

**SPOKANE COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING MINUTES: OCTOBER 17, 2017**

The Board of Trustees of Spokane County Library District met in regular session in the public meeting room at Argonne Library, 4322 N. Argonne Rd., Spokane, WA, at 4:00 p.m., on Tuesday, October 17, 2017.

Present: John Craig - Chair
 Mark Johnson - Vice Chair
 Sonja Carlson - Trustee
 Wes Teterud - Trustee
 Patrick Roewe - Executive Director and Secretary

Excused: Kristin Thompson - Trustee

Also Present: Jane Baker, Communication & Development Officer; Kristy Bateman, Library Services Manager; Toni Costa, Chief Human Resources Officer; Pat Davis, Library Supervisor; Stacey Goddard, Library Services Manager; Carlie Hoffman, Library Services Manager; Rick Knorr, Chief Financial Officer; Stacy Loberg, Public Services Associate; Aileen Luppert, Managing Librarian; Danielle Milton, Librarian; Gina Rice, Customer Experience Manager; Andrea Sharps, Collection Services Director; Doug Stumbough, IT Director; Amber Williams, Strategic Initiative Librarian; and Patty Franz, Administrative Assistant.

Guests: City of Spokane Valley City Manager Mark Calhoun, City Attorney Cary Driskell, Mayor Rod Higgins, Deputy Mayor Arne Woodard, and Spokane Valley Residents Larry Deemer; Sherri Robinson; Diana Wilhite.

Call to Order (Item I.) Chair John Craig called the meeting to order at 4:00 p.m. and welcomed everyone in attendance.

Agenda (Item II.) Mr. Johnson moved and Ms. Carlson seconded to approve the agenda. The motion was approved.

Approval of Regular Meeting Minutes, Sept. 19, 2017 (Item III.A.) Mr. Craig called for corrections to the September 19 regular meeting minutes. There were no corrections; the minutes stand approved as written.

Approval of Payment Vouchers, Sept. 2017 (Item III.B.) Mr. Johnson moved and Mr. Teterud seconded approval of the September 2017 bill payment vouchers as follows:

Fund	Voucher/Payroll Numbers	Subtotal	Total
Sept. - L01	52795-52934 and W00484-W00491	\$571,382.17	\$571,382.17
	09082017PR and 09252017PR	\$381,054.39	\$381,054.39
		Total	\$952,436.56

**Approval of
Payment Vouchers,
Sept. 2017
(Item III.B.)**

Mr. Roewe pointed out the payment to LinkedIn Corporation for \$18,400, and clarified Lynda.com, a suite of digital learning courses made available to library members, is a subsidiary of LinkedIn Corp. There were no questions. The motion was unanimously approved.

**Unfinished Business
Spokane Valley
Library Update
(Item III.C.1)**

SPOKANE VALLEY LIBRARY UPDATE/EXPLORING OPTIONS WITH CITY OF SPOKANE VALLEY. Mr. Roewe provided a brief update on the city of Spokane Valley, as related to the Interlocal Agreement Amendment. He noted the current agreement for the District property is scheduled to expire at the end of this month. Mr. Roewe said in response to direction from the Board of Trustees, staff attended and conducted polling at the city of Spokane Valley's planning workshop and open house. Public feedback regarding the potential for future new libraries was generally positive. Staff recommended that the amendment be approved by Trustees, as the City has committed to its contribution of 1.3 million dollars toward the project, which would lower the overall project costs. The amendment also allows time to execute a brand-new approach for how libraries could be built in Spokane Valley.

Mr. Craig acknowledged guest Arne Woodard, deputy mayor of city of Spokane Valley, and opened the meeting for public comment on this topic prior to the Board of Trustees' discussion.

Mr. Woodard again stated that the 2015 bond issue gained a majority vote, and came close to the 60 percent supermajority required for passage. He said he believed it would be short-sighted for the Library District to not try again to pass a bond issue to help build new libraries in Spokane Valley, as the current library is more than 60 years old. He noted parking is also an issue, and public transit options are needed. A new Spokane Valley Library and a library at Conklin would facilitate economic growth of the area. He said the City Council is prepared to move ahead.

Guest Rod Higgins, mayor of city of Spokane Valley, said it was by no accident that District staff were located on the second floor of the new City Hall at its open house. City staff wanted open house attendees to be able to envision a new library across Sprague Avenue. Mr. Higgins said the library would make a nice anchor across from City Hall.

Chair Craig read a statement for the record from Trustee Kristin Thompson who was away on business and therefore unable to attend the meeting. Ms. Thompson wrote: "I'm writing to make sure you all know that I vote to approve the Inter-local Agreement with the city of Spokane Valley. I believe now that we have agreement from the majority of the City Council it is worth exploring the options that further time will give us for development of a new valley library." Chair Craig clarified that Ms. Thompson's statement indicated how she would vote, if she were present at the meeting.

Mr. Craig opened the floor for discussion among Trustees.

Unfinished Business
Spokane Valley
Library Update
(Item III.C.1)

Mr. Johnson motioned and Mr. Teterud seconded to approve the amendment to the 2012 Interlocal Agreement between the Library District and city of Spokane Valley. Mr. Teterud reviewed the reasons he made a motion in July to postpone the Board of Trustees' vote, stating that he did not want to proceed with a vote until he had confirmed that Mr. Roewe was supportive of the amendment. Mr. Teterud said the outcome of events since then are the reason he was prepared to vote in favor of the amendment today.

Mr. Craig commented that he has been in favor of the amendment all along and said it was heartening to have strong partners in the city of Spokane Valley.

There was no further discussion.

The motion was unanimously approved.

Guests from city of Spokane Valley excused themselves from the meeting at 4:12 p.m.

New Business
2018 Preliminary
Budget (Items
III.D.1.a-d)

PRELIMINARY BUDGET 2018.

Via PowerPoint, CFO Rick Knorr summarized development of the preliminary budget for 2018. He also distributed a budget handout for reference, which recapped significant budget variances compared to the approved budget for 2017. He noted the preliminary budget for next year was formulated based on 2017 as adopted, as well as the anticipated final budget results for 2017.

Mr. Knorr explained Tax Increment Finance (TIF) areas. The District currently participates in two: Medical Lake and Kaiser (Mead). In a TIF, 75% percent of new tax revenue is diverted to infrastructure improvements. The County created TIFs to spur economic development, and the District agreed to participate. The TIFs encourage commercial economic development that would result in a potential increase in District revenue when completed.

In response to Mr. Craig regarding what state law requires for the District to collect property taxes, Mr. Knorr said requirements begin with the Public Hearing and Comment on Authorized 2018 Property Tax Revenue and Other Revenues, as listed on the meeting agenda. Mr. Roewe said that although sources of District revenues are not complex and are mostly derived from property taxes, the hearing is one of the necessary steps for a public entity to collect revenues.

Mr. Craig called the Public Hearing on Authorized 2018 Property Tax Revenue and Other Revenues to order at 4:17 p.m. and called for public testimony. There was none; the hearing closed at 4:18 p.m.

**New Business
2018 Preliminary
Budget (Items
III.D.1.a-d)**

Regarding revenues, Mr. Knorr further noted interest has increased to approximately 1%, and by next year is anticipated to increase proportionally to the amount fines are down.

In response to Mr. Teterud's query regarding donations and Friends of the Library, Messrs. Knorr and Roewe clarified about the Friends' fundraising. Also in response to Mr. Teterud, Mr. Roewe explained how District contract cities pay for their library services out of their general funds. Mr. Roewe said the levy rate is applied to a city's total assessed value to determine the library service bill. He pointed out that although the rate has remained stable over recent years, as the economy improves and assessed value increases, the levy rate will likely continue to go down. Mr. Knorr noted the levy rate will dip below .46/\$1,000 next year, a decrease worth about \$1 million in revenue. Upon review of the effect of assessed value on future levy rates for 2018-2020, Mr. Teterud asked how the District would justify a levy lid lift. Mr. Roewe said it would be based primarily on the budget forecast, yet staff would need Board direction before then to communicate the need.

Mr. Knorr explained the revenue decreases associated with library fines and fees. He noted in 2011, the District required that fines be paid prior to library card renewal, yet increases in digital materials has resulted in a slight decline because of timely automatic returns. Mr. Knorr also noted the District stopped reporting outstanding account balances to credit bureaus in 2016, as required by a new federal mandate, which also had a slight impact on revenues.

Regarding assumptions about revenues for 2018, Mr. Knorr said he received an update via email today from the Assessor's Office, which estimated new construction to be closer to \$4 million. He also noted the Implicit Price Deflator (IPD) is over 1%. Therefore, it will not be necessary to submit a resolution declaring substantial need to increase the levy above the IPD for next year.

In response to Mr. Teterud's query about PERS, Mr. Knorr said nearly all staff eligible for retirement benefits are enrolled in PERS 2 or 3. To ensure the PERS programs are fully funded, Mr. Teterud requested a report showing the percentage of funding for the state PERS programs. Mr. Knorr said the state of Washington publishes annual reports, and Mr. Roewe added that Washington State is known as one that is more stable.

For 2018 expenditures, Mr. Knorr noted the -44.4% reduction in the Capital Fund resulted from the completion of the North Spokane remodel. Contingency has also decreased compared to last year's budget by -74%, and Mr. Knorr said he'd like to build the contingency fund back to \$100,000, even though the District hasn't needed to use contingency funds during his tenure. Mr. Knorr said he will have more details about the costs of services next month.

**New Business
2018 Preliminary
Budget (Items
III.D.1.a-d)**

Salary and benefits are 68% of total expenses. Overall, employee benefits will increase by 8%, and because more staff are enrolled in benefits programs, the increased cost is closer to 10-12%. No increases are anticipated for dental, vision and life insurances.

Mr. Knorr reviewed the history of District cost of living adjustments (COLA), 2007-2017, noting for 2018, based on the August CPI-W rate of 1.93%, he has factored in a COLA increase of 2%, although it has not as yet been formally approved by the Board of Trustees. Mr. Knorr said rounding up to 2% amounts to \$5,000, a fairly negligible amount. Chair Craig asked if there was a reason the District used something different for COLA than the implicit price deflator, which is used to determine the annual levy limit. Mr. Knorr indicated that the state of Washington uses the August CPI-W for determining the minimum wage. Mr. Roewe stated that staff at the page level are paid at the minimum wage, so the District consequently uses the August CPI-W so that wage adjustments for all positions at all levels are based on the same factor. Mr. Knorr stated that he would provide an update on the issue for the November meeting.

Mr. Knorr said all in all, the preliminary budget for 2018 is a fully balanced budget. However, he would like to come back next month with a larger contingency budget.

Mr. Teterud asked about potential timing for a levy lid lift. Mr. Roewe stated that the earliest would be 2019, but staff needed time to look at financial forecasts, revenue and costs, and the District's overall need for one. Mr. Roewe stated that staff are making initial preparations now before bringing a recommendation back to the Board. Mr. Roewe noted that a lot can change economically over a year or two.

Chair Craig requested that the Board receive an update on operations at The Bookend. Mr. Roewe said that staff will provide a report at the November meeting.

There was no further discussion.

ORGANIZATIONAL MEMBERSHIPS REVIEW. Ms. Carlson moved and Mr. Johnson seconded to approve inclusion of organizational membership fees in the 2018 General Operating Fund. Mr. Roewe said the annual budget for memberships in these professional, community and business organizations is approximately \$10,000. He also noted District membership fees for regional chambers of commerce remain consistent from year to year, and are a means for community engagement. Mr. Roewe pointed out upcoming changes are planned for the Early Learning Public Library Partnership (ELPLP), which will change to Public Libraries of Washington (PLoW), yet this should not affect the District's overall membership costs. In response to Mr. Teterud's query regarding library staff's involvement at area chambers, Mr. Roewe said these memberships

**New Business
2018 Preliminary
Budget (Items
III.D.1.a-d)**

provide staff the opportunity to share how library resources can support business interests. Mr. Teterud suggested that the District consider involvement in the Greater Spokane Valley Rotary, recently formed when Spokane Valley East Rotary and Spokane Valley Rotary combined.

There was no further discussion.

The motion was unanimously approved.

BOARD DIRECTION TO STAFF. Trustees agreed by consensus to request staff to factor into the preliminary budget a COLA increase of 2%, or whatever amount can be factored in and still maintain a balanced budget. There was no further discussion.

Mr. Craig called for a recess from 4:55-5:02 p.m. Mr. Johnson excused himself from the meeting at 4:57 p.m. Mr. Craig noted for the record that a quorum was present for the remainder of the meeting.

**Overview
Business and Career
Development
(Item III.E.)**

OVERVIEW BUSINESS AND CAREER DEVELOPMENT. Library Services Manager Stacey Goddard and Librarian Danielle Milton provided an overview of Business and Career Development (BCD) and its goals. BCD is one of the four service priorities of the Community Engagement Plan. Ms. Goddard introduced the team that supports BCD, which consists of librarians Tami Chapman, Danielle Milton, Sheree West, and herself. Regarding partnerships with area businesses, Ms. Milton reported the library continues to provide classes and information about library resources and services, including Book a Librarian appointments, in support of local organizations. Evening program times were swapped for morning sessions, which were found to be more convenient for business-minded participants. To better connect with area businesses and organizations, Ms. Milton noted the BCD team is involved with local chambers and participate in trade shows and other events hosted by these organizations to further share information about library resources. Ms. Goddard noted the library is pleased to be a Neighborhood Champion again this year. Last year's Small Business Saturday sponsored by American Express has expanded from the pilot program at Cheney to include three additional locations this year at Medical Lake, Airway Heights, and Moran Prairie libraries. In support of job seekers and education, GED and high school completion classes have continued to be offered in Cheney for the second year, and have expanded to Deer Park this year as a second location. English as a Second Language (ESL) courses were also offered for the first time at Deer Park. In response to Mr. Teterud's query, Ms. Goddard said Deer Park was selected as a location for ESL in response to geographic need. Ms. Milton reviewed the School to Life resume and interview class series offered at Mica Peak Alternative High School, and noted the content can be adapted for a variety of audiences. In response to interest and demand, the series will likely be offered again next spring. The BCD team also attends job fairs to staff resource tables and share information about Library District careers.

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Overview Business and Career Development (Item III.E.)

Ms. Goddard reported the myriad programs offered during Money Smart week in April were offered in support of the BCD goal to provide resources for community members of all ages to achieve financial knowledge and security. The demand was so high for the Homebuyer Education seminars offered by SNAP, additional seminars are now offered twice a month at libraries. Trustees expressed thanks for the informative report. There was no further discussion.

Discussion Items, Possible Action Future Board Meeting Agenda Items (Item IV.A.)

Chair Craig reviewed forthcoming agenda items for the next two months, noting the next two meetings will be held at Argonne Library. Agenda items for November will include a report on The BookEnd, an update and request for approval recommendations for the 2018 budget, as well as suggested revisions to the Personnel Policy. Mr. Craig also pointed out special events next month will include the Spokane Writes anthology release, two Spokane is Reading events, and the Volunteer Appreciation Dinner. There was no further discussion.

Trustees' Reports (Item V.A.)

Trustees had no reports; however, Mr. Teterud suggested promoting the potential new Spokane Valley Library property with signage and community activities, such as a library-hosted shred day. Mr. Craig said the District could piggyback the city of Spokane Valley events as well, to brand the property accordingly. Mr. Roewe said staff would look into possibilities and report back on opportunities starting in January 2018.

Executive Director's Report, Sept. 2017 (Item V.B.)

The Executive Director's written report for September 2017 provided prior to the meeting included information on the Business Office, Finance and Facilities, Collection Services, Human Resources, Information Technology, and Community Activities. Mr. Roewe expressed appreciation to the city of Spokane Valley for hosting the Library District at its Planning Workshop and Open House. He also expressed thanks to Communication & Development Officer Jane Baker, Library Services Manager Stacey Goddard, and Managing Librarian Aileen Luppert for staffing the District information table at the City Hall open house in his stead. Mr. Craig noted he was at the event along with several hundred people, and it appeared to be a well-pleased crowd. There was no further discussion.

Public Services Report, Sept. 2017 (Item V.C.)

Library Services Manager Kristy Bateman provided a written report prior to the meeting for September 2017, with data for customer use measures, programming and library activities. Ms. Bateman had nothing further to add, and there was no further discussion.

Communication Report, Sept. 2017 (Item V.D.)

Communication & Development Officer Jane Baker provided a written report prior to the meeting for September 2017 communication activities. In addition, Ms. Baker announced upcoming events in celebration of the District's 75th Anniversary, and played a promotional video from YouTube.

**Communication
Report, Sept. 2017
(Item V.D.)**

Ms. Baker said development of the video was a team effort, and further noted the contributions of Amber Williams. Trustees responded favorably, and in response to Mr. Teterud's query, Ms. Baker said the video has been posted on Facebook, Twitter, and the SCLD website. There was no further discussion.

**Fiscal Report,
Sept. 2017
(Item V.E.)**

Revenue and Expenditure Statement through September 30, 2017.

<u>Fund 001</u>	
Revenues	\$ 7,227,325
Expenditures	\$ 8,797,208
Ending Fund Balance	\$ 3,005,953
Fund Budget Expended	72.28%

Chief Financial Officer Rick Knorr reported that the SAO audit field work had been completed, and an exit conference is pending. Mr. Knorr reported it was a clean audit overall, though there might be two exit comments, which is the lowest level of concern. He stated he would know more once the exit conference was complete, and would provide a complete update at the November meeting. There was no further discussion.

**Spotlight
Argonne Library
(Item V.F.)**

Library Supervisor Pat Davis provided highlights of Argonne Library over the past year. In consideration of the 75th Anniversary of the Library District, Ms. Davis briefly reviewed the history of Argonne Library, noting the facility opened at its current location in January 1991. Ms. Davis reported on several new adult, youth, and family programs featured over the past year, and noted a new book club was recently organized as well. Students visit from Pasadena Park and Orchard Prairie schools for tours or homework help. Mobius Science programs, LEGO building, Sharpie crafts, and West Valley Family Night at the Library were all popular. Argonne Library offers preschool, toddler, and outreach Storytimes, and for two years has held summer Storytimes at Millwood Park in conjunction with play sand and parachute toys. Community Librarian Melanie Boerner visits the after-school program at Millwood Community Center twice a month to conduct STEM activities for elementary and middle school students. Straw Rockets, Newspaper Engineering and Finch Robots were several of the engaging programs offered this year. Visits to Millwood Kindergarten Center enable staff to connect with 150 students at each of the twice monthly visits. Lifting the Veil on Senior Planning was a highly attended series of informative programs to help demystify financial and retirement planning. In response to demand, the six-session series was offered a second time this fall. Ms. Davis said the Argonne Library is a popular meeting place for a variety of interest groups and businesses. She pointed out Ukestra is a local ukulele group formed by District library staff that has gained appeal in the community. The group performs annually for Street Music in support of 2nd Harvest and has also begun to perform for retirement groups. Along with participation in a number of community events throughout the year,

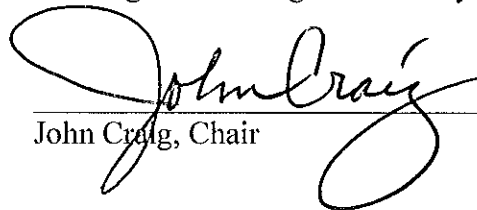
staff will participate for the fourth time at the annual Spokesman-Review Christmas Bureau to offer library card sign up and share information about library services with 2,000 people. Other collaborative events include a well-attended gingerbread build via Millwood Masonic Center that followed a community tree-lighting, for which staff will participate again this year. Another annual event is the West Valley Block Party held at the end of each school year. The school district invites the entire community for a spaghetti feed and tour of student projects and community resource tables. Staff participated by hosting a build with the District's Family Construction Zone Blocks, where they were visited by over 200 people who stopped to build and talk about Summer Reading. Ms. Davis also noted in August the Friends of Argonne Library held a book giveaway at Millwood Daze in advance of its September book sale and had its most successful sale ever to follow. Coming up, with advertising made possible by Millwood Community Association and Millwood City Hall, History Enthusiasts will offer two new programs and again display a new historic photo collection. Trustees expressed thanks for the informative report. There was no further discussion.

**Public
Comment
(Item VI.)**

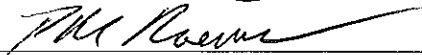
Spokane Valley resident Sherri Robinson expressed enthusiasm over the Board of Trustees' approval of the Interlocal Agreement Amendment as well as the potential of a new Spokane Valley Library. She suggested more outdoors education-themed programming in the future to help generate additional program attendance, and adding new family events, such as movies shown outdoors and Storytimes held at Balfour Park. She commented that libraries are not only about books anymore, and said times have changed since her great-grandmother loaded up her buckboard with books to start a new library. She said she was glad to represent the public at this meeting. There was no further public comment.

**Adjournment
(Item VII.)**

Chair Craig adjourned the meeting at 5:44 p.m. The next Board Meeting is scheduled for Tuesday, November 21, 2017, at 4:00 p.m., in the public meeting room at Argonne Library.



John Craig, Chair



Patrick Roewe, Secretary to the Board of Trustees