

Yakima Valley Libraries

Board of Trustees

Budget Study Session

Monday, October 23, 2017 – 1:00 p.m.

Yakima Central Library Boardroom

Meeting begins: 1:00 p.m.

Board Members Present: Vice-President Del Rankin, Secretary Glenn Rice, Trustee Dan Seifert

Board Members Absent: Board President Pamela J. Perryman, Trustee Jim Davenport

Staff Present: Executive Director Kim Hixson MLIS, Accounting Manager John Slaughter, Executive Assistant Terri Reeder

Visitors: no visitors present

Executive Director Hixson began the Study Session by referring to the preliminary draft 2018 Budget. She presented an overview of the budget and explained how the information is acquired.

Hixson stated the 2018 Budget Preparation Calendar was given to each manager and in August she met with them individually regarding their proposed budgets. Also in attendance for those meetings was Public Library Services Director Francisco Garcia-Ortiz and Accounting Manager John Slaughter. Earlier this year Mr. Slaughter developed specific budget formats for each manager related to their departments or libraries. Hixson complimented Mr. Slaughter on his work to improve the General Ledger.

Trustee Rice asked if pages 10-13 in the Budget packet could be enlarged for better readability.

Executive Director Hixson stated the library expects to have revenues and resources in the amount of \$12,960,726 including an estimated beginning cash balance of \$5,054,086 for the General Fund; 2018 expenditures for the General Fund are expected to be \$7,906,640 in wages and benefits, operation, maintenance, and capital projects.

Hixson anticipates revenues from the 2018 property taxes will increase \$71,261.41 over the previous year, plus \$77,398.25 in new construction. Other revenues include grants and donations, the annual McAuley and Boaz Endowments, fees for copies, and fines for overdue fees.

Executive Director Hixson briefed the Trustees on FTEs, staffing and new changes in benefits. Hixson said employees receive a performance merit of 3% - 3.3% increase at their annual review. She commented on Human Resources Director Darline Charbonneau's diligent work to gain staff's participation in a health event this year. The results yielded YVL a 4% savings in cost of coverage for the library. Total anticipated medical benefit will increase to 6.9%. Hixson told the Trustees she will look at other optional plans next year due to the rising costs in health care benefits for staff. Currently the deductible is \$750/\$5,750 out of pocket maximum per benefited employee.

Executive Director Hixson noted the contract cities listed in the preliminary draft Budget document.

Hixson noted that the trend of the public's preferences to use the library's technology is changing. She said more and more patrons seem to prefer bringing in their own devices and use plug-ins, particularly

at Yakima Central Library, rather than use the public computers. This may make a difference on how technical equipment is purchased in the future.

Hixson highlighted key points about the Collection and said there will be a reduction of \$207,000 from the 2018 budget. When the Collection Development Librarian was told this news, she responded optimistically affirming that the new software Collection HQ and ESP will help significantly track community library collections and provide efficient data for purchasing future materials.

Trustee Seifert referred to the expenses and revenues listed on pages 10 and 11 of the preliminary draft Budget. He asked where the money goes if the IT department does not use their allocated funds by the end of the year? Hixson responded in saying we are still in the process of purchasing security gates for the larger libraries. These will also need to be cabled. Trustee Rankin noted that as with the 2016 funds that were not utilized, the Board approved an amendment which rolled funds into the 2017 budget.

The Board briefly mentioned the Facility Assessment project. Trustee Rice recommended setting up reserve accounts for each building to offset maintenance. Hixson agreed and said the breakout will help us track work done on library buildings.

Executive Director Hixson explained the financial activity using the revenue and expenditure classifications, statements and schedule contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual for libraries. Yakima Valley Libraries' budget is prepared on a cash basis to guide the current year expenditures. She told the Trustees her intent is to maintain a balanced budget. Hixson said she also wants the public to understand how and why the library operates its budget. We also want to be transparent about any all projects.

Trustee Rankin suggested the first column listed on pages 25-56 should be titled "2018 Proposed Budget" rather than 2018 Requested Budget. Hixson thanked him for his suggestion and invited the Board to offer any recommendations. There is no prescribed format for designing the budget. The only requirement is the Budget must be finalized at the Public Hearing Meeting, November 17th and delivered to the County Commissioner's office by Tuesday, November 21st for the library district to secure funding of the levy.

Trustee Rankin referred to lines 15 and 16 on page 11 of the Budget draft asking the reason for the increase in salary, wages and benefits. Hixson responded it is primarily due to higher costs of medical insurance. Rankin said he would like to look at the details. Mr. Slaughter also replied that employers are now required to match 12.70% of employees' retirement. Hixson said she tells staff she has control over wages, benefits and collection; however, everything else is operating costs. She said she is hoping the Facilities Assessment will give us a good plan for the future so we aren't in a position to cut wages, benefits or the collection.

For 2018, Hixson proposed adding one FTE at West Valley to fill the need for additional staff; the temporary Archive Technician will continue filling that position for two years; the Accounting and Programming departments request the need for sharing a part-time employee.

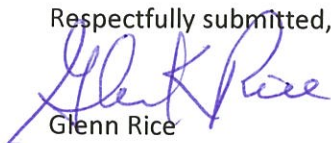
Executive Director Hixson commented on the recent Library Journal's Design Institute Challenge she attended in Vancouver, Washington October 19th and 20th. One of the topics discussed was circulation desks and if they are becoming obsolete. Conceptually positioning smaller circ desks throughout a library allows staff to roam the floor and provide consistent assistance to customers. Another topic discussed was the use of library kiosks in airports allowing local patrons the availability to download an e-book before boarding a flight. Hixson said one Washington state library is already experimenting with this new service. The Board discussed possible scenarios implementing this equipment at the local airport. Trustee Rankin said he would like to view statistics from the library Hixson mentioned after their year's operational use of the kiosk.

Trustee Seifert shared a diagram he illustrated taking the bottom line of salaries, wages and benefits of each library and department (pages 13-42) to create a summary page. His format included libraries/departments listed down one column on the left side of the page; and salaries, wages and benefits listed across the top. Hixson thanked Trustee Seifert for his good suggestion and said she will continue to improve the layout with new modifications going into next year's budget.

Trustee Rice praised Executive Director Hixson for the excellent press the library has received in the newspaper. Trustees Rankin and Seifert agreed.

Study Session adjourned: 2:00 p.m.

Respectfully submitted,



Glenn Rice
Secretary