

Date: March 11, 2018
To: The Board of The Urbana Free Library
From: Celeste Choate
Re: Fiscal Year 2019 Budget memo

The Urbana Free Library continues to experience a number of economic pressures. Thankfully, the State of Illinois has a budget but the Library has not yet received the Per Capita Grant check from FY17 or FY18. Capping local property taxes for a period of time, even for home rule cities such as Urbana, is still being discussed. There are many versions of what a tax cap could look like, but it is likely to have a negative impact on the City and the Library.

Second, the City is proactively lowering their expenses or raising revenue to come up with \$500,000 this year. The lawsuit between the City of Urbana and Carle remains unresolved. The result of this suit will have a tremendous impact on the City. It is possible that the budget the Library submits will be sent back to us with a request for cuts.

Third, for the second year in a row, the [recently proposed federal budget eliminates the Institute of Museum and Library Services](#). It is too soon to know what the possible impacts to TUFL will be, but there will certainly be impacts if the proposed federal budget is passed with these cuts intact. The IMLS funds were saved last year, and hopefully they will be this year, too.

Highlights of the proposed budget:

The Library is budgeting for a pay scale increase of 1% to the base and for step increases for eligible staff. The budget includes an increased levy in property taxes to accommodate this wage increase, as well as associated increases in employment costs, such as FICA and IMRF, and for possible health insurance increases beginning January 2019.

Changes have occurred in a number of people's jobs now that the new Munis financial system has been implemented. Payroll functionality will be implemented in early July 2018, so we will have a much better idea of workflow impacts by the end of calendar year 2018, once the proverbial dust has settled. In addition, we are still working through the transition of the "L10" Trust Fund" into the "810 Trust Fund." Some of the categories weren't assigned to the categories we really wanted. We anticipate that error being fixed very soon, and as soon as it is, I will send you a new draft which includes all funds in the new Munis format.

You will note that this budget depends upon gifts from the Friends of the Urbana Free Library and The Urbana Free Library Foundation. The Library is grateful for the dedication of these organizations and the generosity of our community.

Revenue:

- We anticipate an increase in the personal property replacement tax and Café Sales totaling \$15,000.

- We are including an increase in our local property taxes which only covers a possible increase in health insurance and the increase in employee wages as described above totaling \$75,900.

Savings:

- We anticipate saving:
 - \$25,000 for IT and Facilities capital expenses
 - \$5,000 for future Health Savings Plan Separation Agreements payouts

Expenditures:

- Because we have no way of knowing what will be completed this fiscal year, we are budgeting as though all work will be done on the porch, chiller and compressor during FY19. Work will begin in FY18, and we have budgeted to roll unspent funds on these projects into FY19.
- We plan to spend any unspent funds from the City and funds the Foundation pledged for the Director of Development & Promotion in FY19.
- This budget increases Facilities spending by 3% in general building maintenance contracts, as well as in repairs. We anticipate immediate savings in the repair and utilities budget as soon as the chiller and compressor are replaced.
- Add Mondays to the Teen Open Lab schedule
 - \$7,300 for desk coverage so two Teen Open Lab librarians can each commit 10 hours a week to the Teen Open Lab.
 - \$2,100 for shelvers for the Teen Open Lab on Mondays.
 - The Champaign Urbana Community Fab Lab has promised 1-2 people.
 - We anticipate the new apprenticeship program with the iSchool that we discussed with you will allow an iSchool student in the Lab for the eight months of the school year.

One-time costs:

- Implement RFID for checkout of DVDs behind the Circulation Desk to allow for patron self-selection and circulation
 - Available funding: \$7,000 from 810 Trust funds.
 - \$4,500 for temporary staffing needs. Volunteers helped with prior projects and we anticipate help on this one, as well.
 - \$10,000 on processing supplies.
 - Benefits:
 - Patrons will have better access and will be able to self-select and self-check items.
 - We will see future savings by not having to handle both the DVD and the card each time it is checked out.
- Begin strategic planning in Fall 2018 with \$10,000 allocated from the Administration Gift fund.

- Allocate \$32,000 for new furniture, including, but not limited to, hiring a design professional to help us select bench(es) for the Green Street lower lobby; replacements for the circa 2005 cozy chairs in the front reading rooms that are terribly worn; porch furniture; and perhaps new benches for Cherry Alley. At their March 7, 2018, meeting, the Board of the Friends unanimously approved the spending of the approximately \$26,500 in the “Café Book Sale” fund in the Library’s fund balance. They also pledged the revenue from the April 5-9, 2018, Book Sale for furniture, which we estimate at \$5,500.
- In May 2017, the Foundation pledged \$154,514 for the chiller replacement. We have changed the scope of work by adding the compressor, and estimate the total cost may be closer to \$165,000. They have been fundraising vigorously for the repair of the porch and the landscaping of the corner lot. I will be presenting the Foundation with our FY19 request on March 14th that will include funding for the entire porch, which they have made a top goal. I will also request the difference between what was approved previously for the chiller and what we anticipate will be necessary to replace the chiller and compressor. I have had conversations with Foundation Board members, and I anticipate I will have updated information for you in the April budget revision. At present, funds for the additional HVAC projects costs and all of the porch costs are coming from the Library’s savings.
- With the switch to Munis, the Library is going to begin handling payrolls which occur in June of one fiscal year but are paid in July of the next fiscal year the way the City handles them. By the end of FY18, we will have saved \$86,000 for the 11-year accrual payout, and we anticipate it will cost \$95,000. The other \$9,000 will either come from savings or from wages not spent. Once we make this change, we will be on track to account for payroll during every fiscal year and will no longer have to save for the “11th year payout.”
- The AV in the auditorium will be upgraded with \$4,000 left by a bequest by Clifton G. Bergeron.