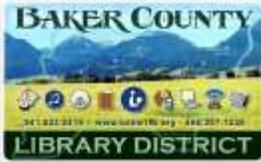


**Baker County Library District**  
 2018-2019 Budget Committee  
**Meeting Minutes**  
 Monday, May 30, 2018

<p><b>Call To Order</b></p>	<p>Gary Dielman, President of the Library Board of Directors called the meeting to order at 5.03pm. The meeting was held in the Riverside Meeting Room at the Baker County Public Library, 2400 Resort Street, Baker City, Oregon.</p> <p>All five of the Library Board of Directors was present including Gary <b>Dielman</b>, Kyra <b>Rohner-Ingram</b>, Della <b>Steele</b>, Nellie <b>Forrester</b>, and Betty <b>Palmer</b>. Budget Committee Members present included Aletha <b>Bonebrake</b>, Bob <b>Savage</b>, Linda Collier, Joy <b>LeaMaster</b> and Anne <b>Mehaffy</b>. Also present at the meeting was Perry <b>Stokes</b>, Budget Officer and Library Director; and Christine <b>Hawes</b>, Business Manager. All of the budget committee members were present. There were no other persons present.</p>
<p><b>Elect Budget Committee Chair</b></p>	<p>Dielman asked for nominations for the Committee Chair position. Bob Savage nominated Linda Collier to be the chair; Aletha Bonebrake seconded. Dielman asked for other nominations. There were no further nominations given. Nominations were closed. Dielman called for a vote on the motion appointing Collier as the Chair for the Budget Committee Meeting; motion passed unanimously. Dielman passed the meeting to Collier.</p>
<p><b>Agenda</b></p> <p><b>Conflict or Potential Conflicts of Interest</b></p>	<p>Collier asked for additions or changes to the agenda. None were given.</p> <p>Collier asked if there were any conflicts or potential conflicts of interest to be declared. Bonebrake said that her daughter works at the Library but she has no bearing on her position. All agreed this was not a conflict pertinent to this meeting. Mehaffy asked what was meant by a conflict. Stokes replied that a person could not benefit by their position on the board or committee either by direct financial gain or avoidance of an expense. The topic of what constituted a benefit was discussed amongst the group. No further potential conflicts were declared.</p>
<p><b>Presentation of Proposed Budget by Budget Officer</b></p>	<p>Collier asked Stokes to present the materials in the packets.</p> <p>Stokes thanked everyone for coming and welcomed the new member, Anne Mehaffy. Stokes pointed out refreshments available and invited everyone to help themselves. Various office supplies and calculators are also available on tables for the committee’s convenience.</p> <p>Stokes began the presentation stating that there are many layers of fine</p>



# Baker County Library District

2018-2019 Budget Committee

## Meeting Minutes

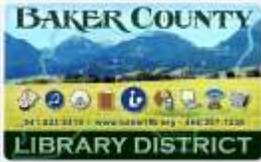
Monday, May 30, 2018

detail in the materials presented. Some of them overlap and can appear to be redundant. His intent is that members won't have to dig to find the information. He said the district seeks to provide transparency to the general public that supports the library. The Budget Message gives a comprehensive look at the budget and goals for the District. Assuming that everyone has read the materials, he will touch this evening just on highlights in the proposed budget document.

First, he noted a discrepancy on the legal budget sheets. The Adopted Budget FY2017-2018 column on some sheets reflects the original budget and in others the revised budget adopted in November 2017. The heading on the "Revised FY17-18 budget" column should read "Proposed June 2018 revised budget". The first three columns are actual historical data. And he has added columns on the right side presenting the changes (dollar and percentage) from both the Adopted Budget and the Revised Budget columns. He feels this information is helpful in looking at the Proposed Budget numbers highlighted in gold.

Starting with LB-20 General Fund Resources. He anticipates ending the current year with \$247,000 cash carryover, essentially the same number as the prior year carryover. He went through each line on the Resource sheets. Highlights include previously levied taxes are budgeted similar to the prior year. The State continues to fund the Ready-To-Read grant anticipated at \$7,500. Miscellaneous Grants anticipated is \$1,000 from the Rotary and unanticipated donations at \$500. The Fiscal Agency Fee from Sage will increase to \$3,500. Mehaffy asked why the decrease of \$39,000 on the Grants line. Stokes replied this was insurance proceeds for the roof and soffit damage. Stokes continued with the tax revenues which he has based on an assumed 3.5% TAV projected growth; the County is using 2.5% which is customary for their budget practice. Compression has abated somewhat. LeaMaster asked if this was the county tax limit. Stokes replied yes and briefly explained how compression works. He said without compression, the District would receive approximately another \$100,000 in operating funds.

Moving to LB-30 General Fund Requirements Summary. You will note this sheet is now 2-pages; the first page summarizes Personnel Services, Materials & Services, and Capital Outlay, the second page has the Interfund Transfers and Operating Contingency. Personnel Services is increasing by \$14,608 compared to the November revised budget. In salaries, he is proposing a cost-of-living increase of 2%; the County is



# Baker County Library District

2018-2019 Budget Committee

## Meeting Minutes

Monday, May 30, 2018

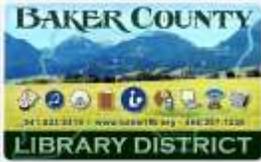
giving 2.1%. Reviewing significant changes coming this year, the district's veteran staff person of 30 years is retiring at the end of June. The position replacement will be classified at a lower salary and funds redistributed. The Organizational Chart has been reorganized creating a team of 3 managing librarians which includes promoting 2 staff to supervisory levels.

PERS remains flat as this is the second year of the biennium. However, next year he projects the PERS costs will increase \$17,000 based on the "Advisory Rates" currently posted. It may be less, but certainly is a concern for next year. If this is the case, it will likely absorb a significant portion of tax levy revenue increase.

Last year, the IT Admin voluntarily reduced his hours to 32 hours a week due to health issues and to provide hours for an IT assistant. He has asked for some hours to be restored. Stokes proposes to restore 4 hours, increasing his weekly hours to 36. The Facility Manager was hired at 19 hours a week. With additional funds received from tax growth according to the Assessor report last fall, his hours were bumped to 32 hours a week which put him in the benefits category. The position is proposed to increase to 36 hours a week next year. Stokes said that the district should seek to retain a highly skilled staff person in this position by offering an adequate salary. Our staff has received other offers already but has thus far chosen to stay with the District. Bonebrake agreed that it is important to retain a skilled individual given the building repairs needed.

Two staff are getting classification increases due to promotions recognizing their work. The Director's salary remains frozen. The Wage Scale has been revised this year with the goal of restructuring it this next fiscal year. One revision implemented this year is to eliminate the "non-PERS rate" in order to simplify the wage scale. He stated that the state-mandated increases in minimum wage continue to put pressure on wage rates for other staff. He referenced the Library Salary Survey included in the committee packets. BCLD Employee salaries have been assessed as comparatively low, being in the lowest two quartiles. He hopes to increase wage levels over time to strengthen the District's ability to retain skilled staff and to achieve the goal to remain competitive as compared to peer libraries.

In Benefits, Stokes said PERS challenges were previously addressed. The



# Baker County Library District

2018-2019 Budget Committee

## Meeting Minutes

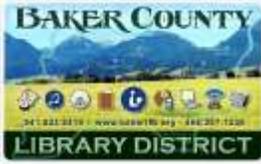
Monday, May 30, 2018

District group health insurance is through Special Districts; the increase was a nominal 2% for the upcoming year. Special Districts has done a great job of managing increases by being self-insured. An employee severance payout has been budgeted for the retiring staff which will be transferred from the savings in the Other Funds - Severance account. This number skews the comparison numbers. Personnel Services is increasing approximately \$14,000 in total.

Materials & Services - moving down to line 10 & 11 on the same page, the book budget will start at \$83,000 or 7.3% of the general fund operating budget. Compared to last year, the book budget started low at \$73,100 and was increased through the year as funds were available, ending at \$88,650 (7.5% OPS). The book budget started low last year due to building improvement needs. He anticipates it will increase throughout the fiscal year. Sage Library System membership dues are relatively stable, increasing by 3% this year. Stokes explained that the stability is largely due to adoption of the Evergreen open source catalog in 2010. Previously, a proprietary vendor's catalog charges were forcing cost increases on average of 10% each year. He briefly went over what the membership fees cover. The Facility & IT Maintenance budget decreased by \$50,000 due to timing and cost savings on the roof repairs. He kept an additional \$50,000 in the building budget this year for potential repairs, but it may not be used. The Facility Manager has received informal estimates ranging from \$45,000 to \$150,000. Of course, the district will want to go with the lowest cost but must first verify the quality of the proposed materials. Stokes said the district gives preference to local contractors bidding on public contracts. He hopes that the lower estimate proves to be valid and will provide a 15 year warrant. If so, the district may be able to manage growing enough of a savings pool to add that roof layer. The district achieved its goal of debt free operations about five years ago and seeks to maintain that status.

The Corporate Costs and Utilities budgets are relatively unchanged. Debt Service increased from \$2,000 to \$4,000; \$2,000 is for the LID Resort Street payable for another 10 years, the other \$2,000 is to cover fees and interest on a short-term loan that the district may incur for operating in October.

On the second page of Requirements Summary are the Interfund Transfers and Operating Contingency. Transfers totaling \$11,000 are budgeted for Technology and Severance Liability. Operating Contingency



# Baker County Library District

2018-2019 Budget Committee

## Meeting Minutes

Monday, May 30, 2018

of \$5,000 is to cover any medical deductible claims from staff. The District pays one-half of the \$3,000 deductible, up to \$1,500 per person covered. Historically there has been one to three per year so these funds should be sufficient to cover usual claims. The Cash Reserve is budgeted at \$221,000, which is above the original goal of \$200,000 that was achieved a few years ago but may now be insufficient given growth of expenses and reductions in the Other Uses Fund pool. Progress toward the new reserve goal of \$300,000 was being made with \$237,000 secured, but the district was forced to dip into the fund for emergency roof and building repairs after a severe winter in 2016-2017. Stokes said that the fact that the district's buildings are aging is a major factor in the district now needing a near full-time professional Facilities Specialist. A backlog of deferred maintenance projects has accumulated. In the long run, he reasoned, the district will save money by having an employee do preventative maintenance.

LB-31 Detail Personnel Services – the next page is the details for employees. Bonebrake asked for the number of hours to be included in a column on this sheet for the budget committee to look at in the future. Stokes agreed that would be an improvement. Stokes said that some lines are retiring out and being moved. This is why you will see large changes and blank lines. He is increasing hours in Vacation Subs & Special Projects budget. Most of the changes were already discussed. PERS is projected to decrease a little, mostly due to retiring staff at Tier 1 and incoming staff at a lower tier. Health insurance costs remained flat with a 2% increase. However, the overall insurance costs decreased are due to changes in employee coverage elections.

LB-31 Detail Materials & Services – the next page is the operating costs. These lines are mostly the same. Stokes reiterated that the big increase is in facilities for roof repairs that carried over into the next fiscal year. The Janitorial budget decreased a little due to reducing the scope of work one day a week. Public Programs and Youth Services were decreased a little. Stokes said that adult programs have not been well attended if at all, so he is divesting in the category. The youth services staff is very efficient and has not been spending the entire youth budget. He has reduced it a little but wants to leave room to continue expansion of services in that area. Bonebrake asked about the Travel & Training budget, she wanted to know if there is enough in this budget line to adequately provide training for employees. Stokes described the staff training plans for the coming fiscal year and pointed out that staff



# Baker County Library District

2018-2019 Budget Committee

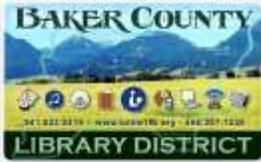
## Meeting Minutes

Monday, May 30, 2018

training is budgeted in a couple places. Hawes said that Stokes is very supportive of training when an employee requests it, in addition to what he has planned for. Stokes said that he would ideally like to double the budget. He would especially like to take more staff to the OLA conference for training. But feels that this budget is adequate. Overall, Materials & Services is 35% of the budget.

The next sheet is the LB-10 Other Uses budget. This fund is where grant funds and designated savings are allocated. Stokes noted that the cash carry over has decreased due to accomplishing the teen room remodel project of about \$13,000 and a large Severance payout is planned for a retiring employee. These contributed to capital being reduced to \$120,000 compared to the prior year of \$153,000. Other funds capital does include a bequest of \$65,000 being held. The Grants and Loans line is his best guess of what is planned to be requested. The bottom part, Requirements, is broken out into departments. From the Election Reserve, \$1,500 will be transferred back to General Fund for expenses this year, supplementing the \$1,500 retained rather than transferred out to Other Fund for a total Elections budget of \$3,000. The Literacy Department funds may be paid out to the Literacy Coalition or used to support the Dolly Parton Imagination program. The Technology Reserve category was depleted recently for large project and need to be rebuilt. Generally, the funds are intended as reserve for planned or unplanned server replacement. These funds were used to secure matching subsidy offered by the Federal E-Rate program, enabling an update of the server room equipment and rewire of the building to improve the efficiency of the Internet bandwidth delivery. The Capital Projects Department is a token amount at this point but is intended to be built up for future projects.

The last budget sheet is LB-10 Sage Library System. BCLD is the fiscal agent for the Sage system. Sage has its own governing body, the User Council, that approves and adopts a budget. Sage generally has two employees and when one left about a year ago, it took 6 months to fill the position that is now under contract. The membership dues will increase 3% this coming year. They receive restricted Federal funds through the State Library LSTA grants to fund about half of the courier costs. Personnel wages and benefits are the same as Library District staff. Reviewing the Materials & Services detail, Sage not has an IT Assistant working out of the Seattle area remotely. The Lead IT Administrator is expected to retire in the next few years. The Admin position salary plus



# Baker County Library District

2018-2019 Budget Committee

## Meeting Minutes

Monday, May 30, 2018

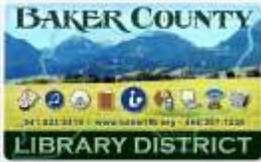
benefits is about \$90,000. Sage has been able to retain staff by allowing them to work remotely. Stokes will advocate strategic planning to increase member fees to ensure a competitive salary for a new administrator when she retires.

Stokes summarized the challenges for the District. PERS is probably the biggest challenge. He hopes to position the district to afford the future increases. Sustaining debt free status by increasing the operations reserve is another huge challenge. And finally, he asked, how can the district also accomplish meet facilities maintenance project needs which must draw from the operations pool of funds? The focus is currently on the roof but there are many other project needs identified. The LED project is done in the main branch; he hopes to do the same projects in the branches. The other option to fund repairs and improvements would be to do a bond. He recommended that be a last-ditch option bundled with a major remodeling project.

Rohner-Ingram said that she sees the need for increasing the contingency funds. But we also have a need for a separate building deferred maintenance savings; every 10-20 years we will need to make large repairs. The long-term goal would be to have both.

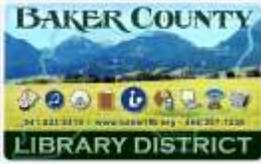
Stokes talked about the roof and the factors that contributed to the damage. The drains under the sidewalk had collapsed, backing up the gutters, pooling water on the roof and leaking through onto the soffits. The expectation is that with the drainage system fixed, we won't have the water backing up and pooling on the roof. The severe winter was the primary factor. The idea of a spray foam layer on the roof will help seal it and may come with a 15-year warranty. Informal bids were at least \$45,000 to \$80,000. The facility manager has gotten the approval from the building inspector and is researching the materials offered in the bids. A contractor can provide some preventative maintenance before and after winter. The facility manager believes this will get us through a couple years while we focus on building the maintenance reserve pool. There was discussion on the building repairs and long term theory. Rohner-Ingram said that she is glad that the buildings are being taken care of it. We don't want it to appear they are falling into disrepair.

Bonebrake added that the bookmobile probably also needs a sinking fund for future replacement. Dielman talked about the idea of getting a smaller bus that costs less. Bonebrake agreed that the large one was



**Baker County Library District**  
 2018-2019 Budget Committee  
**Meeting Minutes**  
 Monday, May 30, 2018

	<p>used for people coming onto the bus. She gave history on the bookmobile and its use.</p> <p>Stokes said that his main goal is to operate debt free. We do borrow from the Other Funds and put it back in November. Dielman said that the voters support the 5-year operating levy consistently. The district needs to beware of not overextending taxpayer support for the library. Stokes said that we are in year two of the 5-year levy; the next levy measure campaign will be in two years. Mehaffy said that it appears the District operates much like a household. The income keeps us afloat with the usual expenses, until we have an emergency. We need to consider a campaign for legacy giving. There was discussion on gifts and legacy giving with the Foundation set up for that purpose, but no active solicitation campaign. LeaMaster asked if the Leo funds can be used for building maintenance; Stokes replied not usually, but the Ford Family Foundation may be an option. He will look into grants they offer. Stokes believes that the public wants to see its public agencies operate sustainably, both operating within its means and wisely setting aside funds for projected needs. Mahaffy commented that she sees the district's debt free achievement as a fiscal success. Bonebrake said it would be nice to have both a capital reserve and operations reserve well established.</p>
<p><b>Approval of Budget</b></p>	<p>With no further discussion, Stokes recommended adoption of the budget. <b>Bob Savage moved to approve the Baker County Library District budget for the 2018-2019 fiscal year for the total amount of \$1,992,322 and the amounts per fund. The General Fund \$1,379,641, Other Fund \$150,500, and Sage Library System Fund \$462,181. 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. Rohner-Ingram seconded the motion. Collier asked for discussion. There was none. Collier called for a vote; the motion passed unanimously</b> by the board and committee members present (10 votes yea; no votes no). Stokes had the motion signed by Linda Collier, Budget Committee Chairperson and signed himself as the Budget Officer.</p>
<p><b>Public Comment Opportunity</b></p>	<p>Collier noted that there were no members of the public present for public comment period.</p>
<p><b>Budget Committee</b></p>	<p>Collier asked the committee if there were any further questions. There</p>



Baker County Library District  
2018-2019 Budget Committee  
**Meeting Minutes**  
Monday, May 30, 2018

<b>Questions and Deliberations</b>	were none.
<b>Next Meeting Date</b>	The second Budget Committee Meeting scheduled for May 31, 2018 will not be needed and was cancelled.
<b>Adjourn</b>	The meeting was adjourned at 6:20pm. Respectfully submitted,  Perry Stokes, Secretary to the Board PS/ch