Budget Message for FY 2026-2027
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by Jeremy Skinner
Library Director
Curry Public Library District

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 mortgage payments, as well as facility and grounds projects like solar power structures.

- ***Sheet 3*** **Building Maintenance Reserve Fund – Library (organizational unit)**
  Used to reserve funds for capital maintenance on the library facility such as roofing, painting, flooring, and heating and ventilation replacements.

- ***Sheet 4*** **Library Programs Special Revenue Fund – Library (organizational unit)**
  Used to document donations restricted to Library Programs. This fund was the result of an unplanned gift from Sue Peters.

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 2022-2023. It should be noted that the spreadsheet shows a column for both the adopted budget for FY 2025/2026 and an estimated actual budget for FY 2025/2026 based on current financial statements. The proposed budget amounts for FY 2026/2027 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 funded projections; see the budget notes for detail. This year there are also a few new budget lines described later in this message.

Factors That Influenced this Budget Document

FY 2025-26 was a tight budget that utilized grants and gifts extensively. In order to give a 3% cost of living increase to staff, the library leaned heavily on its Friends of the Library and Library Foundation to help fund other aspects of the library operations. Despite this strong community support, the library has not been able to keep up with inflationary costs and rapidly increasing insurance costs.

It is worth noting that the library received approximately $600,000 in property tax revenue this year, which ideally would cover all of the library expenses for its operations. Of that revenue, approximately $480,000 (80%) goes to personnel costs. While only four full-time employees receive full health benefits, those benefits account for 20% of the library's entire personnel costs. Property insurance is 14% percent of the library's entire materials and services budget (this includes everything from utilities, maintenance, programs, books, computers, professional development, and more). Other fixed costs like legally required audits take up a disproportionate amount of the operational budget. The mortgage for the library costs us about $38,000 per year. It will be fully paid off in June 2032. If the library were to receive a bequest or donation to payoff the $240,000 balance, this ongoing savings would make a big difference in closing our revenue/expenditure gap.

This proposed budget for FY 2026-27 continues this pattern, with a few differences. First, our utility bill will drop significantly as net zero solar goes online. This year coming budget year, we will save about $10,000. In 2027-28, we will save close to $20,000. Federal incentives for installing solar will result in a cash infusion that will add $75,000 to our general fund and stabilize our carryover cash. It will also add $50,000 to our building maintenance fund, and provide an unallocated $28,000 amount that could be used in the future for whatever rises to the forefront of our budget need in the next budget cycle.

Changes to Budget Categories and Budget Lines

- On sheet 2, in the Building Capital Project Fund, there is a new line (115) for a short-term loan to provide cash for solar while we wait on inspection and reimbursements.
- Sheet 4, the Library Programs Special Revenue Fund is a new fund that established by the library board in November 2026 as a part of the supplementary budget process.

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 line shows a 3% increase from the previous year's actual revenue.
- Line #11 shows grants. For the coming year, we are not anticipating applying for any crucial large program grants. We will address any unpanned grants through the supplementary budget process.
- Lines #24-30 show no salary or wage increases for staff.
- Line #82 shows the purchase of upgraded network equipment that will be funded 80% by federal e-rate funds.
- Line #83 shows one capital purchase, a projector for the meeting hall funded by the Friends of the Library.
- Line #95. The library will not use general funds to pay its mortgage. It will use federal solar incentive funds from the Building Fund.
- Line #96. This is a transfer of $75,000 from the Building Fund of Federal solar incentive dollars that will help cover the revenue gap and build a healthy carryover balance.

Notable Changes to Revenue and Expenditures in the Building Capital Project Fund
In the next year, the library will receive around $1,000,000 in grant funding from the Oregon Department of Energy to plan and construct solar power structures and battery storage to allow the library be a net-zero facility. It will receive $320,000 from the Federal government as a solar incentive. It will borrow and pay back within the budget year, a $415,000 loan from the Special Districts Association of Oregon to create the liquidity necessary to fund the solar construction.

The Building Maintenance Reserve Fund
This fund will receive $50,000 from Building Capital Project Fund that was borrowed to cover solar planning reimbursable expenditures. This leaves the library with a $55,000 balance that is a healthy start toward future large maintenance.

Library Programs Special Revenue Fund
This fund will receive some funds from the Sue Peters estate that will be use to cover library program costs.