there were any further comments or discussion</p>
<p><b>Approval of the Budget</b></p>	<p>Dielman said there is a resolution example in the packet. He invited someone to make a motion.</p> <p><b>Rohner made a motion to approve the Baker County Library District budget as presented for Fiscal Year 2023-2024 for the total amount of \$3,149,762, reading the budget for each fund. The motion included approval of the permanent tax rate of \$0.5334 per \$1,000 of assessed value in support of the General Fund and the tax rate from the Local Option Levy of \$0.249 per \$1,000 of assessed value in support of the General Fund; Cobb seconded the motion.</b></p> <p>Dielman asked for any further discussion. With no further discussion, Dielman called for a vote; <b>Motion passed unanimously</b>; 7 yea votes, 0-abstained and 0-nay votes (Spriggs online, Rohner, Palmer, Mcclay, Cobb, Bigelow, Dielman).</p> <p>Dielman declared the motion passes. He signed the Resolution and gave it to Stokes.</p>



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<b>Other Discussion</b>	Dielamn asked if there were any other comments. Stokes said that he will make corrections to the classifications as noted before filing the legal forms.
<b>Next Meeting</b>	It was noted that the second Budget Committee meeting, scheduled for the following day, Thursday May 25, 5:00-7:00pm, is canceled as the committee finished the review and approved the budget tonight. The budget will be presented at the June 13 regular library board of directors meeting where it will be adopted.
<b>Adjourn</b>	The meeting was adjourned at 6:36 pm. Respectfully submitted,  Perry Stokes Secretary to the Board PS/ch

DRAFT