

Date: April 12, 2015
To: The Urbana Free Library Board of Trustees
From: Celeste Choate, Executive Director
Re: Budget memo for Board Meeting of April 14, 2015

Approach

Times are tight but the news is good: The Library will continue to be open 70 hours a week, providing public service at multiple service desks, and staff will see a 2.75% increase to the wage scale. Qualified staff will receive step increases. The materials and programming budgets are healthy, and we propose utilizing gift funds to keep these funding levels.

It is estimated that property tax revenue will not increase dramatically in the next couple of years, but we do expect an increase of 2% EAV in calendar year 2016. TUFL has done a lot of work during FY15 to evaluate and streamline processes and services and will continue this practice.

We continue to work with auditors from Baker Tilley and our colleagues at the City of Urbana to implement budgeting and financial best practices and more changes are anticipated. For example, in the past, some funds were just shown in Expense lines as the difference between actual revenue and actual expense. These are now shown separately in both the Revenue and Expense lines. Taxes taken in and then paid out need to be recognized differently and we are working with Baker Tilley to recognize this properly.

All employment costs are now included in the budget to provide a comprehensive look at what it takes to run the Library. This budget includes City contributions to IMRF and City reimbursements to the Library for the FICA/Medicare payments the Library makes.

When you read the budget document, the “original” column refers to the most current budget amendment of January 2015. “Proposed” columns frequently contain data from the proposed April 2015 budget amendment.

Revenue

Although we do expect a 2% EAV increase in calendar year 2016, looking at the Revenue for FY13, FY14 and where we are now in FY15, I see a downward trend in the other revenue the Library collects and have budgeted appropriately.

Good news! TUFL received word that the Champaign County Circuit Court will be now begin compensating The Urbana Free Library for the storage of their materials at the Champaign County Historical Archives in the late afternoon on Friday, April 10, 2015. From the [Champaign County budget](#) pages 167-170:

“The Champaign County Historical Archives (located in the Urbana Free Library) has housed, indexed, and made publically available, over 77,000 Champaign County court case files. However, though Champaign County court records comprise more than a third of the collection maintained from Champaign County, the Circuit Clerk has never compensated the Archives for this service. Beginning in FY2015, the Circuit Clerk’s office will begin compensating the Urbana Free Library for this service.”

The County’s fiscal year is now January – December and TUFL has not received any of the \$13,000 to date. We will be talking with our colleagues at the Champaign County Court about the payment schedule so we know how to include these additional funds in the budget. We will update you when we have more information.

We are currently investigating the cost of allowing online payment of Library fines & fees. Currently, \$87,194.26 is owed to TUFL on current cards, expired cards, and UFL fees on UFL, CPL, and RB cards.

TUFL will be implementing wireless printing soon, and we plan changing our printing/copying fee from 10 cents to 15 cents. We anticipate this will offset the cost of the extra software charges and materials.

Expenses

Wages: Step increases have been budgeted for qualified staff. An increase to the staff wage scale of 2.75% is included, as well.

There are places in the pending State budget which might impact TUFL's revenue, including but not limited to the "State Per Capita Grant," budgeted at \$51,562, and the "State Income Tax"/Personal Property Tax Replacement," budgeted at \$86,107. The Board could approve this budget and then implement wage increases after the State Budget has been passed and implications for TUFL are known.

Multiple departmental Hourly wage lines have been consolidated into each department's Hourly Scheduled line for simplicity and efficiency.

Telecom: The grant which provided Internet access to TUFL at a discount has ended, so the new budget is higher.

Lost materials: TUFL and the Champaign Public Library will be moving to a cost recovery system in which we will justify the amount of money each library has taken on the other's behalf on a quarterly basis. We anticipate this to be a loss for TUFL but a fair situation because we are collecting CPL rental fees, and TUFL does not have rental fees for them to collect.

The Café: Based on current Café revenue and expense estimates, we anticipate that the Café will come within approximately \$3,000 of breaking even in FY15. Approximately 22% of visitors use the Race Street entrance. Without staff near that door, it would be difficult to keep the door open, and Café staff are in the lowest wage line.

Health insurance has been budgeted for a 5% increase.

Fund Balances

Given the advice of Baker Tilley auditors, we have changed how we display some financial information. For example, they recommended showing potential changes to our two fund balances (Fund Balance L05 0 0120-2999 and FUND BAL. DESIGNATED RHS PLAN L05 0 0120-3000) differently. They also recommended not including money that TUFL would like to designate in the fund balances as "expenses", so we are showing that information in the Fund Balances section, too.

Changes in 11-year accrual method: Every 11 years, there are 27 pay periods in a fiscal year. TUFL's next "pay leap year" will be FY23. The 11-year accrual funds used to be included in each wage line but we have consolidated them for simplicity and efficiency. If you would like to see how this was handled in the past, search the Detail Trial online for "accrual" to see where it came out of each line & where it accumulates in L05 0 0120-2117 ACCRUAL PAYROLL, which is part of the Fund Balance L05 0 0120-2999. In July 2014, we added \$7,456 to this line and the current total set aside is \$63,293.00.

We are working with our colleagues in the City who handle this differently to evaluate whether it would be beneficial for TUFL to switch to their method.