

Lake County Library 2024-25 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

2023-24 Highlights

- Installation of trim in upper level of the main library
- Submission (by County) of application for a Community Development Block Grant (CDBG) for a new library in Christmas Valley
- Continuation of partnerships to provide community baby showers in Lakeview and Christmas Valley and baskets for the Adel/Plush and Paisley communities.
- Addition of Take & Make kits at each location
- Addition of monthly programming at each location – April Blackout Poetry and May Zoom activity
- Addition of book club kits
- Addition of online magazines, the TumbleBook Library and How To page on library website
- Receipt of \$21,780.46 in grant funding to date
- Acquisition of new computers and technology for Christmas Valley

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 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

2024-25 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 Tuesday, May 22, 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 2024-25 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 **\$892,281.**

2024-25 Budget Assumptions

- Revenue: Significant decrease in tax revenue for the 2024-25 fiscal year
- Grants: Grant funding will continue to be pursued
- Expenses: Inflationary pressure affects all expenses

601 – Ready to Read Grant: \$41,195

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 2023-24

The budgeted amount to receive is based on the actual grant amount received in 2024 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 FICA/FICM line item 5-601-10-1301 has been removed from the Salaries Expenses as it has had a \$0 budget for three years.

602 - Library Facilities Reserve Fund: \$23,957.61

Summary

With assistance from the Endowment board, the window trim installation was completed in the upper level of the main library.

Changes from FY 2023-24

Expenditures for the sealing of the meeting room windows in FY 2023-24 are reflected in the lower beginning balance for this fund.

Due to the main library construction being complete and the funding constraints the library district is facing in 2024-2025, the library director proposes that this fund be closed and the money transferred to the General Fund (603).

603 - General Operating Fund: \$788,989

Summary

Changes from FY 2023-24

State Resources – 3-603-2x-xxxx

The State Grant -3-603-40-1200 line has been removed from State Resources as it has had a \$0 budget for three years.

Federal Resources – 3-603-x-xxxx

The COVID Relief Funds line -3-603-50-1039 line has been removed from Federal Resources as it has had a \$0 budget for three years.

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 2024-25 tax revenues shows a significant decrease in tax revenue from 2023-24.

Local Resources – 3-603-2x-xxxx

This category has been adjusted with a slight increase to reflect anticipated revenue from law library funding.

Grants, Other – 3-603-30-2xxx

Anticipated grant funding is \$45,000. Grants will continue to be pursued at the same level as in the past two years. By allocating some time to grant writing, the library director may be able to alleviate some pressure in local resources.

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 2023-2024 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 2023-2024 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 there was an increase at the main library to 31 hours per week. Branch service levels remain unchanged.

Due to the decrease in funding available for the 2024-2025 fiscal year, the library director proposes that the main library be closed on Thursdays. However, the main library will open at 10am instead of at noon on Tuesdays and Wednesdays. This will decrease the main library hours to 28 per week but add morning hours on the two busiest days when there are often people waiting for the library to open.

With input from the Paisley and Christmas Valley branches, it is proposed that “winter” hours be implemented at both branches. From October until March those two branches will close at 5pm instead of 6pm. Silver Lake hours will remain the same.

Wages – 5-603-10-02xx

Overall, wage line items are increased about 5% over FY2023-24 except for the library director position. The budget includes a new youth library assistant position for the main library. The youth position was unable to be filled in 2021 and then was cut due to budget constraints in the FY2022-23 budget. With the youth library assistant position focusing on programs for youth, it will enable the director to work on implementation of additional programs for all ages in the libraries.

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 inflationary pressure

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.

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

There is a projected increase of at least 20% for 2024-25 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 slightly increases. There is a decrease to periodicals (print subscriptions) due to the addition of the online magazines. Online magazines are part of the electronic materials line item.

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

There is an increase in office supplies as costs continue to rise and with the addition of the law library materials. For the most part, other expenses in this category remain unchanged.

Capital Outlay - 5-603-40-1089

Expenses have been decreased.

Transfer – 5-603-60-xxxx

The transfer to 602 – Facilities Reserve has been removed as it has had a \$0 budget for three years.

The transfer to 607 – Debt Service has been removed as it has had a \$0 budget for three years and this fund has been closed out.

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: \$38,139

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 2023-24

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