1. **Call to Order/Roll Call**

The Jackson County Library District (JCLD) Regular Board Meeting was opened by Vice President Maureen Swift on Thursday, May 12, 2016, at 9:17 a.m. in the Adams Meeting Room at the Medford Branch Library, 205 S. Central Avenue, Medford, Oregon. Roll call was taken and those Budget Committee members present were:

- **Present:** Maureen Swift, Vice President
- Carol Doty, Director
- Jill Turner, Director
- Susan Kiefer, Director
- Pat Ashley
- Ed Budge
- Eric Dziura, Chair
- George Prokop
- Catherine Shaw

- **Also Present:**
  - Lisa Marston, Executive Administrator
  - Tammy Westergard, Library Director
  - Susan Bloom, Access Services Coordinator
  - Amy Blossom, Ashland Branch Manager
  - Betsy Randolph, Administrative Assistant
  - Marian Barker, Youth Services Manager
  - Nancy Peterson, Outreach Coordinator
  - Donovan Edwards, Office Specialist
  - Cindy Delanty, Regional Director, LS&S
  - Vicki Robinson, RVCOG
  - Cindy Shindell, RVCOG

2. **Election of Budget Committee Chair and Approval of Proposed Agenda**

After introductions by Vice President Swift, the Budget Committee unanimously elected Eric Dziura to be its chair, after which the committee approved the proposed agenda.

3. **Budget Message and Review of Proposed Budget**

Chair Dziura then invited Vicki Robinson to deliver the Budget Message. Vicki Robinson asked if the Board and Budget Committee wanted her to read the report, to which Vice President Maureen Swift said yes. Ms. Robinson read through the proposed budget document that had been included in the agenda packet. During her reading of the “Major Contracts” portion of the budget message, Ms. Robinson stated that LSSI (now LS&S) held the District’s largest contract. She also stated that the janitorial services contract was with Pathway Enterprises, while Budget Officer Lisa Marston added that the District’s major telecommunications contracts are with Hunter Communications and Infrastructure. Budget Committee Member Catherine Shaw, who noticed that “Jackson County – maintenance, landscaping, property, insurance; any rents or fees under existing leases” was also listed under the “Major Contracts,” asked why there was a $310,000 set aside if the District is already paying the County for these services. Director Carol Doty responded by informing everyone that this number was taken from a list received from the County of various items that would need to be taken care of in order for the District to properly maintain the library buildings. Both Ms. Marston and Director Doty stated that the $310,000 is specifically set aside for major repairs and preventative maintenance, not routine maintenance as that has a separate line item within the budget.

At the conclusion of the Budget Message, Chair Dziura invited discussion from committee members. Director Doty spoke first, handing out a one-page document from the Governmental Affairs Committee. She spoke at length about the history behind how the relationship developed between JCLD and Jackson County over the care and continued operations of the libraries. She also provided additional information about the capital maintenance projects list provided by the County and background from meetings between County staff and the Government Affairs Committee of JCLD, comprised of Director Doty and two members of the Budget Committee. There was also much discussion about various big item projects coming up in particular the roofs of a couple libraries which are due for replacement. Director Jill Turner...
explained that, while we pay $419,000 to Jackson County for maintenance services, there should be a “true up” with the County based on actual expenses, which could result in a credit or reimbursement to the District.

As the Board and Budget Committee members were discussing numbers fluctuating from last year to this year, with many of them going down, it was explained that this year the District was able to compile the budget from real numbers as opposed to estimates as they did for the fiscal year 2015-2016 budget. Director Doty pointed out, too, that JCLD was able to consolidate janitorial services for all libraries under the contract with Pathway, which she believes has resulted in improved services to the branch libraries. After explaining Pathway’s status as a Qualified Rehabilitation Facility (QRF), Ms. Marston stated that Pathway also purchases all of the janitorial supplies and provides floor and window cleaning services as well. They are even providing landscaping services at a couple of the rural branches. Budget Committee Member George Prokop noted that these services were being consolidated but also questioned the $50,000 increase, asking whether more services were being received. Ms. Marston replied yes. When it became clear that there was a need for more janitorial staff hours to take care of the Medford branch safely and effectively, the District agreed to increase the cleaning hours and reflect the additional costs in the 2016-2017 budget. With that understanding in place, in January 2016, Pathway implemented the extra staff hours at no additional cost in the current year.

Ms. Robinson backed up a little to direct the Board and Budget Committee members to the Strategic Plan Initiatives line item stating that specific allocations have not yet been made; however, that placeholder can be adjusted as the Strategic Plan is implemented throughout the year. Moving to the Maintenance and Fuel for vehicles line item, Budget Committee member Pat Ashley pointed out that she did not see a place within the budget where monies were accumulated to fix or replace vehicles as needed. Ms. Marston assured her that the vehicles would be fine for this year, but agreed that such a set-aside would be a good idea moving forward. Chair Dziura reminded the Board and Budget Committee Members that the same point was brought up last year about a line item that could be used for replacing vehicles. This created a bit of discussion, at the end of which, all positively agreed with the importance of creating a line item that accumulates funds for the replacement of large capital items. During this discussion, JCLS staff member, Marian Barker, shared about a recent recommendation that the Outreach Van also be made available to the Library Book Talker; if this were approved, it would likely result in increased maintenance and miles driven on the vehicle. Closing out this topic, Director Doty suggested that this information be addressed to Library Director Tammy Westergard, who would then provide that information to Ms. Marston.

Budget Committee Member George Prokop asked whether the $627,000 in the Strategic Plan line item would be tracked. Ms. Robinson replied by saying that if we know when the money is being spent and on what then yes it can be tracked in order to have an appropriate accounting of where the money is spent. She did reiterate that any fund transfers between certain types of accounts would require the approval of the Budget Committee.

Budget Committee Member Pat Ashley asked about the contingency and capital outlay line items in the budget, asking how those relate back to the Strategic Plan. This sparked some discussion as to whether technology upgrades should fall under the Strategic Plan or whether technology expenditures would be part of routine upgrades. Depending on the circumstances, it could be both.

Next, Budget Committee Member Cathy Shaw spoke at length, raising questions she had about the current library services contract with LSSI/LS&S and other things she has seen and/or heard about. She was concerned that library employees are not being paid a living wage; and that these same employees are then in need of various types of public assistance, resulting in an additional burden on taxpayers. Regarding hours in the libraries and the increase of hours in certain locations, she noted that the increase
seemed to be mainly for maintenance and floated the idea of the Central Point Library possibly being open on Saturdays and looking into a potential partnership with the Butte Falls Library and the charter school nearby. This prompted Budget Committee Member Ed Budge to explain that, in his research, he had found that there are about 9,000 library districts and LSSI/LS&S has contracts with about 20 of them. He then shared his opinion that LSSI/LS&S is a relatively small company that enters into a community that has fallen on hard times and is having difficulties with keeping their libraries open and funded. He opined further that they pay low wages and use volunteers with minimal if any experience working in libraries, suggesting the problem is that if you pay low wages then you are not recruiting the educated and experienced library staff that you want and need in the libraries.

Director Doty said that she agreed with both Ms. Shaw and Mr. Budge. She recalled that the County was very pleased originally when LSSI came in, as this arrangement was going to help the library remain open and then allow the transition to operation of the libraries by the District. However, she expressed her belief that it is time to revisit the use of LSSI to operate the libraries now that JCLD has the budget and ability to take control of the library system. As she sees it, the District is ready for the next step and is hampered at this point by the contract with LSSI.

Vice President Swift acknowledged that, yes; they had been informed that there was a “new sheriff in town,” which was the phrase that Board members had been hearing. As she described it, one other thing that was a consideration at the time the County still held the contract with then-LSSI and we were negotiating the new one, was that we were into April and were told that shutting the library down was a 60-day process and the County was threatening a shutdown because we did not have a contract signed with LSSI at that point. That precipitated a movement to approve the contract prior to what probably would have been a more appropriate length of time to examine the contract. Mr. Budge came back into the conversation stating that it was an appropriate response to go with LSSI at the time for the reasons that have been stated. But, in his view, people don’t stay with them forever. They have had several library districts leave the company after they got on their feet, or for whatever reason, and so they gain a few and lose a few; but, it is his belief that over their 20-year period they’ve only gotten 20 or so public libraries and are a very small service considering the population and, as far as he knows, there are only a couple districts larger than Jackson County. Ms. Shaw agreed stating that JCLD did exactly what needed to be done at that time and LSSI was very helpful and great to work with; but again, as she observed, it seems like things have certainly changed and she doesn’t feel that LS&S owns JCLD.

Vice President Swift thanked Ms. Shaw for raising very important issues in employee salaries and reported that JCLD has asked for more paperwork and has been informed that they would receive that information, though nothing has been seen yet from LS&S. She also stated that JCLD has looked into terminating the contract and they were turned down. Vice President Swift then informed everyone present that on May 19, 2016, JCLD will be holding a meeting at which LSSI’s performance under the contract would be reviewed. Board members were encouraged to forward their issues with the contract that they would like to discuss.

Director Doty said that she finds it very distressing that since JCLD suggested termination of the contract, the response seems to have been that employees are now shadowed, including on phone calls. Integrity and trust are core values of JCLD, yet this behavior seems to suggest that LS&S doesn’t trust its own employees. Ms. Shaw added that it is one thing to shadow employees, but something entirely different to pay for that shadowing and wondered whether that was part of the overhead. Director Doty answered, “I don’t know; we assume that it is.”

At 11:04 a.m., Chair Dziura called for a five minute break. The meeting was called back into session at 11:09 a.m.
After the break, Chair Dziura mentioned some concerns of his, noting the absence of JCLD Board President Monica Weyhe and the current contract issues that had been brought up. However, after a lengthy discussion regarding various budget line items, the group reached a consensus to move an additional $50,000 into the capital outlay to help cover vehicle replacement costs as the only substantive edit to the proposed budget document.

MOTION: Director Jill Turner moved to approve the Jackson County Library District budget for the 2016-2017 fiscal year for the amount of $15,561,000, which includes $10,514,856 of appropriated expenditures and $5,046,144 of unappropriated ending fund balance.” She also moved to approve a tax rate of .52 per thousand in assessed value. Chairman Dziura called for second. Director Carol Doty seconded the motion. Chairman Dziura called for a Roll Call Vote. The Roll Call Vote was taken and the motion was passed unanimously with a vote of 9-0 in favor of approval.

4. Additional Discussion
Library Director Tammy Westergard spoke at length regarding the incredible journey this last year has been and informed everyone how grateful she was to be a part of this team and apologized to some of the staff members present if she was incorrect, but thought that this same gratefulness and appreciation was shared amongst all of the library staff members. She also said that it is always difficult to have a private/public partnership but she has found that individually you can achieve quick goals but combined you can go much further.

5. Review Next Steps
Chair Dziura asked Ms. Marston to outline the next steps in the process. Ms. Marston responded stating that there were now just a few things that needed to be cleaned up prior to the Budget Hearing on June 9th, which would be included in with the regular Board Meeting. Once everything is properly formatted and after it is adopted on the 9th of June, the final budget document will be sent out to all committee members and posted on the District’s website. Vice President Swift suggested that a date will be established so that the full Budget Committee could come back, maybe during the first quarter of the fiscal year, to see the progress that has been made. Director Turner added that it was critical to get everyone’s email addresses so that everyone would be able to receive the monthly financial reports.

Speaking on behalf of the JCLD Board, Vice President Swift thanked the Budget Committee for their continued work and stated how much she appreciated the time they have taken with this.

Budget Committee member Ed Budge stated that, as an outgoing member of the Budget Committee having fulfilled his two year commitment, he wanted to compliment JCLD for doing an excellent job. Although the budget will be increasing, the tax of .52 per thousand is the same; therefore, the taxpayers of Jackson County will not see an increase. He thanked everyone for the privilege of working with the group.

ADJOURN: Budget Committee Chair Eric Dziura called for adjournment at 11:25 a.m.

/s/ Donovan Edwards                       
Recording Secretary