

## **Lake County Library 2023-24 Budget Message**

**About Us:** Lake County libraries serve 8,385 people living within the 8,138 square mile County. (Census quick facts, 2022)

**Mission:** Lake County Libraries provide inviting community spaces to nurture young readers, explore stories and information, and connect with others

### **Service Priorities from the 2018-2023 Strategic Plan:**

- Create Young Readers – Early Literacy
- Connect Online – Public Internet Access
- Stimulate Imagination – Reading, Viewing, and Listening for Pleasure
- Satisfy Curiosity – Lifelong Learning
- Provide Comfortable Spaces – Physical and Virtual Spaces

### **2022-23 Highlights**

- Installation of trim in meeting room and lower level of the main library
- Completion of the income survey in Christmas Valley for a possible Community Development Block Grant (CDBG)
- Receipt of grant funding totaling \$85,898.70
- Creation of the new library website that meets accessibility standards
- Partnering to create community baby showers in Christmas Valley and Lakeview and baskets for the Adel/Plush and Paisley communities.
- Addition of the Library of Things, Storytime to Go backpacks, and early literacy rotating boxes for childcare sites.

### **Challenges & Opportunities**

- Maintaining quality services in a large countywide district
- Technology, computers, and internet access

### **Facilities**

- The current Christmas Valley branch library facility is not adequate for the community's needs.
- The main library is ten years old and increasing upkeep costs are on the horizon

### **Priorities:**

- To continue engaging patrons to return
- To upgrade technology in the branches
- To increase computer & internet access
- To increase Spanish/bilingual language materials, especially at North end
- To continue increasing our impact through partnerships

## 2023-24 Budget

### Budget Process

As a special library district, the Lake County Library District is subject to Local Budget Law in the State of Oregon. As per Local Budget Law, each year, the Budget Committee conducts at least one meeting to hear the budget message, review the proposed budget, and hear comments from the public on the budget. The budget committee is made up of the five-member elected library board and five appointed voters from Lake County. Committee members and the public may join the meeting via a personal device or telephone and can obtain connection information through their local library. They may also submit written comments that will be presented to the Budget Committee if received by 5:00 PM on Tuesday, May 16, 2023.

Neither the Budget Committee nor the public have authority to negotiate employee salaries; however, the committee must approve expenditures to be appropriated for salaries, and they may approve any changes to the library's Salary and Wage chart or limitations on insurance contributions. The Budget Committee discusses and revises the budget and all spending categories as needed. When satisfied, the Budget Committee approves the budget. In addition, the Budget Committee must approve the property tax rate or tax amounts that will be submitted to the Assessor, up to the library's permanent rate limit.

Once the Budget Committee approves the budget, the governing body can make adjustments before adopting the budget at a Budget Hearing in June. These adjustments may:

- Increase expenditures of any fund up to \$5,000 or 10 percent, whichever is greater. If amounts exceed this limit, then the amended budget must be republished, and a second hearing held.
- Reduce expenditures of any fund without republishing the budget.
- Increase tax rate or amounts to be imposed above what the Budget Committee approved up to the permanent rate limit, however the amended budget must be republished, and a second hearing held. They can reduce the tax rate or amount without republishing the budget and a second hearing is not required.

Once the governing body adopts and appropriates the 2023-24 budget it then becomes the Library Director's responsibility to ensure funds are expended as appropriated, by category. Different types of categories are outlined below. Not every fund will have every category of expenses.

- **Salaries & Benefits (Personnel Services)**  
This category is for the cost of wages, salaries, and benefits for library employees.
- **Materials & Services**  
This category is for the cost of materials such as books or office supplies and

services, such as utilities or contracted services, the library needs to provide library service to the public.

- **Capital Expenditures**

Capital expenditures are for durable equipment or facilities items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings. Library policy defines a capital asset as one that costs \$2,000 or more and has a life of more than one year.

- **Contingency**

Contingency dollars once adopted can only be spent by resolution and are typically used for unforeseen circumstances or when it is difficult to determine when project expenses will fall around the end of the fiscal year, such as with Summer Reading Program expenses. Generally, no more than 15 percent of the total appropriations of the fund should be allocated to contingency.

- **Transfers**

The Transfer category is to track money transferred between library funds.

- **Reserve**

Reserve accounts act as savings accounts for future expenditures. They are not appropriated and therefore cannot be spent during the fiscal year. The library maintains a debt service reserve in Fund 603: General Operating Fund.

- **Unappropriated Ending Fund Balance (UEFB)**

This is money set aside in the budget to be used as a cash carryover to the next year's budget. It provides operating cash until the majority of tax money is received in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency such as natural disaster or civil disturbance (ORS 294.371).

The library district historically budgets somewhat conservatively. Generally speaking, revenues are estimated somewhat conservatively, and expenses are estimated as slightly higher than anticipated. The net effect of this is to provide a cushion in the event of adverse changes to either actual revenue or expenses. The total proposed budget is **\$911,268.**

### **2023-24 Budget Assumptions**

- Revenue: No increase in tax revenue for the 2023-24 fiscal year
- Grants: Grant funding will continue to be pursued
- Expenses: Inflationary pressure affects all expenses

### **601 – Ready to Read Grant: \$37,539**

#### *Summary*

This is the Ready to Read Grant Fund to track funds received as a part of the annual state Ready to Read Grant. The funds come from the Oregon State General Fund through the Oregon State Library, and the grant period is tracked from January

through December of each year. By state law, these funds may only be used to support early literacy for children ages 0-5 and the collaborative Summer Reading Program for children aged birth to 14. To account for the difficulties of a grant-spending cycle that spans across the library fiscal year-end, a contingency line within the Ready to Read fund is maintained.

*Changes from FY 2022-23*

The budgeted amount to receive is based on the actual grant amount received in 2023 which is a slight increase over last year. If a lesser amount were to be received, the Library Director would need to reduce expenses accordingly.

The library director changing line item 5-601-20-3723 from Books to Books and Other Library Materials to more closely reflect items purchased.

**602 - Library Facilities Reserve Fund: \$46,026**

*Summary*

With assistance from the Endowment board, the window trim installation was completed in the meeting room and the lower level of the main library.

*Changes from FY 2023-24*

Expenditures for the window trim in FY 2022-23 are reflected in the lower beginning balance for this fund.

**603 - General Operating Fund: \$791,110**

***Summary***

*Changes from FY 2023-24*

The Solar PILT -3-603-24-1515 line has been removed from Local Resources as it has had a \$0 budget for three years.

The library director proposes to change line item 5-603-20-3792 from Print Subscriptions to Periodicals to more closely reflect items purchased.

**Revenue**

Taxes -3-603-10-xxx

Over the previous fiscal years, for the most part, tax revenue has gone down or stayed flat while expenses have gone up significantly. The forecast for 2023-24 tax revenues is no change from 2022-23.

Local Resources – 3-603-2x-xxxx

This category has been adjusted with a slight decrease to reflect actuals received so far this year.

Grants, Other – 3-603-30-2xxx

Anticipated grant funding is \$35,000. Grants will continue to be pursued at the same level as in 2022-23. By allocating some time to grant writing, the library director may be able to alleviate some pressure in local resources.

State Resources - 3-603-40-1xxx

*Changes from FY 2023-24*

The library director proposes to change line item 601-5-601-20-3723 from Books to Books & Other Library Materials to more closely reflect the items purchased.

Federal Resources – 3-603-50-xxxx

This category remains the same.

**Expenditures**

Salaries

The library completed a salary survey to compare total compensation at the Lake County Library District with other similar libraries. A proposed Salary and Wage Chart has been created following Recommendation 1 on the LCLD FY2020-21 Salary & Wage Recommendations document. This will increase pay so the library can adjust for the increase in minimum wage, more successfully compete against other employers and retain current employees. This was not done for the library director position which the chart calls for using the 12-month CPI-U average for 2022. On the proposed Salary and Wage chart, the amounts were not changed for the library supervisor and library director positions.

The library director is recommending setting pay at the recommended proposed Salary and Wage chart levels.

In 2022, service hours at the main library were reduced from 40 hours per week to 29 hours per week. For the 2023-24 budget, a change to 31 hours per week for the main library is proposed. This would restore morning hours on Friday (10am-6pm). Branch service levels remain unchanged.

Wages – 5-603-10-02xx

Overall, wage line items are increased about 5% over FY2022-23. The budget includes a new part-time library clerk position for the main library replacing some of the youth library assistant circulation desk hours. The youth position was unable to be filled in 2021 and due to budget constraints was cut in the FY2022-23 budget.

PERS – 5-603-10-1303

The amount budgeted for PERS remains unchanged.

#### Health Care Coverage – 5-603-10-1304

There is a projected 5% or a little more increase for health and dental coverage. Due to four positions being eligible for insurance and the insurance cap of \$11,300 per employee, the increase in cost is not projected to necessitate an increase to this line item.

#### Materials and Services

#### Technology Maintenance and Replacement 5-603-20-10xx

Expenses have been increased to allow for the replacement of branch computers, replacement of non-functioning printers, and partial taxes and fees for the Chromebooks and hotspots received with Emergency Connectivity Funds.

#### Utilities & Leases – 5-603-20-13xx

Leases are projected to remain the same. Heating oil is projected to have some increase.

#### Facilities and Furnishings – 5-603-20-16xx through 5-603-20-19xx

This expenditure area has been increased. The budgeted amount is chosen to meet the minimum necessary annual maintenance of the elevator, cleaning supplies, snow removal and repairs to HVAC systems and outdoor lighting.

#### Property and Liability Insurance– 5-603-20-24xx

There is a projected increase of 20% for 2023-24 rates.

#### Miscellaneous Expense – 5-603-20-2700 to 2772

This expense remains the same.

#### Telephone – 5-603-20-278x

Telephone expenses have been slightly increased based on current expenditures.

#### Professional and Association fees – 5-603-20-30xx

This expense area was increased. Our annual membership to the Sage consortium, which provides the library's integrated library computer system and the courier service, is the major expense from this area, followed by the annual audit.

#### Library Materials and Services – 5-603-20-37xx

The book budget remains the same. There is a slight increase to periodicals (print subscriptions).

#### Supplies, Promotions, and Travel – 5-603-20-4xxx

There is a slight increase in office supplies as costs continue to rise. For the most part, other expenses in this category remain unchanged.

Capital Outlay - 5-603-40-1089

Expenses have been increased to allow for replacement of the computer firewall at the Christmas Valley branch.

Reserve – Debt Service – 5-603-80-9500

Because repayment of this debt is dependent largely upon a single large taxpayer, the proposed budget contains a reserve to make some payment in case of disruption in taxes paid by large taxpayers. The Budget Officer recommends that, if possible, the reserve be further developed in the coming years to cover one year's payments for all debt service, the maximum recommended amount to be held in reserve in a debt service fund. The Budget Officer also recommends that after the reserve is fully developed, that future budgets use additional available funds to prepay on debt where possible to save long-term interest costs, thus benefiting the public through greater access to tax dollars for direct services.

Unappropriated Ending Fund Balance – 5-603-90-9999

This is money set aside in the budget to be used as a cash carryover to the next year's budget. It provides operating cash until the majority of tax money is received in November.

**604 – Facilities Reserve Fund – Christmas Valley: \$37,093**

This fund contains money held in reserve for a new facility for the Christmas Valley Branch Library. The former Friends of the Christmas Valley Library, and the library board have been setting aside funds for this future project since 2007. Early in 2018-19 a professional facility needs assessment and building program was conducted by a qualified consultant. Expense line items are maintained to facilitate that work and in the event of an opportunity that requires immediate action.

*Changes from FY 2022-23*

The beginning Fund Balance was increased to account for actual funds to roll over from the current fiscal year.

