

SAN JUAN ISLAND LIBRARY DISTRICT BOARD OF TRUSTEES

Hybrid & via Zoom, San Juan Island Library
(access information provided at www.sjlib.org)
Special Meeting for the purposes of a Budget Work Session
October 28th, 2022

1) Call to Order: President Karen Vedder called the meeting to order at 2:03 pm.

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

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

FOL Present: none

2) Visitors: none

3) Public Access: none

4) Agenda Approval:

MSC Boyd Pratt moved and Barbara Sharp seconded to accept the agenda as submitted. Carried.

5) OLD BUSINESS

- 5a) SJICF Library Fund Investment Terms

Amy Saxe-Eyler briefly presented on SJICF Library Fund Investment terms. The Board discussed short-term versus long-term investment options. Further discussion ensued.

MSC Karen Vedder moved and Boyd Pratt seconded that new donations received through the SJICF sit in cash until they can be moved to the new short-term investment pool being created for the Library's building project nonprofit fund. Donations received after the creation will go straight into the short-term investment pool. Motion carried unanimously at 2:11pm. Carried.

6) NEW BUSINESS

- 6a) Bond Interest Rates

Mark Madsen presented and responded to the presence of letters in the community that share a pessimistic view that our bond interest rate estimate is much too low. Mark explained that our projections are based on scenario C from our financial advisors. That estimate included a then current market rate of 4.09% + 1% for inflation to equal 5.09%. Some claim that we will see much higher interest rates but people who work with municipal bonds have agreed those claims are untrue. There is no evidence that municipal bonds will significantly increase their rates of interest after the election. Other Washington municipal bonds have recently passed with interest rates under 5%.

October 28th, 2022

The deadline for banks to respond to our RFP is 3:00pm on November 17, 2022. Therefore, on or around November 17th, we will be able to definitively answer what the interest rate will be.

The Meeting Room is booked from 1:00-5:00 PM on November 18, 2022, for a special board meeting for RFP review (time to be determined). The Board of Trustees may have another special meeting on December 2, 2022 sometime between 1:00-6:00pm, as well.

- 6b) 2022 Budget Work Session

Laurie Orton, Library Director, presented a draft of the 2023 operating budget to the Board of Trustees. She has further work to do to balance the budget.

Laurie presented a variety of COLAs for the consideration of the board. She recommends the board adopt a COLA of 8.4%. The CPI over the past year has averaged 8.4%. Orcas Library has selected a COLA of 7.8%, based on earlier numbers.

Discussion of the draft budget ensued line by line.

Unspent grant monies from 2022 will be carried over into the 2023 budget.

The Library provides medflight insurance benefits for Airlift NW and Island Air Ambulance. Laurie proposed that we add Lifeflight so there are no gaps in service for medical transportation. This will add approximately \$1,100 total for all insured staff to the budget.

We are scheduled to receive a 3-year state accountability audit in 2023, and our first financial audit as our revenue now exceeds the \$2,000,000 threshold.

Laurie asked for direction from the board as to which COLA to budget for and how much could be transferred from the reserve fund. She will estimate the ending cash to determine how much we might carry over to next year.

Laurie presented a draft of the 2023 project budget. This version assumes there is no bond; if the bond passes she will submit a new budget draft.

The new fire sprinkler system at 660 Spring Street is being winterized (turned off and drained) on Monday, November 7, 2022 so the pipes don't freeze again this winter.

Laurie presented the Board with an update about fencing for 660 Spring Street. Laurie spoke with the Town. We will not erect a fence at this time. Karen Vedder and Barbara Sharp will seek clarification on what conditions would trigger classification of the building as an attractive nuisance.

October 28th, 2022

The board directed Laurie to use an 8.4% COLA if we can do it without having to take too much out of General Reserves.

Boyd Pratt supports the Lifeflight benefit addition. The board agrees that if we're providing one of the medflight services to employees, it's important to cover any gaps.

ADJOURNMENT

MSC Barbara Sharp moved and Boyd Pratt seconded to adjourn the meeting at 4:04 pm. Carried.

Respectfully submitted:

DocuSigned by:
Barbara Sharp
Board Secretary
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Approved:

DocuSigned by:
Karen Vedder
Board President
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