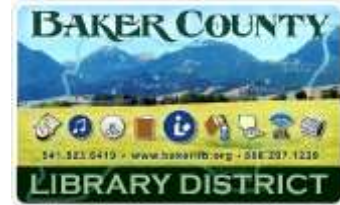


Regular Meeting Minutes

Board of Directors

Baker County Library District

Dec 10, 2024



Call to Order

The meeting was held in the Riverside Meeting Room at the Baker County Public Library, 2400 Resort Street, Baker City, Oregon, the administrative building for the District.

Directors attending the meeting in person included Kyra **Rohner**, Joan **Spriggs**, Ashley **McClay**, and Beth **Bigelow**. Also present were Director Perry **Stokes** and Business Manager Christine **Hawes**. No one attended via Zoom. One guest, Robert Gaslin of Gaslin Accounting, was also present.

The meeting was called to order at 12:00 p.m. by Rohner.

Consent Agenda

Rohner started with the consent agenda, asking if there were any additions or deletions from the agenda or minutes. It was noted that Roll Call was missing and was added to the agenda. No other changes were suggested.

McClay made a motion to accept the agenda as presented and approve the minutes. Bigelow seconded. The motion passed unanimously (4 yea).

Roll Call

Roll Call was conducted, verifying that four of the five directors were present, establishing a quorum.

Conflicts of Interest

Rohner asked if there were any conflicts or potential conflicts of interest to declare. None were noted.

Public Comment

Rohner asked if there were any public comments or communications. Stokes reported none.

OLD BUSINESS

None.

NEW BUSINESS

FY2023-24 Financial Audit Report

Rohner invited Rob Gaslin, the District's auditor from Gaslin Accounting, to present the audited financial report. Copies of the report were distributed to those present.

Gaslin began with the two letters accompanying the report. The first letter addressed a noted weakness: Christine is the only person reviewing the financial report. Remedying this deficiency would require hiring another accounting professional, which isn't financially feasible. Christine will present a resolution at the next meeting for the board to approve and send to the state, similar to last year.

The second letter, two pages in length, stated there were no difficulties encountered, necessary corrections were made, and no findings or disagreements were noted. These items are required to be reported to the board.

Regarding the Financial Report, Gaslin expressed confidence in the library's performance. Key points included:

- **Page 2, Independent Auditors Report:** This section provides the auditor's unqualified opinion, the highest level of assurance.
- **Page 5, MD&A:** Offers an accessible overview of the library's annual performance.
- **Page 12, Statement of Net Position:** Highlights the pension liability of \$981,203, which represents the library's obligations if it ceased operations. The inclusion of the Library Foundation, a nonprofit, in this report is noteworthy.
- **Page 13, Statement of Activities:** Shows expenses of \$1.3 million and income of \$1.536 million, resulting in a favorable net position increase of \$343,306.
- **Page 14, Balance Sheet for Governmental Funds:** Focuses on short-term financial obligations.
- **Page 16, Operating Income Statement:** Reflects a \$70,000 positive change. The difference from the full accrual statement on page 13 is due to PERS and long-term debt adjustments.
- **Pages 18-19, Sage Reports:** Indicates a net position of \$246,078 with a \$28,184 increase over the prior year.
- **Page 35, Discount Rate Sensitivity:** Illustrates how changes in the PERS discount rate impact liabilities. Gaslin noted that a more realistic liability might be around \$1.6 million.

Christine Hawes added insights from her research on the PERS website, discussing upcoming employer rate increases and factors contributing to unfunded liability growth.

The employer rates will increase by 2.2% and 2.7% in July 2025. This increase will result in an additional cost of \$18,000 to \$20,000 in next year's budget. This trend is expected to continue. She sought explanations for the \$256,000 (35%) increase in unfunded liability compared to the prior year and the corresponding decrease in the funded status to 72%. The PERS Employer Newsletter cited two major factors: first, salaries grew less than anticipated, and second, asset returns were significantly below estimates. Despite this, PERS will maintain the 6.9% ROI rate. Hawes noted that the retirement pool contains more beneficiaries than active contributors, creating a funding imbalance. Senate Bill 1049 attempted to mitigate rising employer rates by lifting hour limits for retirees returning to work, charging employer contributions for rehires, and implementing the Employer Incentive Fund, which the District did not qualify for.

Gaslin agreed with Hawes' analysis and participated in further discussion.

Gaslin concluded by praising the library's financial performance and compliance. He answered questions from the board and emphasized that a "boring" audit, with no findings, is a positive outcome. The board expressed appreciation for his work.

Holiday Closures 2025

Rohner introduced the 2025 holiday closures. Stokes highlighted a few details, including a staff training day in August. There were no changes to the Federal holidays this year.

Bigelow made a motion to approve the 2025 Holiday and Other Planned Closures as presented. Spriggs seconded. The motion passed unanimously (4 ye).

REPORTS

Director

Stokes provided administrative updates:

- **Admin & Finance:** TechSoup packages were purchased for consulting on topics such as AI, digital marketing, and website health. Payroll software assessments are ongoing.
- **Facilities:** Ed completed the Building Operator Certification program, qualifying for an energy program refund. An RFP for interior painting is in progress.
- **Marketing:** Efforts to enhance handicap accessibility include listing on Blue Path and considering Niche Academy for training resources.
- **Personnel:** Stokes invited attendance at the SDAO Annual Conference in Bend, Oregon, from February 6-9. Substitute front desk staff recruitment is ongoing.
- **Programs & Services:** A Santa Claus visit was well-attended. Plans for a Digital Literacy for Older Adults program and tablet/hotspot lending are underway. The remainder of

bound Baker City Herald volumes found in storage at the La Grande E.O. Media office were delivered to the Haines branch.

- **Safety & Security:** A \$2,500 SDIS matching grant was awarded for security camera upgrades.
- **Technology:** Issues with Sage catalog software following an update have mostly been resolved. Accessibility improvements for the website are progressing, including compliance with Oregon's 2027 deadline.

Finance Report

Hawes reviewed the financial report.

Executive Summary:

- Receipt of \$1,229,859 in tax turnovers to date (81% of the budgeted amount).
- Notable expenses: Ingram monthly book order, Value Line subscription, and the audit fee to Gaslin Accounting.
- Revenue from donations, monthly wine walk proceeds, and Amazon book sales.

Highlight details included:

The **General Fund** received \$305,721 in tax turnovers on December 2, along with two turnovers in November: \$110,153 on November 5 (previously reported) and \$751,440 on November 19. To date, the Library District has collected \$1,229,859 of the budgeted \$1,511,683, or 81%.

In **Personnel Services**, wages are on target, with 47% of the budget expended.

In **Materials & Services**, notable expenses include \$2,838.62 to Ingram for the monthly book order, \$1,128 to Value Line for an investment guide subscription, and \$1,587 to EBSCO for the annual MyHeritage subscription. Additionally, an \$11,000 audit fee was paid to Gaslin Accounting upon completion of the financial report. A cash report is attached to the P&L for review.

Other Funds received several deposits: a \$500 donation designated for children's and young adult library programs, \$167.50 from the Baker City Downtown Wine Walk, and \$237.37 from Amazon book sales. No checks were issued from this account, though an online payment of \$65.18 was made to Visa for book shipping expenses.

The **Capital Investment Fund** had no activity to report.

The **Sage Fund** received \$19,103 in membership income. A \$6,400 payment was made to Emerald Data Network for 40 hours of tech support. Monthly checks totaling \$2,356.63 were issued to six small couriers, with an additional \$700 payment made on November 26. A cash report is attached to the P&L for review.

Check packets were distributed for board signatures.

Next Meeting

The next regular board meeting is scheduled for January 14, 2025 at noon. Planned topics include a resolution adopting a Plan of Action for the Audit Division.

Adjourn

Spriggs moved to adjourn the meeting; McClay seconded. The motion passed unanimously. The meeting adjourned at 12:56 pm.

Respectfully submitted,

Perry Stokes
Secretary to the Board
PS/ch