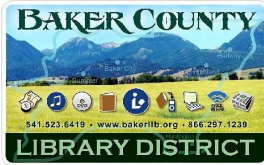


## Baker County Library District Budget Committee Meeting Minutes

May 22, 2024

<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>The total number of committee members present was 8 of 10. Those attending in person were Directors Kyra <b>Rohner</b> and Beth <b>Bigelow</b>. Appointed Budget Committee members present included Aletha <b>Bonebrake</b>, Jacque <b>Cobb</b>, and Joy <b>LeaMaster</b>. Those attending online via Zoom were: Directors Ashley <b>McClay</b> and Joan <b>Spriggs</b>, and budget committee member, Linda <b>Collier</b>.</p> <p>Also attending in person were Perry <b>Stokes</b>, Director, and Christine <b>Hawes</b>, BCLD Business Manager.</p> <p>President of the board, Kyra Rohner, called the meeting to order at 6:03pm. Stokes displayed the board packet on a large screen. The Brief Version of budget packets were printed for each member along with the Budget Message for Fiscal Year 2024-2025. The Full Version of the budget packets is available on the District website or by request. Many of the committee members had picked up their packets early to review prior to today's meeting.</p> <p>Rohner asked everyone to introduce themselves which also satisfied roll call. It was noted that a quorum was present for business.</p>
<p><b>Elect Chair of Budget Committee</b></p>	<p>Rohner asked for nominations to chair the budget committee meeting.</p> <p>Beth Bigelow nominated Joy LeaMaster to be the chair. After some discussion, there were no further nominations. Aletha Bonebrake seconded the motion. Rohner called for a vote. The motion passed unanimously.</p> <p>Stokes has delegated the taking of minutes to Christine Hawes.</p> <p>Rohner passed the meeting to Joy LeaMaster.</p>
<p><b>Agenda</b></p>	<p>LeaMaster asked for additions or deletions to the agenda. There were none. <b>Rohner moved to approve the Agenda as presented; Bigelow seconded; vote taken; the motion passed unanimously.</b></p>
<p><b>Conflicts of Interest</b></p>	<p>LeaMaster asked if there were any 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>LeaMaster moved to the Presentation of the Proposed Budget, asking Stokes to present the proposed budget.</p> <p>Stokes thanked everyone for participating. Stokes wanted to orient everyone</p>



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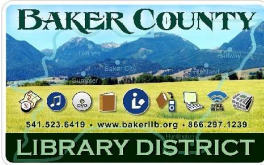
making sure they have the needed documents. He reviewed the documents that everyone should have including, Budget Notes and Overview, Budget Message, and Budget Legal Documents.

Stokes started on the *Budget Message Fiscal Year 2024-2025*. He read the first three paragraphs on page one. Moving to page 2, reading through the *Proposed Financial Policies for the Ensuing Year* paragraph, finishing with "The District will continue to ensure debt-free operations by maintaining reserve funds for adequate self-sufficient operations..." He said we will review the general picture of the funds before we get started. In the *2024-2025 Budget Notes* packet on page 7, he reviewed the proposed budget donut diagram compared to the current budget diagram. Moving back to the *Budget Message*, page 2, reading through the *Summary of Significant Changes in the Proposed Budget*, the District will maintain a reserve of \$620,000, which is more than enough to fund July through November operations. This is an adequate level that is crucial to remain debt free. Next on page 3, looking at the Revenue Streams bullet, property taxes are conservatively budgeted at 3.0%.

Moving to Budget Notes, page 12, looking at the *Total Assessed Valuation (TAV) Growth History* chart, the current year growth is actually 0.8%. The growth rate had been steadily trending upward over the past few years. This year, the rate unexpectedly dropped by 4.7% to 0.8%. The blue line on the chart is the actual historical receipts. LeaMaster asked about the projections that are going to come in; what are they based on. Stokes said that the 3% shown here was his projection based on current residential market value trends. He briefly explained the process. Discussion on the variable swing in rates; 3% has been the average trend in TAV.

Moving to Budget Notes, page 14, looking at the *Staff Wage Depreciation* chart, BCL COLI vs WRCP index gap. The consumer price index is at 3.8% for the past 12 months; the district is proposing a 4% COLI. LeaMaster asked about the overall cost of the personnel costs to the district; adding a 4% COLI, a 2.6% benefit increase, plus a 5% increase in PERS and social security, she comes up with a total increase of 11.6 % for wages. She asked about the district capacity to absorb wage increases. Stokes talked about the factors that go into the changes from the prior year to the current year. Discussion ensued. The State Legislature is increasing minimum wage from \$13.20 to \$13.70, about a 4% increase. This mandated wage increase adds pressure to push other wages up; without the cascading increases, soon some trained staff will be making minimum wage. To retain skilled staff, he said, the district needs to offer competitive salaries and benefits.

Budget Notes page 16, looking at the *Personnel - Benefits* graph. We can see that since the year 2020, health insurance costs have increased dramatically. The PERS retirement has also increased to the point of exceeding the cost of health



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insurance. Discussion on retirement cost projections and how it is affected by market factors. Stokes said that rates are expected to continue to be high until about 2035.

The Budget Message, on page 3, the Personnel Services budget will increase by \$44,335 over the prior year budget. The main cost drivers are health insurance 7% increase and cost of living 4% increase to keep staff in line with inflation. Under the Materials & Services bullet, the collection category will start at 8.5% of the operating budget, which typically is increased later in the year. The computer budget will increase to cover hardware updates and maintaining hotspots for public loan. The liability insurance will increase significantly by up to 20% in the coming year. Bookmobile & vehicle operating costs reduced as there was major work done on the bookmobile this year. At one branch location, the cost of Internet will be decreasing significantly due to a change of provider. These budget highlights continue to page 4, overall, the M&S division will decrease by 7.7% (approximately \$40,500) compared to the prior year budget.

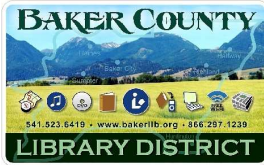
On page 4 of the Budget Message, the Debt service bullet, the district is debt free. A small loan with Baker City for Resort Street improvements was paid off last year. He reviewed the growth in Other Funds categories. The Capital Investment reserve funds is at about \$105,000.

Sage fund, the cash balance reserve continues to grow. We are working on building capacity in the delay of the retirement of the admin person. Membership fees will increase.

Discussion.

On the LB-20, Rohner asked where the \$50,000 shortfall was coming from. Stokes responded that reserves are budgeted to bridge the shortfall, adding that actual spending is projected to be under budget enough to not dip into reserves but he has retained the budget spending authority to allow for the potential of accomplishing necessary projects.

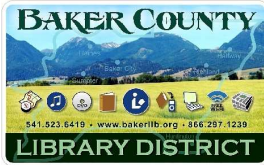
Rohner asked about the large decrease in the Other Financing Sources line. Stokes said that in the current year we had a large FEMA refund of past COVID expenditures. This year we will only have other energy incentive funds. Rohner asked if the director's salary cost of living is not at 4%. Stokes confirmed that and explained that we are working to decrease the disparity of the Director salary compared to other staff so his COLI is half of the staff rate (2%). Bonebrake asked where the director salary compares to other library director salaries; Stokes said that his current salary falls in the mid-range in the Library Salary Survey report. Stokes said that professional staff here are satisfied, and are sensitive to their wage rate in relation to paraprofessional staff, just as he is concerned about the Director-Department Head disparity. The Salary Survey analysis is helpful to show where compensation rates should be as compared to Oregon peers.



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	<p>Discussion on salary levels and the goal of balancing the wage lines. Stokes is working to reclass some staff to improve the disparity.</p> <p>Bonebrake told Stokes that she appreciated his presentation this year. Going through highlights rather than each line was much improved. She appreciates his giving an overview of where the district is at as well as the goals. Discussion on corporate property owners and their impact on the tax revenue stream. Stokes described the discussion with the county assessor on what happened to drop the 5% TAV to 0.8%. Large companies have some flexibility in declaring values they pay taxes on. Discussion ensued on future tax funding.</p> <p>With no further discussion. LeaMaster moved to the next agenda item.</p>
<p><b>Public Comment Opportunity</b></p>	<p>LeaMaster asked Stokes if there were any public comments to share or members of the public who are online. We have posted our Zoom meeting online. We noted that no one from the public has come or online. We do have a couple committee members online.</p>
<p><b>Budget Committee Questions and Deliberations</b></p>	<p>LeaMaster asked the committee if there were any further discussions or other questions. Specifically, the members attending online were asked if they had questions. They all answered they did not have questions.</p> <p>LeaMaster asked about the <i>General Fund - Expenses</i> graph on page 14, wondering why there is a cut in the collections budget. Stokes said that historically we start low, and then build it up. This year it is increased to \$155,000. Bonebrake agreed that this is the primary discretionary budget line. We usually receive additional funds through the year. Rohner said that we added \$21,000 this year to that budget. Stokes added that movie checkouts are down due to users moving to streaming platforms. On a related note, digital checkouts are increasing. We are adding magazines to the digital services. Discussion on the trend of moving from physical materials to digital, and the investment in new services. Discussion ensued.</p> <p>Cobb asked if we are achieving our goals for providing these services. Stokes talked about the challenge to provide what people use. Bonebrake asked if there was a crossover of physical and digital items. Stokes plans to do an analysis of that topic. Discussion ensued. Stokes talked about the cost of a physical item and the circulation, the weeding process and how that works, the theory of balancing that. Cobb asked if we are paying for a patron to borrow through Hoopla and also paying for Libby, are we paying for two similar services. Stokes said that we don't spend much on Libby. He described that system and process. Cobb feels this is an important platform, Libby doesn't meet the needs of the younger generation, but they are liking the Hoopla platform, which sometimes</p>



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does not have the books they want. Stokes talked about the platforms and how publishers drive what is available. Discussion on consideration of adding the Kanopy digital service, and Kanopy versus Hoopla.

Stokes talked about the changing world of library services. Everyone agreed that it is changing quickly, it's hard to keep up with. Cobb feels that it is important to provide various services where people can access a browsing library and digital content. Ideas were discussed.

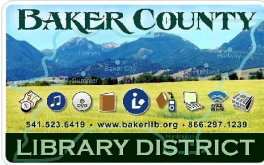
Stokes said that we are getting 10-20 new users every month. There is a resident and non-resident access. Cobb feels that one of the barriers is applicants are required to come into the library to get a library card. She has talked to people about the services available in the library. She suggested offering online card registration. Discussion about how to market services to high school kids and reaching the teens.

Stokes said that the library maintains Instagram and Facebook pages to announce services. He would like to offer a youth digital services card, but that opens up other issues of parental control. Cobb said she wanted to give some feedback on her perspective and how to reach teens. Stokes said that other libraries have huge digital comic collections. Bonebrake asked why interest in reading is fading. Stokes said books have intense competition from electronic entertainment options such as social media and gaming which use neurochemistry research to attract and effectively addict users. Discussion ensued.

Cobb had a question on the roof repairs and how that is holding up. Stokes said that the roof repair is holding up. Persistent leaks are suspected to be caused by people getting on the roof with improper shoes and doing damage. He talked about how that is being addressed.

Cobb noted vape sensors on the building projects list and asked if that something that needs to move up on the priority list. Stokes said monitoring and penalties appear to be effective for now. He has read how this is a cat-mouse game with students adapting quickly and staying ahead of vape sensors deployed in schools. Discussion on youth incidents.

Cobb asked about the HVAC system and where we are on that project. Stokes said that Ed Adamson (Facility Maintenance staff) is working on having an engineering study done to evaluate the need for the rooftop units and whether or not we can remove them. We also need to replace the original chillers and compressors that are obsolete. Hiring an engineer to do a study can be expensive. Stokes added that the Sumpter building needs a new roof. The City of Sumpter has most of the funding to do the new roof on the museum building in which we are a tenant. Discussion on the Sumpter museum roof. Cobb asked about the idea of a bookmobile upgrade; Stokes said that project is more of a



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	<p>wish list item for now. Discussion on the current bookmobile compared to a smaller cargo van style.</p> <p>Bigelow thanked Stokes and Hawes for the hard work they have done. Stokes said that this is a lot of information, but he feels this is part of being responsible for efficient use of district property and funds. Bonebrake agreed that the documents were very well done.</p> <p>LeaMaster moved to the next item.</p>
<p><b>Approval of the Budget</b></p>	<p>LeaMaster said we are ready for the motion to approve the budget. She asked if there was further discussion.</p> <p>With no further questions, <b>Leamaster made a motion “to approve the Baker County Library District budget for Fiscal Year 2024-2025 for the total amount of \$3,202,733, and the amounts per fund as shown on the chart.” LeaMaster continued, that “I also move to approve 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”;</b> Rohner seconded the motion.</p> <p>There was no discussion. LeaMaster called for a vote. Asking for each category, there were: Yea -8 votes; Nay - none; Abstained - none; <b>the motion passed unanimously by those attending both in person and online.</b></p> <p>LeaMaster said the budget has been approved.</p>
<p><b>Other Discussion</b></p>	<p>LeaMaster asked if there were any other comments. There were none.</p>
<p><b>Next Meeting</b></p>	<p>The second committee meeting on the schedule is canceled since the budget was approved tonight.</p> <p>It was noted that the budget will be presented at the June 11 regular library board of directors meeting where it will be adopted.</p>
<p><b>Adjourn</b></p>	<p>The meeting was adjourned at 7:20pm.</p> <p>Respectfully submitted,</p> <p>Perry Stokes Secretary to the Board PS/ch</p>