

North Central Washington Libraries
Board Minutes

December 16, 2021

I. Call to Order:

Kathleen Allstot called to order the November meeting of the NCW Libraries Board of Trustees at 1:03 PM December 16, 2021. The meeting was held as a Zoom teleconference.

II. Attendees:

The following persons attended via Zoom: Board Members Kathleen Allstot, Denise Sorom, Nancy Spurgeon, and Jill Sheley. Barbara Walters, Executive Director; Kim Neher, Deputy Director; Mike Githens, Director of Finance; Aaron Floyd, Director of IT; Tim Dillman, Executive Assistant.

III. Consent Agenda:

Kathleen asked if there were questions or corrections for any items in the Consent Agenda which included the:

- a. December Meeting Agenda
- b. Minutes of the November 18 regular board meeting
- c. Payroll & Vouchers
 - i. November Payroll for \$514,274.33 and Benefits for \$185,189.01
 - ii. November Accounts Payable for \$478,632.38
 - iii. Staff Reports

Jill moved to approve the Consent Agenda as presented.

Nancy seconded the motion which passed unanimously.

IV. Financial Statement

Mike shared that a good amount of the second half of the year's property taxes have come in, putting the percentage of revenue at just under 91%. Mike expressed that by the end of December the amount should be around 96%. The district received a tax revenue payment for the Hanford property in the amount of \$73,198 which is captured on line 337. Total revenue for November came in at \$2,956,925.

On the expense side, the district gave employees the option to cash out a portion of their vacation balance if they so choose. The personnel budget will end the year well under the budgeted amount. Currently it is at 86% of budget. Mike again expressed his desire for where the personnel budget should be spent and plans to better spend the budget next year.

Mike pointed out that the Admin-Professional Services line item budget is over, but as a whole the Administration category is still within budget. Under Public Services, Mike mentioned that the overall category is much better spent this year considering the pandemic. Under Library Books and Materials, Mike pointed out that Line 67 shows a significant expense that represents the renewing of periodicals. Line 76 represents Overdrive and it is at 78% for the year. Under the IT category, some line items are overspent but overall, the category is underspent for the year. Mike mentioned that Line

126 represents postage for the Mail Order Catalog. It has leveled out now and is roughly where he expects to see it at year's end. Mike noted that the Training and Travel budget is well underspent due to the nature of not being able to hold many in-person trainings and in-person conferences being cancelled. The continuing education budget is underspent as not many staff took advantage of this opportunity in 2021. Under the facilities category, Line 209 represents Fuel. It has been much higher than expected and more money will be budgeted to this line item in 2022.

Mike mentioned that the Small Equipment area is one that can be celebrated. Line 211 shows healthy spending related to the replacement of many book drops at branches, as well as new bookends at WPL which match the new shelving. Mike mentioned that Line 235 is somewhat of a placeholder and will not need to be budgeted as high in 2022. It represents a natural gas line at WPL that must be kept in place despite the building no longer needing natural gas.

Jill asked how many vehicles the district currently has in their fleet. Mike said it is around 16 including the bookmobiles. Jill asked if we have a schedule for replacement on those and Mike said the district does and he will review that later in the meeting.

Mike concluded the November financials by pointing out that total expenses are about 17% off from the year end budget.

Mike pointed out that the Capital Fund 645 shows a charge of \$28,747 for the Winthrop Project. This expense was mistakenly paid out of the Capital Fund and will come out of the General Fund next month to correct the mistake.

V. 2022 Budget Hearing

Mike clarified that the property tax amount is the budgeted amount. The actual levy amount approved will be less than this. Mike began by stating that after the November meeting the administration did work to incorporate the direction the board had given. Mike prefaced his presentation by letting the board know that library administration recommends taking the 1% levy increase in the 2022 budget because if the district doesn't take the increase it would create a bulge of revenue, which if it is accessed later through banked capacity, creates a greater tax burden for families.

The budget as presented shows a carry forward of cash from 2021 in the amount of \$293,332. This rounds out the total 2022 revenue to \$16,059,328. Kathleen asked Mike to explain the levy refund amount. Mike explained that this is money that comes back to the taxing district based on reduced amounts of tax revenue from citizens who receive discounted tax bills. The refund attempts to compensate taxing districts for the lost revenue.

In the 2022 expenses, Mike reminded the board that the Personnel budget is a make-or-break part of the budget. Barbara walked the board through the hiring that was done up to this point in preparation for the 2022 budget. This included optional FTE increases for branch librarians as well as some additional Customer Service Technician hours. Barbara then talked through the plan for rehiring vacant administration positions and described the plan for the Associate Director of Community Libraries and the Associate Director of Services and Experiences. Kathleen asked which of these positions will require their MLIS. Barbara said this is still being decided. Both teams of the direct reports for these positions will work with Nash Consulting on the job posting and ideal candidate for the positions. Barbara said it

is currently looking like both positions would require an MLIS.

Mike reminded the board that by approving the 2022 budget as presented the board is also approving the corresponding salaries and benefits increases for current staff as well as Library Assistants. This includes a COLA of 2.5% and step increases for eligible positions. The total personnel budget for 2022 is \$10,280,192. Mike also mentioned that some of the open and planned positions don't post immediately January 1st, so the administration is talking about some ways to proactively do some temporary hires. Mike reassured the board that recruitment for open positions continues to be strong.

Denise commented that this is a giant jump in the personnel budget. She added that the board has been missing the end user audience piece which would show that the district has the circulation, foot traffic, and engagement that corresponds to staffing levels. Denise added that we are not talking a lot about the experience for the user. Kim said that a lot of what the district is seeing is that usership is down and the 2022 budget tries to drive greater usership with concerted, targeted marketing and planning. Denise thanked Kim for that response and added she would like to see some targeted goals on increasing usership in 2022. Kathleen added that it is important for the district to be able to share what libraries do. Nancy mentioned that NPR did a recent piece on the future of libraries.

Mike continued through the presentation on the expense side of the 2022 budget. The supplies line item in the Admin category has been increased to create an employee recognition program. In the Public Services category, the supplies budget has been cut by \$35,000 due to the work the Program Managers did to take a close look at what is actually needed to provide programs. Library Books and Materials has been left in the same place as last year's budget. The IT budget has been trimmed by \$75,000 in response to realigned priorities. Most of those reductions have been realized through renegotiated and eliminated contracts. The Postage budget will see a decrease based on actual spending in 2021. The Training budget has been increased in preparation for a couple of anticipated in-person conferences.

Mike explained that under the Facility Improvement Fund (previously the Strategic Initiatives Fund) the administration will need to come back to the board in 2022 with a budget amendment once actual expenses on projects are better understood. The current budgeted expenditure amount is \$868,416. This covers the anticipated 1st quarter library improvements. Jill asked what the Professional Services in the Facility Improvement Fund is for. Mike explained that Professional Services is for the architectural work and Furniture and Equipment is for expenditures around Furniture, Fixtures and Equipment. Jill said that she thought each library's project would include money specifically for that. Kim explained that this is correct. The initial budget shown to the board is to allow for preliminary spending to take place in these categories so work can move forward, but that the board will have a specific budget for each project presented for approval.

Mike pointed out that the 2022 Capital Fund is budgeted to have \$615,975 in expenses for vehicles, shelving, furniture, and the circulation desk in Brewster. Denise asked about project allocations for Winthrop and wanted to know if it was true that the board made an initial investment and will also provide a makeup amount that brings Winthrop in line with investments at other libraries. Kim said this is true. All libraries are anticipated to receive around \$83/sqft. Winthrop will receive the same equivalent. Denise asked what that would bring the total investment at Winthrop to. Kim said it would be \$498,000. (6000 sqft x \$83)

VI. Resolution 21-06

Nancy moved to approve Resolution 21-06 Approving and Adopting the 2022 Calendar Year Budget.

Denise seconded. The motion passed unanimously.

Mike reminded the board that in August they had asked that approval for COLA for the Executive Director be revisited after a COLA amount had been approved for all staff.

Jill moved to adopt a 2.5% COLA for the Executive Director starting January 1st, 2022.

Nancy seconded. The motion passed unanimously.

VII. Resolution 21-07

Mike shared that he is not in receipt of the final assessed amounts from all five counties. He is asking the board to consider a 1% increase to the levy rate. After passing the resolution, Mike would get the amounts from the outstanding counties. A special meeting would be called to add the actual amounts. The special meeting would need to happen by the third week of January. Kathleen asked if the board needed to pass Resolution 21-07. Mike said yes.

Nancy moved to adopt Resolution 21-07 Approving a 2021 Property Tax Levy increase for 2022 Collection.

Jill seconded.

Denise asked if there was anything irresponsible about adoption of the levy increase without the actual values. Mike said no, the district is just waiting on the final assessed values to know the revenue amounts. Jill asked what the budget includes right now. Mike said that the budget is based on a 1% increase and this resolution authorizes the increase.

The motion passed unanimously.

VIII. Resolution 21-08 Establishing Regular Meetings for 2022 Calendar Year

Denise moved to adopt Resolution 21-08.

Jill seconded. The motion passed unanimously.

IX. Resolution 21-09 Amending Resolution 20-15 to Correct a Scrivener's Error

Jill moved to adopt Resolution 21-09.

Denise seconded. The motion passed unanimously.

X. Executive Director Report

Barbara notified the board that the first meeting between the labor union and library management was held. This is not the start of negotiations but just an opportunity to express any concerns on both sides. The two sides agreed that until a bargaining agreement is in place, any AFSCME represented positions will be posted internally first for seven days. Barbara shared a brief history on the district's levy rates over the last five years. Mike's early estimate on the change this year is that the levy rate would go to .32 per \$1,000 of assessed value. Kathleen asked for an update on the recruitment process for the Ferry County trustee position. Tim gave a brief update. Denise commented on the issue of trustee attendance at meetings and the need to include the expectation in recruitment.

XI. Facilities Improvement Update

Kim shared that Adult Services Manager Amanda Brack was hired as the new Communications and Engagement Manager. She has begun her new role and is beginning to set top priorities for the department. She is setting up a communications plan for the global Facilities Improvement Project as well as each individual project. Kim listed several meetings that have been had with city building owners. Kim relayed thanks from the Entiat City Council for the investment in their library. Kim spoke about the new urgency around Waterville's library and the city's plan to purchase a new building for the library. This will present unique opportunities and challenges. Jill asked if the district has done any community engagement in Waterville. Kim said not yet, but it is a small community with a good history of library support and engagement should be robust.

Kim shared that several cities have expressed an interest in increasing the space devoted to the library. Kim also updated the board on the progress of the Brewster prototype project and mentioned that a final design on the Winthrop circulation desk had been arrived at, and the shelving package is being finalized. Jill added that FOWL is trying to get a date for an occupancy permit. Kim gave an update on the hiring process for a Facilities Manager.

Jill asked if the meetings with cities were being conducted in person or over Zoom. Kim answered that it has been a combination, with the cities deciding in most cases. Jill added that she hopes the district is also engaging Friends groups as well.

XII. Branch Report

Tim briefly summarized a few details in the written board report provided to the board.

XIII. IT Report

Aaron shared that the most important update is that the IT Department has settled on Nextiva as the vendor for a new phone system. The first week of February is scheduled for pilot installation on the phone system in the distribution center, East Wenatchee, and Moses Lake.

This project will create a uniform phone system in every location and include a patron use phone in every location.

Aaron recapped end of year expenditures in the IT department. \$80,000 from ARPA (American Rescue Plan Act) funding was utilized at the end of the year for expenses related to patron computers. Aaron shared that it has been a struggle to expend everything budgeted this year.

Aaron mentioned data collection points for the library and said that there is no system currently for collecting all the disparate data points and reporting those in a roll up, but that a system is needed for consolidating important data. The new enterprise management system will help a lot with achieving this. Aaron gave recognition to Interim STEM Manager Ash Kunz.

Kathleen mentioned that the board used to get data reports and that doesn't happen anymore. She asked how those were being produced. Aaron said that a lot of that data was being manually pulled together and took a great deal of time. Barbara added that it is important that whatever is reported to the board is accurate.

XIV. Announcements

Tim reminded the board that new officers for 2022 would need to be elected at the January meeting. The board had some discussion around potential officers.

The meeting was adjourned at 2:59 pm.

The next regular meeting of the Board of Trustees is scheduled on Thursday, January 20 2022. The meeting will be held via Zoom teleconference.

Respectfully submitted,

Kathleen Allstot, Chairwoman

Jim Mitchell, Secretary

