

## MINUTES OF THE BOARD OF TRUSTEES SPECIAL MEETING

May 30, 2023

The special meeting of the Spokane Public Library Board of Trustees was held on Tuesday, May 30, 2023 in-person at the Central Library

Present were:

MEMBERS

Ms. Lara Hemingway, Chair of the Board  
Mr. Gary Stokes  
Ms. Mary Starkey  
Ms. Dani DeJaegher  
Ms. Shelby Lambdin

COUNCIL LIASION      Councilmember Zack Zappone

LIBRARY DIRECTOR      Mr. Andrew Chanse

### **CALL TO ORDER**

The meeting was called to order at 4:05pm by Ms. Hemingway.

### **VISITORS**

Nicole Edwards  
Caris O'Malley  
Ashley Lock  
Brenda Kochis

### **CHANGES TO THE AGENDA**

None.

### **NEW BUSINESS**

#### **2a. Vision 2025 update**

Mr. Chanse reviewed the progress towards Vision 2025. Mr. Chanse explained that Vision 2025 was built around extensive community feedback from our Facilities and Future Study in 2015, subsequent community dialogues and engagement around the scope development of the bond projects and extensive staff feedback from work group discussions from each department. Mr. Chanse explained that the framework is largely based on the timeline for executing the bond projects and refining the processes, organizational and staff development, and culture once the projects were completed.

Mr. Stokes asked about our grant writing and searching process. Mr. Chanse stated we do not chase a lot of grants but do receive some via the state. Mr. O'Malley added that we've improved

the transparency around the process, so there is organizational awareness and multiple departments aren't seeking the same grant.

Ms. Starkey asked if participants in the university workforce training initiative receive college credit. Mr. Chanse responded they do earn degree credits, and some are also paid internships. Ms. DeJaegher asked if the partnerships take away from FTEs. Mr. Chanse answered the positions do not take away from FTEs and are intended to enhance our services and contribute to the school's education programs as a learning opportunity. Ms. Hemingway asked for clarification about the digitization projects for the Inland Northwest Special Collections. Specifically, whether it included things like scanning old local phonebooks. Mr. Chanse confirmed and added that we've used students and volunteers for these efforts as well. Ms. Starkey asked for clarification on our relationship with the State Library and historical documents. Mr. Chanse stated that we offloaded our materials to them as the majority has already been digitized. Mr. Stokes asked for specifics on our digitization efforts with Carl Maxey Center. Mr. Chanse explained that this was in the works and we are investigating how we might best meet their needs.

Mr. Stokes asked about the cost of implementing a hybrid Dewey model. Mr. Chanse explained that at this time, we do not know. During the pandemic, our main book processor experienced significant staffing challenges which led us to bring the process back in house. Our current focus is on that transition.

Ms. DeJaegher asked about training topic priorities for staff. Mr. Chanse relayed our focus for the past 5-6 years has been strongly geared toward leadership development and DEI topics. We are now focusing more on front line needs around mental health and safety. Mr. O'Malley added that our Customer Experience Managers also identify topic areas and appoint appropriate staff internally to conduct the training. Mr. Stokes asked about our personnel capacity. Ms. Edwards confirmed we had 93.55 FTEs and around 130 total employees, that includes our temporary seasonal/part-time employees. Mr. Stokes stated he would like us to discuss working with KSPS on their workforce training efforts. Mr. Chanse agreed. Ms. Lambdin and Mr. Stokes both asked about our connection with job fairs. Mr. Chanse answered a follow up would be needed as we used to staff these but can't recall if we have been recently.

Ms. DeJaegher asked what a WIG was. Mr. Chanse stated it is a Wildly Important Goal. Mr. O'Malley added that we used to focus on the outcomes of these WIGs and not the process. We now want to put more focus on the process so we can have more achievable outcomes.

Ms. Hemingway asked about the Central Library energy standards and if they will require upgrades. Mr. Chanse stated we are currently collecting data around this. The standards were set while we were already underway in our bond process. We were also told by experts that with all the changes to the building (efficiency upgrades to systems, solar on roof, new entranceway, and

a drastic change in services) that it will be impossible to know how close we will be without a year of performance data in the new building.

Ms. Hemingway asked about the opportunity to have KYRS assist Library with programming and whether they can broadcast programs. Mr. Chane responded our MOU does set a minimum number of broadcasts per month. The move-in has been gradual and there have been some bumps with technology and equipment delays. Mr. O'Malley added that we should be seeing the partnership reach that level soon.

Mr. O'Malley then gave an overview of how we are looking at the success of our efforts. Mr. O'Malley stated that using AI tools we developed KPIs to align with the elements laid out in Vision 2025.

Ms. DeJaegher asked if we have a way to capture customer satisfaction. Mr. O'Malley stated that in the past we used our self-check machines to ask about satisfaction. We are currently developing an internal reporting dashboard. We do not yet have a platform for measuring customer sentiment. Mr. Chane stated that we need to develop a new baseline as our offerings have really evolved since the pandemic and construction. Ms. DeJaegher then asked how user behavior has changed. Mr. O'Malley pointed out that computer usage has changed: use of library devices has decreased while Wi-Fi usage has increased. Mr. Chane pointed out that we are seeing an increase in mental health incidents, which brings operational challenges. Mr. Chane also noted our current highest operational risks and challenges to be potential staff fatigue from challenging customer behavior, adequate security, and facilities upkeep. Mr. Chane stated that current conditions are more challenging than prior to the pandemic. Ms. DeJaegher also asked if anything was built into the bond for maintenance going forward. Mr. Chane stated that we've been building our reserve for capital and other costs via our operating budget. He also noted that we will need to consider how we address needs in the future. In our previous bond effort in the 1990s, we just let our bonding capacity expire. We could try and maintain some capacity moving forward.

Ms. Hemingway convened the Board meeting for a break at 5:25 for 15 minutes. Ms. Hemingway reconvened the meeting at 5:41.

## **2b. Financial position and overview**

Ms. Edwards gave an overview of the current financial position of the library with a projection of financial resources and expenditures through 2031. The overview included assumptions around the General Fund Distribution increase of 2.5% each year from the City of Spokane, a Levy Lid Lift increase of 5% per year, anticipated services fees received from Spokane Public Schools. Ms. Edwards noted targets for the reserve for capital fund balance and the undesignated fund balance. As we currently stand, our undesignated fund balance is at a healthy amount. The growth of our invested fund balance and subsequent interest earnings was realized due to salary

savings during the pandemic and having branches closed for remodel. Ms. Edwards relayed that it is anticipated we would need to draw from these reserves over the coming years as we become fully operational and adequately assess and address challenges related to security, facilities upkeep, and staff fatigue.

Ms. Edwards also noted the \$559,732 bond reimbursement. We learned from our bond attorney that bond proceeds could be used for temporary lease related costs and moving costs.

The estimates for the kiosk installations and Nevada Street development are coming in much lower than expected. This has enabled us to reimburse operations for the temporary lease related costs and moving costs in the amount of \$313,100.19 without jeopardizing completion of our projects.

She also informed us that the e-rate reimbursement and the small insurance recovery received for the damage incurred from the water main break at The Hive could be transferred to operations as neither are subject to bond limitations. E-rate was \$240,794.14 and the insurance was \$5,838.04. These amounts were transferred in May 2023.

Two financial scenarios were presented to the board. One scenario with a levy renewal at the current rate of seven cents per \$1,000 of assessed valuations and the other scenario without a levy renewal.

Mr. Stokes asked why we were looking at seven cents for the levy rate. Mr. Chanse answered that the current rate would be treated as a renewal, which may be more acceptable to voters in what is projected to be a financial downturn. Ms. Starkey asked about the projected increase in salaries and benefits. Ms. Edwards stated an average of 4-4.5% year-over-year. Ms. Hemingway asked if there is a concern for potential contraction in property values. Ms. Edwards stated there is concern, but Spokane has historically been more consistent than national trends and that she is estimating increases conservatively. Ms. Hemingway said it may not be conservative enough. Ms. Lambdin asked if we saw a need to bring in external training resources. Mr. Chanse stated yes, we will have a mix of both internal and external resources.

Ms. Hemingway asked what we would need to request so expenditures do not exceed revenues. Ms. Edwards answered general fund support. Mr. Chanse reiterated that the levy lid lift has been our main source to keep operations whole. Some years we have not received any general fund increase, unlike other departments. Ms. Edwards then distributed a financial projection that included a levy rate of eight cents. Mr. Zappone asked if the reason why revenue was so much greater in 2022 was because of the increased in property values. Ms. Edwards verified as correct. Mr. Chanse indicated that a strategy to meet our operating needs may be to draw down from the undesignated fund balance as we learn more about our operational reality. He indicated we could do this conservatively in the short term and still have a healthy reserve. Mr. Zappone asked for clarification on if there was a designated fund balance. Ms. Edwards clarified there is only a reserve for capital and the undesignated fund balance. Ms. DeJaegher asked if we had heard any results from the city budget survey. Mr. Chanse and Mr. Zappone both indicated they had not.

Mr. Zappone shared that City Council would be looking at service cuts 2024 should revenues fall short. Mr. Zappone indicated there is not a consistent understanding between City Council or City Administration on projections or revenues. Mr. Chanse explained the historical and legal process of recommending an operating budget to the city. RCW says that the Library Board of Trustees makes the recommendation to the legislative body (City Council). Ms. DeJaegher asked how parks allocation is determined. Mr. Zappone stated it is defined by the city charter.

Mr. Chanse gave an overview of possible funding strategies noting these are options that we have historically considered. The recommendation from the Library Administration is to pursue a levy renewal, but knowing the options for funding considerations is good information for the trustees to be aware of. Mr. Chanse indicated the library board would need to make a recommendation to City Council to put the levy on the ballot for the citizens vote. The soonest we can go out to the public would be in 2024 as that is the year the levy expires. Mr. Chanse indicated pass approval rates of 66.17% and 71.32%. Mr. Chanse also went over the length of time options for the levy. We have options to keep the same length (seven years) or align with SPS with a three or six year ask. SPS will be running both their bond and levy in February of 2024. Ms. Hemingway indicated the positive benefits of extending our partnership. Ms. Starkey expressed concern over going for a three-year ask. There is risk in running them too closely. Mr. Chanse stated there could be an advantage of spending down fund balance and right sizing appropriately with the three-year model. Mr. Starkey expressed appreciation for the public support we've received in the past. Mr. DeJaegher asked if now the right time was to ask for more as we can capture the momentum we've been building over the past 8 years. Ms. Starkey relayed concern over the uncertainty of the economy. Ms. Lambdin expressed her appreciation of the conservative approach of a three year and seven cent approach as we get a better understanding of our baseline. Ms. Hemingway asked about a timeline for deciding what we should move forward with. Mr. Chanse said he would like to start the conversation with City Council in July. Mr. Stokes said that eight cents made sense and that we would get support for eight cents. We have done an excellent job and have been good stewards of public money. Ms. Hemingway said there could be an advantage in asking for eight right now. Mr. Zappone asked if there was a way to do a levy addition. For example, go out for seven and then add later if needed. Mr. Chanse said we could look into it. Mr. Zappone said eight doesn't allow for expansion. Mr. Zappone reminded everybody that we could go back out later in the year if the eight cents failed. Mr. Chanse and Mr. Zappone informed the board that the county would likely be asking for funding a new jail in November 2023. Mr. Chanse talked about changes to the state legislation that allows for councilmanic authority to change the tax rate to fund access to culture within the community. Mr. Chanse sees this as a possibility to help expand services. Ultimately, the spending would be defined by the local community. Mr. Chanse went over the challenges and benefits of creating a Municipal Library District. This would create more independence from the city and provide more stable funding for services. This option is currently not allowed for a city of our size. This would require a change in state legislation and require the buy-in from local governments. Mr. Chanse briefly went over other options including annexing to the county library district, devising a formula based on population, and allocating a specific percentage of general fund via city charter like parks. Mr. Stokes asked about next steps. Mr. Chanse stated that this is a lot for the trustees to think about and he'd like everyone to think about the benefits and weaknesses of the options.

Ms. Hemingway left the meeting at 6:55pm and Vice-Chair Stokes took over running the meeting. Mr. Chanse brought up the point that we would need to discuss our strategy with schools and that we would need to test support with both City Council and City Administration. Ms. Lambdin stated we should still look into the Cultural Access Fund and how it might benefit the community as a whole.

**PUBLIC COMMENT**

The public had the option to email [trustee@spokanelibrary.org](mailto:trustee@spokanelibrary.org) with any comments and none were received.

**NEXT REGULAR MEETING**

The next regular meeting will be Tuesday, June 20, 2023. The location will be at the Central Library 906 West Main Avenue, Spokane, WA 99203.

**ADJOURNMENT**

The meeting adjourned at 7:02 pm.

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Secretary

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Chairman, Board of Trustees

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Date