

SAN JUAN ISLAND LIBRARY DISTRICT BOARD OF TRUSTEES

In Person at Roche Harbor Pavilion
(access information provided at www.sjlib.org)
May 1st, 2024

1) Call to Order: President Boyd Pratt called the meeting to order at 5:45 pm.

Members Present: Boyd Pratt, Karen Vedder, Barbara Sharp

Staff Present: Laurie Orton, Anthony Morris, Kasey Rasmussen

Total Attendance: 7 other (13 total)

10) New Business

a) San Juan Island Library's Operational Levy Lid Lift

Opening Remarks:

Boyd opened the meeting. Barbara welcomed attendees and introduced the board members and staff present.

Barbara explained that the purpose of this meeting was to provide information on the Library's upcoming levy lid lift, scheduled to be on the ballot on August 6th, 2024. She noted that the board would provide an overview of levy lid lifts as well as touch on the current state of the building project.

Barbara gave a brief explanation of what the Library's operational budget funds. She noted that the Library's last levy lid lift was in 2011, and revenues are no longer sufficient to sustain current operations.

Boyd followed with statistics highlighting the community's use of the library. He noted that three out of five island residents have a library card, and that out of libraries in Washington, we are ranked 7th per capita for annual library visits, 8th per capita for circulation, 5th per capita for program attendance, and 2nd in collection size per capita.

Boyd explained some basics of library finances. He noted that for our approximately \$2.3 million annual budget, property taxes make up about 95% of revenue, with the remaining 5% coming from grants, donations, and other sources. Boyd also noted that as a junior taxing district, we are limited to a 1% increase in revenue annually, which does not allow us to keep up with inflation.

The Library's last levy lid lift was in 2011, and expected to last until 2018. Boyd explained that through careful fiscal management by the board and the director, they were able to stretch funds an additional six years.

The levy lid lift that will be on the August 6th ballot will reset the levy rate to 41 cents per thousand dollars of assessed property value from the current rate of 25.39 cents per thousand dollars of assessed property value. On a property valued at \$750,000, this

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would translate to an increase of approximately \$113 dollars per year on property taxes. The board is planning for this levy lid lift to last up to ten years, expecting to place extra revenue into reserves at the beginning of the ten-year planning period, and draw down the reserves in the latter half of the ten-year period as revenue falls further behind inflation.

Karen spoke about the future of the 660 Spring Street property. She noted that the board is still committed to building a new library at the Spring Street property and has no plans to sell it. Based on feedback from the community, the board plans to reduce the amount requested from the public in a bond, and increase the philanthropy portion of fundraising. The board is also exploring options for how the future building project might incorporate affordable housing, another community concern. However, the board has decided to pivot focus this year from the building project to the operational levy lid lift in order to continue to provide library services at the current location.

Public Comments/Questions/Feedback:

Questions from the public addressed the following themes:

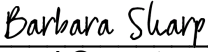
Budget/Financial Planning

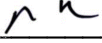
- A question was asked about staff salaries and if they were comparable with other institutions. Laurie noted that they are, and she also hopes to do a compensation study in the future.
- A question was asked regarding the division of the operating fund and project fund. Boyd explained that the levy lid lift funds go to the operating budget, not the new building project.
- A question addressed reserves and how they fit into the budget. Boyd explained that in planning for the levy lid lift, financial projections used a median 5% inflation rate for the next ten years and modeled scenarios for different levy rates over that time period. They compared how much revenue would be collected, the amount that would be placed in reserves, how long the reserves would grow until we needed to start drawing them down to maintain the budget, and how long we would be able to draw down the reserves before asking for a new levy lid lift. The 41 cents rate was chosen after comparison indicated that it was the appropriate amount to provide enough in reserves but not ask for excessive funds. Karen added that we are currently at the end of our reserves, and that if the levy lid lift doesn't pass, the board expects serious changes to library services, including staff cuts, reduced hours, reduced programing and collection budgets, and more.

Levy Planning

- Questions were asked about the current levy rate.
- Board members and attendees discussed the last levy lid lifts for the Orcas and Lopez libraries.
- A question was asked about the reasoning behind going out for the levy lid lift on the August ballot. Karen explained that the board preferred August rather than waiting for the general election in November.

Adjournment: President Boyd Pratt adjourned the meeting at 6:18 pm. Carried.

Respectfully submitted: 
Board Secretary

Approved: 
Board President