

SAN JUAN ISLAND LIBRARY DISTRICT BOARD OF TRUSTEES

via Zoom, San Juan Island Library
(access information provided at www.sjlib.org)

April 26th, 2022

Special Meeting and Public Hearing for the Library's 2022 Budget

1) Call to Order: President Karen Vedder called the meeting to order at 10:01 am.

Members Present: Mark Madsen, Karen Vedder, Barbara Sharp, Becki Day, Boyd Pratt

Staff Present: Laurie Orton, Rowan Buckton, Heidi Kuheim, Amy Saxe-Eyler, Heather Dima

FOL Present: Judy Bentzen, FOL Treasurer

2) Visitors: none

3) Public Access: none

4) Agenda Approval:

MSC Mark Madsen moved and Barbara Sharp seconded to accept the agenda as submitted. Carried.

5) Old Business

5a) Building Project Estimated Costs

- Laurie Orton shared a spreadsheet detailing three building estimates from OCMI. The estimates were for a medium sized building with an additional 2,500 square foot unfinished "shell" for storage now and expansion later, and a medium sized building with an additional 5,000 square foot unfinished "shell."
- The Board discussed these three estimates, their respective costs in relation to WA State grants, the upcoming bond vote, and our capital campaign's fundraising capacity.
- Amy Saxe-Eyler is starting the capital campaign this Friday with her first capital campaign committee meeting. The target is \$4-6 million. The members of the capital campaign committee are Amy Saxe-Eyler as Chair, Laurie Orton, Mark Madsen, Judy Bentzen, Becki Day, Gay Graham, Lynn Weber\Roochvarg, and Loryn Paxton.
- Rowan Buckton recommended that the BOT meet with Library staff soon to provide them with more information about the new building project so that they are included and are equipped to answer the public's questions in the most accurate and consistent way possible.

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- Amy Saxe-Eyler reminded the Board that the WA State grant is due May 1, 2022.
- The Board discussed making a version of the estimate they are considering which could be distributed to Library staff and the public.
- Mark Madsen pointed out that he had previously recommended that the bond be set for no more than \$10 million due to our county history of bond votes over \$10 million being difficult to pass. However, that no longer seems realistic due to inflation, rising cost of building materials and labor, etc., and the resulting total project cost.

6) New Business

6a) Financial Advisor Contract

- Laurie Orton shared the engagement letter from Northwest Municipal, our potential financial advisor.
- This advisor will help us plan the bond details, including understanding the impact that the dollar amount of the bond will have on property taxes. Their fees are contingent on the library winning the bond vote, excluding pre-bond election services.
- We also need a bond underwriter who will create and sell bonds to private investors. This can be a bank; we have had conversations with the bank that financed our 660 Spring Street property purchase about the possibility of underwriting the bond.
- The Board discussed the fact that if we do not win a bond vote the 660 Spring Street property may eventually need to be sold to repay the mortgage.
- As of April 25, 2022, the newly assessed value of the 660 Spring Street property (land only, excluding buildings) is \$2.2 million. This means that the Library can match the full \$2 million WA State grant using the property as collateral.
- The Board discussed having our attorneys look over this contract before signing. Laurie Orton will have our attorney look the contract over and the Board will revisit this topic at the regular May BOT meeting.
- The Board discussed how the funds from the future sale of the current Library might be used. It will likely be used to bolster the Library's general reserves so as not to need to ask for another operational levy lid lift once the new building is finished. The Board discussed having a new property appraisal done in summer 2022 on the 1010 Guard Street property.

7) Public Hearing

7a) 2022 Budget Amendments

Karen Vedder opened the public hearing at 10:46am

- Laurie Orton shared and reviewed Resolution #1-2022 and Attachment A showing the adjustments to the original 2022 budget.
- She also shared the full 6317 Project Fund budget that has now been developed.
- The Board discussed possibly establishing an Operating Fund for 660 Spring Street since we do not yet have one.
- Insurance recoveries are included in these budget amendments in the 6311 General Operating Fund since they are pass-through moneys to pay for the damage and any repairs from the frozen pipes bursting, and not related to the building of the new library.
- There were many changes in salary and benefits expenditures this year due to staffing turnover.

7b) 2022 Amended Budget Resolution

- Karen Vedder read Resolution #1-2022 aloud.

MSC Boyd Pratt moved and Barbara Sharp seconded to approve Resolution #1-2022 with Attachment A “Amending the 2022 Budget.” Carried.

Karen Vedder closed the public hearing at 11:06am

ADJOURNMENT

MSC Mark Madsen moved and Barbara Sharp seconded to adjourn the meeting at 11:07 am. Carried.

Respectfully submitted:

DocuSigned by:
Barbara Sharp

Board Secretary

Approved:

DocuSigned by:
Karen Vedder

Board President