

SAN JUAN ISLAND LIBRARY DISTRICT BOARD OF TRUSTEES

Meeting Room, San Juan Island Library

September 10, 2013

Members Present: Glenna Hall, Barry Jacobson, Mark Madsen, Lynn Weber/Roochvarg

Board Absent: Fred Henley

Staff Present: Laurie Orton, Carrie Lacher

FOL Present: Diana Pieples

Guests Present: Adina Cunningham, Attorney, by phone

Visitors: Diane Martindale, Library Art Committee

Call to Order: President Barry Jacobson called the meeting to order at 2:10 p.m.

Agenda Approval

Mark Madsen asked that the agenda item of *levy lid lift tracking* be moved to before the executive session. Laurie asked to add Diane Martindale of the Library's Art Committee to present information about a potential art donation. Laurie noted that the art item in question had been in the Library's possession for about two months and the patron had made inquiries so the topic had become time sensitive.

MSC The amended agenda was accepted without objection. Carried.

Minutes

Approval of Board Minutes of August 13, 2013 regular meeting

MSC Glenna Hall moved and Mark Madsen seconded to approve the minutes of the August 13, 2013 regular meeting as submitted. Carried.

Friends of the Library (FOL)

Delegate to next meeting: Lynn Weber/Roochvarg will attend the October 2, 2013 FOL meeting.

Diana reported that FOL is in desperate need of one or two more Board members. FOL has made the decision to hold smaller book sales and not do one big annual sale. They are now discussing whether or not to participate in the holiday marketplace since only made \$200 last year which requires that they be rejuried this year to get in.

Approval of Bills:

MSC Glenna Hall moved and Mark Madsen seconded to approve payment of **PEBB Insurance & LifeMap Assurance Premiums** dated 08-26-2013 in the amount of \$7,017.82. Carried.

- MSC** Lynn Weber/Roochvarg moved and Mark Madsen seconded to approve the payment of **Bills Due Period Ending 08-27-2013 with warrant numbers** 130284 – 130299 and 130459 in the amount of \$13,395.22. Carried.
- MSC** Mark Madsen moved and Glenna Hall seconded to approve the payment of **Bills Due Period Ending 09-04-2013 with warrant numbers** 130444 – 130458 in the amount of \$6,620.92. Carried.
- MSC** Glenna Hall moved and Lynn Weber/Roochvarg seconded to approve the payment of **Bills Due Period Ending 09-10-2013** in the amount of \$6,687.37. Carried.
- MSC** Lynn Weber/Roochvarg moved and Mark Madsen seconded to affirm the **August 2013 Payroll** dated 08-26-2013 in the amount of \$43,477.61. Carried.

Reports

Director Report (Laurie Orton)

Laurie's written report was noted. Of further note:

- English Language Learning program has a new book bag printed with the Library's logo and "English Spoken Here" This bag is filled with paper and resources for ELL students to keep things together. The class is full. 10 of 13 people on the waiting list were accommodated for a total of 35 students. Students and teachers were all happy to be here, happy to be in these groups.
- The Whole Islands Network: Laurie has spoken with Phil Heineken, Orcas Library director, a little bit about this website which Phil indicated had passed muster with the State Auditors during their latest audit. This website is considered a community resource network. Laurie's opinion was that it would not be a problem for SJI Library to be a part of this. Mark reviewed some of the issues with this Library's community calendar in the past which led to a few more questions from the Board. Laurie will find out more detail from Phil and report back.
- The limited signing authority resolution included in the board packet was a sample from the Orcas Island Library. Phil said Adina Cunningham had written this resolution. Board consensus was okay with using the Orcas resolution and Laurie will bring a resolution to the next board meeting for approval.
- Laurie noted about the inventory that Floyd did a really good job of organizing and preparation. Jen, Melina and other staff worked ahead of time to get the children's area and smaller collections done in advance.
- In response to a question from Glenna, Laurie noted that the consent agenda topic and a few other topics have been postponed from inclusion in the last few agendas due to the Board's workload. However, Laurie and Carrie have done some preliminary research on the consent agenda topic and Laurie said she would forward that information to the Board via email.

Youth Services Librarian Report (Melina)

Melina's written report was noted. After School Read Aloud registration was coming up on September 13th at 10 am. This program is very popular, voted best after-school

program by island parents. Registration is required due to space limitations. This session, Kathy will be reading *The Lion, the Witch, and the Wardrobe*. Through OverDrive consortium, the Library would participate in The Big Read with a digital children's book. Beginning September 16th, patrons would be able to download one of the Fancy Nancy picture books. There were no restrictions on number of downloads.

Technology Specialist Report (Floyd Bourne)

Floyd's written report was noted. Laurie noted that Library has been contacted by three ILS companies, setting up demos and writing up RFPs. Mark noted that the longer the Library waits to upgrade from a deprecated product the more expensive the tech support will become. There will also be no updates or changes. Laurie received the new annual contract for Millennium and will discuss the potential of going to a month to month contract with Innovate Interfaces. Board agreed it was okay to go forward collecting information but need to move cautiously given the difficulties during the last attempted conversion.

Financial Report (Carrie Lacher)

The profit and loss statement was noted.

NEW BUSINESS

Art Committee

Diane Martindale informed the Board that the Library had received a prospective donation. Diane noted that the Library lacks storage space for art and was moderately successful when it sold a few pieces from the permanent collection. Diane recommended that an art auction would be most successful when paired with something like an FOL book sale so asked the Board for ideas on how to do art sales in the future. Diane distributed background information on the donated painting that was brought in to Laurie. It is a print that is still being sold by the gallery. The Native Americans depicted in the artwork are not tribes specific to this area. Diane was concerned about the ramifications of turning down a donation. The art committee did not necessarily want to accept everything that is offered for donation but asked for help from the Board to clarify guidelines. In response to Barry Jacobson's question about the reason for accepting art donations, Diana explained:

- Accepting new donations would add to the financial assets of the Library. There is paperwork that donor signs once it is given to the Library; the Library can then handle at its own discretion including selling it.
- For five years, the Library did not have an art committee so the existence of a permanent collection guarantees there will be art available for the staff to display. There are also pieces that honor people who have supported the Library in the past. Diane pointed out there is no budget for reframing and rematting.

Lynn suggested that there should be quality guidelines for inclusion in the Library's permanent collection as it has for the other collections. Mark noted that this particular piece being offered did not speak to our local region. Laurie suggested that guidelines be developed and these also state that the Library reserves the right to accept or reject the artwork. Artwork that may be accepted just for resale may better be donated to FOL. Guidelines could include prioritizing art by local artists, northwest themes, etc. Glenna

noted there was also an important educational component to the permanent art collection. Lynn stated she would be happy to share the art policy that was developed for Peace Island Hospital – including donations, rejections, themes, artists, and disposal. Laurie noted that when persons express an interest in an art donation or want to drop off art for consideration that these new guidelines could be shared first.

Levy Lid Lift Tracking

Mark presented information in light of his re-examination of the levy lid lift model and also sat down with the County Assessor as a prerequisite to the Board deciding how to use its reserves. Mark noted that due to a procedural change in property valuation and in the timing of such property valuations, the Library was now nearing its statutory ceiling of the levy rate. There is a risk that tax revenue may be capped in 2014 should assessments continue to fall. Mark explained that the actual levy rate floats up and down based on property values, but the rate is subject to an overall statutory cap. The statutory limit is 50 cents per thousand for library districts in Washington State. At the time of the levy lid lift, the rate was changed to 39 cents/thousand which increased the “highest allowable levy” from approximately \$865K to \$1.2M.

The County Assessor’s office used to value properties on a 3 year cycle; now it interpolates on an annual basis. The 2011 & 2012 valuation for the Library district was approximately \$3.2B but the total valuations had not caught up with the decline in real estate. 2013 valuation HAS caught up and was \$2.58B, a decline of about \$420M.

Current situation: 2013 Library level rate is now .48727/thousand. The Library’s \$1.2M annual levy/revenue is now a higher percentage of the lower aggregate real estate valuation for San Juan Island.

If real estate values hold steady or increase in this year’s partial reassessment cycle, the calculated levy rate will decline, and the Library will continue to receive its full highest allowable levy. However, if the aggregate valuation is LOWER than \$2.58B, the calculated levy rate will RISE. At a valuation of \$2.513B, the Library’s rate will equal .50/thousand. Since the rate is capped at .50/thousand, the actual REVENUE the Library receives would be lower than our budget request. At valuations LESS than \$2.513B, the Library would receive the amount of tax revenue that .50/thousand gives us, rather than the budget request.

This scenario only happens if real estate values are assessed at even lower levels in 2013. Currently, it is unknown if assessments were still continuing to decline before trending back up. Mark’s guess was that 2014 would be the last of partial assessments that need to get caught up.

The County Assessor was expected to provide an estimate for 2014 assessments within the next few weeks. Mark and Laurie would then assess the situation and notify the Board. Mark recommended the Board think about strategies to handle minor short term budget cuts, if valuations declined again in 2013. Mark therefore suggested the Board wait to make allocations to the capital and technology reserve funds until there was a

better understanding of the projected 2014 numbers. If real estate values continued to dip, Board would need to have a serious conversation.

Mark noted the Library was doing just fine in terms of how it is using the funds that it was currently receiving. How funds will be allocated would also depend on how the money was designed to be used like for facility needs, tech needs, and new staff positions. Mark noted that there should be a cushion available to address minor shortfalls. Mark felt the Library was still well within its ability to meet its commitment of making the levy lift last for 6 years. Since the Board was extremely conservative in the modeling it used for the levy lift, it has the ability to deal with a potential issue.

OLD BUSINESS

Executive Session

Barry Jacobson called an Executive Session for the purpose of a six-month performance review of the director (RCW 42.30.110 g) beginning at 3:15 pm for a period of 50 minutes.

MSC Lynn Weber/Roochvarg moved and Mark Madsen seconded to approve the entire review be held in executive session. Carried.

At 3:57, Glenna Hall announced the executive session would continue until 4:40 pm.

At 4:40 pm, Glenna Hall announced the executive session would continue until 4:55 pm.

At 4:55 pm, Glenna announced the executive session would continue until 5:05 pm.

Public session resumed at 5:05 pm.

The Board noted that the performance review process needed to be extended and would be completed at the October regular meeting. Barry Jacobson noted the discussion portion of the review had been concluded but a written document that included goals and objectives needed to be finalized and signed.

Additional Personnel Policy Draft Review

The Board agreed to slow down the policy manual and personnel manual review process and extend consideration of it until the early part of 2014. The Board asked that since there would be a hiatus on this topic that Adina consolidate all of the drafts and revisions into one working document. This consolidated draft would then be provided to the Board prior to taking up the issue again in January. Laurie suggested any further work on the document should be at a special meeting or a working retreat.


Audit Point Person

Mark will take over from Barry as the Board's audit point person and will keep Barry informed.

ADJOURNMENT

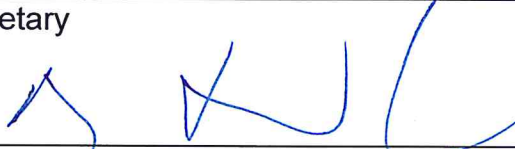
MSC Mark Madsen moved and Lynn Weber/Roochvarg seconded to adjourn the meeting at 5:15 p.m. Carried.

Respectfully submitted:



Board Secretary

Approved:



Board President