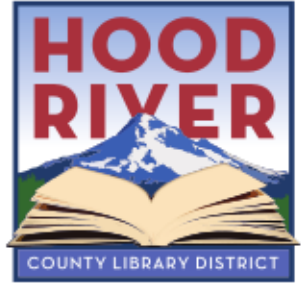


**Budget Committee
Meeting Minutes**

Tuesday, May 15, 2018, 6.00p
Jean Marie Gaulke Meeting Room
502 State St, Hood River
Committee Chair: Jean Sheppard
Budget officer: Rachael Fox



Present: Rachael Fox (staff), Jen Bayer, Amber Bello, Brian Hackett, Megan Janik, Sara Marsden, Lani Roberts, Jean Sheppard, Arwen Ungar (staff)

I. Nomination and election of Chair

Board President Jean Sheppard called the meeting to order at 6.05p. Bayer nominated Sheppard to serve as Committee Chair. Roberts seconded. The motion carried unanimously.

II. Additions/deletions from the agenda (ACTION)

Sheppard

Marsden moved to approve the agenda as presented. Hackett seconded. The motion carried unanimously.

III. Conflicts or potential conflicts of interest

Sheppard

None stated.

IV. Budget message

Fox

Fox reviewed the budget message from the meeting packet.

V. Presentation of proposed budget

Fox

i. General Fund

Fox reviewed the different funds of the proposed budget.

Marsden asked if the District had to stick to the fulfilling the Strategic Goals or could spend funds on other projects. She also asked if we could add to the goals. Fox stated the District hires a consultant to help create the goals, which is a \$13,000 cost, so these goals do not change during those five years. Fox stated the current goals are the focus but the District can also chose to spend it's funds on other projects and create new goals as well.

Hackett stated that by eliminating the entry level position we might run into an issue where new people are hired at the same rate and current staff who have been working in the position for a longer period of time. Fox stated we only have one position at twelve hours which is entry level. All of our other positions have a required two-year college degree [Fox reviewed the job description and the recommendation is high school diploma and two years customer service]. By shifting the lowest paid position Clerk I to Clerk II we can add duties which would justify the same salary as the rest of the Clerk II positions. Clerk I is a single position created because we used volunteers as shelvers but found we had to fill in the gaps because volunteers are not always able to show up to work. Sheppard asked if we would have volunteers take over shelving and Fox stated we would have the staff member continue with shelving too.

Fox stated she hoped we could offer a Cost of Living increases over the next four years, which would bring out lowest paid position into the fourteen dollar range, putting more distance from the entry level

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rate of \$13.50, since our Clerk II position was set higher than the minimum wage when the increases began in fiscal year 2016-17.

Fox stated we budgeted for all staff members to have a pay increase, although, we would not be giving an increase to all staff. Marsden asked if the board makes the decision on staff pay increases and Fox stated she and Assistant Director Arwen Ungar make that decision. Fox stated they did not know at this time who would receive the increase. Bayer stated this made sense so we would not have to create supplemental budget when we made decision on pay increases.

Sheppard asked why we are budgeting for the maximum of health care benefits when the current staff are not using them. Fox stated we need to have money in the category in case staff changes or current staff want to add people to their benefits. Fox stated we currently prorate health insurance benefits based upon hours worked. Right now we only have three positions, which the District covers the staff member's entire family. Seven employees receive benefits for a single person or VEBA benefits. Sheppard stated we would most likely not have all staff use the max amount of benefits. Fox stated if we did not budget extra funds, we would need to create a supplemental budget to increase the category.

Fox stated we should have additional funds in the Personal Services categories in case we want to make increases through the year and we would not have create a supplemental budget.

Roberts stated she had concerns of eliminating a full-time position and this sounded like this publicly funded institution is being run by a corporation because it was stated money was saved on paying benefits. Hackett stated I believe we are confined by our current tax rate and need to stay within that budget. Sheppard stated I believe this change also helped with scheduling for vacation and sick leave.

Fox stated both are true. Fox stated a large increase in personnel expenses were made in the two years prior to her assuming as director. These included increase in the director salary, assistant director salary increase to accommodate the exempt salary floor changes proposed by the Obama administration, combining four part-time positions to two full-time which included benefit packages for the two employees and other changes [Fox researched the additional increases which included salary scale changes made to have higher salaries for higher classifications to acknowledge differences in required skills and experience and absorbing Bilingual Outreach Specialist as a full-time position, which was previously half funded by a grant.] Due to this large increase we needed to cut back which included reducing two positions to 30 and 32 hour week position and eliminating the full-time position.

The other difficult issue with having a full-time Clerk II position involved finding coverage for the position during vacation or sick leave. During absences we need to cover 7 hours of desk shifts. Since we reduced the substitute budget last fiscal year, other staff often had to fill in creating stress when their other work can not be completed. This was the number one complaint Fox heard from staff during the year, that we were short-handed. We now will have less hours of coverage to find if a staff member is absent and we also have more funds allocated to the substitute budget. Hopefully, increasing the overall well being of the staff and organization. Sheppard stated she also thought solving this issue would help the job satisfaction of staff.

Fox also stated if we do not make these changes to personnel budget we will have to make cuts in services which she would be willing to look at. In addition, we are hoping to add another branch in Odell so we need to prepare for the increase in costs for another location.

Bayer stated the development in Hood River is increasing which should increase our tax revenue. Fox also that in addition we will be having in increase in funds from the former Urban Renewal District and

we can hopefully help support all our new developments, upkeep on the facility and staff expenses.

Hackett stated it would be helpful to have an explanation for the increase in personnel expenses and the Cost of Living increases. Hackett asked it's mainly due to the minimum wage increases for the State of Oregon and we need to have a justification by using a system like the Cost of Living Increases. Fox stated yes, and we will see how we would like to adjust this increases and or change course based upon the increase in tax revenue over the next few years.

Fox also discussed the increase for the Outreach Specialist to work 32 hours per week instead of 30 hours. Fox stated she would like the District to increase marketing by posting more on social media and possible other ways. Sheppard asked if this staff member would be doing these things and Fox state he would.

Fox went through each line item in the General Fund budget.

Bello stated we might not receive the same amount of funds in the line item for previously levied taxes due to recent changes in the law. Sheppard agreed.

Sheppard stated the retirement package is generous and Fox agreed.

Bello asked about the statewide transit tax and if the District was exempt. Fox stated she was not sure. Bellow stated it would most likely cost the District a few thousand dollars per year. Fox stated she would follow up with the accountant regarding the new tax.

Fox stated IT Specialist Ken Jacobs was able to find computers and monitors at a reasonable rate, so the District was able to fulfill it's goal of replacing a specific amount of monitors and computers each year as planned.

Sheppard stated more advertising could be done to promote music programs. Marsden also mentioned the school newsletter would be a good place to advertise events.

Marsden asked if the \$57,945 from the Armstrong donation was in addition to the Unappropriated Ending Fund balance. Fox stated this donation went into the General Fund and is part of the Unappropriated Ending Fund balance.

Hackett stated it might be helpful to have a clearer explanation of the Unappropriated Ending Fund Balance, to let the general public know we are not saving money but this is actually money we use to operate from July to November, when the bulk of our tax revenue will be receiving. Fox stated the term is defined for the Oregon Department of Revenue. Bayer also stated she agree it was the correct term. Fox stated she agreed with Hackett it could also be explained as he defined it.

ii. Capital Equipment Reserve Fund

Fox noted the proposed projects for the Capital Equipment Reserve Fund: cleaning and sealing areas of the exterior building, painting historic windows of the exterior building, and painting the damaged areas of the interior building.

Bello stated she thought the quote for replacing the library roof may have gone up significantly since 2014. Fox stated she would like to have another Facilities Maintenance Plan review. Bellow stated we could just call roofers and have them give a quote. Fox stated that was a good idea and she would proceed with contacting local roofers.

iii. Grants Fund

Fox said that the Grants Fund is an aspirational fund, as it's budgeted for several grants for various projects. If the grants are not received, the funds won't be spent.

Bayer thought the requirements section categories might need to be increased because of the Foundation donations. Fox stated the board did a supplemental budget this fiscal year which increased the resources and requirements section to be able to spend the Foundation Feast of Words donation this fiscal year, which she planned to do. Bayer stated that made sense if we spent the money this year.

iv. Sage Library System Fund

The District used this fund to employ a staff member, the Sage Systems Librarian, who actually worked for the library consortium, Sage Library System. Sage operates through fiscal agents, primarily Baker County Library District. Fox stated, the Systems Librarian left his position in February 2017, and the Baker Country Library District will now be the fiscal agent for the position. Since the fund is dormant, it will be dissolved by resolution by the end of this fiscal year and any remaining funds will be transferred to the General Fund.

VI. Public comment

Sheppard

No public present

VII. Budget Committee questions and deliberations

Sheppard

Bayer stated she was pleased with the way the District is allocating the funds and the services provided. Other committee members agreed.

VIII. Approval of budget (ACTION)

Sheppard

Roberts moved to approve the budget resolution approving the 2018-19 budget, including the tax rate of 0.39 per \$1,000 of assessed property value. The budget was set at the following amounts:

- General Fund: \$1,526,786
- Capital Equipment Reserve Fund: \$121,000
- Grants Fund: \$270,000
- Sage Library System Fund: \$0
- *Total: \$1,917,786*

Hackett seconded. The motion carried unanimously.

IX. Recess or adjournment

Sheppard

The meeting adjourned at 8:45pm.