

North Central Washington Libraries

July 21, 2022

I. Call to Order

Nancy Spurgeon called to order the June meeting of the NCW Libraries Board of Trustees at 1:08 p.m. July 21, 2022. The meeting was held in person at the NCW Libraries Board Room with an option to attend virtually.

II. Attendees

Attending virtually were Board members, Jill Sheley, Jim Mitchell, Kathleen Allstot and Lisa Karstetter, and those Board members who attended in person included Nancy Spurgeon and Nancy Churchill. Board member Denise Sorom was absent. Also in attendance were Barbara Walters, Executive Director; Kim Neher, Deputy Director; Mike Githens, Director of Finance; Aaron Floyd, Director of IT; Summer Hayes, Associate Director of Programs and Resources; Tim Dillman, Director of Branch Operations (Acting); Sharon Mauch, Executive Assistant.

III. Consent Agenda Items

- a. July 21, 2022 Amended Meeting Agenda
- b. Minutes of the June 16, 2022, board meeting
- c. Payroll & vouchers
 - i. June payroll for \$571,840.53 and Benefits for \$197,018.39
 - ii. June Accounts Payable for \$694,141.47
 - iii. Staff Reports

Kathleen moved to approve the amended Consent Agenda with the additional item(s) added after the agenda was published.

Nancy C. seconded the motion. The motion passed unanimously.

IV. Executive Director Report

Barbara introduced Summer Hayes, the new Associate Director of Programs and Resources and member of the Executive Team. Summer gave a brief background of her experience and is excited to assume this new role.

HR Update: Mike shared that he will be working remotely as interim Financial Director upon his departure from NCW Libraries. The hiring of the new Associate Director of Community Libraries is being finalized and will be announced in the coming week.

Sara Jensen has been hired as the new Area Manager to oversee the north region of the library district. She has strong ties to the area and is excited to move here permanently.

Property Tax Structure and Collection (Part 1)

Barbara and Mike presented Part 1 of a 3-part presentation on the property tax structure and collection process that illustrates how revenue is received through property taxes. The presentation shows the cities that are annexed and contracted, as well as those communities that are not annexed or contracted and therefore are ineligible for library service.

V. Partnership Wenatchee Valley College (WVC) with Winthrop Library

Jill Sheley shared a pilot program whereby WVC has contracted with the City of Winthrop to offer their full suite of educational programs at the Winthrop Library. They will outfit one of the community rooms with their technology to provide a fully remote zoom classroom. This will also allow local instructors to share their program from the library as well. Living in a remote area will provide an opportunity for students who otherwise may not be able access these services due to travel and distance. WVC is anxious to partner with NCW Libraries to provide this same service in other branches. Barbara noted that NCW Libraries would be open to expansion of this program to increase accessibility to higher education in outlying communities. Nancy S. expressed her support for this opportunity. WVC is also working with local high schools to provide courses so that graduating seniors are better prepared for certification or the next phase of education in their chosen field.

VI. Financial Report

Mike shared the mid-year financial picture. On the revenue side we are at about 55% of the allotted property tax budget for 2022 which is very strong. Some property taxes were received in the month of June. He is confident that we are on target for 100% by end of year and this will be monitored to prevent an overage in revenues. Lost and damaged materials fines are up which is good as it shows that library use has also increased. Investment interest has remained stable as well.

Expenditures are under in the personnel category due to vacant positions. This will resolve when we are at capacity. This amount will be much less when some of the bigger positions are filled. Some other categories are currently overspent. Training and development expenses are on target at nearly 50%. Facilities costs are up due to increases in fuel and supplies. Overall expenses are under target for the fiscal year thus far.

Jill asked where we would be if we were fully staffed right now. Mike said we would be at about 48% of the target personnel budget, considering that there will always be vacancies.

VII. Resolution 22-03: Budget amendment for 2022 General Fund

Mike explained that there are unspent funds from the 2021 budget that are currently kept in the General Fund. The administration is proposing to transfer some of those funds out of the general fund and into some designated areas. A portion would go to the Facility Improvement Project for additional staffing. Kim went on to explain that

that since the Facilities Manager and a temporary Project Coordinator are in place, it has been determined that the addition of a Temporary Executive Assistant is needed to help implement the project and to keep it moving smoothly.

Jill asked Kim to provide an update on the overall plan at the next meeting.

Mike added that the additional 2021 unspent funds would be transferred to the Capital Reserve to potentially create additional office and meeting space at the DC to alleviate some of the shared offices in the future.

Jill asked if funds could be moved again from the Capital Reserve to the Facility Improvement Project in case more funds are needed there. Mike confirmed that is possible if needed, and that there may be a surplus of the 2022 budget that could go to that as well.

Jill and Nancy C. support the proposal, but do not feel comfortable moving a large sum of money into the Capital Reserve without a specific plan as to how it will be spent.

Kathleen asked Mike if the need to move money out of the General Fund is because it appears we are not spending our money well. Mike explained while there is no harm in keeping it in the General Fund, those funds will continue to grow without any kind of a plan for those dollars which may look like we have more money authorized than we need or have a plan for. The funds can sit in the Capital Reserve without a plan just as well.

Looking ahead to the 2023 budget, Kathleen asked if Mike would like staff to see a more accurate view of our operating budget. Mike said that if it remains in the General Fund, it could be earmarked for a purpose to be determined by the Board.

Tim asked if we have the funds necessary in the General Fund to provide the detailed remodeling plan for the DC that the board is asking for. Mike said that is likely not possible out of the General Fund as it stands now. Kim confirmed that there are many pieces that need to be considered for a plan like that. Those working with the Facility Improvement Plan would be involved and they do not currently have the capacity to work on another major project proposal such as that.

Kathleen moved to approve Resolution 22-03 as presented. Nancy C. seconded the motion. Resolution passed with 5 ayes (Jim, Nancy S, Nancy C., Kathleen, Lisa) and 1 nay (Jill).

VIII. 2023 Budget Process and Outlook

Mike reported that the June CPI inflation exceeded expectations at 9.1%. Increased housing prices and interest rates have slowed the market some. The US economy created far more jobs than expected, and unemployment remains low. Assessed home values that accounts for 94% of the library district revenue budget, and those values are not falling. However the forecast for 2024 is unclear, particularly if and when we fall into a recession.

Revenue: Budgeting to assume a 1% increase in the property tax levy over last year.

Expenses: Budgeting for all current FTE with no new positions added in 2023. Additional positions cannot be sustained.

We are budgeting for a COLA plus step in 2023 (upon board approval), and modest benefit increases. No other changes will be made to the expenditure budget.

Expenses currently exceed revenue (\$519,008).

Tim acknowledged Mike on his hard work and fiduciary responsibility as Finance Director, as well as the other duties he took on for NCW Libraries.

IX. Facilities Improvement Plan Update

Kim reported that the RFQ for architect/design proposals currently open and responses are due 8/12/22. The work done to open the Winthrop Library for public service will serve as a startup checklist for the coming projects at the other branches.

Kim gave an update on the library projects that are underway in some form:

- Waterville: A discussion was held with the mayor in Waterville in July. They are purchasing a completed building, and due to conflicting timelines, the district will only be able to make small upgrades at this time. Further investment in the building will be made later on.
- Brewster: The team met to discuss the final interior design. Next step will be meeting again with the city.
- Cashmere: Due to the change of location to the Riverside Center, NCW Libraries will enter into an MOU with the city which is currently being drafted.

X. Approve Contract for WPL Phase 2 Professional Design Services

Kim presented the contract for the WPL Phase 2 professional design services which needs board approval to move forward. Kathleen asked what the amount of the Dept of Commerce grant was. Kim said the amount is \$750,000 in addition to other funds set aside for the project.

The scope of some of the work to be done will involve teen and additional meeting space, and a café.

Nancy C. moved to approve the contract. Kathleen seconded the motion. The motion passed unanimously.

XI. Marketing and Communications Report

Amanda Brack and Aaron Payne joined the meeting briefly to complete their presentation of the 2022 summer marketing campaign that rolled out in June. "Borrow Locally" is the phrase adopted for the campaign, the goal of which is brand saturation using the phrase and to inspire visits to the library or web site.

Some of the campaign components include radio and theater ads that were played for the group, as well as billboards and social media ads. Also available are some swag items such as magnets, stickers, and totes.

The messaging is meant to engage the public and make them aware of all the library has to offer.

XII. Branch Report

Tim shared that the new area manager, Sara Jensen, will start August 1. The Summer Reading Program is in full swing and has been very successful thus far with participation better than expected at the branches for various activities.

At next month's Board meeting there will be some information shared with regard to expanding telehealth for more accessibility of health care in rural areas. Nancy C. has connections with the Public Health Advisory Board and would like to be included in discussions in case there is any way more partnerships can be developed.

XIII. IT Report

Aaron reported that the new phone system is working very well. There are no new projects that have been completed. The Microsoft migration is ongoing.

XIV. Adjournment

Meeting was adjourned at 3:00 p.m.

Nancy Spurgeon

Nancy Spurgeon, Chairperson

Jim Mitchell

Jim Mitchell, Secretary