

Tuesday, April 23, 2024
BUDGET COMMITTEE MEETING
SILVER FALLS LIBRARY DISTRICT

Silver Falls Library Program Room or via Zoom
410 S. Water St., Silverton, Oregon

Committee Members Present:

Michelle Sanguinetti
Dmitry White
Nancy Miller
Ingrid Green
Megan Smith

Terra Chapek
Kathy Beutler
Doug Tedrow (Zoom)
Chris Childs (Zoom)
Jeff Gunter

Staff Present:

Christy Davis, Director
Stacy Higby

Committee Members Absent:

Public Present:

None

CALL TO ORDER

Board Chair White called the meeting to order at 5:30 p.m.

Selection of Budget Committee Chair

Jeff Gunter nominated Dmitry White. Nancy Miller seconded the nomination.

Vote: Unanimously selected.

REVIEW OF AGENDA

No changes.

Budget Message and Presentation

The Budget Committee chose not to have the Budget Message read aloud. Dmitry thanked the public members of committee, noting the importance of this committee's oversight.

Chris commended Christy on the Budget Message. Dmitry and Doug agreed. Terra noted that the Message is so well done it was hard to come up with questions.

Christy explained that many lines on the budget are flat, and that costs are all going up. *Insurance, Materials, Utilities, and Personnel* are all about the same, but the District is getting less for the same amount. Costs are hard to control, but the outlook is not devastating, and we've been doing good things like replacing both sides of the roof, replacing 5 of the 8 HVAC units. And there is money set aside in this budget to replace the next one that fails.

Christy informed the Committee that we received an email from SDAO yesterday that our liability insurance will likely increase by 15-20% for the 2025 calendar year. The *Insurance* line on the budget documents presented includes other insurance costs, but the increase from SDAO could see us over budget on that line by up to \$3,500. The difference shouldn't be large enough to trigger another Budget Committee meeting and can likely be offset by other lines coming in under budget.

In the interest of transparency, Christy is working on a planning grant from the Community Renewable Energy Project (CREP) for a solar project. The project will include battery storage. A solar partner from Energy Trust of Oregon told us that installing solar panels on the south-facing roof could meet up to 95% of our energy needs. If we are awarded the grant, it will cover 100% of the planning, but the grantor only distributes 30% of the funds up front, leaving the remaining 70% to be covered by the District until reimbursement is released from CREP. The planning cost could be as much as \$60,000, with \$18,000 distributed up front, and the remaining \$42,000 to be covered by the District, then reimbursed by CREP upon completion. This amount will not meet the threshold to trigger another Budget Committee meeting, but if it is close, Christy will consider reconvening the Committee.

Review of Proposed Budget

Resources

Question - Is the District suffering from the same loss of COVID funding as other districts? Christy answered that we used COVID grant funds for COVID expenses like PPE supplies, but we did not use it for personnel.

Question – The possibility was discussed at last year’s Budget Meeting, but did the *CCRLS Reimbursement* formula change? So far, it remains the same for this fiscal year, but Christy anticipates the issue being discussed again. The new CCRLS director knows that any changes need to happen early in the fiscal year so that libraries can plan their budgets.

Question – The amount budgeted for *CCRLS Reimbursement* is down almost \$18,000 from 2023-2024. Is that an estimate? No, it’s a true number from the CCRLS budget. It was higher in 2023-2024 because Salem Public Library was closed, and the other member libraries picked up their circulation.

Question - Did one of the Salem branches close? No, but the West Salem branch is now only open 2 days per week. The Salem City Budget Committee met and discussed the possible cut of an additional 8 FTE (after a recent cut of 7.5 FTE), as well as the option of closing both Salem branches, but there was an outpouring of public comment in support of the library. Ultimately, the City of Salem voted to use tourism funds to support the library for one year. Cuts to Salem Public Library affect all of the CCRLS member libraries because we are so connected.

Requirements

Question – How much of the amount budgeted for *Building Maintenance* is for the parking lot on the north side of the building? Christy told the Committee about the recent informal discussions between the City of Silverton and the District. The City plans to partition the lot which currently includes the old City Hall, the Fischer Building, the Library building, Old Mill Park, the Visitor Center, Silverton Country Historical Museum, and the All-Abilities Park, so that the old City Hall and Fischer Building can be sold. If the Library District takes ownership of its building and a portion of the parking lot to the north, the parking lot will need signage, resurfacing, lighting, and increased landscape maintenance, the costs of which are reflected in the budget presented. Based on estimates, it’s anticipated that the first-year costs will be about \$12,000. The District will calculate a baseline budget cost for annual maintenance in subsequent years. SDAO has not indicated that the District will have increased liability for accepting responsibility for a portion of the parking lot, but it would gain

dedicated staff parking, and more accessible and convenient parking for patrons. The issue may be discussed at the next City Council work session and City Manager Corey Misley anticipated 2-3 months before it is settled.

Question - What about the parking lot to the south? Our request is that it remains mixed use municipal public parking for the playground, park, visitor's center, museum, pool, and for Library patrons.

Question – What is the 43% interest in the Community Center parking lot? The District currently owns that lot jointly with the City, but the City may also want to sell that lot when the lease for the Community Center expires. The Byberg Trust funded the expansion of the Library building in 1994 and the City required the newly formed Library District to purchase part of the Community Center parking lot (then the A&W restaurant and parking lot) to meet parking code requirements before the building permit was approved. The City does all the maintenance of the Community Center parking lot as per that agreement. Christy gave a short history of the Library buildings and formation of the District, and the lease agreement with the City, who retained ownership of the Library building and the land beneath. This 100-year lease agreement is up for discussion every 10 years, but doesn't expire for another 70 years.

Question – Is the potential need for a new phone system reflected in this budget? Yes, \$7,500 was added to *Minor Equipment and Furnishings*, but Christy has also applied for a connectivity grant from the State Library to cover about half of that cost.

Question – What does *Legal Services* include? The District includes \$5,000 in this line in case of any litigation but has only rarely used legal services. The negotiations with the City about the lease, parking lot, and building transfer will likely use some of this amount during the 2024-2025 fiscal year.

Question – Christy mentioned that *Fines and Fees* income has increased after the District purchased a card reader to allow patrons to pay via credit or debit cards. Is the cost of the service also included in this budget? Yes, we use Propay because it is the only service that connects with our integrated library system (ILS). The costs are 1-3% per transaction, but the District recovers so much more with the card reader that the Board decided it's well worth the cost.

Question – The *Salaries* line is almost flat. Does this budget include pay increases for staff? Yes. One long-time employee is cutting back from 40 hours per week to only 16, which accounts for a cost savings. We will hire a 20 hour/week employee to fill those hours and they will start at the beginning of the wage step schedule. This wage step schedule allows all employees' wages to increase 2% per year, and we included an additional 1% Cost of Living Adjustment (COLA) in this budget as well. Benefits like PERS membership, paid vacation and sick leave for all employees, and employee-subsidized health insurance keep the District competitive as an employer.

Question – PERS contributions went up about \$30,000 between 2022-2023 and 2023-2024 but shows as almost flat in the budget presented. Why? PERS contributions are adjusted every 2 years as the state operates on a biennium, so the next fiscal year 2025-2026 will likely show an increased cost. PERS will announce the rates in advance so that public employers can budget appropriately.

Public Comment

No public present.

Approval of Proposed Budget

Motion: To approve the proposed FY 2024-2025 budget totaling \$2,091,121 as presented and to approve the Tax Rate of \$0.5748 per \$1000 of Assessed Value.

(Motion by: Chris Childs. Second by: Ingrid Donnerstag).

Vote: Unanimously in favor.

ADJOURNMENT

Motion: To adjourn the meeting at 6:30 p.m.

(Motion by: Megan Smith. Second by: Kathy Beutler).

Vote: Unanimously in favor.

The next Library Board meeting is scheduled for Thursday, May 30, 2024, at 5:30 p.m. in the Library Program Room or via Zoom.

Approved: _____(date)

Dmitry White
Chairperson, Library Board of Directors
Silver Falls Library District