Minutes of Actions and Decisions of the Board of Library Trustees of the Bellingham Public Library as Authorized by RCW 27.12.210 and SEC. 7.02 Charter of the City of Bellingham.

Board Members Present: David Edelstein, Marilyn Mastor, Faye Hill, J. Gordon and Rachel Myers.

Board Members Absent:

Library Staff: Pamela Kiesner; Christine Perkins; Madeline Sheplor; Beth Farley; Bethany Hoglund and Wendy Jenkins.

Others: Kathie Wilson, Friends of Bellingham Public Library President, Deb Lambert, WCLS Board Representative.

Call to order and introductions: Regular session was called to order at 3:30 p.m. by Chair, David Edelstein.

Approve/modify agenda: No changes.

Public comment: Deborah Lambert, the new WCLS Board representative, was welcomed. Kathie Wilson, Friends' President, reported they had a wonderful Annual Meeting and also that the Friends passed out information at a booth at the Farmer's Market on May 12. They will be at the Market again on September 8.

Consent agenda: Marilyn Mastor moved to approve the March 20, 2012 minutes and the March and April, 2012 performance and activity measures and financial reports. Faye Hill seconded. Motion carried.

Trustee education: Pam welcomed and introduced John Carter, Finance Director for the City of Bellingham. To kick off the 2013 budget process, Pam invited John to share a financial overview of the City and provide a forecast for the future.

John shared a 1st quarter Financial Review he presented to City Council on May 7, 2012:

Local economy
· Local economy growing, but at a lower rate – 3.5% job growth over prior year, primarily in manufacturing and retail, construction still slow.
· Sales tax receipts up 5.1% YTD (strong Canadian dollar).
· 60 year low in interest rates created an opportunity for City to refinance some bonds.

General Fund
· 1st quarter revenues down 2% (compared to 1st quarter 2011) despite growth in tax receipts from Sales and B & O taxes (thanks, in large part, to big box stores).
· Operating expenses rose 4% in comparison to 2011.
· We are building a net deficit.

Budget concerns
· Four Fire and Police unions are currently, or will soon be, negotiating new contracts.
· The City has over $19 million in environmental remediation liabilities.
· Fire & Police LEOFF Pensions are underfunded.
· AT&T has filed a claim against the city for refund of taxes.
Waterfront district infrastructure budget is increasing.
Possible Medic One dissolution in 2013.
Underfunded Parks projects (Chuckanut Ridge and boardwalk extension).
Cemetery has declining revenue/rising expenses.
Costs to address invasive species in Lake Whatcom.
Continued reductions in State and Federal grants and shared revenues.

Per Mayor Linville’s request, the City is working towards developing a bi-annual budget process. On Saturday, May 19, the Mayor, City Council and Department Heads are attending a retreat with the goals of 1) including City Council in the budget process earlier and 2) finding a way to work towards a balanced budget (to not have more than $1 million deficit in 2013, no deficit in 2014).

To prepare for the 2013 budget, and for the retreat, Department Heads have been sharing each department's prioritized services matrix (Pam will be having the Library Board prioritize the services on the Library's matrix at this board meeting). Mayor Linville also had each department prepare an "exercise" in which they reduce their 2012 budget by 3.5%. John stressed that nobody is recommending cutting across the board. Some departments are lean. In the past few years, only Police and Fire have avoided cuts because the Council has set public safety as the number one priority.

John also mentioned that he has been working on a low-income housing ordinance for a 7-year levy that will be on the Council Agenda Monday, May 21. This will take up a significant portion of the City's levy capacity.

2013 budget: The City's budget calendar has not been finalized. We do know that department Capital Requests are due May 31 and Operating Budgets are due July 10. Pam is hoping to receive budget direction following Saturday's retreat.

Library's Capital Requests: Included in the packet is the Library's Capital Request spreadsheet which has been updated slightly from what was turned in last year.

Board members pointed out that office space, painting and carpeting are not true "capital" and asked if they could be incorporated into facilities budget. Pam explained that this spreadsheet is a tool to communicate to the City what needs to be done to the building from the Library's perspective. The exterior of the building will be painted this year and the Dodson room will be getting new carpet. The question was raised as to how Public Works prioritizes what needs to be done. Pam suggested that she could invite Ted Carlson, Head of Public Works, to answer questions at a board meeting.

The Operating Budget will be focused on at the next board meeting. Because of the July 10 deadline, there might be the need for a Special meeting.

Bellingham Public Library Services Matrix: In the packet is the library's matrix with costs included. The 3.5% reduction exercise John mentioned amounts to close to $138,000 for the library. Mayor Linville wants to talk about all of the services the city offers, then talk about priorities and if reductions are necessary, cut from the bottom. Pam told the Mayor and department heads that she needed Library Board input in order to prioritize, but she did share with them that, in the past, Fairhaven Branch and Outreach Services have been discussed in reduction scenarios. Pam also mentioned that the City Services – the amount of money the departments pay back to the city – needs to be reviewed. Out of the Library's $3.6 million budget, we pay back over $600,000 to the City. The Facilities cost is over $500,000 and is based on a square-footage formula.
Board members concluded after much discussion that:
· Materials cannot be cut further.
· Central is essential – cuts to Central effect 800,000 visitors. Though Fairhaven is beloved and has a solid 100 year history and Barkley is an example of the type of generous partnership we need, closing branches inconveniences fewer patrons. Outreach's cost per patron is significantly higher than at Central.

Faced with possible cuts yet again, the board discussed whether is was time to become more political, to talk with Council members, and to seek other funding options. We are hearing that the library is a priority, but the action is a levy for low-income housing.

**Strategic Planning:** Included in the packet is Brian Burton's 1-page Executive Summary of the Stakeholder Retreat as well as the minutes from the last Steering Committee meeting. The Steering Committee determined the next steps and timeline; in May, staff input will be gathered (2 All Staff meeting for a SWOT exercise and a discussion of the ALA Dimensions, Mission, and Values); June will focus on gathering community input (a survey and 2 community sessions).

The Board then took 20 minutes for a SWOT exercise in five areas:
· Services & programs for all ages
· Technology & Virtual Presence
· Facilities: Physical Spaces
· Staff Resources
· Library Materials Collections

Their comments will be combined with the staff comments.

**2011 annual reports:** In the packet are two annual reports. The Washington Public Libraries Annual Report is an extensive report gathered and submitted yearly by Madeline Sheplor. Christine has just put the finishing touches on the Bellingham Public Library Annual Report.

**Library Board member's report:** Faye Hill attended the WCLS Board meeting. They are also working on strategic planning. As part of a continuing education segment, staff presented a role-play of a patron questioning the appropriateness of a book in the library. Faye found it well-done and informative.

**Library Director's report:** The last item in the packet is a copy of the Memorandum of Understanding Between Whatcom County Library System and Bellingham Public Library for the Operation and Maintenance of an Online Catalog. This memorandum is for BiblioCommons and was approved and signed in April by WCLS Director Joan Airoldi and Pam.

Pam received notification of a bequest coming to the library for 25% of Norah Ellen Brusven's estate.

The Bellingham Municipal Code is being revised. There is one code that applies to the library and we are proposing that we no longer require duplicate copies of city publications. Many city publications are available online and we typically do not need two copies. We've suggested a language change; Pam will keep the Board updated.

Pam has proposed to the City that the library order all library-type materials for city departments in order to save money. We may also catalog the materials so that the public has access (if allowed by the departments).

Pam was interview by KGMI concerning the $50,000 donation to our Capital Fund from the Friends.
Pam and the other WLC directors gave a Whatcom Libraries Collaborate presentation to the Library Council of Washington – the same presentation given at WLA.

There has been a fascinating, ongoing series of talks up at Western about the Future of the Academic Library. Pam and Beth have attended two so far and invited board members to join them.

Twelve staff members, 2 board members, and 2 Friends volunteers attended the WLA conference in Marysville. It was a good conference in a great space. Both Pam and Christine made presentations that were well received.

The Library has been planning on closing the morning of September 14 for a joint training session with WCLS. Pam is now considering whether we should close for the remainder of the day for staff training. The Board agreed that closing for the day was acceptable.

Beth has been appointed to the Digital Library Consortium Executive Advisory Committee.

Pam has been appointed to the Library Council of Washington which advises the State Librarian and the Secretary of State on library matters.

Mayor Linville has invited all board and commission members to the 1st Annual Board & Commission Member Appreciation Open House on May 30 from 5:30 to 6:30 p.m.

Meeting adjourned at 6:00 p.m.

Next Regular Library Board Meeting – June 19, 2012 at the Central Library, 210 Central Ave, Library Board Room – at 3:30 p.m.

Chair, Library Board of Trustees

ATTEST

Secretary, Library Board of Trustees