

MINUTES FOR THE
JACKSON COUNTY LIBRARY DISTRICT
BUDGET COMMITTEE MEETING
JUNE 1, 2015

1. Call to Order/Roll Call

The Jackson County Library District Budget Committee was opened by Chair Eric Dziura on Monday, June 1, 2015, at 9:04 a.m. in the Adams Room at the Medford Branch Library at 205 South Central Avenue, Medford, Oregon.

Roll call was taken and those present were:

Jill Turner, President
Monica Weyhe, Vice President
Maureen Swift, Director
Susan Kiefer, Director
Carol Doty, Director

Pat Ashley, Budget Committee Member
Edwin Budge, Budget Committee Member
Eric Dziura, Budget Committee Chair
George Prokop, Budget Committee Member
Catherine Shaw, Budget Committee Member
(Ms. Shaw arrived at 9:06 a.m.)

Tammy Westergard, Jackson County Library Director
Amy Blossom, Ashland Branch Library Manager
Carrie Prechtel, Community and Digital Services Coordinator
Marian Barker, Youth Services Manager
Lisa Higdon, Jackson County Library Program Manager
Lisa Marston, Executive Administrator for Library District, Rogue Valley Council of Governments
Vicki Robinson, Rogue Valley Council of Governments
Lynell Dewey, Recording Secretary

2. Budget Message and Summary

Ms. Marston distributed copies of the budget presentation (*Submission No. 1*) and noted that the Jackson County Library District was approved by the voters in May 2014, with the first operating fiscal year for the new entity beginning July 1, 2014. For the first year of operation, Jackson County managed the finances of the newly-formed district with the oversight of the funds coming from the five-member board. The Board decided to assume management of the District's finances beginning July 1, 2015, and has contracted with the Rogue Valley Council of Governments to provide administrative and accounting services.

Ms. Robinson reviewed the budget priorities for 2015-2016. Director Weyhe recommended a change in wording in one of the priorities to specify that the reasonable ending fund balance will cover operational expenses until the next property tax collection.

Ms. Robinson reviewed the list of major contracts for fiscal year 2015-2016, which are Library Services and Systems (LSSI), Jackson County, Rogue Valley Council of Governments (RVCOG), janitorial services, telecommunication services, Rogue Community College, and security guard services at the Medford Library. At Ms. Ashley's request, Ms. Marston clarified that the Jackson County contract includes maintenance of the buildings, landscaping, property insurance, and under a few of the leases the County has with cities, there are agreements in place where the cities receive a percentage of the room rental income. She also explained that under State law any tax collecting entities are required to solicit bids from a qualified rehabilitation facility (QRF) if the services procured are on the QRF list, as is the case with janitorial services.

A contract for janitorial services with a local QRF will be brought to the Board at its next regular meeting for approval.

Ms. Marston noted that the contract with Hunter Communications will provide faster Internet speeds and a more robust infrastructure to support data services at the libraries, and the e-rate rebate program will offset up to 80 percent of the cost, with the investment made in one year and the rebate to occur the following year. Some of the rebate is contingent on the District implementing Children's Internet Protection Act (CIPA) filtering which requires the Board to follow a specific process, working closely with LSSI and the Library Director, and hold public hearings. The hearings are required due to the controversial topic of free speech versus the protection of children. Ms. Marston will be working with an e-rate consultant beginning in July because frequent changes in the e-rate laws may require other infrastructure changes that would qualify for the rebate. Telephone services are only eligible this year for a 60 percent rebate, because the program is encouraging schools and libraries toward data/internet/broadband systems.

President Turner noted that the Board had requested the County identify what was necessary to qualify for the program, separate from the District's current outdated phone system. The County's recommendation was to install the system and new switches this year, and a new internet-based phone system the following year. The rebate is expected to remain at the same level for one or two years, and then continue at a lower rate. However, the capital expenses should drop significantly, and the rebate would probably only apply for ongoing software and maintenance costs. All the branch libraries will have the new fast Internet connection in July, with the exception of Butte Falls and Prospect, which should have it by the end of the calendar year.

Director Doty noted that County staff Mark Decker and Lisa Higdon were very involved and helpful to the Board in this process. Lisa Marston also received great assistance from LSSI on this issue.

3. *Presentation of Proposed Budget*

Ms. Robinson reviewed with the Board and the Committee the details of the proposed budget. The major funding source is property taxes, and the most recent percentage of collected property taxes was 94.2 percent. Using these numbers, the Library District projected its total property tax revenue as \$8.8 million. Other revenue will include a small amount of tax revenue received outside of the regular property tax cycle, rent from Rogue Community College, grants, fees, and a variety of recurring donations.

Director Doty requested that a line item be added to the budget for non-resident card fees. It was understood there would be no amount listed for the proposed budget but it would allow for tracking purposes. The other Directors and Committee members agreed.

Ms. Shaw led a discussion regarding donations as revenue, and Director Weyhe noted that this was common practice for libraries, even though many donations are restricted. Many of the donations come through the Library Foundation, Friends of the Library, etc. Mr. Budge asked if

there was a staff member responsible for seeking grants and donations, and was told that while LSSI does not assign anyone to that task, the Library Foundation has performed that function, and expects to do more of it now that the potential for library closures has ended.

President Turner reviewed the Budget worksheets with the Committee, and explained that restricted funds that have not been spent in a fiscal year are carried forward but remain restricted. She encouraged the Library Director to spend more of the restricted donation funds within a fiscal year. She identified the main budget categories as Administration, Building, Vehicles and Equipment, Contracted Services, Utilities, Capital Outlay, Contingency, and Unappropriated Balance to cover the period until the property tax cycle begins again. The large amount shown under Minor Equipment-Personal Computers is because 140 computers were updated, and monitors still need to be updated. LSSI has offered to do a complete technology plan for the Library District, which will be used to determine what needs to be done, outside of the e-rate improvements that are already in the works. Other than the required e-rate improvements, there are no plans to spend any capital until November, when the tax revenue collection cycle begins again.

Chair Dziura asked about setting up special restricted funds, particularly for capital replacement, and members of the Board agreed that will be included in future budgets. He and Member Prokop requested a list of the services being provided by LSSI, and asked for more information about the line item titled Library Materials. Ms. Barker explained that Library Materials include everything patrons check out or use to access information at the library, including books, magazine subscriptions, DVDs, audio books, and online databases. The professional librarians on the LSSI staff make decisions about what is purchased.

More discussion was held regarding various line items and how some costs have shifted to other categories, such as personnel costs now being part of the contract with RVCOG for accounting and administrative services, and the combining of floor cleaning, window washing and custodial services into one line item. President Turner explained that the \$50,000 in Community promotion/strategic planning is part of a multi-year strategic plan that has not been fully identified. The election line item covers the \$30,000 cost of District elections every other year, and it was noted that the cost would be much higher if the School Districts weren't holding elections on the same time frame and sharing the cost.

Director Swift wanted to make the Board and the Committee aware that there will be a need for miscellaneous storage as the County storage facility will not be available. She also shared a concern about a need for physical security cameras, particularly in Ashland and Medford. The Board noted that if cameras are determined to be necessary, there are sufficient funds, and storage solutions could be found.

4. Receive Public Comment and/or Questions
No one wished to address the Board or Committee members.

5. Budget Committee Questions and Deliberations

Mr. Prokop had questions on how the accounts were grouped, and President Turner explained that the groups are Administrative, Building and Maintenance, Equipment, Operations, and Utilities. The group agreed the 6100 account category should be broken out, and President Turner requested an organizational chart be added. The District is unique in that it has no employees, and has contracts for necessary services. Ms. Ashley congratulated the group who put the budget together, and stated they had done an excellent job.

6. Approval of the Budget or Schedule Second Meeting

Chair Dziura made a motion that the Jackson County Library District Budget Committee approve the budget for the fiscal year July 1, 2015 to June 30, 2016 in the total amount of \$12,540,000, which includes \$9,365,750 of appropriated expenditures and \$3,174,250 of unappropriated ending fund balance. He also moved that Jackson County Library District Budget Committee approve a tax rate of \$0.52 per \$1,000 of assessed value.

Ms. Ashley seconded the motion and it was approved by a unanimous roll call vote. Motion passed.

The Board is scheduled to approve the budget on June 18, 2015, and the Committee members were invited to attend. There was concurrence that the Budget Committee members receive a copy of quarterly financial reports, and meet again in January 2016.

7. Adjournment

There being no further discussion, Chair Dziura adjourned the meeting at 10:40 a.m.

Eric Dziura, Chair

/s/ Lynell Dewey
Recording Secretary

Approved on: June 18, 2015