



October 31, 2023

Location

This meeting was held in a hybrid manner, with remote attendance via Teams and in-person attendance at Ferndale Public Library, 2125 Main Street, Ferndale, WA 98248.

In Attendance

Trustees: Rodney Lofdahl, Chair; Lori Jump, Vice Chair; Erika Lautenbach, Secretary; Holly Robinson and Matthew Santos. Absent: None.

Staff: Christine Perkins, Executive Director; Michael Cox, Deputy Director; Jackie Saul, Director of Finance and Administration; Thom Barthelmess, Youth Services Manager; Mary Vermillion, Community Relations Manager; Lisa Gresham, Collection Services Manager; Geoff Fitzpatrick, IT Services Manager; Beth Andrews, Human Resources Manager; Ryan Cullup, Facilities Services Manager; Alix Prior, Ferndale Library Manager.

Guests: None

Call to Order

Rodney determined quorum and called the meeting to order at 9:00 a.m., followed by a reading of the WCLS Land Acknowledgement by Michael.

Open Public Comment

No public comment.

Review Agenda and Meeting Objectives

Jackie reviewed the meeting agenda with attendees and noted that today's meeting is for information sharing and discussion only; no action will be taken today. She reminded Trustees that we will hold a public hearing at the regular November meeting to discuss and approve the 2024 property tax levy, along with the 2024 Preliminary Budget.

2023 Projections

Jackie shared projections for 2023 revenue and spending, noting significant variances from the 2023 Budget. She reminded Trustees of two property tax refunds received this year, in addition to our regular 2023 levy. One of the refunds, in the amount of \$230,000, is in abatement and will be withheld from our 2024 levy. We have earmarked this amount in the 2023 ending fund balance to be used in 2024.

Trustees briefly discussed the amount budgeted for Unemployment Insurance, as WCLS is a self-funded employer. Rodney suggested adding to the Unemployment Fund Reserve. In response to an inquiry by Erika, Jackie noted that payments were highest in 2020, totaling around \$2,000-\$3,000, and in most years we have no

claims. We typically budget 0.25% of wages for Unemployment Claims, and this amount is also designated in the ending fund balance.

2024 Action Plan

Christine shared a draft of the 2024 Action Plan. The Action Plan includes our ongoing work to provide library services and other recurring activities, as well as new initiatives in 2024. Christine will share a final version at the regular November meeting.

The audience for the Action Plan is WCLS leadership, to assist with planning and training needs, and to gauge capacity for new activities. Erika suggested highlighting more ongoing work, such as providing storytime, library services at the Whatcom County Jail, and Bookmobile services. Trustees agreed that this document should be used as a tool for community engagement. Lori noted it is a good visual to when meeting with community stakeholders. Holly suggested noting what activities are available for various populations.

Trustees discussed various components of the Action Plan, including planning for a possible Levy Lid Lift, renewal of the agreement with the Sudden Valley Community Association, Books-by-Mail, an applicant tracking system (ATS), and electric vehicle charging stations.

Matthew noted the overlay of the Action Plan, a linear document, with our Strategic Plan objectives of Community; Action; Resources; Equity, diversity and inclusion; and Stewardship.

Christine asked Trustees to share additional thoughts on the Action Plan by email before the November meeting.

Break

Rodney adjourned for a break from 10:35-10:45 a.m.

Levy Refresher

Jackie gave a presentation about the Washington Property Tax and Levy system, in the form of a quiz show.

2024 Budget Projections

Jackie shared a draft of the 2024 General Fund budget, walking Trustees through each revenue and expense category and noting changes from 2023.

Projected property tax revenue in 2024 is down from 2023, due to the refund received in 2023 that is in abatement. Intergovernmental revenue is down due to the removal of funding from the American Rescue Plan Act (ARPA) and FEMA, and investment interest is up based on recent trends. Overall, revenues are down 1.5% from 2023.

Personnel costs are up 7.8% over 2023, resulting from wage increases negotiated with the Union, subsequent increases to benefits, and increases to health insurance rates. Office and operating supply costs are higher in 2024 to accommodate replacement of totes used for transporting library materials. An increase in small tools and equipment spending is planned for IT and Facilities projects. The amount budgeted for professional services is down, as 2023 included the cost of a cyber audit. Travel costs are up over 2023 to allow staff to participate in various professional development activities, and to reimburse staff for mileage locally between WCLS locations. 5% rate increases are projected for property/liability/auto insurance and for utilities. The amount budgeted for repairs and maintenance is decreased, however, Jackie noted that this amount may need to be adjusted by a mid-year budget amendment if urgent needs arise. Overall, projected expenditures are up 6.3% over 2023.

\$130,000 is budgeted to be transferred to the Capital Fund. This is equal to the amount projected to be received in 2023 from local timber taxes and leases. \$230,000 is earmarked in the 2023 ending fund balance to offset the 2024 deficit, resulting in a net deficit of \$660,756 and an ending fund balance of \$9,744,640.

Review and Discuss Budget Options and Projections

Christine asked Trustees to gauge their comfort level with the 2024 Budget and its planned deficit. Rodney is comfortable with this budget and notes that areas of spending are focused on necessary projects such as facilities maintenance. Trustees agreed that use of the fund reserves should focus on facilities maintenance and Capital projects. Matthew suggested tying such needs to door count and other building use data. Holly requested a list of facilities and Capital needs that Trustees can review at a future meeting. Jackie is working with Ryan to develop the Capital Budget and will share it at the next meeting. Discussion followed regarding use of designated reserve funds, and levy lid lift timing. Christine shared ways other library systems have reduced spending deficits.

Announcements and Adjourn

No further announcements.
 Rodney adjourned the meeting at 12:10 p.m.

<u> /s/ </u> Rodney Lofdahl, Board Chair	<u> 11/21/23 </u> Date	<u> /s/ </u> Jackie Saul, Director of Finance and Administration
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