

**SAN JUAN ISLAND LIBRARY DISTRICT BOARD OF TRUSTEES**

Hybrid & via Zoom, San Juan Island Library  
(access information provided at [www.sjlib.org](http://www.sjlib.org))  
Wednesday, October 25<sup>th</sup>, 2023, 9:00 AM – 12:45 PM

Special Meeting for the Purposes of Budget Work and Planning

**1) Call to Order:** President Barbara Sharp called the meeting to order at 9:03 am.

**Members Present:** Barbara Sharp, Karen Vedder, Boyd Pratt, Paul Peterson

**Staff Present:** Laurie Orton, Anthony Morris, Kasey Rasmussen

**FOL Present:** none

**2) Visitors:** Mark Madsen

**3) Public Access:** none

**4) Agenda Approval:**

**MSC** Karen Vedder moved and Boyd Pratt seconded to accept the agenda as submitted. Carried.

**5) New Business**

**a) Purpose of Meeting**

Barbara introduced the meeting and reviewed the agenda and discussion topics for the meeting.

**b) Overall Finances – Library Operations and Current Bond**

Laurie reviewed the conclusions she shared at the October 10<sup>th</sup>, 2023 regular meeting regarding the draft 2024 budget. In particular, she noted that in order to offer a COLA and balance the budget, she would be required to draw down more from the general reserves than hoped. She also shared that she received an update from the County Assessor's Office indicating that we would take in more revenue from property taxes than originally estimated for 2024.

Principal payments on the purchase bond for the Spring St. property begin on December 1<sup>st</sup>, 2024 with a principal payment of \$220,000 plus interest, totaling \$266,065. We are still in negotiation regarding a final figure for the insurance payout. Laurie clarified that all necessary repair and remediation work following the leak at 660 Spring St. has been completed.

The board agreed that based on the current information regarding the Library's financial plan and budget, we would likely need to pursue a levy lid lift in the near future.

**c) Disposition of Spring Street Property**

In light of the 2022 capital bond loss and the growing need for a levy lid lift to maintain current Library operations, the board discussed the possibility of selling the Spring St. property. Karen consulted with MRSC prior to the July 28<sup>th</sup>, 2023 special meeting and was advised that were the Library to sell the property, proceeds from the sale could be used for funding the operating budget since we operate out of a general fund rather than dedicated operational and capital budgets. She is awaiting confirmation of this from the Library's attorney. Boyd noted that while we are not required to separate capital and operational funds, the principal purpose of the taxing district is to fund the operations of the library, and it is important to maintain that distinction regarding how we fund the operational budget, which has historically always been through tax levies.

Discussion was held on the annual cost to hold and maintain the Spring St. property per year, which Laurie roughly estimates is around \$175,000 and includes labor, utilities, supplies, maintenance, and interest on the purchase bond. These costs are not coverable within our operating budget. Projected donations were expected to cover the carrying cost but for various reasons the Library was unable to raise those funds in 2023. The board discussed what could be cut to reduce the carrying cost for the Spring St. property.

The board discussed the estimated insurance settlement and options for use of that payout: pay the whole bond off, if possible, or use portions to pay the annual principal payments on the bond, extending the timeline to retain the Spring St. property. Board members discussed other possible uses for the insurance settlement funds, including covering shortfalls in fundraising, and designing site plans that consider affordable housing.

Discussion was held regarding the value of the property at last appraisal and potential advantages to selling the property. However, board members noted that were the Library to sell the property, there is no guarantee that the sale would be completed and proceeds received before the first bond principal payment date on December 1<sup>st</sup>, 2024. They also noted that it is extremely unlikely that we would be able to purchase another property in the future that is as well suited to our purposes, and at the low interest rate of 2.22% we were able to secure to purchase the 660 Spring St. property. Unless the situation results in existential danger to the Library's existence, the board agreed we should retain the Spring St. property.

**d) Levy Lid Lifts 101**

Visitor Mark Madsen presented a brief overview of levies and levy lid lifts as a refresher for the board. Discussion was held on past levy lid lift campaigns and strategies for the future, especially regarding public education on common levy misconceptions.

#### **e) Levy Lid Lift – Timeline and Running**

Discussion was held on a potential timeline for going out for a levy lid lift. The board agreed that decisions on pursuing a future levy lid lift could not be made until the 2024 budget is finalized. Laurie will present the final draft 2024 budget at the November 14<sup>th</sup>, 2023 regular meeting.

It was noted that in the course of campaigning for a future levy lid lift, it would be important to be clear that any levy lid lift would fund only the maintenance and operations of the current Library, and would not go towards the building project.

The board discussed their commitment to keeping the public informed of our plans for the building project, and how the timeline for public meetings for feedback and outreach might change as a result of prioritizing a levy lid lift. Board members will draft a press release to inform the public of when to expect more information. They agreed the press release should be publicized after the November 14<sup>th</sup>, 2023 regular meeting once decisions on today's discussion topics are made.

**Break at 11:03 am. Meeting reconvened at 11:09 am.**

#### **f) Development Director Position**

Laurie reported that Amy Saxe-Eyler's last day at the Library will be November 10<sup>th</sup>. Laurie and the board discussed the options available regarding filling Amy's position. Laurie will present options as part of her 2024 draft budget.

The board noted for the record their appreciation of Amy's work during her time at the Library.

#### **g) Schedule of Board Decision Making**

The board will meet next at the November 14<sup>th</sup>, 2023 regular meeting. They agreed on the following items to be discussed at that meeting:

- Approve the 2024 budget
- Finalize decisions on a press release regarding the building project
- Discuss timeline, efforts, and consulting work for a future levy lid lift

The board agreed to form a committee for financial planning and modeling. Paul and Boyd will be on the committee.

### **h) Schedule of Public Meetings**

The board tentatively agreed to hold the next public meeting in the second week of January 2024. The date will be finalized after venue availability is determined.

### **Adjournment**

**MSC** Boyd Pratt moved and Karen Vedder seconded to adjourn the meeting at 11:42 am. Carried.

Respectfully submitted:

DocuSigned by:

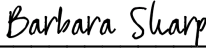


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Board Secretary

Approved:

DocuSigned by:



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Board President