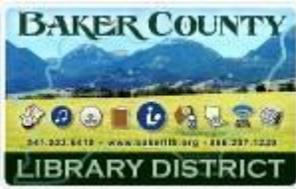


Baker County Library District
 Board of Directors
Budget Committee Meeting Minutes
 Wednesday, May 21, 2014, 5:00 – 7:00 pm

Call To Order	<p>Gary Dielman, Board President called the meeting to order at 5.02pm. 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, Della Steele, Kyra Rohner-Ingram and Betty Palmer, Directors. Committee Members present: Aletha Bonebrake, Joy Leamaster, and Maryalys Urey. Others present: Perry Stokes, Budget Officer and Library Director; and Christine Hawes, Business Manager.</p>
Agenda	<p>Dielman asked if there were any changes or additions to the agenda. There were none.</p>
Elect Budget Committee Chair & Secretary	<p>Dielman called for nominations for meeting Chair-person; Rohner-Ingram nominated Aletha Bonebrake as Budget Committee Chair; Steele seconded. With no other nominations being made, Dielman called for a vote. Bonebrake was unanimously elected as Chair.</p> <p>Dielman called for nominations for meeting Secretary. Stokes said he wanted to delegate that to Christine Hawes. The group agreed that it was appropriate for Hawes to function in the position. Forrester nominated Christine Hawes as Budget Committee Secretary; Steele seconded. With no other nominations being made, Dielman called for a vote. Hawes was unanimously elected as Secretary.</p> <p>With elections completed, Dielman turned the meeting over to Bonebrake.</p>
Chair presided over meeting	<p>Bonebrake thanked Stokes for the packets, saying that it was easy to read. She noted that on the agenda schedule the meeting adjourned at 6:30pm. She stated that she would appreciate it if the meeting progressed on schedule since she is also scheduled to attend the City of Baker City Budget Meeting immediately following this meeting that overlaps the Library meeting; adding that she would need to leave promptly at 6:30pm.</p> <p>Bonebrake asked for any further changes to the agenda; none were given.</p>
Presentation of Proposed Budget by Budget Officer	<p>Bonebrake invited Stokes to present the proposed budget.</p> <p>Stokes said he will be reading the highlights from the Fiscal Year 2014-2015 Budget Message included in the packets. Starting half-way down page one, he read “The 2014-2015 District Budget reflects an economy continuing to experience repercussions of the recession” concluding that stagnant revenue and health care insurance factors have put a strain on the budget. Rising to the budget challenge with the goal of preserving library service levels, cuts were made in both personnel and materials. Reading a list of significant factors in the budget included revenues are anticipated to remain flat, current service hours will be maintained, cash carryover at a minimum of \$205,000, and operating on the modified accrual basis method of accounting as previously adopted.</p>



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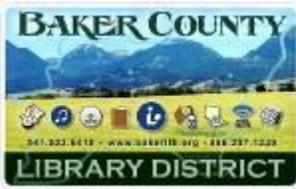
Stokes asked the committee to review budget Form LB-20 Resources while he highlights the revenues. Property taxes are estimated to decrease slightly at 1% reviewing the property value growth history in the budget message. The other revenue sources are expected to remain stable. He spoke with the County Assessor today, who confirmed the projected 2.5% property value growth shown on the chart. The Library District is primarily funded through property taxes from two levies; a permanent tax rate and a five-year local option levy (this budget will be the third year of the levy). He skipped over how compression works to talk about the affect Measure 5 has on the District highlighting that compression is projected to cost the library \$93,000 in operating revenues. The remaining revenue categories were reviewed. Bonebrake asked about the interest income year-to-date is so low compared to the budget. Stokes replied that the year-to-date only shows the pool interest. Interest is adjusted in July when we receive the County reports showing the interest included in tax turnovers.

Stokes asked the committee to look at Form LB-30 Requirements as he read through the Expense Considerations. Personnel Services is budgeted at 68.4% of the total budget with benefits increasing 11% and salaries decreasing by 2% over the prior year. Materials & Services is budgeted at 28.2% of the total budget. Personnel Services had the largest factor with a significant health insurance cost increase of 23%. He detailed personnel adjustments in both the proposed and proposed and current fiscal budget.

Leamaster inquired where the Library District get is its insurance and asked whether other options were explored. Stokes replied that Special Districts does the shopping around and presents the plan they feel best meets our goals. He also said that he intends to shop around for alternate health insurance plans for next year. In summary, benefits increased by \$19,112 while salaries decreased by \$7,753 for a total personnel services increase over the previous budget of \$11,359 or 2%. Bonebrake asked if the employee retiring was a professional position and would that be filled with a person having an MLS. Stokes replied that is a professional position and he hopes to fill the position with a qualified person. There was discussion on the appropriate pay rate and the possibility of getting such a qualified person.

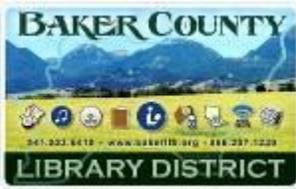
Moving on to Materials & Services, Stokes referred to Form LB-31. With Personnel Services demanding a larger share of the budget, Materials is projected to decrease 4%. The largest category decrease is the books budget. The book budget of \$65,000 is the lowest we've seen since Fiscal Year 2006-07. He anticipates that the budget will increase somewhat as unanticipated funds are typically added in here. However, there will be less available contingency to shift.

Bonebrake asked about the Sage Membership Fee budgeted at \$10,900. She thought the Library would see a decrease of one-half on the membership fee for accepting the Sage fiscal agency. Stokes said that he grossed the membership fee back when he moved Hawes' wage increase of five hours a week over to the Sage Budget. This



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	<p>more accurately reflects the division of Baker Library and Sage activities. It also alleviates the General Fund Personnel Services budget being inflated at a bad time and is more accurate as well. The group agreed.</p> <p>Bonebrake inquired about the election funds being transferred to Other Funds. Stokes replied that these funds were being set aside for the upcoming election costs. The last election was twice as much as usual so he is setting aside funds to buffer that. There is no way to anticipate what the actual cost will be until the County Clerk allocates costs to agencies with measures on the ballot.</p> <p>Leamaster commented that salaries are being decreased but personnel increased by 2% and asked if that was all due to the health insurance increase. Stokes replied yes that was true. Palmer asked about the Sage fiscal agency. Is this a “done deal” or are we still guessing? Stokes explained that it is essentially a done deal but the paperwork formalities are yet to be finalized. A special board meeting may be necessary in June; he reviewed the potential schedule. BCLD will plan to receive the fund balance transfer and begin fiscal agency status on July 1. He feels this is a prestigious role in serving the Sage membership.</p> <p>Bonebrake thanked Stokes for making this very clear and making the important changes. She asked if there were any other questions at this time. Urey commented that she was glad we were not in the same condition as Jackson County who may be closing their library. Stokes said the good news is that Jackson County just passed a Special District for the library. Bonebrake said that it had been closed at one time. The County Court contracted with LSSI to open and operate the Library until recently. The voters approved a \$0.60 cent permanent rate but added that the tax rate isn’t relevant; it’s the tax base that matters. She asked if there were any further questions for Stokes.</p> <p>Dielman commented that he appreciates that Stokes keeps on top of these issues and makes everything balance. Stokes replied that it is like solving a puzzle every year. He finds it enjoyable to find solutions and make it work. Bonebrake commented that she believes that we are probably at the lowest of collections and at the highest of compression, compounded by the sixth year assessment adjustment this past year. The market rates and assessment should start spreading apart again. She felt it is as bad as it will get.</p>
<p>Public Comment</p>	<p>Bonebrake opened the meeting for public comment at 5:50pm. There were no members of the public present. Dielman said that he had spoken to the desk staff to alert them to send anyone back who asked about the budget meeting. The public comment period was closed at 5:51pm.</p>
<p>Budget Committee Deliberations</p>	<p>Bonebrake asked if there were any changes others would like to see? Bonebrake added that Stokes had picked up on the one thing she was concerned about earlier and that was moving Hawes’ wages to the Sage budget. Leamaster commented that she liked the idea that we will explore other insurance options in the future.</p>



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	<p>Bonebrake said that what we offer is a good and generous benefit. Leamaster said the School District offers different packages for employees to choose from. Some discussion on insurance options ensued.</p>
<p>Approval of Budget</p>	<p>Bonebrake moved to the motion form asking about the number penciled in. Stokes said that he had made a couple changes that needed to be reflected on the motion. The correct budget amounts were reviewed for each fund.</p> <p>Bonebrake asked for a motion. Leamaster moved to approve the “Recommended Budget Committee Motion for Fiscal Year 2014-2015” and read the motion statement as follows: I move to approve the Baker County Library District budget for the 2014-15 fiscal year for the total amount of \$1,753,417 and the amounts per fund as given: General Fund \$1,162,473, Other Fund \$210,100, and Sage Library System Fund \$375,594 for a total of \$1,753,417. 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 \$0.29 per \$1,000 of assessed value in support of the General Fund; Urey seconded the motion. Bonebrake asked for and noted that there was no further discussion. The motion passed unanimously.</p> <p>Bonebrake stated that we have an adopted budget and thanked Stokes for his hard work.</p>
<p>Next Meeting Date</p>	<p>The additional budget committee meeting scheduled on May 28, 2014, 5:00pm is not necessary. The budget will be adopted at the next regular Board of Directors meeting to be held June 16, 2014 at 6:00pm.</p>
<p>Adjourn</p>	<p>The meeting was adjourned at 6:00pm.</p> <p>Respectfully submitted,</p> <p>Perry Stokes, Secretary to the Board</p> <p>PS/ch</p>