

Lake County Library 2026-27 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

2025 Strategic Plan Priorities:

- Digital Equity
- Creating Young Readers
- Stimulating Imagination and Curiosity
- Providing Comfortable Spaces
- Information and Materials will be Easy to Locate & Access

2025-26 Highlights

- The plans have been completed, and the Christmas Valley building project is ready to go out to bid. The County received a Community Development Block Grant (CDBG) for \$1.5 million.
- The Christmas Valley branch library moved to a temporary new location in the Christmas Valley Annex until the new library building is completed. The building is expected to be completed by July 2027.
- Starlink internet backup has been added to the Lakeview library to aid the community in case of weather/fire issues affecting the internet service. Public access will be provided to the community. Christmas Valley also has Starlink. The equipment will be moved to the new building when it is completed. Starlink for both locations was made possible by the Endowment board.
- The Silver Lake branch library has been closed since September 2025 due to septic and other issues. The library district is continuing to look into options. To date there are no definite plans, but we will continue to work through this as we work on the Christmas Valley building project.
- The roof over the Lakeview library meeting room was replaced. A light switch was installed, and the lobby lights now work.
- The Lakeview library had a water leak on the second floor which may have impacted the elevator. The elevator inspector will be out soon to check this. Until then the elevator is inoperable.
- The Sage system bot issue has improved a lot. We are looking forward to catching up on cataloging now.
- The library district has updated the network and computer security in all locations.
- The Endowment board and other community groups will be contributing to the cost of digitizing more of the Lake County Examiner newspapers. Currently Examiner newspaper issues from 1883-July 1914 are available online at the Historic Oregon Newspaper website.

- With grant funding, seed libraries and houseplant exchanges are being implemented in each library. New gardening books will be added soon. Other grant funding will allow us to build a community garden behind the Lakeview library. The theme for summer reading is “Plant a Seed, Read!” so one activity will be to plant either sunflower seeds or pumpkin seeds. The pumpkins will be harvested in fall for a pumpkin painting activity.
- The library district has implemented a weekly newsletter. The newsletter highlights and has reviews of new books added, has links to the website, a game for readers and other fun things.

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 twelve years old and increasing upkeep costs are here.
- The Silver Lake branch is currently closed and various options are being explored.

Priorities:

- To continue engaging patrons to return
- To increase programming in all locations for all ages
- To increase Spanish/bilingual language materials, especially at North end
- To continue increasing our impact through partnerships

2026-27 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 6:00 PM on Wednesday, May 13, 2026.

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 2026-27 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 **\$865,815.**

2026-27 Budget Assumptions

- Revenue: Tax revenue for the 2026-27 fiscal year will remain the same as last year
- Grants: Grant funding will continue to be pursued
- Expenses: Inflationary pressure affects all expenses

601 – Ready to Read Grant: \$29805

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 2026-27

The budgeted amount to receive is based on the actual grant amount received in 2026 which is a slight decrease over last year. If a lesser amount were to be received, the Library Director would need to reduce expenses accordingly.

602 - Library Facilities Reserve Fund: \$0

Summary

This fund was closed out by the library board in June 2024. The funds were moved to the General Fund.

603 - General Operating Fund: \$681,377

Summary

Changes from FY 2025-26

Tax income is expected to remain about the same while there continues to be increasing inflationary pressure on all funds.

The library district continues to monitor the situation with the Institute of Museum and Library Services (IMLS). Funding cuts to IMLS may affect the libraries.

About IMLS funding to libraries

*Library Services Technology Act (LSTA) funds come from IMLS funding.

*LSTA is a statutorily required program of IMLS.

Cuts to IMLS funding may impact the following at the Lake County Library District

*Sage courier system - Lake County Library District residents' use of this continues to increase. Last year the Sage Library System transported 91,582 items across 15 rural eastern Oregon counties. Last year, Lake Co. Library District had a 6% increase in loans to other Sage libraries and an 8% increase in borrows from other Sage libraries.

*Library2 Go - Lake County Library District residents' use of digital audiobooks, eBooks and magazines continue to increase. Lake Co. Library District had an 11% increase in use of Library2Go last year.

*Access to the iREAD summer reading program - please note that Ready to Read grant funds are not federal funds but are funded through the State of Oregon general fund.

*Statewide databases provided to all libraries

*Answerland - the 24/7 online reference service

*Technology grants - Last year, Lake Co. Library District received just under \$15,000 to purchase new public access computers, computer desks & chairs, a printer for Christmas Valley and multi- device charging stations for both Christmas Valley and Lakeview.

*Teen internship grants - Lakeview just received this grant for this spring/summer (check is in the bank) however future opportunities for this grant will not exist without IMLS funding.

Revenue

Taxes -3-603-10-xxx

Over the previous fiscal years, for the most part, tax revenue has gone down or while expenses have gone up significantly. The forecast for 2026-27 tax revenues shows tax revenue continuing to decrease or remain flat.

Expenditures

Salaries

The library completed a salary survey last year to compare total compensation at the Lake County Library District with other similar libraries. The library district will use the 2025-2026 Salary and Wage Chart that was created following Recommendation 1 on the LCLD FY2020-21 Salary & Wage Recommendations document.

The library director is recommending using the 2025-2026 Salary and Wage chart levels.

Wages – 5-603-10-02xx

Overall, wage line items are increased about 2% over FY2025-26. The district is working on succession planning which is reflected in the library director line item. The libraries continue to be busy, with Christmas Valley and Lakeview showing the largest increase in foot traffic.

PERS – 5-603-10-1303

The amount budgeted for PERS has decreased slightly with the changes in staffing positions.

Health Care Coverage – 5-603-10-1304

This line has been a slight increase to accommodate those positions with enough hours to qualify for health insurance. This line item may need to be adjusted as the district receives additional information about health insurance coverage for employees. The cap of \$11,300 per employee remains. For part time staff that are eligible for insurance, the cap is prorated.

Materials and Services

Computer Maintenance 5-603-20-10xx

Expenses have been increased to allow for inflationary pressure. As we explore and work through additional changes to the network, equipment and software, this amount may decrease.

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

This expenditure area has been decreased.

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

The district coverage costs will be similar to last year.

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

This expense remains the same.

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

This expense area was increased. The cost of the annual audit increased significantly. The annual membership to the Sage consortium, which provides the library's integrated library computer system will be a little less due to membership restructuring.

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

For the most part, expenses in this category remain unchanged.

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: \$56,702

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 2025-26

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

Law Library Fund - \$56,796

This fund was created with a supplemental budget in December 2024 after an intergovernmental agreement was signed with Lake County. The district does not intend to spend all of the funds listed in the expenses, however, because this is still considered a new endeavor, we need to have access to funds to be sure we can get the law library set up to be useful to Lake County residents.

A new law library computer, printer and desk were purchased. Many new websites have been added to the options to help patrons locate the information they need. We plan to add a law library computer in the Christmas Valley branch when the new library is completed. This month we added the websites to the one public access computer in Christmas Valley.

Grant Fund - \$41,133

The anticipated new grant income is \$41,133.