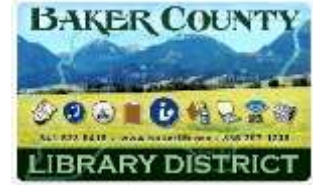


Baker County Library District

Budget Committee Meeting Minutes

May 20, 2026



CALL TO ORDER

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.

Directors present in person were Kyra **Rohner**, President; Beth **Bigelow**, Vice President; Ashley **McClay**; and Jacque **Cobb**. Budget Committee members present in person were Aletha **Bonebrake**, Joy LeaMaster, Monica Mathews, and Rick **Teegarden**. Director Joan **Spriggs** and Budget Committee member Linda **Collier** attended via Zoom. Also present in person were Perry **Stokes**, Director and Budget Officer, and Christine **Hawes**, Business Manager.

A total of 12 people attended the meeting. No guests or members of the public were present in person or via Zoom during the session.

Board President Kyra **Rohner** called the meeting to order at 6:00 p.m. Stokes displayed the Zoom meeting and budget reports on a large screen as materials were reviewed.

Printed budget packets were available for committee members and included the Budget Message for Fiscal Year 2026-2027. The budget packet was also available on the District website and by request. Committee members were given the opportunity to pick up hard copies or review the materials online in advance of the meeting.

ROLL CALL

Rohner asked each person to introduce themselves, which also served as roll call. Each person stated their name, and Rohner recorded attendance.

- All 10 Budget Committee members were present, establishing a quorum.

NOMINATION AND ELECTION OF BUDGET COMMITTEE CHAIR

Rohner asked for nominations to chair the Budget Committee meeting.

Bonebrake nominated LeaMaster to serve as chair. LeaMaster accepted the nomination. There were no further nominations. Cobb seconded the motion. The motion passed unanimously by those present.

Stokes stated that he had delegated the taking of minutes to Christine Hawes. Rohner then turned the meeting over to LeaMaster as Chair.

AGENDA APPROVAL

LeaMaster asked whether there were any additions to or deletions from the agenda.

- There were none.

Bigelow moved to approve the agenda as presented; Bonebrake seconded. The motion passed unanimously.

CONFLICTS OF INTEREST

LeaMaster asked whether any conflicts or potential conflicts of interest should be declared.

- Bonebrake declared a potential conflict of interest for the record because her daughter is employed by the Library District.
- No other conflicts or potential conflicts were declared.

PRESENTATION OF PROPOSED BUDGET BY BUDGET OFFICER

LeaMaster moved to the presentation of the proposed budget and asked Stokes, Library Director and Budget Officer, to present the proposed FY2026-2027 budget. Stokes opened the Fiscal Year 2026-2027 Budget Message document and thanked members for serving on the committee.

Stokes explained that the purpose of the meeting was to receive the budget message, review the proposed budget, hear public comment, deliberate, make recommendations, and consider approval of the proposed budget for forwarding to the Board of Directors for adoption.

Budget Overview

- The proposed total budget is \$3,794,898, rounded to approximately \$4 million.
- The proposed budget was described as maintaining current operations rather than expanding service levels.
- The District's Local Option Levy was approved by voters with 70.3% support. Bonebrake noted that the public has historically supported the library.
- Stokes displayed and reviewed levy approval history graphs. He reported that support for the District's levy ranged from a low of 51% in 2006 to a high of 83% in 2016, with the current levy passing at approximately 70% approval.
- Stokes also reported that the Grant County Library levy passed, allowing that library to become a district. Committee members expressed support for that positive outcome.

Organizational Funds Overview

Stokes reviewed the four organizational funds and the proposed budget amounts:

- General Fund: \$2,603,398, an increase of \$99,002.
- Other Uses Fund: \$302,500, an increase of \$13,500.
- Capital Investment Reserve Fund: \$236,500, an increase of \$24,000.
- Sage Library System Fund: \$652,500, an increase of \$13,057.

Financial Policies and Budget Priorities

Stokes described the District's financial strategy as stability before expansion. Budget planning continues the District's pattern of conservative revenue forecasting, using 3% growth in assessed value. The permanent and local option tax rates remain unchanged, and the District has no debt.

He reported that reserves are being built to maintain operating cash flow from July through early November, before tax revenues are received. The Capital Investment Reserve is also being increased to support future building improvement projects.

Stokes provided an overview of the history of the Local Option Levy and voter-approved property tax limitations in Oregon. Bonebrake added historical context and noted that as the community grows, the

District will likely grow into the permanent tax rate. Stokes stated that a core question for deliberation is whether the proposed budget adequately funds operations while addressing long-term capital needs.

General Fund Resources

Stokes described General Fund resources as strong but conservatively estimated. He stated that the revenue increase is not due to higher tax rates, but instead reflects growth, increased tax collections, and increased working capital.

- Net working capital increased by \$65,000.
- Federal E-Rate funding decreased due to the reduction of hotspot support.
- Tax revenues are estimated to increase by \$99,000.
- Total increased revenues are estimated at \$158,252.

Committee members discussed future industry development and potential county revenue growth.

Personnel Services

Stokes reported that Personnel Services and salaries are proposed to increase by 7.3%, or \$83,820. The salaries budget increases by approximately \$51,000, and benefits increase by approximately \$32,000.

Discussion included the following:

- Bonebrake asked how the District's salary levels compare with Baker County, noting that the District competes with the County for employees and expressing concern about staff retention.
- Stokes stated that the District has had staff leave for positions with the County and a state agency, although the latter position required relocation out of Baker City.
- Mathews asked whether the District has adequate staffing or needs more staff. Stokes stated that the District could use a facilities assistant and a part-time IT assistant.
- Cobb expressed concern about succession planning for the Facilities Manager, who has substantial institutional knowledge. Stokes stated that contractors can help cover some needs and that the position will be posted when appropriate.
- Stokes identified major cost drivers, including a proposed 3.6% cost-of-living increase, rising PERS rates, increasing health insurance costs, and the automatic annual increase in the Oregon minimum wage.

Stokes asked whether the committee wished to recommend increasing the staff cost-of-living adjustment from 3.6% to 4.0%, based on recent inflation data and projections. He estimated the added cost at approximately \$3,800 and stated it could be absorbed either from General Fund contingency or by reducing the retirement reserve transfer. He noted that the retirement reserve has adequate funds and could potentially be skipped for a future budget cycle. Bonebrake agreed that the topic was appropriate for discussion.

Materials and Services

Stokes reported broad operating cost increases in Materials and Services, which are budgeted at \$539,000. The largest increases are in collections, computer maintenance, vehicle operations, insurance, audit, marketing, branch courier, and public programs.

Bonebrake asked about the Materials and Services chart on page 5 of the packet, specifically the green and red columns and the Collection Development percentage of 9.3%. Stokes explained the chart and noted that column headings were missing, although they corresponded to the chart above on the same page.

Reserves and Cash Flow

Using the chart on page 6, Stokes emphasized that reserves are a key budget concept. The fiscal year begins July 1, but property tax receipts do not arrive until early November. Recent operating patterns indicate the District requires approximately \$680,000 for cash flow during that period; the proposed \$700,000 reserve is adequate. If needed, the District may borrow temporarily from the Other Uses Fund and repay it in November. Stokes noted that the District previously used Tax Anticipation Loans for this cash-flow period but no longer needs to do so.

Special Purpose Funds

Stokes reviewed the special purpose funds:

- Other Uses Fund: \$302,500, including memorial and grants, technology reserve, election reserve, and severance liability contingency for vacation and sick leave payouts upon retirement.
- Capital Investment Reserve Fund: \$236,500, including a \$50,000 transfer for upcoming improvements.
- Capital priorities include branch roof work, LED lighting, public computer lab chairs, staff workspace improvements, HVAC equipment, and branch security cameras.
- The broader facility plan identifies approximately \$500,000 in future repair and renovation projects.

Sage Library System Fund

Stokes reported that the Sage Library System Fund is stable and separate from the District's other funds. Resources include working capital, membership dues, restricted grants, and interest. Requirements include personnel costs for two employees, materials and services including a technology contract, capital outlay, and operating contingency.

Stokes noted that interfund transfers are not allowed between Sage and the District's other funds. BCLD serves as fiscal agent, while the Sage Council is responsible for the budget and long-term sustainability of the program. A current risk is the possibility of federal cancellation of IMLS library services support. LeaMaster asked whether the fund could continue operating if those funds were cancelled. Discussion followed regarding possible scaling down of services and the impact that would have. Cobb clarified that membership revenues are annual, which Stokes confirmed.

Risks and Uncertainties

Stokes stated that the proposed budget does not eliminate risk, but it uses conservative assumptions and manages reserves. Identified risks and uncertainties included:

- Property tax compression losses and tax disputes, although collection rates have been steady.
- The Local Option Levy outcome, which was a concern before the meeting but was confirmed that morning as approved for another five years.
- Federal E-Rate funding and IMLS grants, including grants that support the Sage courier system.
- A major IT transition in late summer, when the District's IT staff person is retiring for a second time.
- Audit costs, because the District's auditor cancelled the contract due to lack of staffing and the audit work will need to be bid out. Stokes noted that the budget includes an estimate based on historical costs plus an increase.

Stokes suggested questions for deliberation, including whether the revenue assumptions are reasonable, whether reserves are adequate, and whether the budget assumptions are sustainable. Bonebrake complimented Stokes on managing the budget and commented on the opportunity for

property tax growth if Baker City grows. She noted that the library is sized comparably to libraries serving communities with populations of 30,000 or more.

Stokes offered to review the legal budget sheets in more detail and displayed them on the screen. No committee members requested additional detailed review at that time. Stokes then moved to the public comment portion of the agenda.

PUBLIC COMMENT OPPORTUNITY

LeaMaster asked Stokes whether there were any public comments to share or members of the public attending online.

- No members of the public attended in person or via Zoom.
- No public comments were received.

BUDGET COMMITTEE QUESTIONS AND DELIBERATIONS

LeaMaster asked whether there were further questions or discussion from the committee.

Salary Comparisons and Staffing

Stokes returned to Bonebrake's earlier question and displayed a library salary survey report, reviewing data by population served and salary levels. He reviewed top tiers and comparable libraries. LeaMaster asked whether the comparison libraries are all part of counties. Stokes responded that many are library districts, while some are city or county libraries. He stated that he would like to grow District salary levels as funds allow.

Committee discussion continued regarding salary levels and strategies for maintaining competitive compensation.

Cost-of-Living Increase

Cobb asked whether the committee should discuss increasing the cost-of-living adjustment from 3.6% to 4.0%. Rohner noted that the General Fund Personnel Services LB-31 reflected a 3.6% increase. Cobb stated that in past years the committee has discussed inflation and whether increases were sufficient.

Stokes explained that District revenue growth depends on county valuation growth, which is limited by a 3% cap under statewide restrictions. LeaMaster asked whether the cost-of-living increase is reviewed annually, and Stokes confirmed that it is.

Bonebrake asked about the health insurance increase listed on pages 18-19 of the packet. Stokes confirmed that the premium rate increased 8.5%, although it had initially been scheduled for a 13% increase. To reduce costs, the Board moved to a higher deductible plan. Bonebrake stated that the move appeared appropriate and that the District is well situated with its facilities and projected revenues.

Bigelow asked about a new industry she had heard may be coming to the county and potentially contributing to revenues. Stokes stated that a business is going into the old lime plant location and that construction is expected to begin soon.

Cobb asked about replacing the IT staff person and whether the District should review IT salary levels to determine competitiveness. Stokes stated that it will be challenging to hire someone with the broad experience of the current IT staff person. Although the salary is on the low side, he noted other benefits of living in Baker County. He stated that the District may need to split the position and contract out the

network portion. Rohner noted that the salary line had been increased somewhat this year. Cobb also asked about the IT Assistant budget line being zero. Stokes explained that the District had previously hired a part-time IT assistant for overlapping training, but the mentoring program did not work out in that case.

Returning to the cost-of-living discussion, Rohner asked whether Stokes preferred the 3.6% increase included in the budget. Stokes stated that his preference would be 4.0% to better keep up with inflation, and that 3.6% was the minimum he would recommend. Bonebrake appreciated that he had outlined ways to cover the added cost. Mathews asked when the increase would go into effect if approved; Stokes stated it would be effective July 1. The committee reached general consensus in support of a 4.0% cost-of-living increase.

Mathews asked when the District would know actual tax revenues and the actual growth rate. Stokes said the County typically provides actual growth information in October. Rohner stated that historically the District receives more tax revenue than projected because estimates are conservative. Stokes agreed, noting one anomalous year when valuation came in significantly lower than projected. Bonebrake described a similar historical example from her time as director, adding that the funds ultimately came in.

Mathews asked how receiving less revenue would affect the budget. Stokes stated that the District would be fine for a period of time while reserves are adequate and would be able to make discretionary spending cuts in the event of a revenue shortfall. Rohner noted that the District typically uses a supplemental budget each year to adjust to actual figures. Cobb asked for clarification regarding the personnel budget increase if the cost-of-living adjustment is increased to 4.0%. Stokes displayed the budget summary and reviewed options for covering the estimated \$3,800 increase. Bonebrake noted that the Budget Committee could recommend the change, with the Board making the final decision at the June meeting. She stated that 4.0% was reasonable and that the budget could absorb it.

Rohner emphasized the value of Budget Committee input and stated that the committee would suggest any changes, with the Board making the final decision. She also noted that the Director's salary level and appropriate increases are an annual topic. Stokes explained his concern about the disparity between senior staff salaries and the Director's salary. He stated that senior staff salaries have been increasing gradually and are gaining ground toward appropriate levels. Bonebrake noted that when she retired, the District made a significant increase to improve the Director salary level. Cobb asked how long it may take for senior staff to reach the level Stokes described. Stokes stated that he would need to complete that analysis.

Mathews asked for a comparison of salaried and hourly positions and whether the 4.0% increase would apply to all wages. Stokes explained the cost-of-living increase and step increase salary chart, stating that the 4.0% increase would apply to everyone. He noted that 11 out of 25 employees have health benefits. Rohner asked Teegarden for his opinion. Teegarden stated that the 4.0% increase would have a positive effect on morale and that he supported it.

The committee discussed how to fund the additional cost. Rohner stated that it would be easiest to cover the change within the General Fund rather than adjusting another fund. Bonebrake recommended using General Fund contingency and advised against taking the funds from the severance fund. Bigelow asked whether Spriggs or Collier had questions. They were participating online from one location and stated that they did not have questions at that time.

Stokes displayed a chart showing BCLD cost-of-living increases compared with inflation history. LeaMaster asked for an explanation of the chart. Stokes reviewed the Western Region inflation rate and

staff cost-of-living increases, explaining the “real wage decline” over the years. He stated that the District has typically been one-half to one percent below actual inflation but has gained ground in recent years. Stokes stated that, should resources allow, providing a cost-of-living increase above inflation could be justified to regain lost ground in real wages from past year low COLI rates, but the district is not currently in a position to do that. The committee agreed to recommend increasing the cost-of-living adjustment to 4.0%, with the added cost taken from General Fund contingency.

Technology, Cybersecurity, and AI-Related Concerns

Cobb asked about Materials and Services and the pie chart on page 21 from a technology perspective. She referenced AI bot attacks that had caused computer issues and asked whether the District is considering those costs and additional security measures. Stokes stated that, as far as he knows, the on-site firewalls are adequate to protect the system. He explained that Sage has a double security layer. He noted that there had been some instability that day, requiring servers to be rebooted.

Cobb commented that AI technology is moving quickly and should be considered in planning. Stokes stated that some equipment at Huntington had been replaced and that the District has budgeted for IT improvements among the branches, some of which have already been completed.

Digital Collections and Hoopla Limits

Cobb asked about the digital collection, noting that she hears from the community that the Hoopla limit is used quickly. She asked what the cost increase would be if the District increased the limit from four items to five items.

Stokes explained that the District has two primary digital collection models. With Libby, the District purchases titles and curates a collection that can be checked out multiple times. With Hoopla, the District is charged per item, with an average cost of about \$2.50 per item and some items costing up to \$5.00 each. Teegarden asked whether the District collects or pays the fee. Stokes explained that the District pays for materials used by patrons.

Stokes stated that Hoopla requires checkout limits to control costs, because the District is charged each time an item is checked out. He explained that many libraries have discontinued Hoopla because of cost, but the District maintains limits to manage it. Cobb asked about anticipated growth and whether use is expected to plateau. She asked whether libraries are moving toward a digital platform and how the District should plan for that. Stokes stated that digital use is growing while physical collection use remains stable.

Committee members discussed digital versus physical collections, noting that patrons still value physical items. Bonebrake stated that the District must maintain access to both physical and digital formats because patrons appreciate instant access to streaming. Stokes stated that the library is not the only gatekeeper of access. Bonebrake noted that in some respects the library does limit access by setting checkout limits.

Cobb asked whether the District is meeting the needs of younger patrons and the homeschooling community, and whether expansion would better serve those needs. Stokes stated that the District will likely discontinue the online tutoring service because it is not receiving much use locally, although it is used well in other communities. He suspected that patrons may be using ChatGPT or similar tools instead. Committee members discussed the possibility of surveying the public about service needs and how best to provide them.

Stokes explained the difference between Libby and Hoopla as waiting for curated titles versus instant access to a broader selection. Hoopla includes movies, audiobooks, music, comics, and more. Mathews stated that limiting patrons to four items is reasonable. Cobb noted that Hoopla was initially considered an alternative to subscription services such as Netflix and expressed the importance of filling a gap for patrons who need it. Stokes added that the District also offers Kanopy, which is provided by the same company as Libby. Kanopy is an app similar to Hoopla, but the District does not own the materials and does not pay a per-item fee; instead, patrons receive a set of monthly tickets to use for access to materials at varying ticket costs.

Committee members continued a lengthy discussion on digital materials. Cobb referenced page 23 and the growth in physical and digital collections. Stokes stated that recent usage growth is mostly tied to the DVD movie collection and use. Bonebrake summarized that the current Hoopla limit is a useful gatekeeper for managing cost. Stokes stated that he has not found a better alternative to Hoopla and that it remains the best option currently available.

Facilities, Safety, and Programs

Cobb asked whether the District should build anything into the budget to address vaping. Stokes stated that the primary tools are high-resolution cameras near bathrooms and sensors in bathrooms to help manage issues. He discussed management, consequences, replacement and addition of cameras, and challenges associated with sensors.

Cobb also asked why the public programs budget is small. Stokes stated that the District has offered adult programs, but attendance has been low and programs have been reduced over time. Youth programs are well attended.

LeaMaster asked whether there were any further questions or discussion. With no further questions, Stokes noted that a recommended motion was included in the packet.

APPROVAL OF THE BUDGET

LeaMaster stated that the committee was ready for a motion to approve the budget and asked whether there was any further discussion. There were no further questions or comments.

Bigelow moved to approve the Baker County Library District budget for Fiscal Year 2026-2027 for the combined total of \$3,794,898 and the amounts per fund: General Fund, \$2,603,398; Other Uses Fund, \$302,500; Reserve Fund - Capital Improvements, \$236,500; and Sage Fund, \$652,500. Bigelow further moved to approve the permanent tax rate of \$0.5334 per \$1,000 of assessed value in support of the General Fund and the Local Option Levy tax rate of \$0.249 per \$1,000 of assessed value in support of the General Fund. Rohner seconded the motion.

LeaMaster confirmed that a motion and second had been made and asked whether there was further discussion. There was none. LeaMaster called for a vote, and Rohner recorded the votes.

- Yea: 10
- Nay: 0
- Abstentions: 0

The motion passed unanimously by those attending both in person and online.

LeaMaster stated that the budget had passed and had full approval of the Budget Committee.

OTHER DISCUSSION

LeaMaster asked whether there were any other comments.

- There were none.

NEXT MEETING

Stokes thanked everyone for attending and assisting with the budget process. He expressed appreciation for the committee's input during the meeting.

Stokes announced that the scheduled meeting for the following night was cancelled because the budget was approved during this meeting.

ADJOURNMENT

The meeting was adjourned at 7:43 p.m.

Respectfully submitted,

Perry Stokes
Secretary to the Board
PS/ch

AI disclosure: These minutes were edited with the assistance of an AI-based language tool to support grammar, clarity, formatting consistency, and professionalism. All substantive content, decisions, and financial figures were reviewed and approved by library staff.