

BellinghamPublicLibrary



Regular Meeting of the Library Board of Trustees Tuesday, May 15, 2018 – Central Library 3:30 p.m.

Minutes of Actions and Decisions of the Library Board of Trustees of the Bellingham Public Library as authorized by RCW 27.12.210 and SEC. 7.02 Charter of the City of Bellingham.

Board Members Present: Rick Osen, Rachel Myers, Rebecca Craven and Jim McCabe

Library Staff: Nancy Kerr, Beth Farley, Bethany Hoglund, Janice Keller, Jon McConnel, Jennifer Vander Ploeg and Wendy Jenkins

Others Present: April Barker, City Council Liaison; Faye Hill, Friends of BPL; Brian Henshaw, Finance Director; Brian Heinrich, Deputy Administrator; Kara Turner, Turner HR Services

Call to order and introductions: Regular session was called to order at 3:30 p.m. by Chair, Rick Osen.

Approve/modify agenda: Rick acknowledged and thanked Nancy for all of the great work she has done for the Library and wished her all of the best in Colorado. Rachel Myers moved to approve the agenda. Jim McCabe seconded. Motion carried.

Consent agenda: Rebecca Craven moved to approve the April 17, 2018 Regular meeting minutes and the April 2018 performance and activity measures and financial reports. Rachel Myers seconded. Motion carried.

2019-2020 Budget planning:

- City of Bellingham budget overview: Brian Heinrich commented that he would be providing some comments, after Brian Henshaw's presentation, about the Budget Modification form that is the first step in building the city budget. He added that he and the Mayor are mindful of the direction by Council, following the Sustainable Funding study, to raise the level of service. He wants to share the Mayor's perspective on an approach to fulfill that direction.

Brian Henshaw provided a City of Bellingham Financial Overview. *(See Attachment #1 for full PowerPoint presentation. All attachments located at end of minutes.)*

Highlights of his PowerPoint presentation included:

- The City posts all Financial Reports on the City's website.

- The City has 50+ funds, each for a specific purpose; revenues and expenditures are tracked for each fund. The General Fund is the most important fund (it funds Police, Fire, Parks, Library and much more), but also has the most constraints due to the number of requests.
- 2017 citywide revenues were \$263 million.
- 2017 citywide expenses were \$236 million.
- 2017 General Fund revenues totaled \$79.7 million; approximately 80% of the revenues come from taxes – property, B&O, sales and utility.
- 2017 General Fund expenses totaled \$76.4 million; 72% were salaries and benefits. Through cost saving measures the City has been able to shrink the deficit and build up reserves so we are in good shape going into the next budget cycle.
- Debt per capita: in 2010 the state moved from grant funding to grant/loan funding which has increased debt.
- Unfunded City liabilities include:
 - Environmental Remediation, \$19 M
 - Annual Deferred Maintenance, \$1 M
 - PFD Debt Service, \$4.2 M
 - Fire & Police Pension, \$20 M
- Budget cycle: the cycle for the budget begins in April and concludes in December with Council adopting the budget. This biennium cycle the Mayor wants to separate requests from the funding – they want to prioritize the requests as a City and then the Mayor and Brian Henshaw will work on the funding mechanisms. The Mayor will work on her budget proposal in September and then will present it to Council in October.
- The City has a 6-year Capital Facilities Plan. The budget cycle is the time when departments can make new project requests and the Mayor has the opportunity to reprioritize the plan. The City has underfunded facilities maintenance throughout the city; we need to catch up on maintenance – fix it first.
- 2019-2020 budget request process: Brian Heinrich continued with the budget request process, stressing that it is a dynamic, ongoing process. This is the opportunity to tell the Mayor what you want to do in your work plan, then if all agree, the funding will be figured out. The departmental presentations are work plan driven rather than focused on dollars. Documents like the Comprehensive Plan will help guide the work.

What has helped other projects be successful? Certainly ADA compliance issues, such as the elevator issue – what's the impact on the community? The library is already talking with the folks that need to be aware of the needs, such as the Mayor, April (Council), and Ted from Public Works. The departmental work plan also plays a part. April added that the library is included in the Comprehensive Plan, the Capital Facilities Plan, the Consolidated Plan update and has already been given direction from Council to work towards Level 2 – these all support the need. Surveys help as well.

How does the library get to where it needs to be without it looking like an increase? This is the question the City faces – how do we get to where we should be. The Capital Facilities Assessment study said that, given the facilities and assets of the City,

we should be spending 5 million on yearly maintenance, yet we budgeted \$600,000 for 2018. The City is constrained by the reality of what the budget will allow. The library's elevator will rise to the top of the list, but another department's need will have to be deferred.

- A Library budget detail spreadsheet was distributed that shows 2014-2017 actual spending, plus the revised 2018 budget. *(See Attachment #2 for budget detail spreadsheet. All attachments located at end of minutes.)*
- 2019-2020 budget request form: Brian Heinrich provided detail about how to fill out the 2019-2020 Biennial Budget Modification Proposal. Finance is available to provide a place holder number for the Expenditures/Revenues columns. This becomes the foundational document for discussion with the Mayor. Jim asked if it would be helpful to provide a several year plan (LIP - Library Improvement Plan) to reach Level 2, similar to other City 6-year plans. Heinrich said that would be helpful, improvement needs to be incremental. Henshaw suggested one Proposal form for materials, one for staffing, etc.

Acting Library Director appointment: Nancy and the management team determined it would be good to appoint an Acting Director to serve until a new Director is in place. Rachel Myers moved that we designate Bethany Hoglund as the Acting Library Director beginning tomorrow until we hire a new Director. Jim McCabe seconded. Motion carried. Rick added that he would be meeting regularly with the management team and for the board to be aware that an extra board meeting will need to be scheduled before the June meeting.

Rick added that the LOS standards draft presented at the last meeting will be a document that we add to each Budget Proposal.

Waivers of outstanding Hold Expired fines and J Materials fines w/WCLS: Rick referenced the document Jon provided that was included in the packet. These are two fees that we no longer charge patrons and we would like to waive the largely uncollectible fees that remain on patrons accounts. WCLS approved this waive at their board meeting this morning. Rebecca Craven moved that the Board authorize the waiving of all outstanding hold expired fines and overdue fines on Children's and Teen Materials. Rachel Myers seconded. Motion carried.

Action items for next meeting:

- Rules of Conduct revision update

Executive Session: The Board went into Executive Session at 5:18 to discuss the Director search. No action was taken

Meeting adjourned at 5:45 p.m.

Next Regular Library Board Meeting – June 19, 2018 at the Central Library, 210 Central Avenue, Library Lecture Room – at 3:30 p.m.

Chair, Library Board of Trustees

ATTEST
Secretary, Library Board of Trustees

ATTACHMENTS:

- Attachment #1: Budget PowerPoint Presentation
- Attachment #2: Budget spreadsheet

Attachment #1



Brian Henshaw
Finance Department
Bhenshaw@cob.org





Library Board Presentation

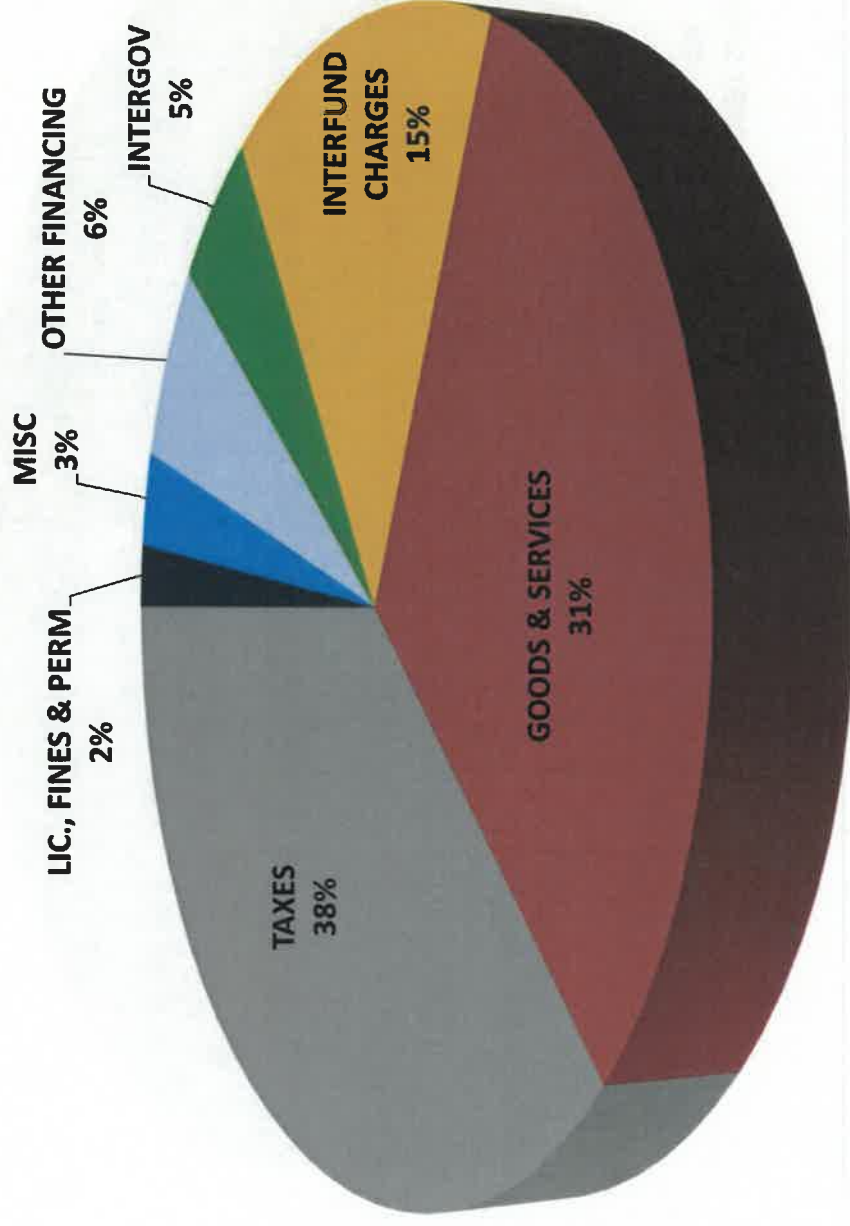
May 2018



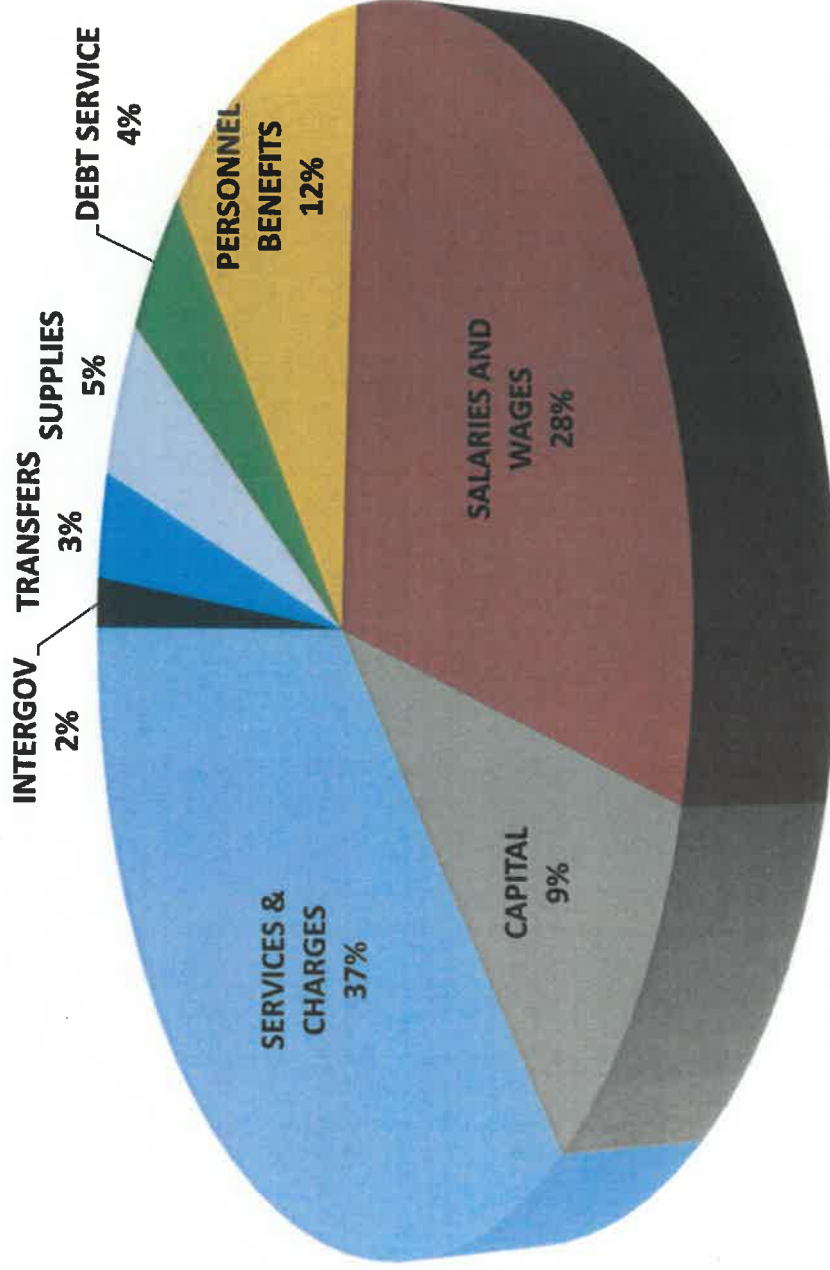
City of Bellingham

- **001 - General Fund**
- **100 - Special Revenue Funds**
 - TBD, Dispatch, REET, Crim. Justice, PEG, Parks, Tourism, Housing
- **400 - Enterprise Funds (Proprietary)**
 - Water, Sewer, Storm, Golf, Parking, Medic One, Dev. Services
- **500 - Internal Service Funds**
 - Fleet, Facilities, Claims & Lit., Benefits, Tech. & Telephone, CIRF
- **200 - Debt Service Funds**
- **300 - Construction Funds**
- **600 - Fiduciary (Trust / Agency)**
 - Pension, Payroll, School & Transportation impact
- **700 - Permanent**
 - Greenways Endowment, Nature & Restoration
- **900 – Discrete Component Unit – Public Facilities District**

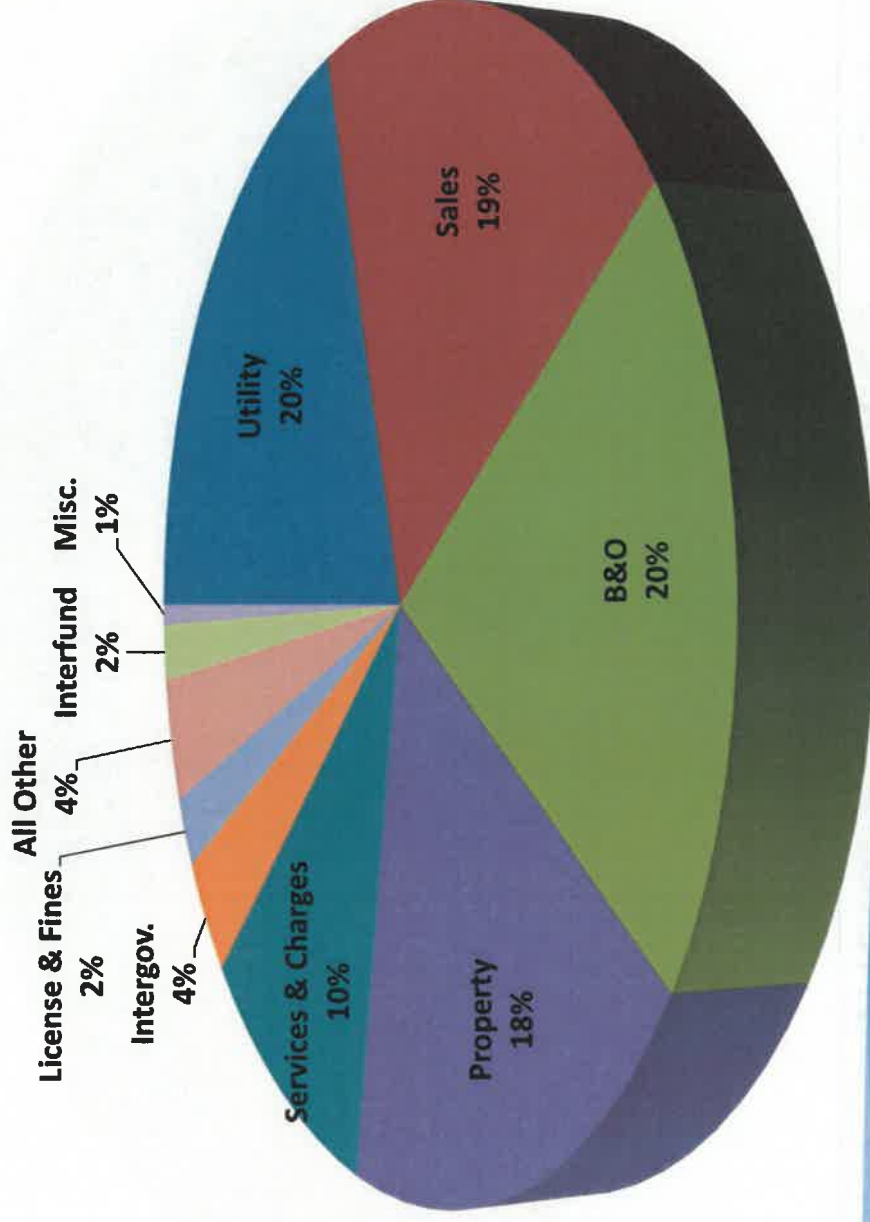
2017 Citywide Revenues - \$263 M



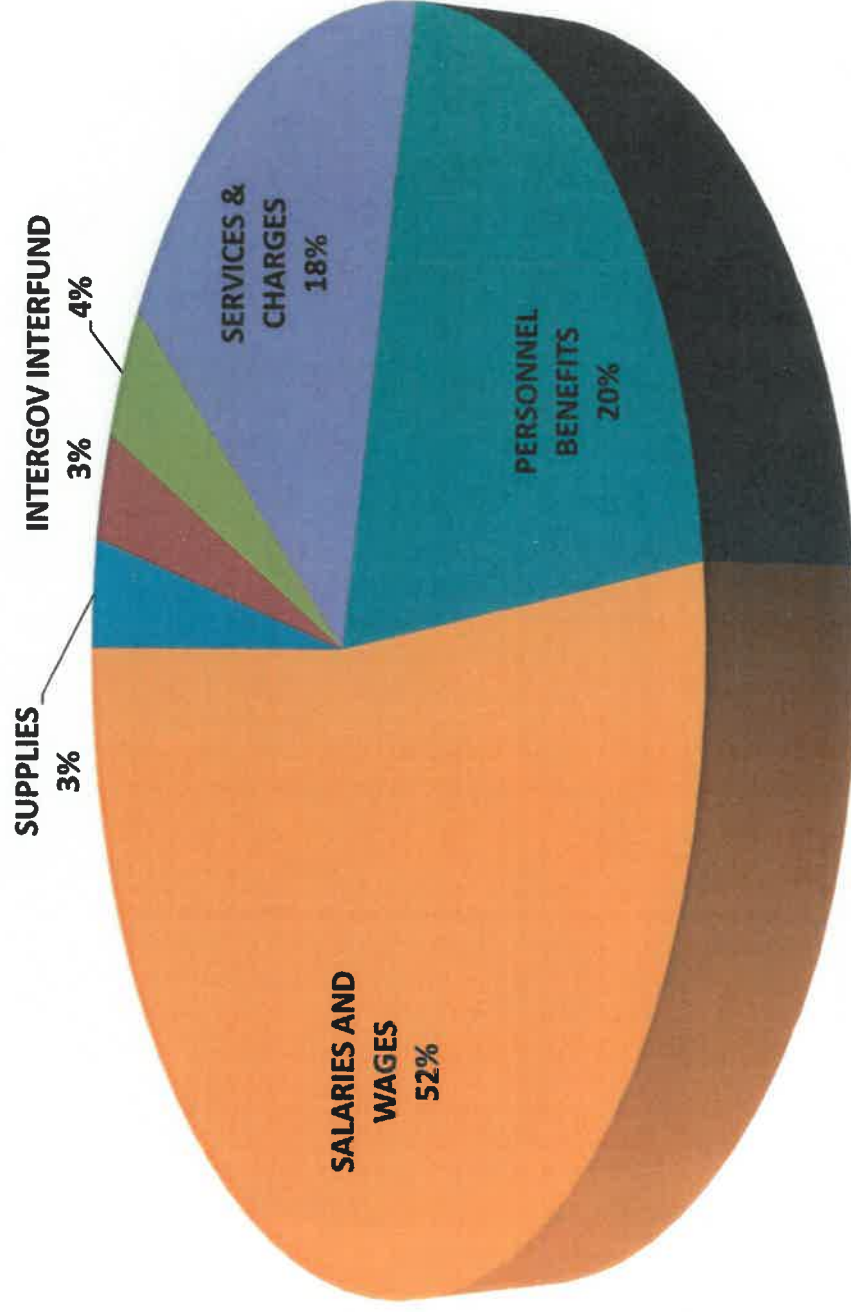
2017 Citywide Expenses - \$236 M



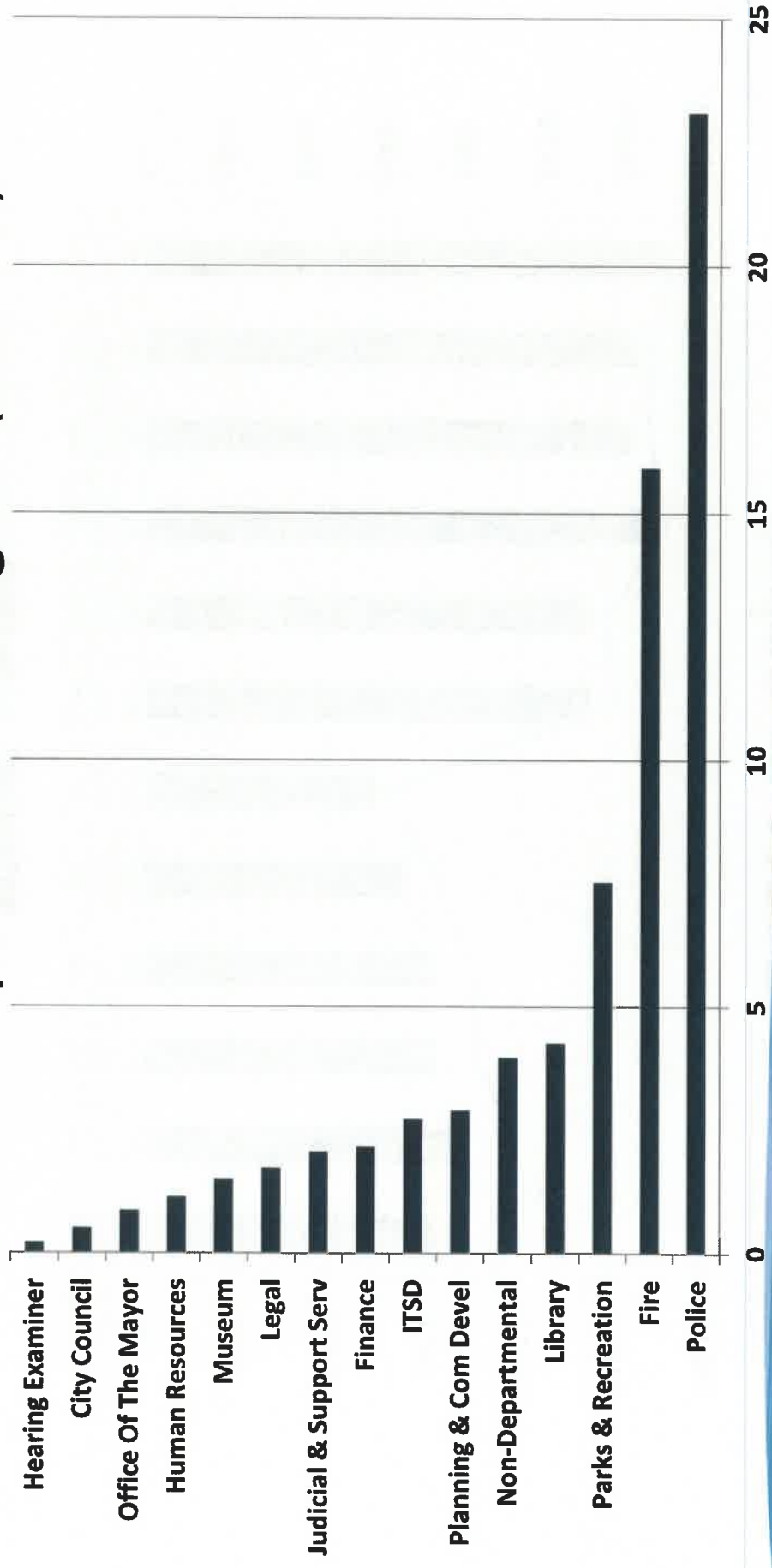
2017 General Fund Revenues - \$799.7 M



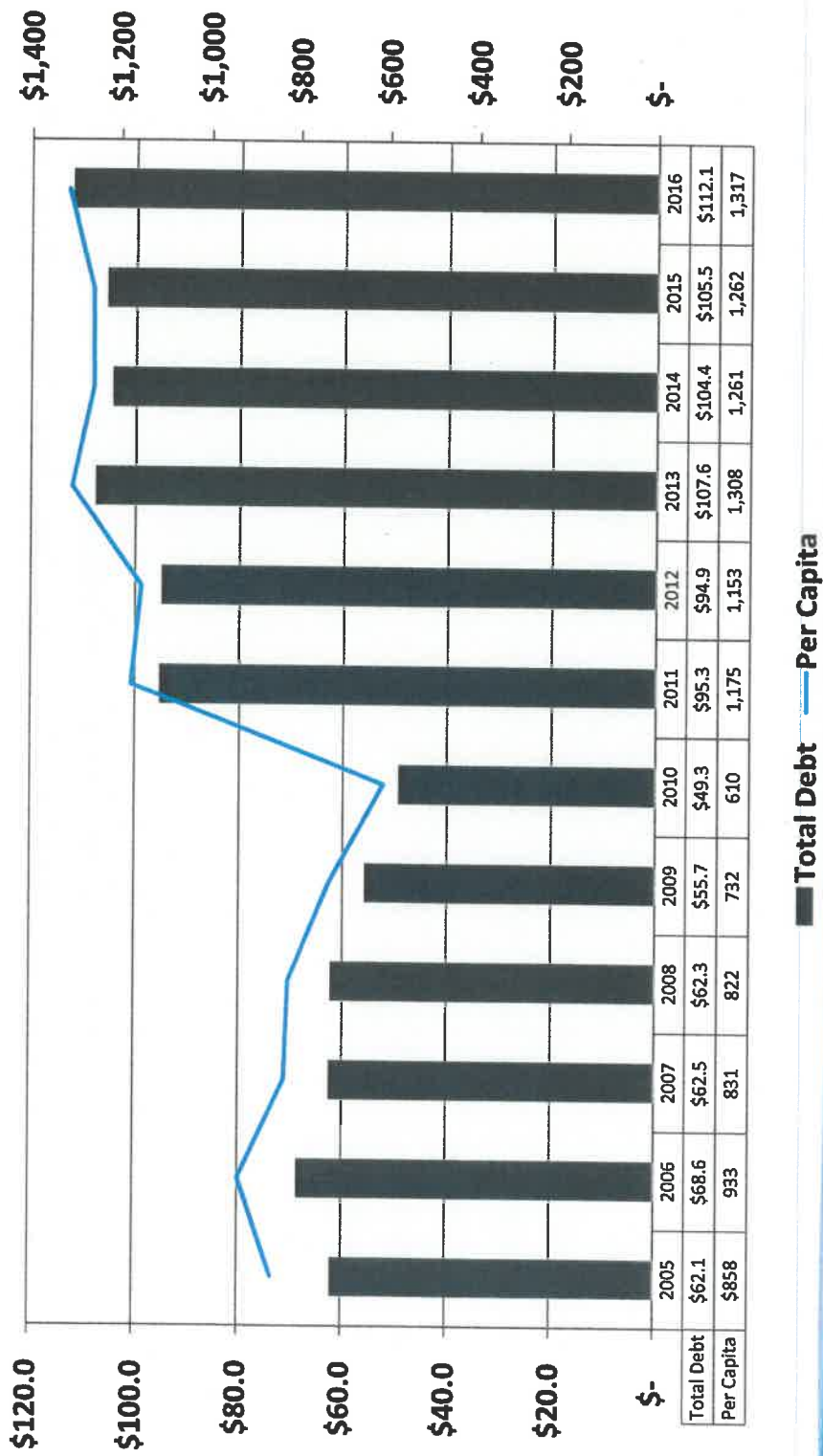
2017 General Fund Expenses - \$76.4 M



GF Department Budgets (\$76.4 M)



Debt Per Capita



Unfunded Liabilities

- Environmental Remediation = \$19 M
- Annual Deferred Maintenance = \$ 1 M+
- PFD Debt Service = \$4.2 M
 - 2017 Legislation
- Fire & Police Pension = \$20 M

Library Budget

Description	2014 ACTUALS	2015 ACTUALS	2016 ACTUALS	2017 ACTUALS	REVISED FY2018
GOODS AND SERVICES	175,559	178,595	178,959	23,897	22,100
FINES AND PENALTIES	144,567	102,315	93,532	68,688	118,450
MISC. REVENUE	80,086	46,408	45,936	42,311	45,000
TOTAL REVENUE	400,212	327,319	318,764	134,896	185,550
SALARIES AND WAGES	1,899,301	1,948,130	2,123,910	2,130,072	2,256,968
PERSONNEL BENEFITS	767,445	791,063	897,739	923,345	1,043,923
SUPPLIES	465,711	500,936	564,730	544,080	545,504
SERVICES AND CHARGES	870,704	933,198	935,314	843,407	855,211
TOTAL EXPENDITURE	4,010,206	4,176,841	4,537,811	4,447,899	4,707,612

Budget Cycle											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Budget Training for Departments											
Capital Requests for Shared Funds											
Calculate & Analyze Budget Allocations											
Payroll Requests & Updates											
Departments Enter Budget											
Preliminary Budget Presented to Mayor											
Mayor's Budget Presented to Council											
Departmental Presentations											
Public Hearing on Property Tax & Revenue											
Council Modifies & Adopts Budget											
Public Hearing on Budget											



Brian Henshaw
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Reserve Purpose

1. Plan for Contingencies
2. Maintain Good Standing with Rating Agencies
3. Avoid Interest Expense on Operating & Capital Expenses
4. Invest Reserves
5. Ensure Cash Availability

* Government Finance Officers Association

Reserves – How Much?

1. Predictability of Revenues
2. Volatility of Expenses
3. Availability of Other Funds
4. Liquidity

GFOA - maintain at a minimum General Fund reserves of no less than 2 months operating expenditures = 16.7%

Distribution of Retail Sales Tax

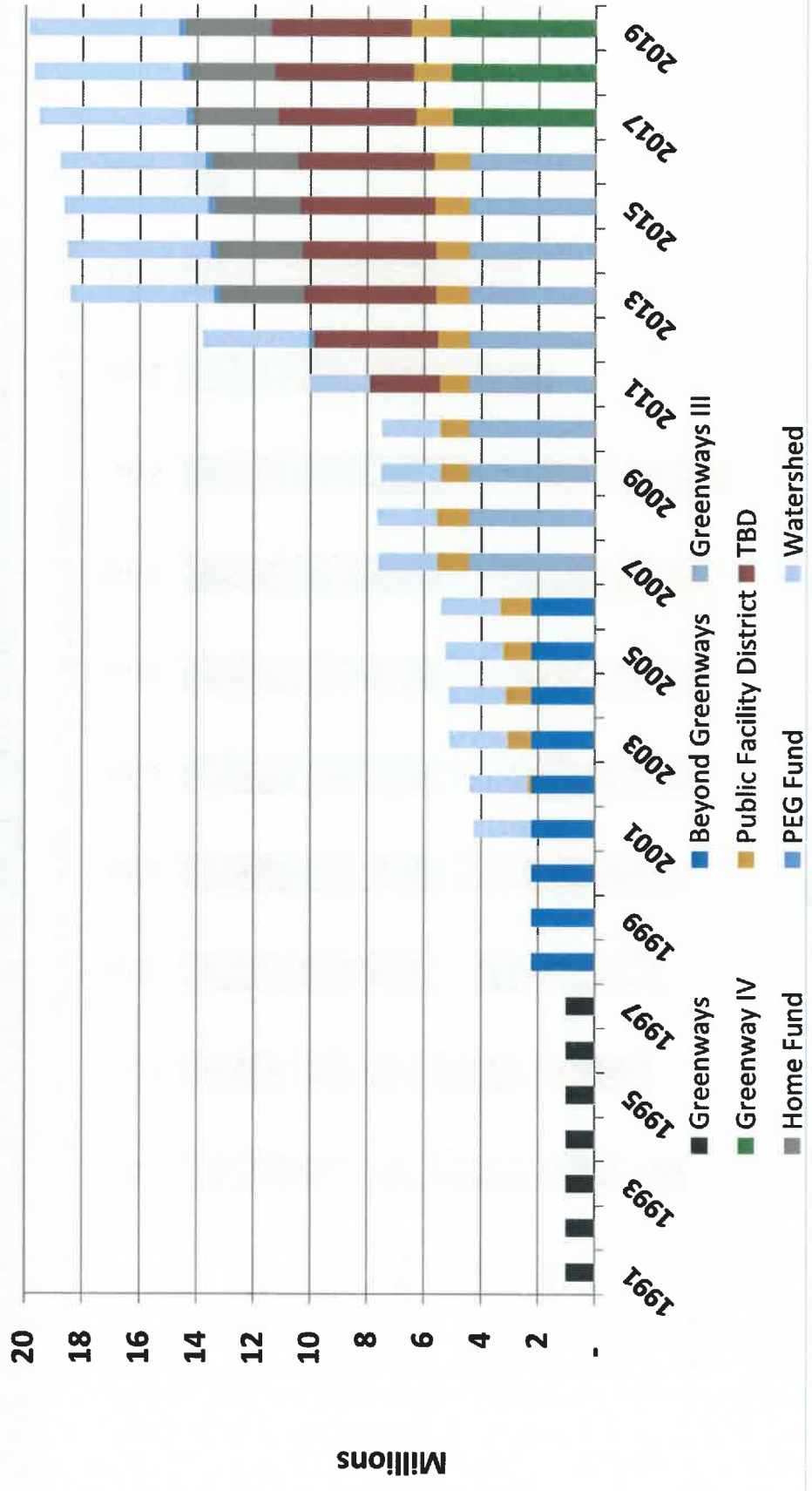
Whatcom Transportation Authority	0.60
Transportation Benefit District**	0.20
Whatcom County	0.15
Jail Construction	0.10
Criminal Justice Fund*	0.10
EMS	0.10
County Mental Health Tax	0.10
City of Bellingham	0.85
State	<u>6.50</u>
Total Retail Sales Tax Rate	8.70%

*Criminal Justice Fund money is divided between the City and County based on population.

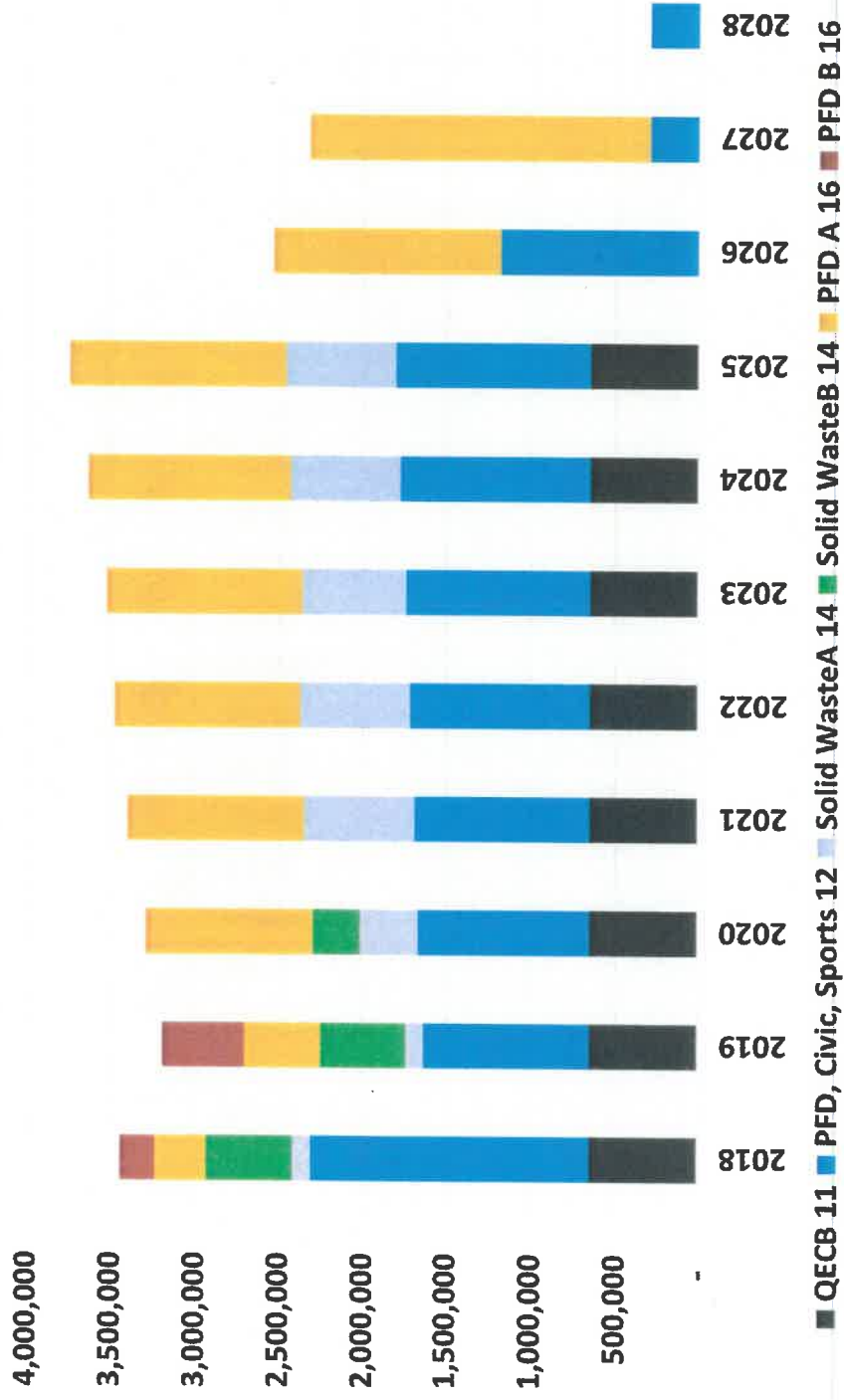
**New 4/1/2011; Voter approved in 2010.

Voted Revenue

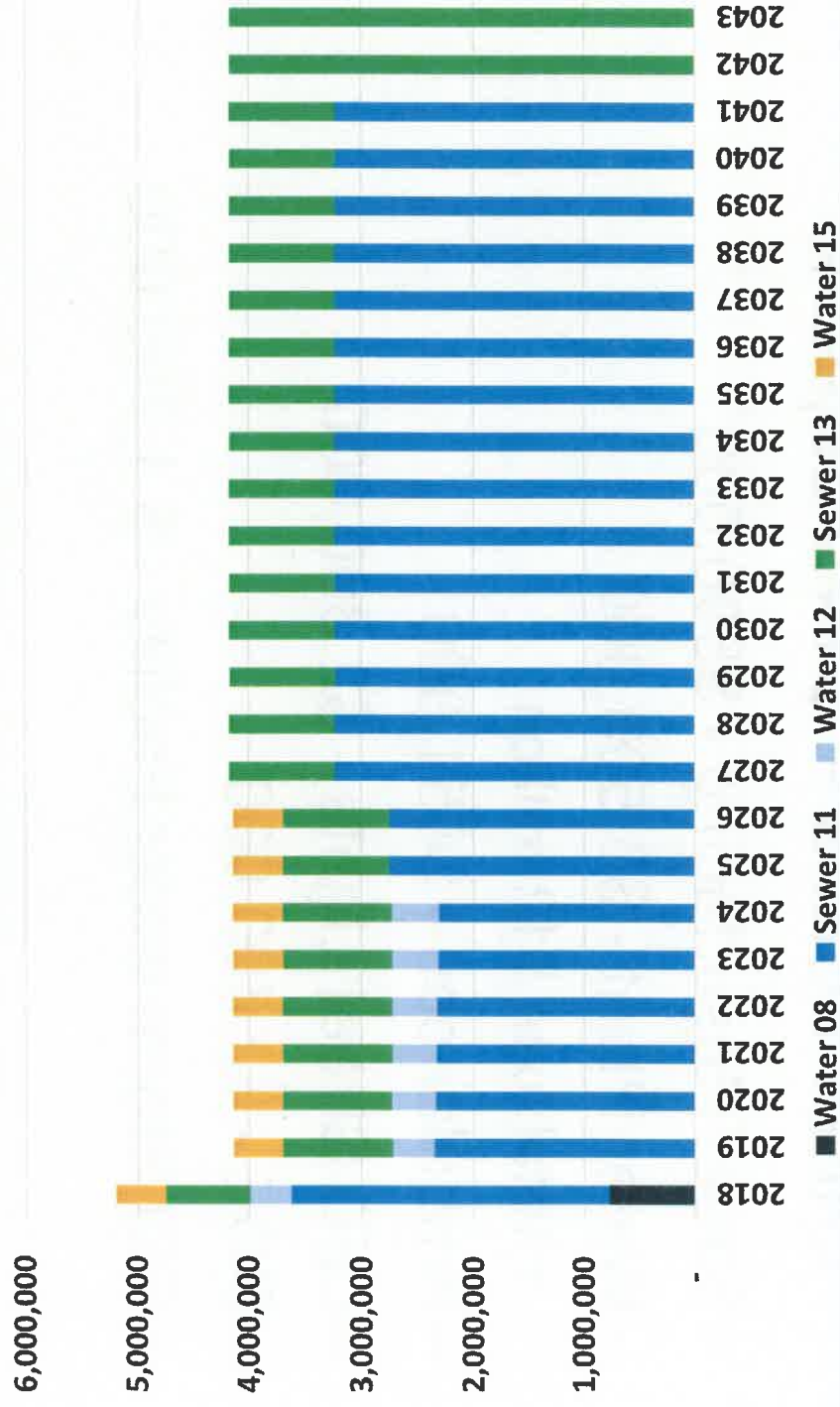
PROPERTY TAX LEVY RATES - 2018	LEVY	DOLLARS
Voted Greenways (thru 2023)	\$ 0.46233	\$ 5,003,083
Housing Levy (thru 2019)	\$ 0.27723	\$ 3,000,000
Chuckanut Community Forest (thru 2023)	\$ 0.26192	\$ 436,904
EMS Levy (thru 2022)	\$ 0.27849	\$ 8,010,675
B'ham School (2018, 2020, 2038)	\$ 0.45500	\$63,782,000
SALES TAX	Rate	DOLLARS
Transportation Benefit District (April 2020)	\$ 0.20000	\$ 5,500,000



General Obligation Debt \$29.3 M



Revenue Debt \$62.4 M



Other Loans = \$14,739,454,

- Street Resurfacing - \$890,000
- Water Plant - \$6,500,000
 - Total loan \$12 million
- Ambulances - \$651,000
- LED Street Lights - \$2,800,000
- DOE - \$2,600,000
- EDI Storm water Facility - \$ 1,200,000

Entity 001-D190 - GF - Library
 Year Fy2018
 Period End MAR
 Scenario REVISED

Description	2014 ACTUALS	2015 ACTUALS	2016 ACTUALS	2017 ACTUALS	REVISED FY2018
34170-00 Sales of Merchandise (Taxable)	1,566	1,219	1,067	954	0
34181-01 Print/Copy Charges - Taxable	14,443	15,162	15,308	15,708	15,000
34720-00 Library Services	1,187	1,110	679	324	1,100
34720-08 Intergov Library Services	151,360	154,539	156,393	0	0
34722-00 Inter-Library Loan Fees	392	209	304	101	0
34790-01 Library Drop Box Placement Revenue	6,357	6,357	5,208	6,809	6,000
36240-00 Facility Rental- Short Term	27,314	31,801	28,030	26,418	30,000
36910-00 Sale of Scrap and Junk	522	0	133	0	0
36941-01 Lost/Damaged Library Book Collection	52,154	14,612	17,959	15,986	15,000
36981-00 Cashiers' Over/Short	71	-5	-201	-93	0
36990-00 Obsolete - Use 36991-00	25	0	0	0	0
TOTAL REVENUE	400,212	327,319	318,764	134,896	185,550
0404 Bad Debts Write Off (Non-budgeted,	0	60	0	0	0
1101 Salaries and Wages	1,447,101	1,485,398	1,628,370	1,642,214	2,083,498
1103 Comp Time (Actuals Only)	1,654	997	1,416	1,218	-1,218
1104 Vacation Accrual (Actuals Only)	139,570	150,223	153,457	160,420	-160,419
1121 Salaries and Wages - Temporary	309,507	311,049	338,152	325,155	334,133
1201 Overtime	1,469	463	2,515	1,066	974
SALARIES AND WAGES	1,899,301	1,948,130	2,123,910	2,130,072	2,256,968
2101 Personnel Benefits	767,445	791,063	897,739	923,345	1,043,923
PERSONNEL BENEFITS	767,445	791,063	897,739	923,345	1,043,923
3102 Forms, Printing, Binding, Copies	4,349	7,706	7,129	6,347	14,253
3103 Office Operating Supplies	18,306	21,101	21,699	22,065	29,291
3105 Food for Consumption in Bellingham	315	171	580	138	922
3107 Drugs, Meds, First Aid	103	243	314	44	64
3111 Clothing and Accessories	228	261	519	573	415
3114 Books, Publications, Pamphlets	282	283	283	283	-283
3127 Computer Software	14,667	151	23,901	9,053	-4,933
3128 Audio/Visual Supplies	4,145	218	0	0	0
3129 Copy/Print Machine Supplies	5,649	4,351	6,461	5,037	9,811
3140 Books-Library Only	187,363	186,250	199,837	194,698	336,893
3141 E-Subscriptions - Library Only	22,537	24,316	28,018	27,343	7,015
3142 Recorded Books - Library Only	24,881	20,125	22,746	24,660	19,657
3143 Compact Disc - Library Only	9,703	7,710	10,635	8,890	20,614
3144 DVDs - Library Only	48,996	51,943	60,949	58,667	24,379
3145 Periodicals - Library Only	40,647	39,996	35,293	33,878	20,758
3146 Digital Media - Library Only	34,555	89,600	60,458	59,079	21,973
3150 Pre-Process Materials - Library Only	11,247	22,800	60,954	69,855	601
3199 Misc. Maint & Operating Supplies	52	0	0	70	-70
OFFICE AND OPERATING SUPPLIES	428,025	477,225	539,777	520,680	501,360
3206 Gasoline	331	0	0	0	0
3207 Diesel	1,730	1,453	1,164	1,369	2,875
FUEL CONSUMED	2,061	1,453	1,164	1,369	2,875
3502 Minor Equipment	6,725	7,757	7,159	12,120	10,710
3503 Office Equipment	6,723	73	236	112	5,192
3504 Computer Hardware	11,103	8,297	6,462	3,665	12,841
3508 Furniture	10,959	3,846	9,715	5,547	13,113
3555 Theft Sensitive Items	0	2,165	217	542	-542
SMALL TOOLS AND MINOR EQUIPMENT	35,510	22,138	23,788	21,987	41,314
3607 Warehouse Clothing	115	120	0	0	0
3623 Warehouse First Aid Supplies	0	0	0	28	-28
3699 Warehouse Misc. Supplies	0	0	0	17	-17
WAREHOUSE	115	120	0	45	-45
SUPPLIES	465,711	500,936	564,730	544,080	545,504
4111 Mailing Services	1,841	1,492	1,715	2,153	2,665
4114 Advertising and Promotions	4,512	7,277	4,856	2,967	7,633
4164 Interfund Svc - frn Street Fnd	0	0	0	203	-203

4173 Interfund Electrical/Comm Svc - frm F	574	0	0	0	0
4175 Interfund IT Services	4,500	4,500	2,625	0	9,270
4181 Interfund Computer Replacement All	40,840	56,861	54,857	46,196	46,196
4185 Interfund Purchasing Svc Allocation	781	1,820	1,820	1,843	1,843
4199 Other Professional Services	5,510	5,679	9,217	9,389	24,803
PROFESSIONAL SERVICES	58,557	77,629	75,090	62,751	92,208
4202 Postage and Express	367	367	350	261	-49
4272 Interfund Postage	89	0	0	0	0
4281 Interfund Telecom Svc Allocation	21,925	19,926	21,430	22,156	25,188
4282 Interfund Mailroom Svc Allocation	0	23,459	24,649	23,696	21,756
4283 Radio Communication Allocation	0	0	0	284	284
COMMUNICATION	22,381	43,751	46,429	46,397	47,179
4301 Travel Expense	2,505	500	3,071	921	1,757
4303 Mileage Reimbursement-Personal	1,378	2,465	808	804	3,440
TRAVEL	3,883	2,965	3,879	1,725	5,197
4406 Business and Occupation Tax	493	530	513	480	962
TAXES & OPERATING ASSESSMENTS	493	530	513	480	962
4502 Building Rental	6,400	6,400	6,400	6,400	7,180
4503 LT Equipment Rental (Lease)	5,615	5,857	7,130	12,409	-739
4506 Outside Computer Sharing	24,237	24,992	26,370	26,240	25,428
4582 IF Facilities Allocation	584,247	607,617	613,617	403,635	415,744
4583 IF Fleet Rental Alloc - Replacement	3,581	3,391	3,759	2,773	3,371
4584 Interfund Tech Replacement Alloc	0	0	0	108,899	88,339
4599 Short Term Misc Rentals	3,267	774	719	2,083	-2,083
OPERATING RENTALS AND LEASES	627,347	649,031	657,995	562,439	537,240
4681 Interfund Risk Management Alloc	44,793	40,042	40,042	38,117	38,117
INSURANCE	44,793	40,042	40,042	38,117	38,117
4703 Water/Sewer/Storm	6,641	11,535	12,474	12,434	10,092
UTILITY SERVICE	6,641	11,535	12,474	12,434	10,092
4803 Repairs and Maint - Equipment	8,849	11,294	20,059	6,637	10,853
4806 Computer Software Maintenance	34,022	35,271	18,406	47,272	33,422
4881 Interfund Bldg Mnt (QEC) Alloc	42,214	42,214	42,214	42,205	42,205
4882 IF Fleet RM Alloc-Replacement	4,063	4,288	4,288	10,859	10,859
REPAIRS & MAINTENANCE	89,148	93,067	84,968	106,973	97,339
4903 Dues and Memberships	4,271	4,354	3,070	4,250	6,050
4904 Information and Credit Service	7,062	5,102	4,788	4,394	9,460
4907 Tuition and Registration	3,823	2,609	3,557	1,783	8,787
4909 Bank Charges and Discount Fees	2,306	2,517	2,510	1,585	2,659
4993 Prof Licenses and Permits	0	65	0	78	-78
MISCELLANEOUS	17,461	14,646	13,925	12,090	26,878
OTHER SERVICES AND CHARGES	870,704	933,198	935,314	843,407	855,211
5199 Other Intergovernmental Services	7,045	3,454	16,119	6,994	6,006
INTERGOVERNMENTAL SERVICES	7,045	3,454	16,119	6,994	6,006
TOTAL EXPENDITURE	4,010,206	4,176,841	4,537,811	4,447,899	4,707,612
Net Surplus/(Deficit)	-3,609,993	-3,849,522	-4,219,047	-4,313,003	-4,522,062