



JACKSON COUNTY LIBRARY DISTRICT (JCLD)
BUDGET COMMITTEE MEETING
Medford Branch Library
Board Conference Room
205 S Central Ave, Medford, OR
May 3, 2023, 4:00 p.m.

MINUTES

ATTENDEES

Present at the meeting were: Board Members Eric Dziura (President), Viki Brown (Vice President), Susan Kiefer, Marissa Barrientos Shepherd, and Kim Young.

Budget Committee Members Echo Fields, Kevin Keating, and Arti Kirch

Additional attendees: Kari May (Library Director), Kelda Vath (Assistant Director, Support Services), Brynn Fogerty (HR Manager), Brittany Brite (Finance Manager), Kate Lundquist (JCLF Administrative Assistant)

CALL TO ORDER/ROLL CALL

President Dziura called the meeting to order at 4:04 p.m. Roll call was taken, and the Land Acknowledgement read. Dziura noted that a quorum was present.

AGENDA APPROVAL

MOTION: Director Dziura moved to approve the agenda for the meeting. Director Kiefer seconded, and the motion was approved unanimously.

APPOINTMENT OF CHAIRPERSON President Dziura moved to nominate himself as chairperson for the meeting. Director Kiefer seconded, and the motion was approved unanimously.

BUDGET

Finance Manager Brittany Brite presented an overview of the budget process. Director May then presented an overview of the 2022-2023 Fiscal Year and highlighted key accomplishments that the Library has achieved – most notably the systemwide increase in hours. She presented highlights of usage statistics for the year and ended by presenting a review of the foundational goals of the adopted 2022-2026 Strategic Plan and an explanation of how the proposed budget goals and priorities will align with these areas.

Beyond extended branch hours, the focus on extended access in the community includes a book locker project to provide 24-hour access to rural branches with high commuter populations. As part of the priority to energize library services and resources to engage the community more fully, an internal task force is readying themselves for a thorough collection audit, to ensure that the collection reflects the community's diversity. The audit is not focused on weeding, but instead on identifying areas of gaps to recommend future purchases to ensure a fuller collection to serve community interest and needs.

An assessment of current programs towards extending access and engaging the community is also underway, specifically to find opportunities for community partnerships with an eye towards access for areas of high need as outlined in the strategic plan. The District is also doing a thorough review of accessibility of its branches in terms of physical accessibility including accessible workstation and computers, as well as an ADA focused audit for the website and online service access points.

Brite presented detailed data regarding revenue and expense projections for FY2023-2024. The revenue projection is that assessed value will increase by approximately 4%, which is based on data provided by the County. Current operating revenue as projected is \$12,890,962. Brite stated that the property tax collection

rate is expected 94%. The remaining \$585,000 expected revenue is from prior year property tax income; interest earned; funds raised from the Foundation, Friends groups, and other grant sources; and copy and printing service fees.

Current operating expenses are \$15,705,250, excluding Capital Outlay and Contingency costs. The largest spending category is Personnel at \$9,893,800, which includes the 5% COLA increase that was approved by the JCLD Board in April, as well as a suggested 3%, 2-step increase for all staff hired prior to March 31, 2023. It was noted that the District is recommending adding three new positions in FY2023 totaling 2.75 FTE.

Materials and services are projected at \$5,311,450. That cost includes the annual operating costs and several one-time expenses including installation of outdoor book lockers at two rural sites, and enhancements of outdoor spaces at Shady Cove and Phoenix branches. This expense includes contracts with the County for services, Pathways for custodial services, utilities, and security services. Library materials costs represent roughly 10% of the total operating expenses, or about \$1.5 million. These are comprised of \$1 million for physical materials, and roughly \$500,000 for digital resources and database subscriptions.

The Committee then discussed the suggested wage increase and the total compensation package for District staff. HR Director Brynn Fogerty provided the Committee with data regarding comparable institutions and JCLS retention rates. Following discussion, the Committee agreed that they would approve a 1.5% increase (one step), which would save approximately \$150,000.

Budget Committee members briefly discussed the recent addition of a temporary security contract and its proposed continuance. The security team is onsite to respond to and de-escalate situations, intervene in the case of illegal activity, and to assist library staff in enforcing Code of Conduct rules for all patrons. The funds for the security team at the Medford branch is drawn from the broad fund category of Materials and Services, which is currently under budget. It was noted that the security line item in the FY24 budget is estimated because a contract has not been finalized.

The question was raised if the District needs to go out to bid for custodial services. May noted that the current custodial contractor is part of the Oregon Forward program which makes them a preferred provider, and thus that contractor has the right to claim priority for contracts. May will investigate the statutory requirements of the Oregon Forward program on the contracting and procurement process.

Director May updated the committee on the MOU with the Jackson County Library Foundation. The terms for that MOU are changing to adjust the split of the operating costs of the Foundation which are shared between the Foundation and the District. The projected operating costs for the Foundation for FY24 total \$150,000, and the recommended cost split is 80% by the District and 20% by the Foundation.

Brite presented projects covered under Capital Outlay, which is budgeted at about \$150,000 for FY24. Capital outlay and capital projects are categorized separately: capital outlay are one-time costs that do not need to factor in depreciation. Capital Outlay funds for FY24 are budgeted for ADA accessibility updates, the book locker project, and furniture replacements where needed.

In the Capital Improvement Fund, projects include carpet replacement at Central Point branch, Eagle Point HVAC replacement, outdoor enhancements at Phoenix and Shady Cove branches, and the beginning of changing Medford interior lighting to efficient LEDs. Library Director May clarified that the full \$2 million in the budget for all capital outlay in the capital improvement budget area has a built-in buffer in case of emergent facilities needs, such as a boiler breaking and needing to be replaced.

Brite explained that the miscellaneous grants funds tracks revenues received through grants, from the Jackson County Library Foundation, and from the Friends groups. Within the miscellaneous grants fund, expenditures will include Rogue Reads, Summer Reading Program, general programming support, updating outdoor spaces at various branches, and other projects as requested or needed. The Ready to Read grant awarded by the state every year will be used for children's programs and spaces. Future grant opportunities will be applied for by the library and library foundation to support special projects.

For FY24, the Library District recommends keeping the tax levy at the current \$0.52 per \$1,000 of assessed property value. Brite then reviewed the 5-year forecast based on that proposal, noting that based on current expenses, at the current tax levy rate, by FY 24-25, the ending balance of \$3 million is below the end of year reserves (4 months of expenses) as defined by policy. For FY 25-26 and beyond, the District will need to look at options to increase the tax levy amount, or otherwise make adjustments to the budget to address the projected shortfall presented today. The District is authorized to collect up to \$0.60 per \$1,000 of assessed property value, which leaves some room to increase the tax levy amount from the currently collected amount of \$0.52.

It was noted that the District and tax levy supported funds in the county benefit from stable property taxes historically and currently, and that property values in the region overall have been steadily increasing for well over a decade or more. That has meant that since the Jackson County Library District was created nine years ago, there has not been a need to raise the levied amount beyond the initial \$0.52.

The Committee agreed that holding off on an increase for as long as possible might be the best option for showing due diligence and good stewardship of taxpayer dollars. Waiting to increase the tax levy until next year or later would be a good option to both give the library the funds it needs in a timely manner and prepare the public so that they feel informed and understand the need behind the increase.

President Dziura asked if the committee was ready to vote on the budget as suggested or would prefer to schedule a second meeting. The Committee agreed to vote.

Motion: President Dziura moved that the Jackson County Library District Budget Committee approve the 2023-24 Budget modified to include a 1.5% increase for personnel. Director Shepherd Marissa seconded the motion. The motion was passed, with members Dziura, Shepherd, Brown, Kiefer, Young, Keating, and Kirch voting yes, and member Fields abstaining from the vote.

Motion: Dziura moved that the Jackson County Library District Budget Committee approve the permanent tax rate levy of \$0.52 per \$1,000 for the general funding of the Library District in Jackson County. Member Fields seconded, and the motion was passed by unanimous vote.

President Dziura thanked the committee and staff in attendance for participation in the discussion at the meeting. The next meeting will be held Wednesday, June 21, at 4:00PM to adopt the new budget after the public hearing.

The meeting was adjourned at 6:12pm.

/s/

Recording Secretary

Kate Lundquist, Administrative Assistant for the Jackson County Library Foundation