

**SPOKANE COUNTY LIBRARY DISTRICT**  
**BOARD OF TRUSTEES MEETING MINUTES: OCTOBER 18, 2011**

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**CALL TO ORDER**

The regular monthly meeting of the Spokane County Library District Board of Trustees was held October 18, 2011, in the public meeting room at Argonne Library, 4322 North Argonne Road, Spokane, WA. Chair Tim Hattenburg called the meeting to order at 4:00 p.m. and welcomed those in attendance.

**PRESENT:**

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

**EXCUSED:**

Dan Davis - Trustee

Also Present: Laura Baird, Branch Supervisor; Cindy Benson, Librarian; Paul Eichenberg, Human Resources Manager; Bethany Luck-Hutson, Communications Manager; Patrick Roewe, Branch Services Manager; Bill Sargent, Business Manager; Andrea Sharps, Collection Services Manager; Michael Sierra, Librarian, and Patty Franz, Administrative Assistant.

**AGENDA APPROVAL**

Ms. Apperson moved and Ms. Lloyd seconded to approve the agenda.

The motion carried unanimously.

**ACTION ITEMS**

**APPROVAL OF SEPTEMBER 20, REGULAR MEETING, and SEPTEMBER 29, 2011, SPECIAL MEETING MINUTES**

Mr. Hattenburg called for corrections to the September 20, regular meeting, and September 29, 2011, special meeting minutes. There were no corrections; the minutes stand approved as written.

**APPROVAL OF SEPTEMBER 2011 BILL PAYMENT VOUCHERS**

Mr. Hattenburg moved and Mr. Laete seconded approval of the September 2011 bill payment vouchers as follows:

Fund

L01	Voucher numbers: 40453 through 40650 and W00047-W00049 totaling	\$ 493,113.22
	Payroll numbers: 09092011PR and 09232011PR totaling	\$ 338,678.42

Total \$ 831,791.64

There were no questions or comments.

The motion was unanimously approved.

## UNFINISHED BUSINESS

### 2012 BUDGET.

**PUBLIC HEARING ON AUTHORIZED REVENUE SOURCES.** Mr. Hattenburg called the Public Hearing on Authorized 2012 Property Tax Revenue and Other Revenues to order at 4:01 p.m. and called for public testimony. There was none; the hearing closed at 4:02 p.m.

**ORGANIZATIONAL MEMBERSHIPS REVIEW.** Ms. Lloyd moved and Ms. Apperson seconded that organizational memberships listed in the background material be approved and included in the 2012 General Operating Fund budget.

Mr. Wirt noted 2012 membership fees for Public Library Association and Washington Library Association are slated for the new executive director. In response to a trustee's question about Rotary membership for the same, Branch Services Manager Patrick Roewe explained members join a home club where they can vote or become an officer, yet receive attendance credit for whatever Rotary meeting is attended regardless of location. There were no other questions or comments.

The motion was unanimously approved.

**2012 REVENUE & EXPENSES: DIRECTOR'S PRELIMINARY BUDGET MESSAGE.** Mr. Wirt presented an overview of the 2012 General Operating Fund budget to include the comparison 2011 to 2012 breakdown of property taxes, city contract fees, customer fees, miscellaneous and interest, and presented the same for expenses and percentages of total budgets. He reminded the Board that the 2010 levy lid lift plan goals continue to form the basis for 2012 budget development: maintain current level of services; respond to increased customer use; and stabilize library funding through 2013.

On the revenue side, Mr. Wirt pointed out the 2.5% decrease in assessed valuations is partially offset by higher than anticipated new construction; described the resulting impact on property tax revenue; and reviewed the complicated fiscal impact of the two West Plains annexations.

In expenses, he noted the 4.3% salary scale increase is a placeholder pending further Board discussion; the only staffing increase is 0.45 FTE in Collection Services; the 3% library materials increase is targeted to downloadable audiobooks and e-books; and the substantial Operational Contingencies increase offsets for budget purposes the required use of the full property tax levy amount rather than the lower anticipated property tax revenue resulting from the West Plains annexations.

Continuing, Mr. Wirt reviewed the nine components of the unassigned fund balance and their relationship to the Fund Balance Management Policy. He noted the 2012 preliminary budget will be presented for adoption at the November meeting.

Following his presentation on the 2012 preliminary budget, Mr. Wirt explained the impact of increases and decreases in assessed valuation on actual property tax revenue and the highest lawful levy calculation over the past ten years, and provided projections for the next three. Using a spreadsheet he showed how the levy rate will remain at its maximum of \$0.50 for several years before the levy lid is reached, indicating there will be no option to increase property tax revenue though a levy lid lift during that time. Property tax revenue will depend entirely on valuations.

He then presented revenue and expense projections for 2012-2015, showing the District budget with revenues exceeding total expenses through 2013 and expenses slightly exceeding revenue beginning in 2014.

In 2012 about 91% of SCLD's revenue will be from property taxes, a lower amount than 2011 due to the assessed valuation loss to the cities of Airway Heights and Spokane in the West Plains' annexation, and the shift of that revenue stream to the contract fees line item. Because of continuing declines in the total assessed valuation apart from the annexation, 2012 is the second consecutive year of property tax revenue drops. The West Plains annexation will affect overall revenue for the first time in 2013.

#### BOARD DIRECTION TO STAFF.

There was consensus by the Board to confirm 2012 budget amounts for Board of Trustees' training and travel. Details and figures were provided in background material distributed prior to the meeting.

Following a review of supportive factors there was board consensus to accept the Executive Director and management team's recommendation to include a 2.5% salary increase for SCLD staff in the next budget update.

There was no additional direction to staff regarding the 2012 budget process.

#### NEW BUSINESS

ELIGIBILITY FOR LIBRARY USE POLICY. Ms. Apperson moved and Mr. Hattenburg seconded that the Eligibility for Library Use Policy be revised as presented.

The policy, which provides the basis for determining Library District residency, defines resident and non-resident use and states reasons for limitations and denial of service. The policy was initially adopted in 1986 and subsequently revised several times, most recently in 2009. The only recommended revision is to update a policy name in the Denial of Service section. There were no questions or public comments.

The motion was unanimously approved.

RECOGNITION OF FRIENDS OF THE LIBRARY SUPPORT (RESOLUTION No. 11-03). Ms. Lloyd moved and Mr. Laete seconded that Resolution No. 11-03, Recognizing District Friends of the Library Support, be adopted.

RESOLUTION No. 11-03

A RESOLUTION OF THE BOARD OF TRUSTEES OF SPOKANE COUNTY LIBRARY DISTRICT, SPOKANE COUNTY, WASHINGTON, RECOGNIZING DISTRICT FRIENDS OF THE LIBRARY SUPPORT.

The resolution officially recognizes contributions throughout the year of the District's Friends of the Library groups. Branch Services Manager Patrick Roewe expressed appreciation for the groups, and said the District is fortunate to have engaged and active Friends at all ten branches to help carry the vision. Ms. Lloyd said she is impressed with the groups' many accomplishments throughout the past year.

The board chair will send or carry a letter to each group along with a copy of the resolution and a list of the District Friends' accomplishments from October 2010 through September 2011. There were no public comments.

The motion was unanimously approved.

## **DISCUSSION ITEMS, POSSIBLE ACTION**

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

A list of agenda items tentatively scheduled for future meetings was distributed prior to the meeting. Mr. Hattenburg commented there are two regular meetings remaining for the year, yet six additional meetings related to executive director recruitment/hiring to be held before December 20. The 2012 final budget will be presented for approval at the December meeting, along with several other agenda items. Because of the full agenda, the board decided by consensus to postpone trustee applicant interviews to January 2012.

## **REPORTS**

### **TRUSTEES**

Ms. Lloyd commented she is amused by the expressive teenager portrayed by the recent Tutor.com poster.

Next week, Mr. Hattenburg will include information about SCLD and its services in a presentation to students in government class at Central Valley High School.

### **DIRECTOR**

The Director's written report provided prior to the meeting included information on the following topics: Library Services – September customer use analysis, customer payments, security incidents and Branch Services reports; Collection Services – collections; Interlibrary Loan and other; Board of Trustees, trustee position announcement;

Administration – 2012 budget planning, City of Spokane annexation mitigation agreement, Conklin Road property litigation, Report and Recommendations on public computers, Broadband in Fairfield, Updated population estimates, 2012 non-resident library card fee, Washington Library Association institutional fees; Professional and Community Activities; Communications; Human Resources; Information Technology; and Facilities, Finance & Purchasing.

At the meeting, Mr. Wirt distributed a report to show Canada, Russia, China, Japan, Italy, and Germany are among the top ten locations where the second SCLD e-newsletter was opened by recipients.

In response to Ms. Apperson’s question about the decline in software-station bookings, Mr. Roewe said demand is likely down because compared to several years ago there has been an uptick in the economy and residents have more access to Internet through mobile devices.

## FISCAL

### Revenue and Expenditure Statement through September 30, 2011

<u>Fund 001</u>	
Revenues	\$ 6,701,199
Expenditures	\$ 8,179,918
Ending Fund Balance	\$ 1,808,530
Fund Budget Expended	72.54%

Business Manager Bill Sargent distributed to trustees notification from the Washington State Auditor’s Office for commencement of the SCLD audit for fiscal years 2009 and 2010. Trustees are invited to attend the entrance conference scheduled for Thursday, October 27, at 9 a.m. The meeting will be held at the Administrative Offices Conference Room;

Mr. Hattenburg will attend to represent the board.

## OVERVIEW: DOWNLOADABLE LIBRARY MATERIALS

To provide an informational overview on the District’s downloadable library materials—audiobooks, eBooks and digital music—Collection Services Manager Andrea Sharps reviewed and distributed a handout of historical statistics and circulation highlights that ranged from inception of digital downloads (2/28/07) to the recent release (9/21/11) of the Kindle application to allow Kindle owners to check out eBooks from libraries for the first time. Although use of downloadable materials continues to increase year over year at approximately 97%, physical materials also continue to show an increase.

Branch Services staff—Librarian Cindy Benson, Branch Supervisor Laura Baird and Librarian Michael Sierra—demonstrated how to download library materials with use of the latest gadgets.

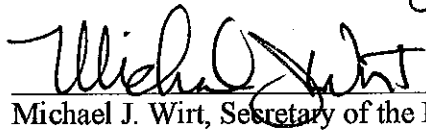
**PUBLIC COMMENT**

There were no public comments.

**ADJOURNMENT**

The meeting adjourned at 6:33 p.m.

  
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Tim Hattenburg, Chair

  
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Michael J. Wirt, Secretary of the Board of Trustees