

## SPOKANE COUNTY LIBRARY DISTRICT

### BOARD OF TRUSTEES MEETING MINUTES: OCTOBER 20, 2009

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#### CALL TO ORDER

The regular monthly meeting of the Spokane County Library District Board of Trustees was held October 20, 2009 in the public meeting room of the Argonne Library, 4322 North Argonne Road, Spokane, WA. Jacob Laete, Chair, called the meeting to order at 4:00 p.m. and welcomed guests in attendance.

#### PRESENT:

Jacob Laete - Chair  
Tim Hattenburg - Vice-Chair  
Ann Apperson - Trustee  
Mary E. Lloyd - Trustee  
Michael J. Wirt - Director and Secretary

#### EXCUSED:

Frank W. Payne - Trustee

Also Present: Patrick Roewe and Ellen Miller, Branch Services Managers; Bill Sargent, Business Manager; Paul Eichenberg, Human Resources Manager; Andrea Sharps, Collection Services Manager; Beth Gillespie, Communications Manager; and Pam Davis, Administrative Assistant

#### AGENDA APPROVAL

Mr. Hattenburg moved and Ms. Apperson seconded to approve the agenda.

The motion carried unanimously.

#### ACTION ITEMS

##### APPROVAL OF SEPTEMBER 15, 2009 REGULAR MEETING MINUTES

Mr. Laete called for corrections to the September 15, 2009 regular meeting minutes. There being no corrections, the minutes stand approved as written.

##### APPROVAL OF SEPTEMBER 2009 BILL PAYMENT VOUCHERS

Ms. Apperson moved and Ms. Lloyd seconded approval of the September 2009 bill payment vouchers as follows:

##### Fund

L01	Voucher numbers: 35839 through 36008 and EFT E0928 totaling	\$ 463,765.34
	Payroll numbers: 35880PR and 36007PR totaling	\$ 321,891.45

Total \$ 785,656.79

There were no questions or comments.

The motion was unanimously approved.

## UNFINISHED BUSINESS

### 2010 BUDGET.

**PUBLIC HEARING ON AUTHORIZED REVENUE SOURCES.** Mr. Laete called the Public Hearing on Authorized 2010 Property Tax Revenue and Other Revenues to order at 4:05 p.m. and called for public testimony. There being none, the hearing was closed at 4:06 p.m.

**CLASSIFICATION AND COMPENSATION STUDY.** Ms. Lloyd moved and Mr. Hattenburg seconded that 2009 Classification and Compensation Study recommendations be approved.

Mr. Wirt commented that in contrast to previous studies, there will be little financial impact to the District to implement the recommendations of the study, and he then introduced Mr. Fred Owen, from Owen-Pottier Human Resource Consultants, to present an overview of the study and its recommendations.

Mr. Owen reviewed the comprehensive report, which was distributed to trustees at their September meeting, and explained that its recommendations were based on job analysis, job evaluation and classification, external market assessment, and salary structure. Two positions are being recommended for an upgrade and one position for a downgrade only if it should become vacant. The study also recommends that given the District's strong market competitiveness and the declining CPI-W data, that present salary ranges be maintained and that the District continue the practice of tying future cost of living increases to increases in Washington's minimum wage, subject to budgetary constraints. Mr. Owen answered several questions at the conclusion of his presentation.

The motion was unanimously approved.

**ORGANIZATIONAL MEMBERSHIPS REVIEW.** Ms. Apperson moved and Ms. Lloyd seconded that organizational memberships listed in the background material be approved for 2010 General Operating Fund budget inclusion. There were no questions or comments.

The motion was unanimously approved.

**2010 REVENUE & EXPENSES: DIRECTOR'S BUDGET MESSAGE.** Mr. Wirt presented an overview of the 2010 budget which included the General Operating Fund, Bond Redemption Fund, Capital Reserve Fund, and Construction Fund.

He reminded the Board that the 2010 General Operating Fund Budget theme is sustainability: to maintain 2009 service levels, add new services only if costs are offset by other reductions, continue to maintain salary competitiveness, carry out scheduled 2010 facility maintenance plan, technology upgrade plan, and FF& E maintenance plan projects, and maximize ongoing revenue to help offset increased future year expenses.

On the revenue side for 2010, Mr. Wirt pointed out that although a higher than anticipated increase in new construction revenue once again softened potential ramifications of the 1% levy lid, the economic downturn impacted overall assessed valuations, which remained about the same as last year rather than increasing. The net effect is a slight increase in our levy rate.

In expenses, he reported that there'll be a slight decrease (0.4%) in total personnel costs for two primary reasons: with the negative Consumer Price Index number there are no overall salary increases and there is a substantial drop in Public Employees Retirement System rates. There is a 3% baseline increase for library materials in addition to a one-time allocation for introduction of two new formats.

Continuing, Mr. Wirt explained that the approximate \$349,000 balance of revenue over expenses should provide sufficient cash flow going into 2011 that when combined with new 2011 revenue and potentially supplemented from our \$2.49 million fund balance, may be sufficient to maintain current staffing and service levels for a second year beyond the original 2007-2009 levy lid lift financial plan projection. However, there are two factors that could require an increase in staffing that probably couldn't be accommodated within the projected 2011 cash flow: addressing currently thinly-stretched staffing due to multi-year increases in library use and a decision to further increase our community collaborations, partnerships, and activities.

In addition, Mr. Wirt answered questions and noted that the 2010 preliminary budget will be presented for adoption at the November meeting.

**2011-2014 REVENUE & EXPENSE PROJECTIONS.** Mr. Wirt presented revenue and expense projections for 2011-2014 using conservative and moderate models, showing that using either model, it appears the District's budget could be balanced through 2011 without a levy lid lift sanctioned property tax revenue increase or use of operating reserves. However, there would be only approximately \$100,000 cushion available before requiring the use of reserves. In addition, a Tax Anticipation Note sale would be required in 2011 at a cost of \$75,000 to \$100,000. He informed that expenses would definitely exceed revenue beginning in 2012.

Mr. Wirt suggested that a levy lid lift election would be advisable in 2010 to provide a safe funding level for 2011 without the potential need to begin using the fund balance. He stated that the additional revenue generated could be targeted for uses such as staffing to accommodate increased use, new programs or services, or increased library open hours; transfers to the Capital Reserve Fund for use in property acquisition tied into the 20-year Capital Facilities Master Plan; and to increase the fund balance to provide more of a "rainy day fund."

In conclusion, Mr. Wirt recommended that the Board of Trustees schedule a special workshop meeting in January or February to discuss placement of a levy lid lift proposal on a 2010 or 2011 election ballot and a three to five year plan for use of the revenue generated from a successful election. At the November regular meeting, a date to schedule the workshop will be discussed.

**BOARD DIRECTION TO STAFF.**

There was consensus by the Board to confirm the 2010 budget amount for Board of Trustees training and travel that was distributed prior to the meeting. Mr. Laete commented that the budget includes funds for all trustees to attend the Public Library Association conference that will be held in Portland, Oregon. Mr. Wirt added that two trustees will be able to attend the Washington Library Association conference later in the year in Victoria, B.C. The amounts set aside for each activity were detailed in the background material.

There was no additional direction to staff regarding the 2010 budget process.

**NEW BUSINESS**

**INTERBRANCH COURIER SERVICES CONTRACT AWARD.** Mr. Hattenburg moved and Ms. Lloyd seconded that DeVries Business Services be awarded a one-year contract, with the option of four one-year extensions, for providing the District's courier services.

Business manager Bill Sargent overviewed the bid solicitation, evaluation, and award recommendation process, which included preparing the specifications, publishing a Request for Proposal, review of the received proposals, and rationale for the decision to recommend DeVries Business Services. There were no questions or comments.

The motion was unanimously approved.

**RULES OF CUSTOMER CONDUCT POLICY.** Ms. Lloyd moved and Mr. Hattenburg seconded that the Rules of Customer Conduct Policy be revised as presented.

The policy, which governs customer behavior in libraries, is posted in all District facilities. Mr. Wirt noted that he reviewed the policy with regard to proper attire in the libraries and is recommending the addition of a requirement that shoes and shirts be worn in the libraries. There were no questions or public comments.

The motion was unanimously approved.

**INTERLOCAL AGREEMENT WITH THE CITY OF SPOKANE CONCERNING MITIGATION OF THE IMPACT OF THE GREENFIELD ESTATES ANNEXATION.** Ms. Apperson moved and Mr. Hattenburg seconded that the Interlocal Agreement between the City of Spokane and the Spokane County Library District Concerning Mitigation of the Impact of the Greenfield Estates Annexation, be approved.

Mr. Wirt briefly reviewed background information distributed prior to the meeting, which included previous annexation mitigation agreements, and commented on his recommendation to accept the agreement proposed by the City of Spokane for the Greenfield Estates Annexation, which is identical to the previous Park Place Annexation agreement. It calls for payment of a mitigation fee over a five-year period, the first year being equal to the 100% of District's property tax loss based on the assessed valuation as of the date of the annexation, and then reduced by 20% per year. There were no questions or comments.

The motion was unanimously approved.

## **DISCUSSION ITEMS, POSSIBLE ACTION**

### **AUDIT FREQUENCY: DISCUSSION & DIRECTION**

Mr. Laete explained that the purpose of the discussion was to determine the desired frequency of future state audits. Mr. Sargent noted that he would prefer to move to biennial audits from the practical standpoint of his time and that of his staff, as well as the lower two-year cost. Mr. Wirt stated that although he leans toward annual audits from a policy and control standpoint, either cycle would be workable.

After a brief discussion that included the consideration of cost, staff time impact, timeliness, potential issues, and finance, there was consensus by the board to go with a biennial audit, which will occur in 2011 for the 2009-2010 budget years.

### **FUTURE BOARD MEETING AGENDA ITEMS**

A list of potential agenda items tentatively scheduled for future meetings was distributed prior to the meeting. Mr. Laete commented on the upcoming trustee vacancy, encouraging trustees to communicate to others in the community about the opening. He pointed out that interviews of applicants for the position are tentatively scheduled to be held at the end of the November regular meeting. He also reminded that the 2010 final budget would be presented for approval at the December meeting.

## **REPORTS**

### **TRUSTEES**

Ms. Lloyd voiced that she is impressed with all the District activities noted in the monthly director's report.

Ms. Apperson shared that during her tour of the new YMCA's teen area, she was able to promote the Tutor.com service. In addition, she referred to a recent magazine article that might be of interest to trustees and management.

Mr. Hattenburg noted he also has promoted Tutor.com to District residents and commented on attending the District's recent staff development and training day.

Mr. Laete shared that his daughter is a math tutor on Tutor.com and mentioned Mr. Payne's retirement party location.

### **DIRECTOR**

The Director's written report provided prior to the meeting included information on the following topics: Library Services – September customer use measures and branch services reports; Collection Services – collections; Administration – 2010 budget, flu planning, lead in library books, City of Spokane annexation, formation of Kaiser TIF, book mailing study, upcoming Board of Trustees vacancy; Professional and Community Activities; Communications; Human Resources; Information Technology; and Finance, Facilities, & Purchasing.

At the meeting Mr. Wirt reported that the District is no longer a party to the Heitman v. City of Spokane Valley litigation regarding the Conklin Road property. He noted that on October 5, U.S. District Court for Eastern Washington Senior Judge Fred Van Sickle granted the motion to dismiss Spokane County Library District without prejudice and without costs to either party.

At Mr. Wirt's request, communications manager Beth Gillespie reviewed the program schedule for the upcoming Spokane Is Reading event. Ms. Gillespie also commented on The Big Read event that will take place in February 2010 in response to a question.

Mr. Wirt distributed an article about online @ the library and provided the details of Secretary of State Sam Reed's visit to two District branches later in the week.

**FISCAL**

Revenue and Expenditure Statement through September 30, 2009

<u>Fund 001</u>	
Revenues	\$ 5,954,507
Expenditures	\$ 7,224,116
Ending Fund Balance	\$ 1,031,079
Fund Budget Expended	71.95%

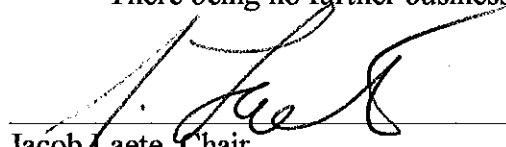
Mr. Sargent shared an anecdote regarding the importance of the availability of library materials in low income areas.

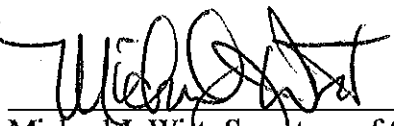
**PUBLIC COMMENT**

There were no public comments.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 5:56 p.m.

  
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Jacob Laete, Chair

  
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Michael J. Wirt, Secretary of the Board of Trustees