



**Regular Meeting of the Library Board of Trustees
Tuesday, September 15, 2020 – Zoom meeting
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, Jim McCabe and Vernon (Damani) Johnson

Library Staff: Rebecca Judd, Jennifer Vander Ploeg, Katie Bray, Deborah Brewer and Wendy Jenkins

Others Present: Hollie Huthman, City Council Liaison; Faye Hill, Friends of BPL

Call to order and introductions: Regular session was called to order at 3:32 p.m. by Chair Rick Osen.

Approve/modify agenda: Rick noted that Forrest is listed as #7 on the agenda, but we will proceed with his presentation whenever he joins the meeting. Rebecca Craven moved to approve the agenda. Rachel Myers seconded. Motion carried.

Public comment: No comments.

Consent agenda: Rachel Myers moved to approve the August 18, 2020 Regular meeting minutes and the August 2020 performance and activity measures and financial reports. Rebecca Craven seconded. Motion carried.

Board Chair report: Rick reported that he and Rebecca met with Andy Asbjornsen, Finance Director, Forrest Longman, Deputy Finance Director, and Brian Heinrich, Deputy Administrator, about the 2021 budget. It was clarified that any funds we have left over at 2020 year-end will be returned to the General Fund. The Mayor will present the 2021-2022 budget to Council on October 1. It was noted that, though this is a biennium budget, 2021 will be thought of as a one-year budget as adjustments are anticipated for 2022. The City is going into 2021 with healthy reserves which will help the City navigate through the current crisis. Rick and Rebecca are scheduled to meet with the Mayor on Thursday, October 1.

Rick congratulated Damani on being awarded Whatcom Peace and Justice Center's 2020 Rosemary and Howard Harris Lifetime Peace Award. The Award Ceremony honoring Dr. Johnson will be online at 6 p.m. on Saturday, September 19 (See Attachment #1 for the 17th

International Day of Peace flyer which lists activities from Friday, September 18 – Monday, September 21. See, also, Attachment #2 for the Lifetime Peace Award announcement. All attachments are located at the end of the minutes).

Board member reports: Damani shared that the League of Women Voters is collaborating with the Ralph Munro Institute for Civic Education and the Whatcom Museum on a panel series on the 19th Amendment 100th anniversary. Details can be found at: [League of Women Voters Centennial Celebration: Looking Back, Moving Forward](#)

Rachel reported that Whatcom Community Foundation has had two interactions this past week for two estate plans gifting Bellingham Public Library.

City Council liaison report: Hollie reported that City Council had a jam-packed day yesterday – there were good conversations on many important subjects. Further information can be found at: [City of Bellingham Meetings](#)

Friends of BPL report: Faye shared that the Friends aren't in the library, but they are still working for the library. In cooperation with the Food Bank, 2080 children's books were distributed. The books were well received and appreciated by the community. The Friends plan to do this again once they have gathered more books. They are also working to increase membership as a way to support the library.

Library Director report: Rebecca congratulated the Friends on their collaboration with the Food Bank and Damani for the good work he has done in the community earning him the Lifetime Peace Award.

Rebecca announced on October 16 we will be welcoming Annette Bagley as the new Head of Community Relations. Annette will be introduced at the October 20 board meeting. Rebecca thanked Rebecca Craven, Bethany Hogle and Mary Vermillion from WCLS for their help with the interview process. Annette has a wealth of communications experience, most recently with Whatcom Tourism.

Rebecca reported we just learned of a \$5,000 Haggen grant to support the Library's Anti-Racism Always Available digital materials. Rachel Myers wrote the successful grant on behalf of the Library and Whatcom Community Foundation.

Rebecca mentioned the photograph, in the Director's Report, of the boxes of books that have been gathered for the reading nook at Base Camp.

Phase 2 update: Rebecca reported that the last few days have been overshadowed with poor air quality. We closed at 2:15 p.m. on Monday due to smoky conditions. With the remodel, the main floor windows have been open. Public Works is working on recirculating air through a filter. Staff are on standby or working from home today. Staff will be in the building beginning Wednesday to process check-in and holds, but curbside service has been suspended through Friday as the front door also creates air quality issues.

City Revenue Forecast: Forrest Longman, Deputy Finance Director, shared a section of the PowerPoint presentation he gave to City Council a few weeks ago, highlighting relevant

forecast statistics on a national, state and local level (see *Attachment #3 for Finance Update Expenses through July 2020 & Revenue Forecast*):

- Slide 12: Unemployment Rate: after peaking, then falling, unemployment rates appear to be leveling off at about 10%.
- Slide 13: Federal Stimulus Drove Consumer Spending: personal income hit record highs in April, but the supplemental unemployment benefits ended on July 31 with a resulting drop in consumer spending.
- Slide 14: Retail Sales and Food Service: sales took a deep dive from January to April (especially locally), followed by recovery and leveling off in July.
- Slide 15: Retail Sales by Sector, Bellingham vs. Nation: this slide provides a year over year change view for a variety of retail sectors.
- Slide 16: Sales Tax Comparison to 2019 with Projection: this forecast assumes we do not move into Phase 3; graph shows a steep decline from January to April, followed by gains and a projected leveling off below 2019 revenues.
- Slide 17: Local Tax Source Comparison: two pie charts showing the breakdown of Business & Occupation Tax and Sales & Use Tax.
- Slide 18: General Fund Forecast: while early months of 2020 exceeded budget forecast expectations, by mid-July we are down 8% from the adopted budget forecast – a \$7 million shortfall.
- Slide 19: General Fund/Other funds detail: Other funds impacted – Street, TBD, Tourism, Parking – face a shortfall of nearly \$3.5 million.
- Slide 20: General Fund Unrestricted Reserve Impact: the plan is to balance expected revenue shortfalls with \$7 million from reserves, 5% salary savings including frozen non-essential positions and holding off resolution of the JC Penny building.
- Slide 21: Budget Timeline:
 - October 1: Budget delivered to Council
 - October 12: Budget introduction
 - October-November: Budget work-sessions
 - November 9: 2021-2022 Revenue Forecast
 - November 23: Council Adopts Property Tax Ordinance
 - December 7: Introduce Budget Ordinance
 - December 14: Council Adopts Budget

Jim noted that Western is holding a webinar concerning the Whatcom County forecast on Friday, September 18 at 10:00 a.m.

Facilities update:

- Barkley Branch update: City Attorney James Erb has reviewed the Barkley Lease Agreement. Jim pointed out an inconsistency between Section 6 Repairs and Maintenance which states if something breaks, we tell Barkley, they fix it, then we reimburse them and with Exhibit B Rules and Regulations, which states we are responsible for all repairs and maintenance within the premises. Rebecca will clarify with Barkley about this.
- Central remodel: Rick reported a revised timeline projects near-completion at the end of February.

Jen screen-shared pictures showing the progression of the remodel (*See Attachment #4 for Highlights from the Main floor remodel*).

Board Trustee recruitment update: Rick announced we are accepting applications through October 1. Rachel added that she was recruited, so suggested Trustees feel free to approach people who might be a good fit, adding that this is a dream volunteer opportunity for someone who loves the library.

Rick, Rebecca and Rebecca Craven will review the applications and an Executive session will be held following the October board meeting to determine a recommendation for the Mayor.

Other: Jim thanked the staff for doing great work in difficult conditions.

New Business:

- Fundraising discussion with Rachel Myers will be scheduled for October board meeting.

Action items for next meeting:

- Welcome to Annette Bagley, Head of Community Relations
- Phase 2 update
- Facilities update
- Fundraising discussion
- Executive session to determine Trustee recommendation to Mayor

Meeting adjourned at 4:27 p.m.

Next Regular Library Board Meeting – October 20, 2020 – Zoom meeting – 3:30 p.m.

Chair, Library Board of Trustees

ATTEST

Secretary, Library Board of Trustees

Attachments:

- Attachment #1: 17th International Day of Peace flyer
- Attachment #2: Lifetime Peace Award announcement
- Attachment #3: Finance Update Expenses through July 2020 & Revenue Forecast
- Attachment #4: Highlights from the Main floor remodel

NO JUSTICE NO PEACE

17th INTERNATIONAL DAY OF PEACE

Weekend Program

Fri. 18th

- 12-4pm Silent Auction Pop Up @ Holly St Plaza
Bid early online to get a head start at accevents.com/e/idp2020
If you join us in person, please wear a mask!
- 6pm IDP Opening Video: Online (on our newsletter, website, facebook and youtube)
- Take Out for Peace from: Guud Bowls - All Day, 10% of the day's profits benefit the WPJC!

Sat. 19th

- 6pm Rosemary & Howard Harris Lifetime Peacemaker Award Ceremony honoring Dr. Damani Johnson: Online (on our newsletter, website, facebook and youtube)
 - Watch Dr. Johnson's Acceptance Speech
 - Learn the history of WPJC and why we're renaming the Award
- Take Out for Peace from: Ambo Ethiopian Cuisine - All Day, 10% of the day's profits benefit the WPJC!

Sun. 20th

- 6pm No Justice No Peace - Keynote Speakers: Online (on our newsletter, website, facebook and youtube)
 - 6-6:30pm Pre-show: Recap of the Weekend
 - 6:30-8pm Walidah Imarisha & Aaron Dixon keynote dialogue
- Take Out for Peace from: Brandywine Kitchen - All Day, 10% of the day's profits benefit the WPJC!

Mon. 21st

- 5pm Premiere of 'We Are Many', a film about the story behind the 2003 anti-Iraq War global protests. 40% of ticket's sale help support the WPJC!
- Take Out for Peace: last day to order Wine from One Hope Wines at <https://www.onehopewine.com/event/60322> (Shipping anywhere in the country!)
- 6pm Wine Tasting Live on facebook with WPJC team and One Hope's local Cause Entrepreneur, Derrick Watson.

17th INTERNATIONAL DAY OF PEACE (VIRTUAL VERSION!)

**2020 ROSEMARY AND HOWARD
HARRIS LIFETIME PEACE AWARD**



DAMANI JOHNSON



Finance Update

Expenses through July 2020 & Revenue Forecast



Revenue Bond Refunding

- Refunding 2011, 2012 and 2013 Revenue Bonds (not 2015)

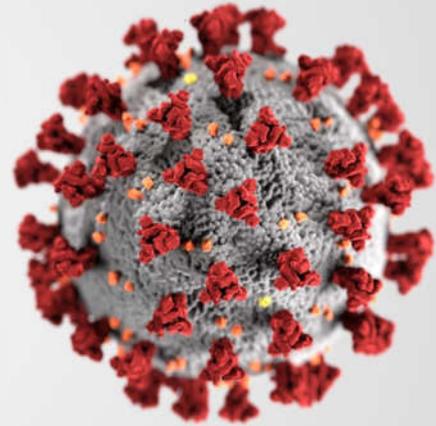
Name of issuance/purpose	Original issue amount	Issue date	Maturity date	Interest rates	Debt outstanding
Business-type activities					
11 Water/Sewer system improvements	\$ 42,655,000	09/27/11	08/01/41	2.00 - 5.00%	\$ 38,485,000
12 Water/Sewer Rfdg 04 bond system imprvmts	3,275,000	03/29/12	08/01/24	2.00 - 4.00%	1,820,000
13 Water/Sewer system improvements	15,785,000	08/27/13	08/01/43	4.25 - 5.00%	15,570,000
15 Water/Sewer Rfdg 06 bond system imprvmts	4,035,000	11/10/15	08/01/26	2.17%	2,861,000
Total revenue bonds outstanding	\$ 65,750,000				\$ 58,736,000

- Aa2 Bond rating from Moody's
- Net Present Value savings of \$12,887,735
- Average annual savings of approximately \$735,000

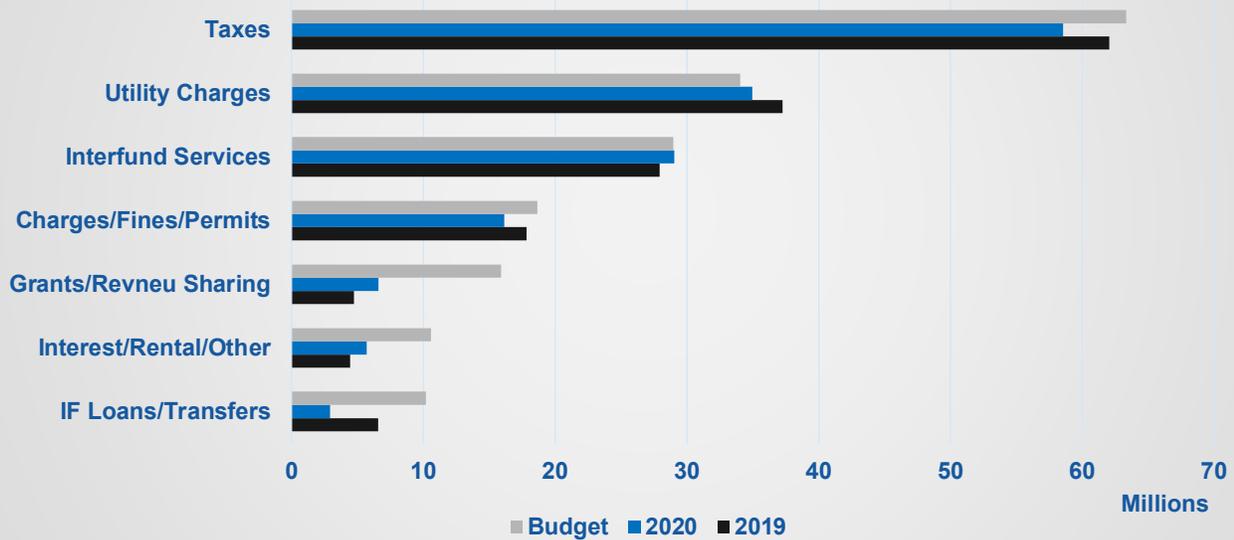
COVID-19 Expenses

- Citywide - \$2,100,000
 - Salaries & Benefits - \$889,000
 - It Equipment & Software - \$378,000
 - PPE & Supplies - \$350,000
 - Base Camp - \$330,000
 - Sick Leave - \$140,000

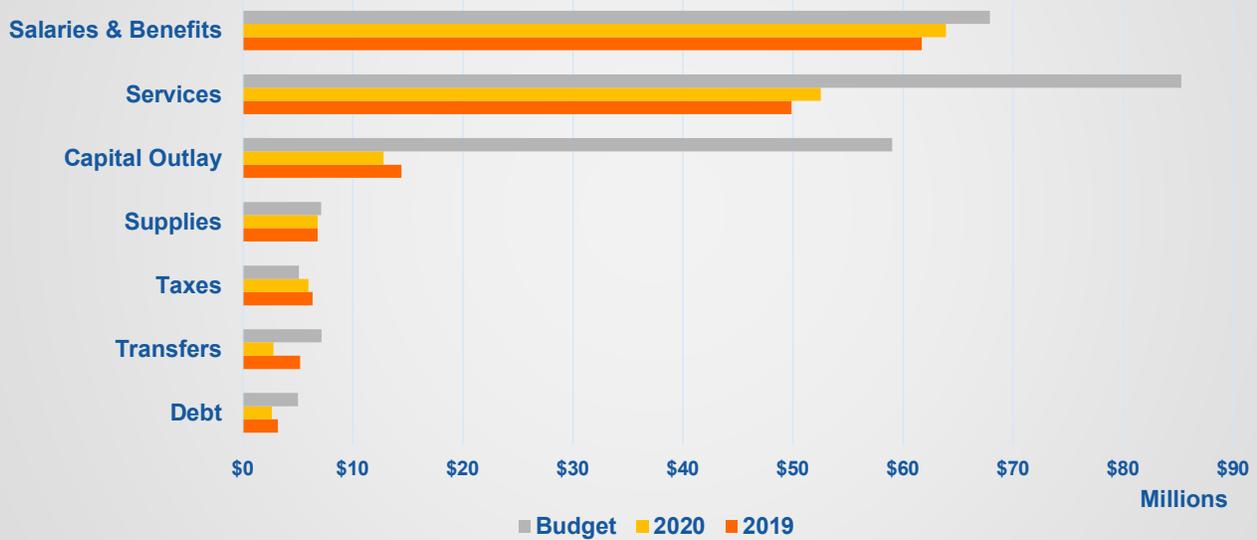
- OEM (Office of Emergency Management)
 - Salaries & Benefits - \$552,000
 - OEM Employees - \$138,700
 - Reassigned Personnel - \$413,400



Citywide Revenues - \$154 M



Citywide Expenses - \$147 M



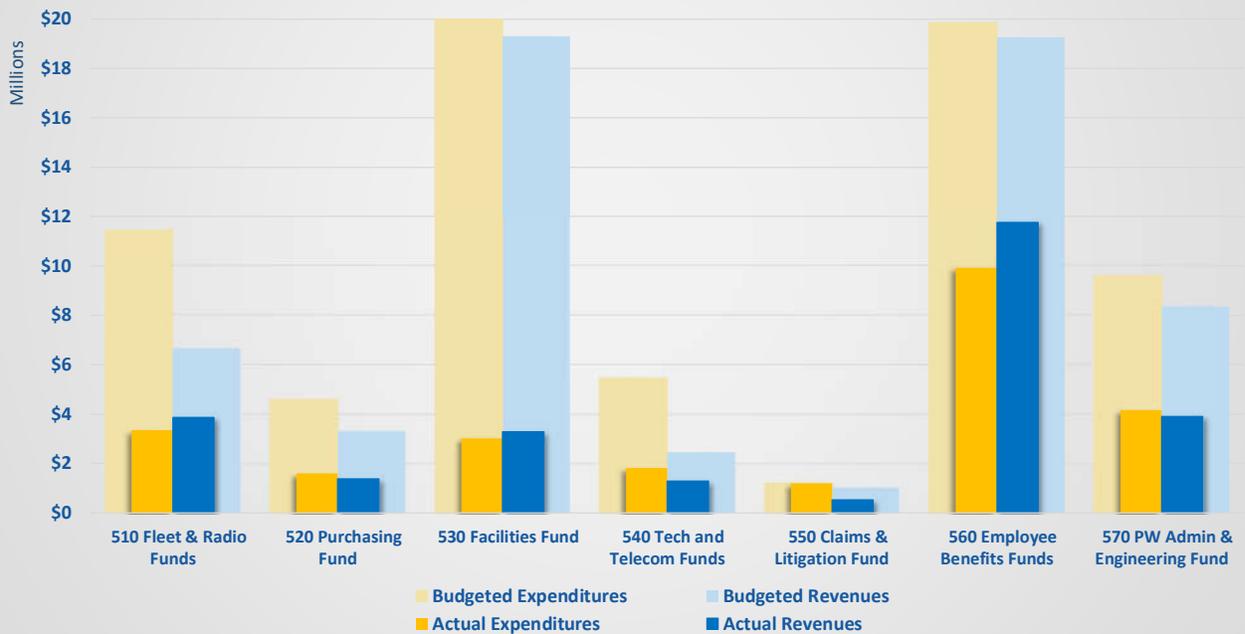
Special Revenue Funds



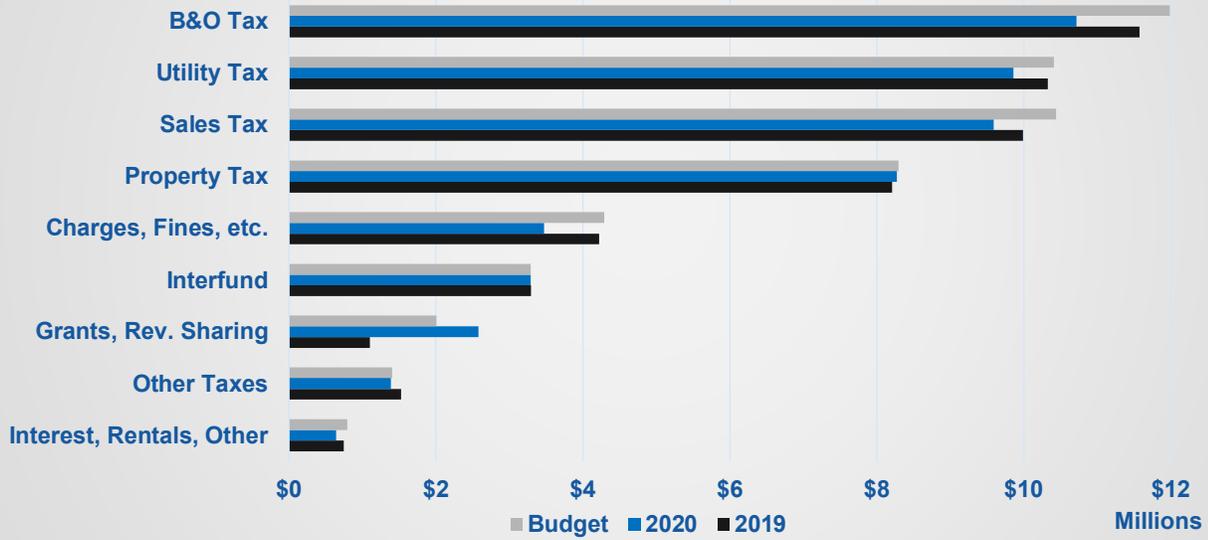
Enterprise Funds



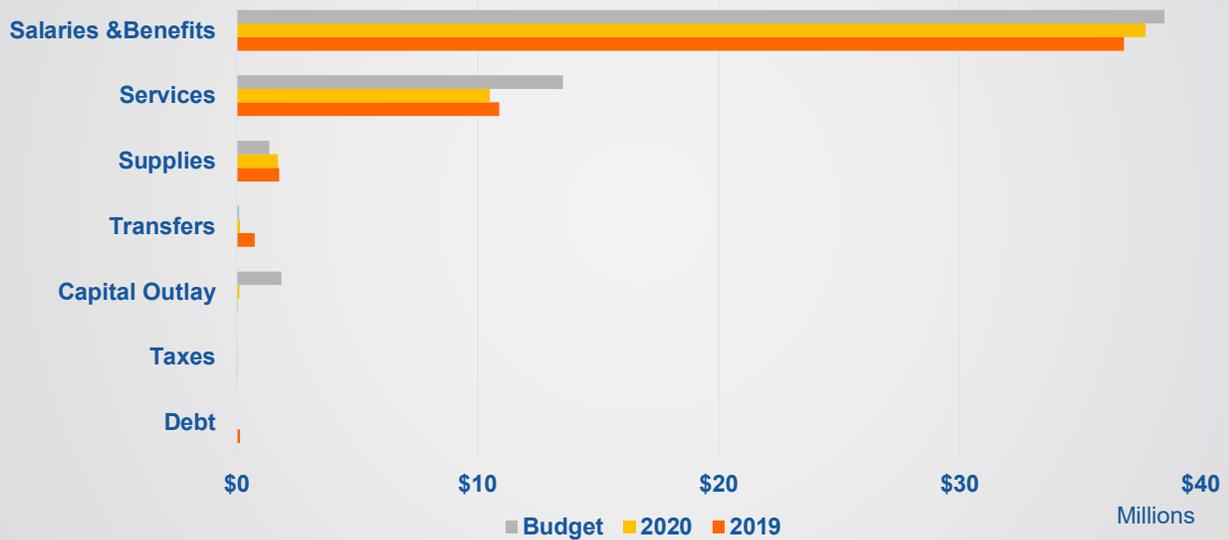
Internal Service Funds



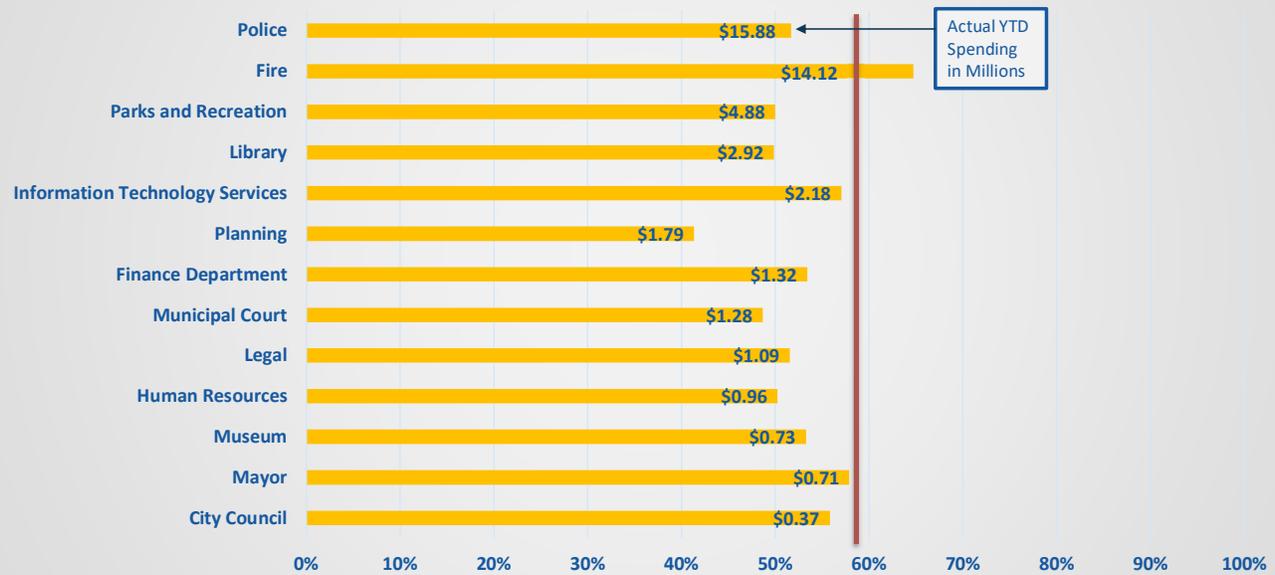
General Fund Revenues - \$49.8 M



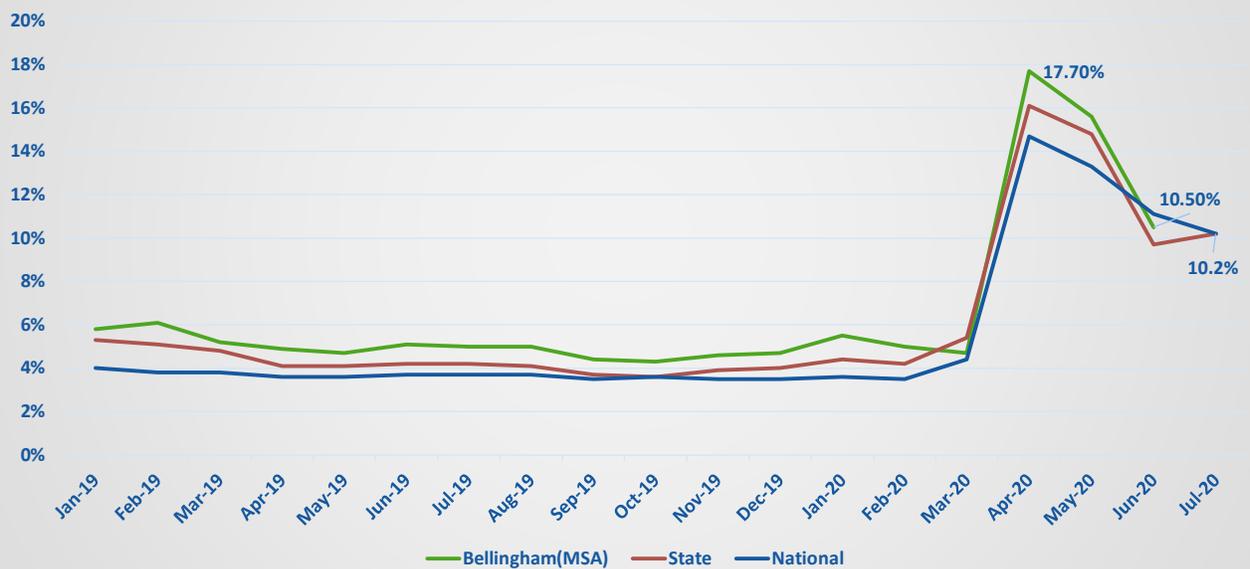
General Fund Expenditures - \$50.2 M



General Fund - % of Budget Spent by Department



Unemployment Rate Falling?



Federal Stimulus Drove Consumer Spending

- Stimulus checks and \$600 a week supplemental unemployment benefits distributed \$540 billion to consumers
- Personal income hit record highs in April
- Supplemental unemployment benefits ended on July 31.

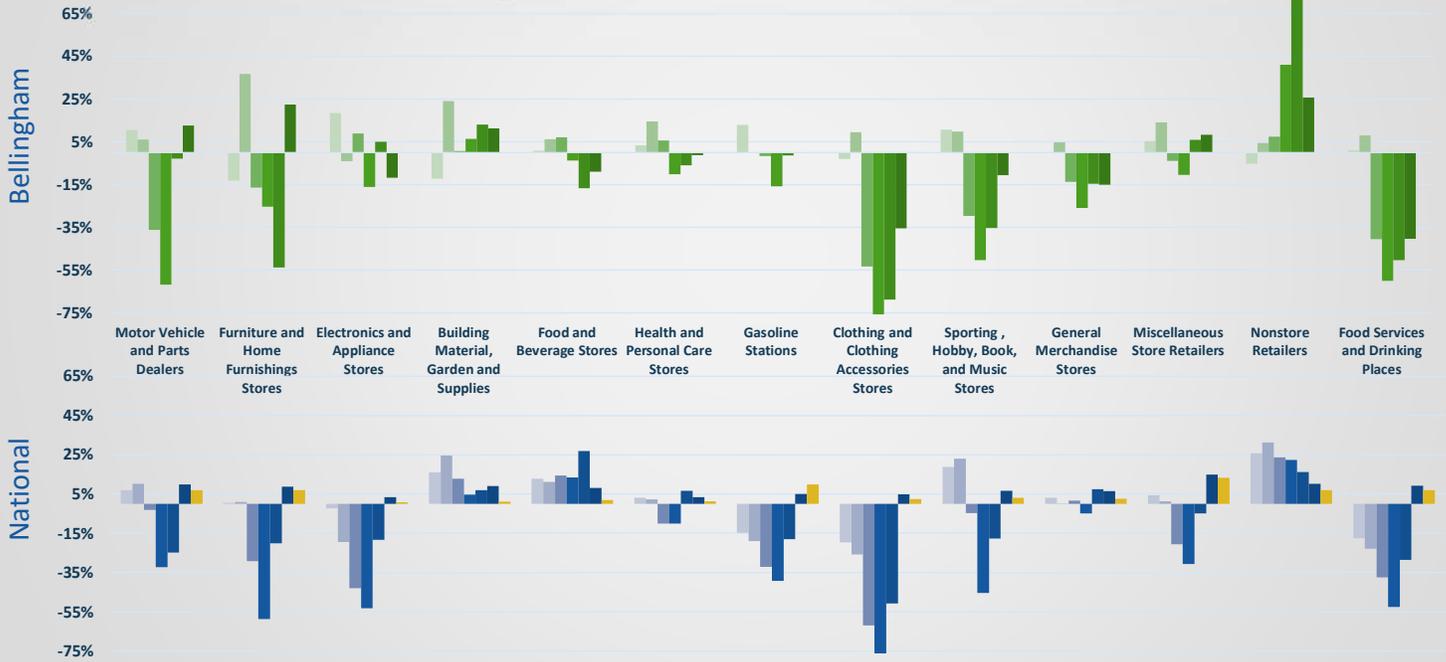


Retail Sales and Food Service

- Bellingham had deeper reduction and hasn't recovered as much – likely due to Washington's COVID response.
- To what extent was stimulus driving the recovery in retail sales?
- Preliminary July data shows continued, if slowed, recovery



Retail Sales by Sector, B'ham vs. Nation



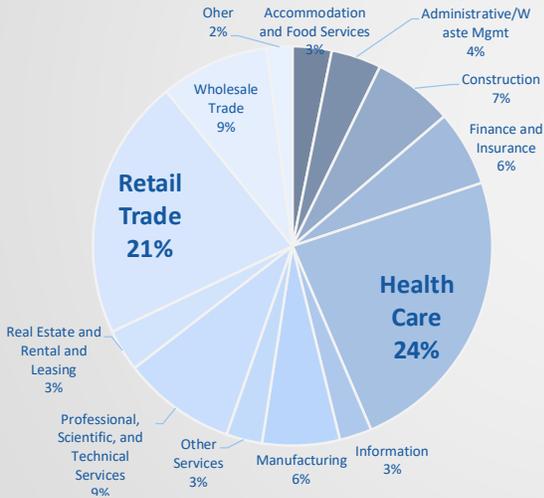
Sales Tax Comparison to 2019 with Projection

- Assumes equilibrium state in economic activity – holding at current activity level through the end of the year
- Guides B&O forecast – B&O filing deferrals have complicated establishing a trend for B&O
- Could improve if Whatcom County moves beyond Phase 2 – forecast assumes it does not.

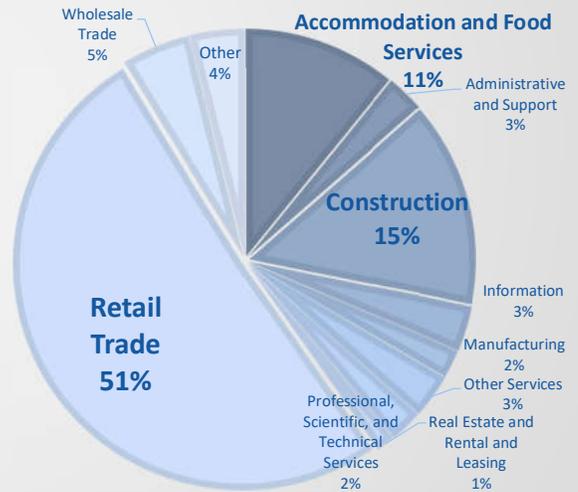


Local Tax Source Comparison

Business & Occupation Tax

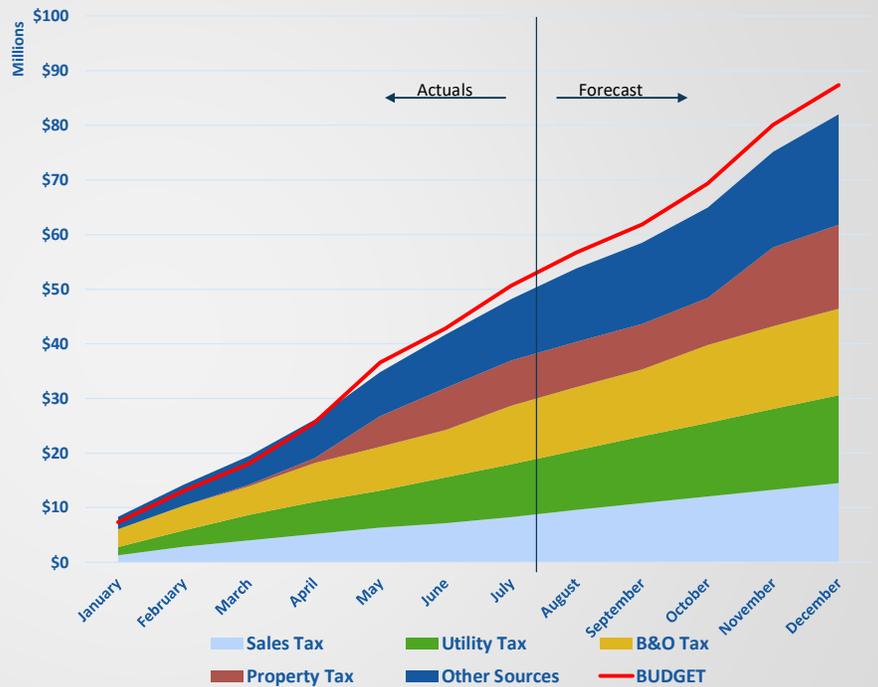


Sales & Use Tax



General Fund Forecast

- Minimal change from May forecast
- 8% less revenue from adopted budget forecast - \$7 million shortfall
- Early months exceeded expectations



General Fund Detail

Other funds face shortfalls

- All sales tax reliant sources are seeing revenue shortfalls. This is not impacting current year projects.
- Tourism and parking remain heavily impacted. Parking is no longer expect to need General Fund support.
- Minor funds across the City are also impacted.

	Change from Budget	Percent Change
General Fund		
Property Tax	-	
Sales Tax	(1,445,454)	-9%
B&O Tax	(2,232,066)	-13%
Utility Tax	(919,984)	-6%
Other GF	(2,541,935)	-50%
SubTotal Net GF Change	(7,139,440)	-8.08%
Other Funds Impacted		
Street (Sales Tax)	(891,363)	-9%
TBD (Sales Tax)	(612,163)	-9%
Tourism	(884,159)	-47%
Parking	(1,066,212)	-46%
SubTotal Net Other Funds Change	(3,453,898)	
Total Major Revenue Reduction	(10,593,337)	

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General Fund Unrestricted Reserve Impact

- JC Penny project is unlikely to be resolved before the end of the year.
- Salary savings includes frozen non-essential positions – this is subject to increase as vacancies occur.
- Expect *additional* savings as all departments are trying to reduce spending beyond requirements
- 2019 Fire Overtime will likely add additional expense

2020 Beginning Unrestricted Reserve	16,500,000
<i>Budgeted Revenues</i>	88,695,946
Projected Revenue Reduction	(7,139,440)
Projected Revenues	81,556,506
<i>Budgeted Expenditures</i>	94,013,446
Projected Savings	
JC Penny Building	(2,135,000)
5% Salary Savings	(3,350,000)
Projected Budgeted Expenditures	88,528,446
<i>Use of Reserve</i>	(6,971,940)
2020 Proj. Ending Unrestricted Reserve	9,528,060

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Budget Timeline

- October 1st: Budget delivered to Council
- October 12th: Budget introduction
- October – November: Budget work sessions
- November 9: 2021-2022 Revenue Forecast
- November 23: Council Adopts Property Tax Ordinance
- December 7: Introduce Budget Ordinance
- December 14: Council Adopts Budget



Questions?

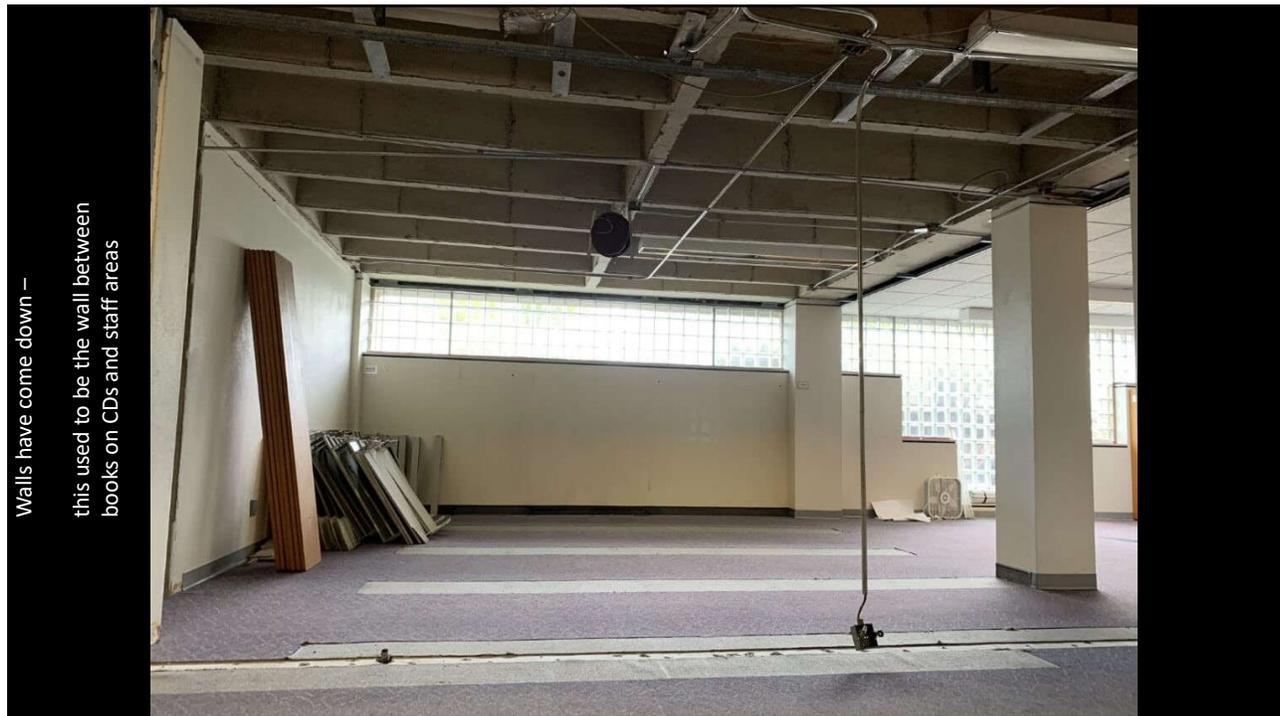
Presentation and additional reports available at:
<https://www.cob.org/gov/dept/finance/pages/reports.aspx>



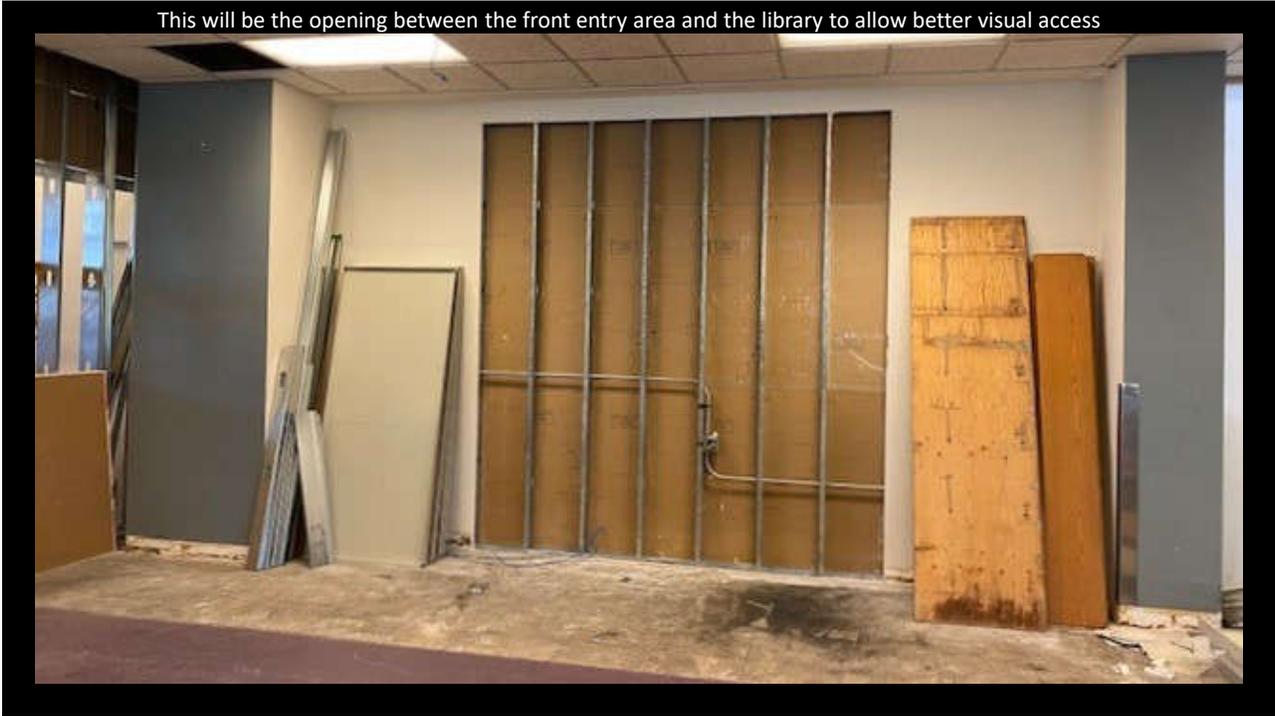
Highlights from the Main floor remodel

- Changes from last month's update are not as visually dramatic
- As with any renovation, when walls come down discoveries are made
- Some of these discoveries have necessitated adjusting the layout/ design as well as the work that needs to be done

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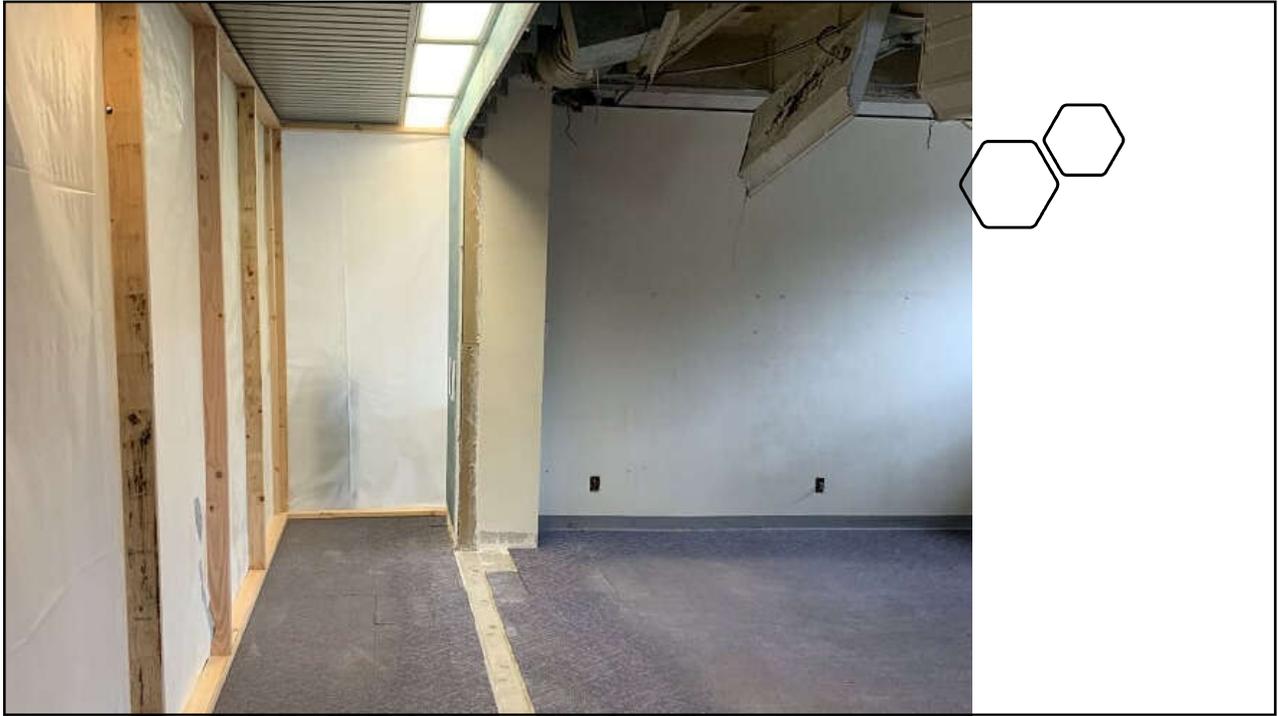
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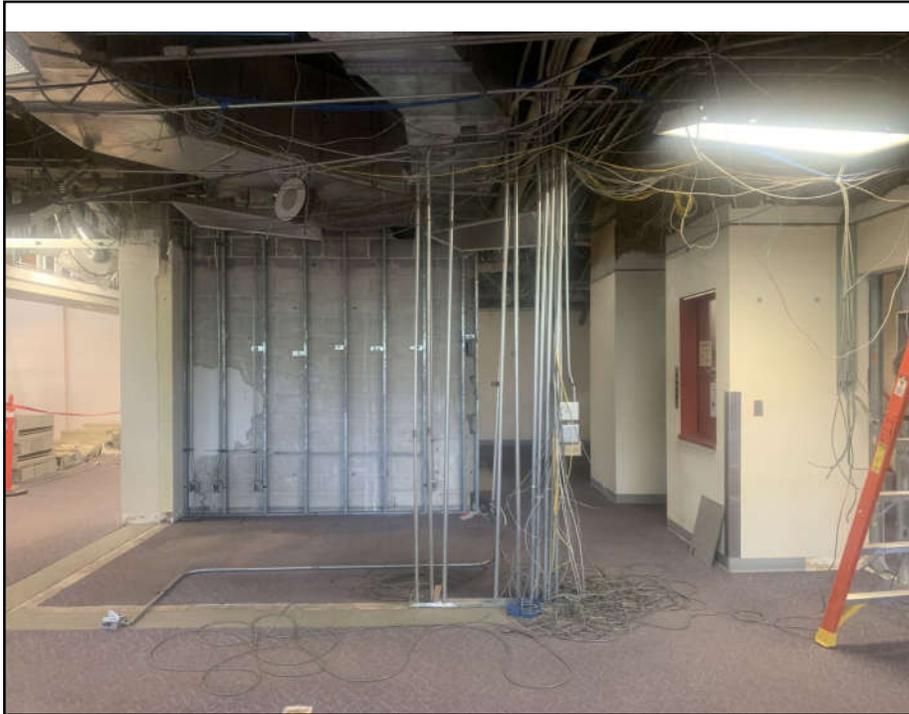


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Our largest "discovery" so far..... In the middle of our public computing space

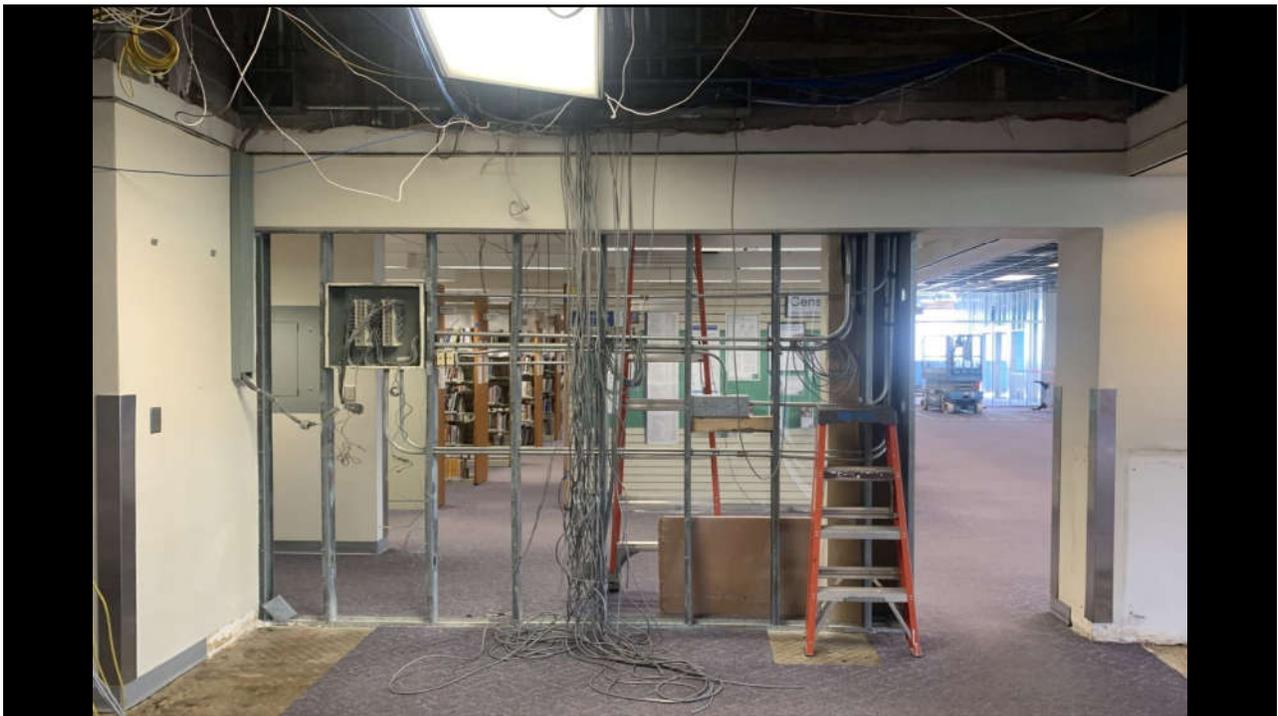
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And we've found wires and cables..... many generations of wires and cables.

I believe the yellow ones are in use!

7



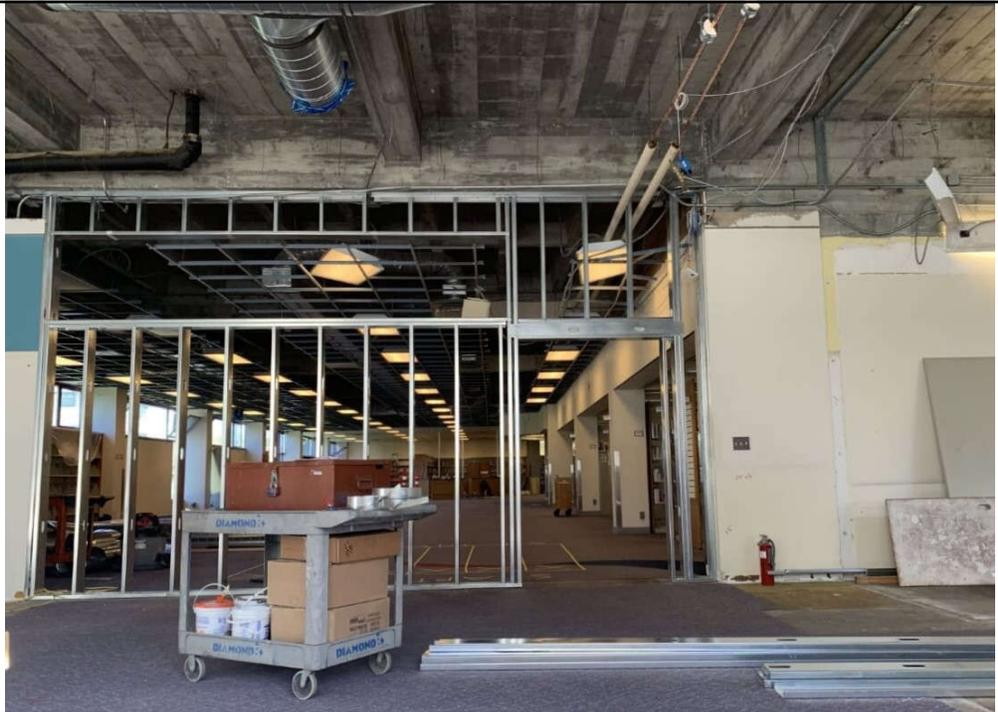
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But we also have new walls –
Main floor restrooms are framed



9

The new wall to close off the west end of the building,
creating the new staff work area

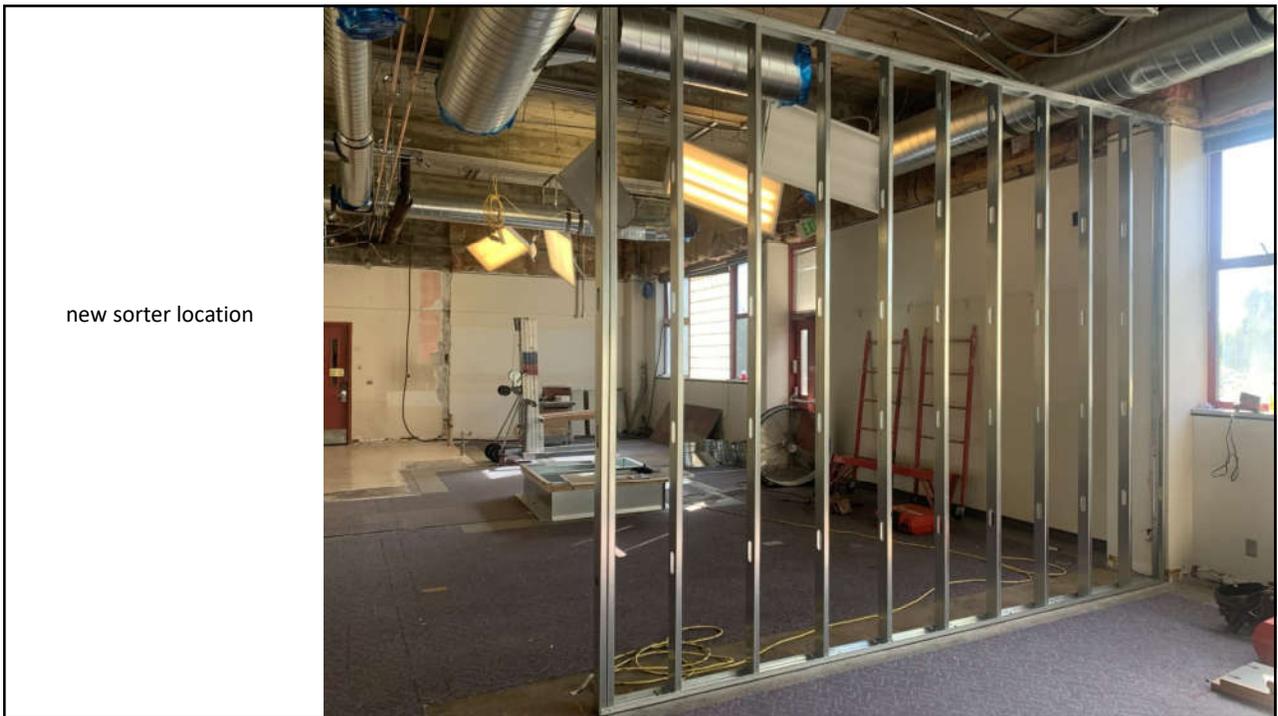


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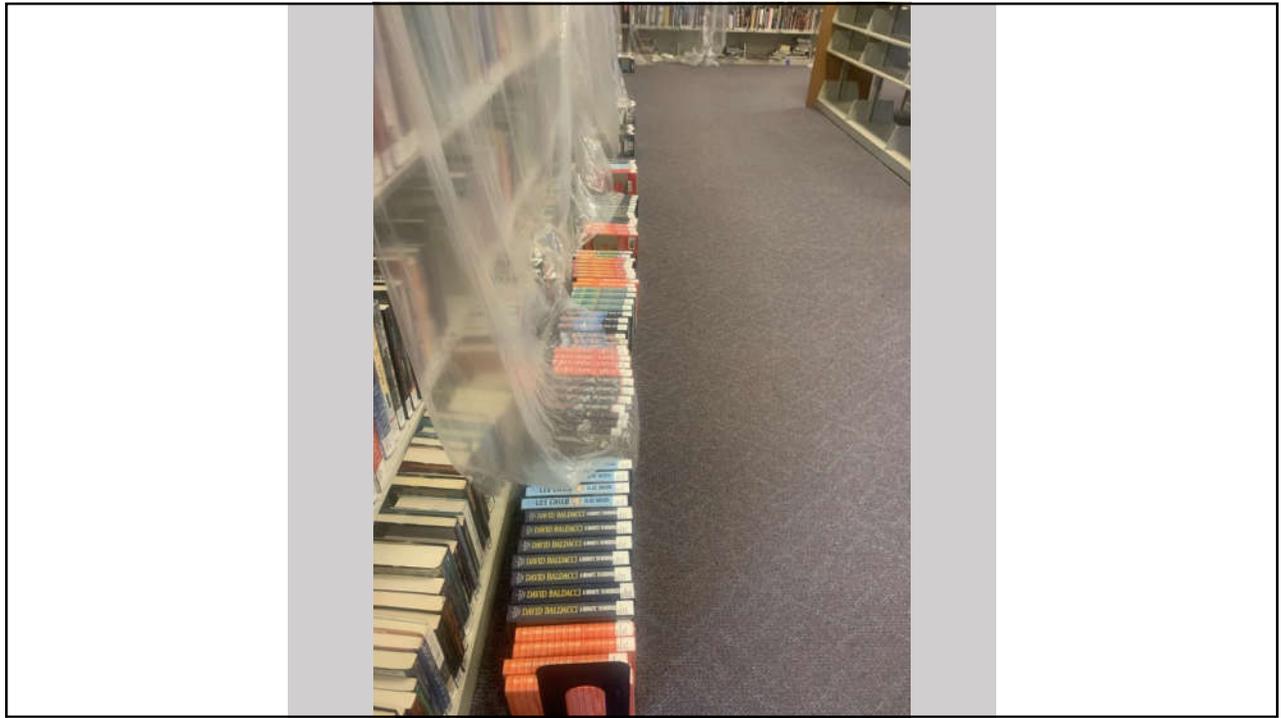
New offices framed in the west end of the building

11



new sorter location

12



13