

Deschutes Public Library District Budget Committee Minutes

507 NW Wall Street, Bend, OR 97701

May 21, 2008
12:30 p.m.

Budget Committee Present: Addie Kerr; Jim Larson (alternate); Martha Lawler (alternate); Pat Lawrence, Ann Malkin, Mary Beth Pearl-Gent, George Riser, Susan Torassa, and Neal Wineman. Absent: Ray Miao; Harry Hamilton; and Penny O'Halloran.

The meeting was called to order at 12:30 p.m. in the large conference room of the Library Administration Building.

BUDGET COMMITTEE CHAIR

Ann Malkin nominated Susan Torassa to serve as Budget Chair. Pat Lawrence seconded the motion, which passed unanimously. (Miao absent.)

PUBLIC COMMENT

Chair Susan Torassa invited comments from the public. No comments were made.

PRESENTATION OF BUDGET MESSAGE

Library Director Michael Gaston presented the budget message.

The budget continues current operations with adjustments for known costs and inflation. The budget adds staffing to support the network (1 FTE) and E-Services enhancements (0.5 FTE), and to continue the Latino outreach program (0.5 FTE) when grant funding expires.

The budget includes funding for the search process to replace the retiring library director. The budgeted salary for the director includes the projected salary for the new director.

The budget continues an annual investment of \$1,000,000 into the library collection of books, AV materials, and electronic media. The per capita investment is comparable to the leading libraries in Oregon.

The budget projects a 5.9% increase in tax revenue. Personal and Materials & Services operating expenditures would increase by 6.5%. Over \$80,000 of operating expenses are one-time expenses. Increases in ongoing core operations balance to the projected 5.9% tax revenue increase.

Demand for library services is beginning to exceed the capacity of the existing facilities. The budget allocates \$900,000 in reserves to optimize the Bend and Sunriver branch libraries. The Technical Services department will be moved to the Library Administration Building to free additional space for public service. The Library Administration Building will be remodeled to provide work space for the Technical Services Department. The Bend and Sunriver branch libraries will be remodeled to make more effective use of the available space.

The transfer will reduce the projected ending cash balance for the 2008/2009 fiscal year to \$1,200,000. This is sufficient for cash-flow purposes when combined with proceeds from Tax Anticipatory Notes (TANS). The ending cash balance is available to absorb short-term variations in tax income caused by down-turn in local construction.

Reducing the ending cash-balance will increase the amount of TANS required for cash-flow, and will increase short-term borrowing costs. Short-term borrowing costs vary depending upon interest rates. Short-term borrowing costs are partially offset by interest income.

BUDGET DISCUSSION

Chair Susan Torassa called for discussion of the budget proposal. A wide ranging discussion followed.

- The number of schools served by Library Linx will increase from three to ten schools over the next year. The primary impact will be increases in the number of items “pulled” for the schools. The volunteer program will be expanded to offset this impact.
- The Board assigned a high priority to optimizing the Bend and Sunriver libraries as a short-term, cost-effective method of expanding capacity while the Board reviews higher-cost mid-term and long-term solutions.
- The three remodel projects are in the planning stage. Specific estimates will be developed and presented to the District Board for final approval. The Bend and Sunriver proposed remodels will be reviewed to determine that the concept is viable, and to determine that the proposed allocation would be a sound long-term investment.
- Most of the accumulated reserves will be utilized on the three remodels.
- The Board could make a policy decision to set aside a large percentage of future tax revenue growth to help fund the construction and staffing of additional “Sisters size” branch libraries. Building reserves could be achieved by restricting growth in operational costs, particularly staffing. An accelerated savings plan could be achieved by reducing operational costs.
- The contract with Jefferson County Library District is working well. Jefferson library users appreciate the ability to search the online catalog. Deschutes Public Library is a “net borrower” from Jefferson – our library users request more items from Jefferson than the reverse. Jefferson library users have access to a much larger collection.
- Collection development funds are allocated between areas of the collection by a committee consisting of the adult services manager, the youth services manager, and the extension services manager. The allocation reflects a detailed analysis of the age and usage of the collection.
- The additional half-time position in E-Services will expedite the addition of electronic content to the website, and assist with the implementation of features such as online book discussions.

- A half-time position has been added to the Outreach Department to continue outreach to the Latino community. This position had been grant funded. An additional allocation of \$1,000 is proposed to fund programming. The mix of existing programming organized by the Community Relations Department will be adjusted to include Latino programming.
- Other outreach services will continue at current levels. The Board may wish to review the priority assigned to Outreach Services for the 2009/2010 Fiscal Year.
- The Access Services Department has been divided into the Technical Services Department and the Circulation Department. A vacant cataloging position was converted into a circulation manager position. The Technical Services manager will manage fewer employees, and will take on cataloging duties.
- Vacant professional library positions in Bend Reference have been restructured to achieve efficiencies. Collection development has been centralized and the mix of part-time librarians and library assistants has been adjusted.
- \$2,500 is proposed to purchase a small paperback collection at the Oregon Youth Challenge Program. This program provides support for at risk students.
- The projections for staffing costs for the proposed new positions do not include benefits. Health and PERS costs can total as much as 40% of salary. The estimated benefit costs are included in the budget totals for benefits.
- The three-year plan will be corrected to reflect anticipated increases in short-term borrowing costs.
- The total costs of the executive search process will be corrected.

MOTION TO APPROVE

As there was no further discussion, Chair Susan Torassa called for motions.

Pat Lawrence moved that the budget be approved as presented with a tax rate of \$0.55 per \$1,000 of assessed valuation. Ann Malkin seconded the motion, which was approved unanimously. (Miao absent.)

The Board complimented Library Director Michael Gaston for the budget document, and congratulated him for completing his last budget prior to retirement.

As there was no additional business, the meeting adjourned.

ATTEST:

Michael K. Gaston,
Library Director