

**Lower Umpqua Library District
Budget Committee Meeting Minutes**

4/8/2025

Lower Umpqua Library and Zoom

LULD Board Members Present: Ron Eberlein, acting President, Gary Goorhuis, Treasurer, Melissa Lilly, Dale Harris, and Christine Thomas, Secretary (via Zoom).

LULD Budget Committee Members Present: Colleen Eberlein, Terry Moore, Cheryl Wilmarth, and Amy Mast. Chris Adamson was absent due to illness. (Five board members and four budget committee members were present, for a total budget committee of nine members.)

Staff Present: Alex Kuestner (Director) and Jonathan Moore.

Call to Order: Eberlein called the meeting to order at 6:00 p.m.

Elect 2025-2026 Budget Committee Chairperson: Harris nominated Eberlein to chair the budget committee. Goorhuis seconded, and the motion passed 9-0.

1. Receive budget document and budget message from the Budget Officer: Kuestner presented the budget for fiscal year 2025-2026, consisting of Form LB-20, Form LB-30 p. 1 & 2, Form LB-11 for the John Warden Reserve Fund, and Form LB-11 for the Roof Replacement Reserve Fund, explaining each of these and discussing specific line items with the committee. (For full copies of these forms, see <https://www.luld.org/library-budget-strategic-plan>.)

Form LB-20. This form records money the library expects to receive for the general fund, which is the library's money market and checking accounts combined.

Line 1: Available cash on hand, estimated for the end of this fiscal year (June 30). This number is significantly higher than a year ago, because when Kuestner calculated last year's budget he didn't account for grants and back taxes that would be received after the budget was made, but prior to the end of the fiscal year.

Line 7: Estimated amount to be received from grants during the next fiscal year, 2025-2026.

Line 9: Estimated funds provided by the State of Oregon for the Summer Reading Program (this has increased each year, but not by a lot). Calculated by the state based on the number of children in the district.

Line 10: Charges for Services: patrons paying for overdue fines, copies, etc. Estimated based on previous years.

Line 11: Miscellaneous Revenue: LULD's share of tool rental fees received from the county (a separate category from Line 30), refunds issued for products purchased by LULD, money from credit card points, and other income that does not fit into other categories.

Line 30: Taxes estimated to be received, based on the Douglas County Assessor's office.

Terry Moore asked whether the library is receiving more or less in taxes compared with previous years. Kuestner responded that property taxes received by the library have increased every year since he started working at LULD in 2022, due to increases in the assessed value of property within the district. Tax income comes in throughout the year depending on when taxes are actually received by the county.

Form LB-30 p.1. This form records expenses from the general fund, which constitute almost all expenses for the library. Budget categories here are based on estimates of how much the library will spend during the fiscal year, and are padded to allow for cost increases. Unspent amounts in budget categories at the end of the year will roll into available cash on hand for the next year.

Line 4: Staff. Kuestner presented two versions of the LB-30, with staff budgets of \$99,000 and \$100,300 respectively. The higher number would provide for all part-time staff to receive both an annual raise and a COLA.

Line 11: Accounting/Review/Legal: This category drastically increased from \$7,000 to \$14,000 because the state of Oregon changed the rules for financial review and the library spent more than the \$250,000 threshold during the 2024-2025 fiscal year (due to the roof replacement), which requires a more expensive financial review (an AUP, or Agreed-upon Procedures). Debb Montclair (Library Assistant) found a CPA in Coos Bay (Constance Huntsman) that has experience doing financial reviews for libraries and would charge a starting amount of \$11,250 for the AUP, whereas the CPA LULD has hired previously (Isler, in Eugene) would charge \$15,000.

Line 31: Staff Development: Kuestner reduced this category from \$2,000 to \$1,000, because the library hasn't been spending as much in this category, and it is similar to Line 19: Dues/Travel/Conference.

Line 25: Library2Go/Overdrive: Historically, Overdrive fees increase by several hundred dollars each year. This year, these fees may increase by an additional 10% due to funding changes at the Federal level. For these reasons, Kuestner increased the Overdrive category from \$6,000 to \$6,500.

Line 23: Kuestner raised the IT budget to create more of a cushion. Last year this category was nearly exhausted.

Line 15: Ron Eberlein asked why the Neighborhood Library (NL) category still has \$1,000 in it when the NLs are already built. Kuestner explained that this category is for NL maintenance or repair costs.

Line 16: Terry Moore asked how the Contracted Services category was reduced from \$3,380 to \$2,800, and Kuestner responded that last year he expected bills for these services (payroll, trash pickup, & pest control) to increase, but instead they went down.

Harris proposed using version 1 of the LB-30, but reducing Collection Development from \$8,000 to \$6,000 and increasing Staff from \$99,000 to \$101,000. \$2,000 from the John Warden fund could be used for Collection Development if needed during the fiscal year. (The board can transfer up to 10% of a fund without reconvening the budget committee.) The John Warden fund could be replenished from cash carryover at year-end.

Form LB-30 p.2: Line 23: Each year, \$5,000 is transferred from the general fund into the Roof Replacement Reserve Fund (\$15,000 was transferred last year to meet the cost of the roof replacement.) See "Form LB-11: Roof/Maintenance Reserve Fund" below for further discussion.

Form LB-11: John Warden Reserve Fund (named after a person who bequeathed money to the library): This fund has been kept in a CD at Umpqua Bank. The committee discussed and agreed that LULD should find a higher interest rate for the John Warden fund.

Kuestner discussed an offer from Douglas County to retain library tax levies in a general pool which could earn a higher interest rate, and which LULD could withdraw from as needed.

As in the past year, the John Warden fund is allocated for library operations, allowing the board to make use of it during the year.

Form LB-11: Roof/Maintenance Reserve Fund: Kuestner presented two versions of this LB-11, one keeping this fund specifically for roof costs, and the other providing for major, long-term maintenance costs more generally. LULD has an agreement with the city to split fifty-fifty any building maintenance bills of over \$2,000. Eberlein and the committee agreed to change the Roof Reserve Fund into a Maintenance Reserve Fund.

Harris requested a maintenance plan giving an overview of when elements of the library building will be due for maintenance (e.g. carpet, chairs, windows, roof, siding), which will help the board decide how much money needs to be transferred into the maintenance fund in the future. Kuestner has reached out to the city but they don't have a plan compiled. Harris suggested inspecting individual elements of the building and getting details about their maintenance history from the city.

2. Discussion of proposed budget: Amy Mast noted the large amount not allocated on the LB-30, and Kuestner explained that the library tries to operate within its expected tax revenue each year, which has provided for an increasing amount of cash carryover to draw upon in the event of a natural disaster or other contingency.

Christine Thomas (present via Zoom) approved of the budget as presented and revised by the committee, and agreed that the library should be earning more than 4% interest, instead of 1%. Kuestner also noted that a large portion of the increasing cash carryover could be put into the same CD with a higher rate. Harris and Mast agreed that there is no reason to have that cash sitting in a checking account with a lower rate.

3. Receive public comment: There was no public comment.

4. Approve proposed fiscal year 2025-2026 budget or recess to continue discussion: Lilly moved that the Budget Committee of the Lower Umpqua Library District approve the fiscal year 2025-2026 budget for the amount of \$726,946 and approve the permanent tax revenue levy rate of \$0.39 per \$1000.00 of district assessed value. Mast seconded and the motion passed 9-0.

Submitted by:

Jonathan Moore - Lead Library Assistant

Date: May 9, 2025

Accepted as written or amended on (date) _____

Approved by:

Date: _____