



**Budget Message for FY 2020-2021
April 17, 2020**

**by Jeremy Skinner
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Introduction

Thank you for attending the first Budget Committee meeting for the Curry Public Library District. This message will provide an overview of this year's proposed budget document, including noteworthy changes in revenue, expenditures, and financial policy.

The budget document is separated into four tables/sheets (one for each library fund).

- **Sheet 1 General Fund – Library (organizational unit)**
Used to pay for personnel, materials and services, and capital projects associated with regular library operations.
- **Sheet 2 Building Capital Project Fund – Library (organizational unit)**
Used for capital projects and services related to the original library construction and the construction of the library learning center. This fund includes ongoing costs for building site hazard contingency and wetland mitigation maintenance, as well as outstanding projects like solar installation that were planned as a part of the learning center construction.
- **Sheet 3 Building Maintenance Reserve Fund – Library (organizational unit)**
Used to reserve funds for capital maintenance on the library facility such as roof, carpet, and hvac replacements.
- **Sheet 4 21st Century Community Learning Center Grant Special Revenue Fund – Library (organizational unit)**
Used to fund the ASCEND afterschool program with a 5-year grant from the Oregon Department of education. All expenses documented in this sheet are paid to the library through monthly reimbursements.

To simplify the discussion of the budget document, all funds have been treated as one large spreadsheet, allowing each line of the document to be continuously numbered in the left-hand column. During the discussion, this line number will be used to identify the item in question.

The budget document provides information on actual expenditures for every budget line going back to FY 2016-2017. It should also be noted that the spreadsheet shows a column for both the adopted budget for FY 2019/2020 and an estimated actual budget for FY 2019/2020 based on current financial statements. The proposed budget amounts for FY 2020/2021 are based on a line-by-line examination of both of these figures and an estimate of costs for new programs and expenditures.

All numbers in bold reflect either partial or full grant funds; see the budget notes for detail. Finally, all lines highlighted in yellow show items where the proposed budget amount is notably more or less than last year's budget, or there is a proposed change to the definition of the budget line.

Factors That Influenced this Budget Document

The FY 2020-2021 budget has been formed in the context and uncertainty surrounding the COVID-19 pandemic. Despite a strong start to the 2019-20 fiscal year, which included strong program development for adults, technology, and youth, as well as strong attendance and circulation, our programs and most of our services were disrupted in March. The library closed to the public on March 13, and remains closed today. Staff have continued to work behind the scenes on projects, and have continued to fill phone and internet requests for books, but it is still unclear when regular operations will resume. Additionally, there is much uncertainty about the local economy, school operations, and other factors that influence library operations.

In an attempt to ensure that the library will have adequate revenue to support its costs, this proposed budget conservatively estimates library revenue from property taxes at 10% less than the normal projected amount. In turn, expenditures have been strategically curtailed to meet this revenue projection. Because of the library's robust investments in capital improvement during the past three fiscal years, most capital expenditures have been removed from the budget. Costs on all other library materials and services have been frozen or reduced (the exception being some modest investments in online resources and software). Staff salaries have been frozen, and there are no projected changes to our FTE. Overall, the library expects to see a reduction in general fund expenditures of approximately \$41,000. This reduction was not easy to make, and as the director of the library, I do not believe that these cuts will allow us to provide the standard of services for which we are known. From the perspective of patrons, it will be obvious that the number and quality of programs for children and adults will be diminished. My goal would be to re-evaluate property tax revenue in November, and if receipts are more robust than this projections, consider a budget amendment.

Changes to Budget Categories

- None

Notable Changes to Revenue and Expenditures in the General Fund

- The first revenue line of the budget (#5) details the expected income from property tax, which is the primary source of income for library expenditures. The property tax projection in this budget has been conservatively reduced by 10% (see the explanation in the "Factors" section of this document to account for the possibility of delinquent property tax payments.
- Lines #25-29 (Personnel Services) show frozen salaries for full-time and part-time employees. This was one of the budgetary measures taken to ensure proper cash carryover at the end of the fiscal year.
- Lines #32-60 (Materials & Services) show either frozen expenditures or reductions in areas where previous year projects required higher costs, or it was feasible to defer costs. It should be noted that some of our strategic collection related projects, like an investment in extra Library2Go content, a possible Hoopla subscription, and a Lucky Day new book selection will all be deferred to the next fiscal year.
- Lines #61-63 show costs for online resources, our courier services, and support for our online catalog. This budget shows an increase of \$5,000 for the addition of the Mango/Chilton databases, access to Westlaw, a catalog cleanup project, and increased costs for access to Overdrive

(Library2Go). The modest cost increase for the courier services accounts for added transportation and maintenance costs.

- Lines #70-73. Capital expenditures have been reduced to the bare minimum of \$5,000 which will help replace computer equipment in the event of hardware failure.
- Line #84. The library will not dedicate any resources from its general fund to its maintenance fund this year.

Notable Changes to Revenue and Expenditures in the Building Capital Project Fund

The only significant change to building fund revenue during the next fiscal year is (Line #97) an anticipated \$27,007 grant from the Oregon Department of Energy to assist with the installation of solar power for the library. Costs associated with this project are documented on Line #117. Once this project is completed the building fund will be nearly exhausted, the only remaining expenses being debt payments and wetland mitigation monitoring (both of which will require future infusions of cash from the general fund). This fund will also continue to hold the \$50,000 contingency required by Curry County for hillside failure.

The Building Maintenance Reserve Fund

The library will be unable to add any money to the reserve fund. No projects or transfers are budgeted for the fund, which holds a balance of \$15,000.

21st Century Community Learning Center Grant Special Revenue Fund

The library is will be working with our auditor, Connie Huntsman, CPA to refine processes for managing this fund and reconciling the state of Oregon's accrual based accounting with the library's cash accounting. This work should be completed by the end of the month of May, and the plan will be reported to the budget committee as soon as it is completed. At the end of the last fiscal year, the library left cash that its general fund was owed in the grant fund, to ensure that as a reimbursement programs, it will not run a deficit. When the grant program terminates this cash will revert to the library general fund.