

TIMBERLAND REGIONAL LIBRARY
BOARD OF TRUSTEES BUDGET WORKSHOP
Service Center, 415 Tumwater Blvd. SW, Tumwater, WA 98501

July 14, 2004

MINUTES

BOARD MEMBERS PRESENT: Peggy Meyer, President; Art Blauvelt; Edna Fund; Dick Nichols; Pat Shults; Janelle Williams

BOARD MEMBER EXCUSED: Gene Weaver

STAFF PRESENT: Bette Anderson; Liane Bascou; Gwen Culp; Susan Hanson; Jodi Reng; Art Wuerth

President Meyer called the budget workshop to order at 6:35 p.m.

Ms. Meyer thanked the TRL staff for their work on their own time to help defeat getting Initiative 864 on the ballot. We can now focus on setting priorities for the 2005 budget.

Mr. Wuerth presented the proposed 2005 budget process calendar. Mr. Blauvelt, Mr. Nichols and Ms. Shults are Board representatives on the Budget Committee. It was agreed that the Budget Committee will meet on September 15 and on October 20, at 6:15 p.m. at the Montesano Library. The full Board will meet in a budget workshop prior to its October 27 regular meeting to review the preliminary budget, a public hearing on the preliminary budget will be held prior to the regular Board meeting on November 17, and the Board will adopt the final 2005 budget at its December 22 regular meeting.

Mr. Wuerth presented a document "Economic Projections and Revenue Trends" (attached to the original of these minutes). The unemployment rate in the five counties TRL serves is at its lowest since 1997, which is the year Mr. Wuerth started calculating the district's unemployment rate. He obtains these statistics from the state Employment Security department. For comparison purposes, he presented a graph indicating what TRL's property tax revenues would be if we were able to budget the full 50 cents, if we still had the 106% limitation, and what he estimates it will be under the I-747 limitation of 1%. TRL took cuts earlier in 2002 to prepare us for future years. Mr. Wuerth showed a graph of the Department of Revenue's projections of TRL's revenue losses under I-747 for the years 2002 through 2007, including TRL's actual losses for the past three years. The graphs on timber revenues indicate that those revenues are moving back up again. Another graph shows what percentage of total revenues (excluding beginning fund balance) are major timber revenues. In 1990 that percentage was 15.5% and in 2005 the estimate is at 8%. He estimates that 2004 timber revenues will be slightly over \$2 million. Mr. Wuerth presented graphs on the Consumer Price Index. He uses this index to base his estimates in increases in expenditures. The Implicit Price Deflator is currently at 2.54%, which he has used in the past to prepare a substantial needs budget per Referendum 47. With I-747, the ceiling is now at 1%.

Mr. Wuerth presented the first draft of Estimated Revenues and Anticipated Budget for 2005 (attached to the original of these minutes). His first estimate of revenues is \$15.9 million and expenditures at \$16.1 million. He anticipates a deficit of \$144,000. This budget is at the same level that we are currently operating at. Per the Board's request, he has included charts on property taxes related to new construction.

From a financial standpoint, Mr. Wuerth does not think it is necessary to go out for a levy lid lift in 2005 and recommends we go for a levy lid lift in 2006. He illustrated with several charts a history of TRL's levy rates from 1990 to the present. He also included information on what would happen over the next ten years if we never have a levy lid lift. A copy of the document "Levy Lid Lift" is attached to the original of these minutes.

The meeting recessed at 7:50 p.m. and reconvened at 8:00 p.m.

Ms. Reng presented a document listing priority activities for the last half of 2004 and recommendations for priorities for 2005 (attached to the original of these minutes). In 2005, she recommends that we reposition ourselves to be embraced as the intellectual, educational, and cultural center of each community with special emphasis on literacy, pre-school, and seniors, and secondary emphasis on teens and economic development. This emphasis will be on the joy of reading and encouraging people to love reading and buy into the concept of lifelong learning, making the library more important in their lives. In her travels throughout the district, Ms. Reng hears comments about how much people love our services. She also hears complaints that we are seen as exclusive rather than inclusive, and that we are seen as peripheral to the communities. Ways we can change that is to develop partnerships, help organizations and governmental agencies reach their goals, and make ourselves relevant to people's lives. In order to make ourselves relevant in today's communities, we need to be seen as involved, caring and effective. We are already impacting our communities and we need to market the impacts we are making. We can have an impact on local and statewide issues, not just in the political environment but also in our communities by helping them reach their goals. We want to put ourselves at the center of our communities so that people will value how important the library is to a community. The community chats have been very successful and will be completed this month. We have invited people from businesses, agencies that provide services, groups and organizations that meet regularly, community leaders, and elected officials. The goal of these chats is not to talk about library services but to learn about community needs and how we can help them reach their goals.

One of the groups TRL wants to reach out to is teens. A teen task force will be formed. Board members offered several suggestions. Appealing to teens that are not library users is different than appealing to teens that have grown up using the library. Teens demand easy and fast service. The idea proposed by the Admin. Team of getting on the agendas of in-service teacher days is good. Make sure the teachers know how to use our databases. Make posters and bookmarks available to the schools that list the numbers, hours and locations of libraries. Make sure teachers assigning research projects provide their students with library information. Provide library card applications to the schools. Think beyond the Summer Reading Program to keep children interested in the library once they reach their teens.

We will be upgrading from the Dynix system to the Horizon system. We have an automated system fund in which we have been saving for this eventuality. Most of the cost for this upgrade will come out of the 2004 budget. We will have lower annual maintenance costs with Horizon than with Dynix so this upgrade will result in an increase in the general fund in 2005 of \$66,000. Ms. Culp provided a document of a five-year cost comparison 2004-2008. Dynix is not doing any more upgrades on its product so the maintenance costs will increase substantially. We will receive free maintenance on Horizon for the first year. The staff will see the biggest differences with the new system and the

patrons will not notice much change. Barb Durney, who trains new staff on the system, expects to reduce the training by half a day. A five-year cost comparison of Dynix Maintenance vs. Upgrade to Horizon is attached to the original of these minutes.

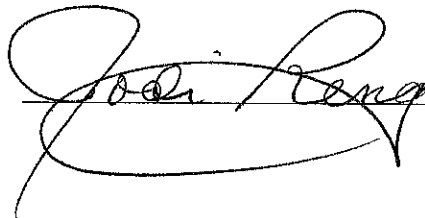
Another potential savings is if we change health care providers. Staff are currently assessing and comparing PEBB with WCIF. Ms. Reng has included a goal of a classification study in either 2005 or 2006 that may require hiring an outside consultant. She recommends this study be done in a year that we are not working on a levy lid lift. TRL's current classification plan is 10 years old. Staff hope to be able to do most of the work on a capital facilities plan but we anticipate we will hire a consultant for parts of that plan.

Mr. Nichols suggested that it is important that we begin to demonstrate to our customer base that we are moving forward on these plans. We need to communicate the message that we are planning ahead and that we are being responsible. We have a plan in place on how to weather the loss of revenue. We can use the PAC as a way to market TRL during the campaign for a levy lid lift. He distributed his ideas for a campaign for stability (attached to the original of these minutes).

There was no further business and the meeting adjourned at 9:00 p.m.



President



Secretary