

**LINCOLN COUNTY LIBRARY DISTRICT
BUDGET COMMITTEE MEETING AND PUBLIC HEARING
May 14, 2019**

Time: 12:00 p.m.
Place: Community Room
 Oregon Coast Community College
 Central Coast Campus
 400 SE College Way
 Newport, Oregon

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|--|---|
| Call to Order | Brian Fodness, President Lincoln County Library District Board |
| Roll Call & Establish Quorum | MaryKay Dahlgreen, District Director and Secretary to the Board |
| Welcome & Ground Rules & Housekeeping | MaryKay Dahlgreen |
| Introductions | Everyone |
| Election of Budget Committee Chair | Brian Fodness Facilitates |
| Budget Presentation | MaryKay Dahlgreen, Budget Officer |
| Public Comments – 2 minutes per person | Budget Committee Chair Facilitates |
| Discussion, Approval, Set Tax Rate – will need motions to approve budget as presented or as revised (whichever is applicable) and to approve the tax rate at the current \$0.2465 per \$1,000 of assessed value and the local option levy rate of \$.0900 per \$1,000 of assessed value. | Budget Committee Chair Facilitates |
| Adjournment | Budget Committee Chair |

LINCOLN COUNTY LIBRARY DISTRICT 2019-2020 Budget Message and Narrative

The Lincoln County Library District (LCLD) funding comes from the local option tax (\$0.0900 per \$1,000) as well as the permanent tax rate (\$.2465 per \$1000). A renewal of the local option tax for the same rate will be on the November 2019 ballot to ensure the continued collection of the funds for the next five years.

LCLD is a special tax district that works with our library partners in Lincoln County to ensure that all residents of Lincoln County have access to excellent library services. The district boundaries are all of Lincoln County except the cities of Toledo, Newport, Lincoln City, and Yachats. There is a five-member elected Board, three of those positions are on the ballot for the May 21, 2019 election.

There are 4.65 FTE staff employed by LCLD. Two are full time professional librarians (Director and Technical Services Coordinator), two courier drivers deliver materials to our partner libraries daily, Monday through Friday. LCLD administers the Siletz Library and employs 3 part time staff who keep the library open 5 days a week (Tuesday 2-4, Wednesday – Saturday 10-6). We also have two staff members who each spend about 4 hours per week assisting with administrative duties including updating the website and filing.

The long-time director of LCLD retired in September 2018 and a new director began at the end of August. The agreement between the new director and the Board has been to make several changes to the operations of LCLD and those are reflected in the overview outlined below.

MaryKay Dahlgreen
District Library Director

Overview of the LCLD FY 2019-2020 Budget

General Fund – Resources

- Cash on Hand
 - This sees us through until taxes are received in November.
- Previously levied taxes
 - This has not been segregated for the last several years and so has been estimated at last year's level. We will be segregating these consistently in the future.
- Interest

- This is interest earned on our tax receipts. In order to maximize our interest, we will be exploring joining the Local Government Investment Pool sponsored by the Oregon Department of Treasury.
- Ready to Read Grant
 - This funding from the state of Oregon general fund is based on the population of children ages 0-14 in the LCLD service area, including Siletz. The cities of Lincoln City, Toledo, and Newport each receive the funding for their service area. Square mileage of service area is also taken into consideration. LCLD uses these funds to enhance summer reading programs for all our partner libraries.
- State Forestry
 - There has been a rather large fluctuation in the last several years so the estimate for this resource has been increased to \$20,000. 70% of any funds over this amount will go towards reimbursement to the local libraries in the following years.
- Lincoln County Law Library
 - We have an agreement with the County Counsel to handle payroll for the County Law Library staff person and they provide us with election assistance. They do not serve as our legal counsel. We are reimbursed for the payroll expenditures including our payroll costs. This has been raised to \$15,000 for 19/20 in anticipation of a 4% increase and the fact that our payroll costs have increased due to outsourcing to a payroll company.
- Dolly Parton Imagination Library
 - Nothing has been proposed for 2019-2020. We will be working with our partners to determine our next steps.
- Carryover-TBCC Courier Funds
 - LCLD received funds to pay for TBCC to use the Orbis courier for 5 years. 2018/2019 is the last year we made a payment for TBCC to Orbis.
- Chinook Library Network (CLN)
 - The libraries that are part of the network will be billed for their share of the cost of the network. The libraries that are part of CLN are the Lincoln County Library District (LCLD), Siletz, Toledo, Waldport, Oregon Coast Community College, Tillamook Bay Community College and Clatsop Community College.
- Siletz – Carry-over
 - This is used for Siletz Public Library operations until taxes begin to be collected in November

- Siletz – Interest
 - Siletz – Miscellaneous
 - Siletz collects some money for lost materials and photocopier/printer use and meeting room use. The Siletz library manager may also apply for some small grants during the year to pay for materials and services. This line is open to help make these funds available to the library, with \$1,000 as the estimate.
 - Siletz – City of Siletz
 - Our contract with the City of Siletz requires them to pay for insurance for the library building and for the Library District to receive the rest of the \$3,000 for help with building expenses. We have not received these funds for two years so will be working with the City of Siletz to clarify expectations.
 - Taxes Estimated to be Received
 - This amount is based on an estimate of how much tax revenue we will receive based on our tax rate and property values within the District. This estimate anticipates not receiving about 4% of the taxes.
-

General Fund-Requirements

- Personal Services

Salaries: A 4% increase in all salaries is being proposed.

Benefits: The cost for health insurance is increasing a little this next year. We pay an amount equivalent to 8% of an individual's salary into the retirement or full-time employees. We pay health insurance coverage for each full-time employee and per previous agreement one of the full-time employees of long standing also receives the difference between single and family benefits in their retirement account. We have found some irregularities in contributions to retirement accounts and are working to clarify and correct those differences.

Siletz: The Siletz Library has 3 people working (two working 12 hours per week and 1 working 24 hours per week). We do not pay health benefits for these employees.

Law Library Staff: We pay this employee's wages and all appropriate taxes. We are then reimbursed for these expenses by Lincoln County. The amount in the budget is for the entire cost for the employee, not just the wages.

- **Materials and Services**

Professional Services: The new director of LCLD, in agreement with the LCLD Board has engaged a bookkeeper, an accountant, and an auditor. As noted above, we also have engaged legal assistance to clarify and correct our retirement package. The bookkeeper and accountant have completely rebuilt the accounts and assisted with our first audits in several years. This line will ensure we have professional bookkeeping, accounting, auditing, and legal services in the future.

General Office Expenses: This includes office expenses such as rent, utilities, postage, mileage, supplies, gas and maintenance for the courier van. We also purchase materials for a professional collection to be used by our partner libraries. We also fund a website platform from this line.

- *Rent and Utilities:* Another task undertaken by the new director is locating an office facility that will be more appropriate for the library. We are currently in a storage space/garage. We have located a new office space which would be shared with another organization and would provide us with actual offices, meeting space, parking, and utilities would be included for \$1,500 per month. The Board will be reviewing a proposal at the May LCLD Board meeting.

Memberships, Registration, Travel and Training: LCLD pays membership fees in the American Library Association for the two full time staff, OLA membership for the District which includes our Board members, OLA membership for all staff members, SDAO membership and in 2018-2019 we added membership to the American Indian Library Association and the Association of Rural and Small Libraries. We have included funding to allow staff travel to conferences although we will be focusing less on having both full time staff attend both ALA meetings annually and provide opportunities for all staff to attend OLA and other appropriate professional development

Operating Fees/Insurance: We are seeing increases in the insurance costs with Special Districts and we will continue to participate in the best practices program and the pre-loss legal program which help us keep these expenses down. There will be election costs for the 2019/2020 five-year local option tax election for funding beginning in the 2020/2021 fiscal year. The cost for legal notices, such as the budget committee notices, placed in the *News-Times* has increased. \$250 should be enough to pay for the notices.

Library Development: This line includes funding to purchase OCLC cataloging and interlibrary loan subscriptions for Driftwood, Newport, and LCLD. It also includes operations and materials funding for Siletz using the funding the City of Siletz would receive from LCLD if they administered the Library. Other library development projects include summer reading programming and special projects such as the Dolly Parton Imagination Library participation.

Library Reimbursement: 70% or more of the anticipated revenue from Tax Revenue, Previously Levied Taxes, and State Forestry Receipts must be used for library reimbursement. 10% or less can be used for cataloging and courier service. 20% or less can be used for all other Library District expenditures. If we receive more than anticipated in any of these funds during a fiscal year this amount goes to the libraries in the second fiscal year following the receipt of the funds. Usually this amount results in an increase in funding for the libraries. We are required in our contract to provide a reimbursement estimate to the libraries in December. An estimate was made earlier this year anticipating not receiving 4% of property taxes. Our formula for reimbursement is based on Operating Expenditures (35%) and Circulation (65%) so if some libraries have a larger increase in some areas than the other libraries it can significantly affect the reimbursement amounts

Capital Outlay: \$10,000 has been set aside so that we can upgrade furniture and equipment as needed. We currently have \$35,000 set aside for a new van. We don't anticipate using it for two or three years as the current van is running well and we are conscientious about preventative maintenance.

General Operating Contingency: If an unanticipated need arises in one of the budget areas some of this fund may be used. We also need to have enough funds set aside in the next few years to cover paying for any unused vacation time employees may have when they retire or leave LCLD employment. In 2018/2019 we moved \$50,000 from the operating contingency to professional services to cover the bookkeeping, accounting, auditing, and legal costs that were not included in the budget request but proved necessary.

RESOURCES
General Fund

(Fund)

Lincoln County Library District

(Name of Municipal Corporation)

| | | Historical Data | | | RESOURCE DESCRIPTION | Proposed By Budget Officer | Approved By Budget Committee | Adopted By Governing Body |
|------------------------------------|-----------------------------------|---|--------------|--------------|--|-------------------------------|---------------------------------|------------------------------|
| Actual | | Adopted Budget This Year Year 2018-2019 | | | | | | |
| Second Preceding Year 2016-2017 | First Preceding Year 2017-2018 | | | | | | | |
| 1 | \$ 191,025 | \$ 202,542 | \$ 210,000 | \$ 210,000 | 1 Available cash on hand* (cash basis) or | \$ 161,320 | | 1 |
| 2 | | | | | 2 Net working capital (accrual basis) | | | 2 |
| 3 | | | \$ 40,000 | \$ 40,000 | 3 Previously levied taxes estimated to be received | \$ 40,000 | | 3 |
| 4 | \$ 28 | \$ 33 | \$ 100 | \$ 100 | 4 Interest | \$ 100 | | 4 |
| 5 | | | | | 5 Transferred IN, from other funds | | | 5 |
| 6 | | | | | 6 OTHER RESOURCES | | | 6 |
| 7 | \$ 3,874 | \$ 4,222 | \$ 4,200 | \$ 4,200 | 7 Ready-to-Read Grant | \$ 4,300 | | 7 |
| 8 | \$ 21,749 | \$ 58,469 | \$ 5,000 | \$ 5,000 | 8 State Forestry | \$ 20,000 | | 8 |
| 9 | | | \$ 13,000 | \$ 13,000 | 9 Lincoln County Law Library | \$ 15,000 | | 9 |
| 10 | \$ 20,372 | \$ 20,390 | \$ 25,255 | \$ 25,255 | 10 Chinook Library Network | \$ 25,000 | | 10 |
| 11 | | | \$ 3,950 | \$ 3,950 | 11 Dolly Parton Imagination Library | | | 11 |
| 12 | \$ 8,716 | \$ 5,138 | \$ 1,804 | \$ 1,804 | 12 Carryover-TBCC Courier Funds | | | 12 |
| 13 | \$ 2,438 | \$ 5,325 | \$ 1,000 | \$ 1,000 | 13 Miscellaneous | \$ 1,000 | | 13 |
| 14 | | | \$ 7,115 | \$ 7,115 | 14 Siletz-Carry-over | \$ 7,000 | | 14 |
| 15 | | | \$ 10 | \$ 10 | 15 Siletz-Interest | \$ 10 | | 15 |
| 16 | \$ 529 | \$ 141 | \$ 1,000 | \$ 1,000 | 16 Siletz-Miscellaneous | \$ 500 | | 16 |
| 17 | \$ 2,200 | | \$ 1,000 | \$ 1,000 | 17 Siletz-City of Siletz | \$ 1,000 | | 17 |
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| 28 | | | | | 28 | | | 28 |
| 29 | \$ 250,931 | \$ 296,260 | \$ 313,434 | \$ 313,434 | 29 Total resources, except taxes to be levied | \$ 275,230 | \$ - | 29 |
| 30 | | | \$ 1,276,772 | \$ 1,276,772 | 30 Taxes estimated to be received | \$ 1,276,772 | | 30 |
| 31 | \$ 1,223,592 | \$ 1,261,927 | | | 31 Taxes collected in year levied | | | 31 |
| 32 | \$ 1,474,523 | \$ 1,558,187 | \$ 1,590,206 | \$ 1,590,206 | 32 TOTAL RESOURCES | \$ 1,552,002 | \$ - | 32 |

*The balance of cash, cash equivalents and investments in the fund at the beginning of the budget year

REQUIREMENTS SUMMARY
ALLOCATED TO AN ORGANIZATIONAL UNIT OR PROGRAM & ACTIVITY

General Fund
(name of fund)

Lincoln County Library District
(name of Municipal Corporation)

| Historical Data | | | | Adopted Budget This Year 2018-2019 | REQUIREMENTS FOR: (Name of Org., Unit or Program & Activity) | Budget For Next Year 2019-2020 | | | | |
|-----------------|------------------------------------|-----------------------------------|-------------------------------|--|---|---------------------------------|------------------------------|------|------|------|
| Actual | Second Preceding Year 2016-2017 | First Preceding Year 2017-2018 | Proposed By Budget Officer | | | Approved By Budget Committee | Adopted By Governing Body | | | |
| 1 | | | | | PERSONNEL SERVICES | | | | | |
| 2 | \$ 83,213 | \$ 85,659 | \$ 90,000 | \$ 90,000 | 2 District Librarian | \$ 89,232 | | | | 2 |
| 3 | \$ 63,454 | \$ 65,681 | \$ 68,491 | \$ 68,491 | 3 Technical Services Coordinator | \$ 71,225 | | | | 3 |
| 4 | \$ 38,772 | \$ 40,278 | \$ 43,000 | \$ 43,000 | 4 Library Assistant/Courier | \$ 36,828 | | | | 4 |
| 5 | \$ 85,594 | \$ 92,877 | \$ 97,000 | \$ 97,000 | 5 Benefits | \$ 104,000 | | | | 5 |
| 6 | \$ 47,821 | \$ 48,798 | \$ 51,500 | \$ 51,500 | 6 Siletz Staff | \$ 61,367 | | | | 6 |
| 7 | \$ 11,347 | \$ 11,681 | \$ 13,000 | \$ 13,000 | 7 Lincoln County Law Library Staff | \$ 15,000 | | | | 7 |
| 8 | \$ 330,201 | \$ 344,974 | \$ 362,991 | \$ 362,991 | 8 TOTAL PERSONNEL SERVICES | \$ 377,652 | | | | 8 |
| 9.00 | 4.65 | 4.65 | 4.65 | 4.65 | 9.00 Total Full-Time Equivalent (FTE) | 4.65 | | | | 9.00 |
| 10 | | | | | MATERIALS AND SERVICES | | | | | 10 |
| 11 | \$ 187 | \$ 125 | \$ 5,500 | \$ 5,500 | 11 Professional Services | \$ 29,454 | | | | 11 |
| 12 | \$ 63,561 | \$ 65,330 | \$ 78,649 | \$ 78,649 | 12 General Office Expenses | \$ 81,795 | | | | 12 |
| 13 | \$ 7,373 | \$ 6,660 | \$ 9,000 | \$ 9,000 | 13 Membership/Training/Travel | \$ 15,490 | | | | 13 |
| 14 | \$ 10,906 | \$ 6,053 | \$ 21,500 | \$ 21,500 | 14 Operating Fees/Insurance | \$ 16,600 | | | | 14 |
| 15 | \$ 86,896 | \$ 82,512 | \$ 82,511 | \$ 82,511 | 15 Library Development | \$ 86,100 | | | | 15 |
| 16 | \$ 802,669 | \$ 830,981 | \$ 831,763 | \$ 831,763 | 16 Library Reimbursement | \$ 870,261 | | | | 16 |
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| 26 | | | | | 26 | | | | | 26 |
| 27 | \$ 971,592 | \$ 991,661 | \$ 1,028,923 | \$ 1,028,923 | 27 TOTAL MATERIALS AND SERVICES | \$ 1,099,700 | \$ - | \$ - | \$ - | 27 |
| 28 | | | | | CAPITAL OUTLAY | | | | | 28 |
| 29 | | | \$ 10,000 | \$ 10,000 | 29 Furniture and Equipment | | | | | 29 |
| 30 | | | \$ 35,000 | \$ 35,000 | 30 Van Replacement | \$ 35,000 | | | | 30 |
| 31 | | \$ 48,773 | \$ 52,631 | \$ 52,631 | 31 Operating Contingency | \$ 39,650 | | | | 31 |
| 32 | | | | | 32 | | | | | 32 |
| 33 | | | | | 33 | | | | | 33 |
| 34 | | | | | 34 | | | | | 34 |
| 35 | \$ - | \$ 48,773 | \$ 97,631 | \$ 97,631 | 35 TOTAL CAPITAL OUTLAY | \$ 74,650 | \$ - | \$ - | \$ - | 35 |
| 36 | \$ 1,301,793 | \$ 1,385,408 | \$ 1,489,545 | \$ 1,489,545 | 36 ORGANIZATIONAL UNIT / ACTIVITY TOTAL | \$ 1,552,002 | \$ - | \$ - | \$ - | 36 |

