

Date: May 10, 2019

To: The Urbana Free Library Board of Trustees

From: Celeste Choate, Executive Director

Re: FY20 Budget requests for Board Meeting of May 14, 2019

Staff request approval of the draft FY20 budget. Select items are highlighted below.

802 Library General Fund. There have been a number of changes, including:

- Adding a maintenance plan for the self-check stations and gates. Our prepaid five-year plan expires this June 30th.
- The City increased the property tax revenue to account for additions to health insurance costs and for a compensation study. They are not funding a percentage of family medical coverage or a new security guard position.
- A Security Guard position was created in the Administration department by transferring funds between the different "Salary – Regular Employees" lines.
- As was mentioned in the [March budget memo](#), it is important to note that although employee wages increased on a person-by-person basis, wage lines in FY19 and FY20 can't be compared "apples to apples." This is because during FY19, TUFL switched processes from paying 26 *pay periods* to paying 365 *days in year*. TUFL is booking 27 entire pay periods to FY19, and in FY20, TUFL is booking only 26.14286 pay periods. This chart illustrates how the finances behind the booking 365 days in a year system works, and how the budget calculations will be done for the next couple of years, using a yearly wage of \$50,000 as an example. Currently, staff wages total approximately \$100,000 each pay period, so having an additional pay period in the FY19 booking period makes a difference. The differences from year to year will be less in the future:

	Staff yearly wage	Multiplier	Fiscal year budget	
FY18	\$ 50,000.00	1.000000	\$ 50,000.00	Some funds were saved in the fund for the "11th year" when the 27th pay would occur.
FY19	\$ 50,000.00	1.038462	\$ 51,923.08	
FY20	\$ 50,000.00	1.005495	\$ 50,274.75	leap year, so there is an extra day
FY21	\$ 50,000.00	1.002747	\$ 50,137.35	
FY22	\$ 50,000.00	1.002747	\$ 50,137.35	

- Capital expenses have been added to allow the Library to work with the City on exploring / implementing Voice over Internet Protocol (VoIP) telephone system, painting some of the interior of TUFL, and reconstructing the staff parking lot and alley. Funds for VoIP would come from \$25,000 being set aside this year (currently in Other Equipment 80280801-53440); the facilities expenses would be covered by funds transfer from the 810 Library Trust Fund / Admin General Gifts line.
- TUFL is budgeting to spend up to \$56,000 from the fund balance or the special reserve fund as follows:

\$ 56,000	Total to be spent from Unreserved Fund Balance 802-39002 or from Special Reserve Fund 803
\$ 7,500	This portion of the funds from the City of Urbana for the Director of Development & Promotion position will not be spent in FY19.
\$ 25,000	IT Capital Project - VoIP. Funds being set aside in FY19
\$ 23,500	Funds are deposited for staff participating in the Retirement Health Savings Plan (RHS) payotus when they leave TUFL. The RHS portion of the fund balance equals \$63,258. We have not received the notice from participating staff planning to separate from TUFL next year, but we budget to be prepared.

810 Library Trust Fund. Working with the friends and a new volunteer, TUFL is facilitating the launch of a Friends of The Urbana Free Library book shop online through Amazon.com. There will be more to share on this exciting development in June!

As mentioned before, TUFL plans to spend the donations expected to be received in FY20, as well as some funds which went unspent the past couple of years, plus some accumulated funds for one time projects. These include \$5,000 in strategic planning, \$180,000 in capital improvements, and \$4,000 on AV upgrades to the Lewis Auditorium. Some of this (\$191,500) shows up in the 802 General Fund as TFR from Library Trust Fund (802-49810); the rest will be spent directly from the 810 budget lines.

Revenue	\$ (23,500.00)
From accumulated balances	\$ (221,875.25)
Expenses	\$ 245,375.25

820 Library Building Fund. This fund has been updated since there is a new tenant moving in the Webber building. Most lines in the Library Building Fund have changed as a result, and it is anticipated that no funds will need to be transferred in to pay for painting the building. It is also anticipated that there will be slight increase of \$675 to the fund balance by the end of the year due to the additional rent.

Total Revenue	(\$22,200.00)
Total Expenses	\$21,525.00
Total to be added to Fund balance	(\$675.00)

Factors to consider:

The City of Urbana anticipated three years of cuts to fix its budget's structural deficit. FY20 is year two. In both of the first two years, TUFL adjusted its budget up per City recommendations and then cut \$55,400 and \$59,100 in recurring FICA reimbursement revenue from the City. We have been able to

make these cuts without cutting hours open to the public and while still increasing the wage scale for all staff and giving step increases to staff who qualify. The Library has relied on greater efficiency and savings when staff retire or leave us for another opportunity. TUFL employees are stretched pretty thin, and like the City, the Library will be doing less with less.

Although it tackles some infrastructure issues, the FY20 budget does not include savings for future IT or building capital expenses. TUFL has been saving some funds for these anticipated needs, but this year, we do not see how we can save for the future unless we make additional cuts to materials, services, or hours open to the public. Because of the progress which is being made on infrastructure, Library Administration does not recommend making these additional cuts this fiscal year.

Administration recommends that in the future, TUFL continue build up its general fund balance, in addition to the capital fund balance in the Special Reserve Fund (803), so that if property tax payments are paid late again, TUFL is well-positioned to pay its bills for some months instead of having to consider a loan from the City. The Library's normal cash flow cycle is that over half of the property tax revenue is received in May/June, since property taxes are generally due June 1st. Property taxes not yet received this year equal \$1,771,866.22. Resolution 2019-06 to approve the Executive Director to execute a loan with the City of Urbana if necessary so that we can make payroll and pay bills during the payment delay is included in the Board packet. Here are two recent articles: <http://www.news-gazette.com/news/local/2019-04-25/champaign-county-tax-bills-coming-3-weeks-late.html> and <http://www.news-gazette.com/news/local/2019-05-10/urbanas-2018-tax-rate-skewed-inclusion-osf-properties.html>. Also part of the local financial landscape, Champaign County expects large deficits over the next five years: <http://www.news-gazette.com/news/local/2019-04-19/county-finance-officials-predict-large-deficits-over-next-five-years.html>.

Account Type	Organization	Object	Project	Account Description	2020 Finance Budget	2019 Revised Budget	2018 Revised Budget	2017 Revised Budget
R	802	40100		PROPERTY TAXES	(\$3,375,649.00)	(\$3,240,453.00)	(\$3,162,553.00)	(\$3,033,505.00)
R	802	40302		PPRT	(\$91,001.00)	(\$85,287.00)	(\$78,195.00)	(\$99,226.00)
R	802	40309		STATE PER CAPITA FOR LIBRARY	(\$51,563.00)	(\$51,562.50)	(\$31,000.00)	(\$25,988.00)
R	802	41500		GRANTS FROM LOCAL GOVERNMENTS	(\$45,920.00)	(\$45,920.00)	(\$45,920.00)	(\$45,920.00)
R	802	41700		CITY OTHER CONTRIBUTION	(\$186,188.00)	(\$166,611.00)	(\$196,730.00)	(\$372,321.00)
R	802	44220		FRANCHISE FEE	(\$33,350.00)	(\$33,350.00)	(\$33,350.00)	(\$33,350.00)
R	802	44506		CAFÉ REVENUES	(\$72,665.00)	(\$61,500.00)	(\$50,000.00)	(\$54,588.00)
R	802	44599		OTHER SALES	(\$3,000.00)	(\$3,000.00)	\$0.00	\$0.00
R	802	44800		LIBRARY FEES	(\$102,800.00)	(\$107,850.00)	(\$118,252.00)	(\$126,076.00)
R	802	45000		INVESTMENT INCOME	(\$5,400.00)	(\$2,400.00)	(\$2,400.00)	(\$2,000.00)
R	802	46290		OTHER REIMBURSEMENTS	(\$59,858.00)	(\$144,484.00)	(\$168,085.00)	(\$161,904.00)
R	802	46300		DONATIONS/CONTRIBUTIONS/GIFTS	(\$61,100.00)	(\$301,574.00)	(\$186,764.00)	(\$3,575.00)
R	802	46900		OTHER MISCELLANEOUS REVENUES	(\$250.00)	(\$13,285.00)	(\$250.00)	(\$5,200.00)
R	802	49810		TFR FROM LIBRARY TRUST FUND	(\$191,500.00)	(\$29,500.00)	\$0.00	\$0.00
				TOTAL	(\$4,280,244.00)	(\$4,286,776.50)	(\$4,073,499.00)	(\$3,963,653.00)
E	80280800	50110		SALARY - REGULAR EMPLOYEES	\$291,289.00	\$280,678.68	\$356,189.00	\$258,237.00
E	80280800	52320		TRAVEL, EDUCATION AND TRAINING	\$9,500.00	\$4,500.00	\$4,500.00	\$5,100.00
E	80280801	50210		INSURANCE	\$213,183.00	\$200,000.00	\$168,250.00	\$190,000.00
E	80280801	50220		FICA AND MEDICARE	\$174,358.00	\$172,184.00	\$168,085.00	\$161,904.00
E	80280801	50240		RHS CONTRIBUTION	\$35,400.00	\$22,200.00	\$13,200.00	\$12,701.00
E	80280801	50251		IMRF & SURS	\$186,188.00	\$194,311.00	\$196,730.00	\$217,321.00
E	80280801	51410		SMALL TOOLS & EQUIPMENT	\$5,500.00	\$7,000.00	\$5,465.00	\$61,000.00
E	80280801	51900		OTHER SUPPLIES	\$66,650.00	\$48,650.00	\$40,650.00	\$91,497.00
E	80280801	52199		OTHER PROFESSIONAL SERVICES	\$35,540.00	\$44,740.00	\$30,413.00	\$35,044.00
E	80280801	52202		EQUIPMENT REPAIR & MAINT	\$1,000.00	\$1,000.00	\$5,088.00	\$1,700.00
E	80280801	52203		MAINTENANCE AGREEMENTS	\$1,200.00	\$1,200.00	\$2,027.00	\$1,200.00
E	80280801	52721		WORKER'S COMP CLAIMS	\$10,000.00	\$11,925.00	\$11,762.00	\$17,824.00
E	80280801	52902		POSTAGE & PRINTING	\$5,000.00	\$5,000.00	\$5,000.00	\$3,475.00
E	80280801	52904		RECRUITING EXPENSES	\$500.00	\$1,000.00	\$2,077.00	\$1,632.00
E	80280801	52907		CREDIT CARD & BANK FEES	\$6,000.00	\$6,000.00	\$6,175.00	\$5,925.00
E	80280801	52999		OTHER CONTRACTUAL SERVICES	\$50,520.00	\$42,200.00	\$47,100.00	\$40,504.00
E	80280801	53440		OTHER EQUIPMENT	\$0.00	\$25,000.00	\$0.00	\$1.00
E	80280801	59803		TFR TO LIBRARY RESERVE FUND	\$0.00	\$64,243.00	\$0.00	\$0.00
E	80280801	59820		TFR TO BUILDING FUND	\$0.00	\$0.00	\$0.00	\$0.00
E	80280802	50110		SALARY - REGULAR EMPLOYEES	\$776,045.00	\$815,381.69	\$763,237.00	\$669,001.00
E	80280802	51801		LIBRARY BOOKS	\$142,000.00	\$143,900.00	\$145,298.35	\$173,621.00
E	80280802	51801	80103	LIBRARY BOOKS	\$58,700.00	\$62,000.00	\$64,474.65	\$0.00
E	80280802	51802		NEW COLLECTIONS	\$0.00	\$7,000.00	\$10,797.07	\$11,075.00
E	80280802	51802	80103	NEW COLLECTIONS	\$5,760.00	\$2,850.00	\$3,052.93	\$0.00
E	80280802	51803		LIBRARY PERIODICALS	\$16,380.00	\$21,000.00	\$18,393.00	\$25,581.00
E	80280802	51803	80103	LIBRARY PERIODICALS	\$1,200.00	\$1,250.00	\$650.00	\$0.00
E	80280802	51804		AUDIOBOOKS	\$12,600.00	\$13,750.00	\$13,750.00	\$12,008.00
E	80280802	51805		CD'S	\$10,000.00	\$11,000.00	\$12,307.00	\$13,543.00
E	80280802	51806		DVD'S	\$42,000.00	\$45,000.00	\$47,805.64	\$55,109.00
E	80280802	51806	80103	DVD'S	\$8,300.00	\$10,000.00	\$8,694.36	\$0.00
E	80280802	51807		RECORDINGS	\$0.00	\$0.00	\$0.00	\$7,927.00
E	80280802	51807	80103	RECORDINGS	\$8,000.00	\$8,500.00	\$8,500.00	\$0.00
E	80280802	51809		GAMES	\$6,240.00	\$0.00	\$0.00	\$0.00
E	80280802	51811		DOWNLOADABLES	\$67,225.00	\$60,125.00	\$56,720.00	\$39,800.00
E	80280802	51812		LIBRARY PROGRAM SUPPLIES	\$13,570.00	\$13,270.00	\$9,170.00	\$15,170.00
E	80280802	51812	80102	LIBRARY PROGRAM SUPPLIES	\$3,750.00	\$3,750.00	\$1,750.00	\$0.00
E	80280802	51812	80103	LIBRARY PROGRAM SUPPLIES	\$3,200.00	\$3,200.00	\$3,200.00	\$0.00
E	80280802	52320		TRAVEL, EDUCATION AND TRAINING	\$3,000.00	\$3,000.00	\$5,185.00	\$5,185.00
E	80280802	52910		DATABASE CHARGES	\$33,075.00	\$32,375.00	\$26,630.00	\$23,157.00
E	80280802	52910	80103	DATABASE CHARGES	\$3,300.00	\$3,200.00	\$3,600.00	\$0.00
E	80280803	50110		SALARY - REGULAR EMPLOYEES	\$278,011.00	\$277,009.62	\$244,927.00	\$226,976.00
E	80280803	51801		LIBRARY BOOKS	\$4,400.00	\$4,400.00	\$4,400.00	\$4,100.00
E	80280803	51803		LIBRARY PERIODICALS	\$4,000.00	\$4,000.00	\$4,000.00	\$2,900.00
E	80280803	51808		MICROFORM	\$4,900.00	\$4,900.00	\$4,900.00	\$4,700.00
E	80280803	51812		LIBRARY PROGRAM SUPPLIES	\$800.00	\$800.00	\$800.00	\$300.00
E	80280803	52320		TRAVEL, EDUCATION AND TRAINING	\$1,500.00	\$3,900.00	\$4,750.00	\$2,250.00
E	80280803	52910		DATABASE CHARGES	\$15,849.00	\$15,500.00	\$15,500.00	\$14,500.00
E	80280804	50110		SALARY - REGULAR EMPLOYEES	\$48,238.00	\$49,069.23	\$42,344.00	\$43,741.00
E	80280804	51900		OTHER SUPPLIES	\$37,841.00	\$34,138.00	\$31,600.00	\$30,000.00
E	80280805	51420		OFFICE FURNITURE	\$500.00	\$0.00	\$0.00	\$0.00
E	80280805	52201		BUILDING REPAIR & MAINT	\$217,300.00	\$189,033.00	\$203,004.00	\$190,890.00
E	80280805	52600		UTILITIES	\$150,000.00	\$145,715.00	\$153,836.00	\$148,180.00
E	80280805	52710		INSURANCE PREMIUM	\$38,500.00	\$39,075.00	\$37,152.00	\$37,167.00
E	80280805	53200		BUILDING	\$180,000.00	\$228,260.00	\$211,865.00	\$91,599.00
E	80280806	50110		SALARY - REGULAR EMPLOYEES	\$207,220.00	\$210,185.08	\$190,851.00	\$156,660.00
E	80280806	51900		OTHER SUPPLIES	\$30,000.00	\$40,800.00	\$30,000.00	\$0.00
E	80280806	52320		TRAVEL, EDUCATION AND TRAINING	\$1,000.00	\$6,200.00	\$0.00	\$0.00
E	80280807	50110		SALARY - REGULAR EMPLOYEES	\$417,017.00	\$430,637.33	\$391,652.00	\$598,941.00
E	80280807	52320		TRAVEL, EDUCATION AND TRAINING	\$500.00	\$500.00	\$1,500.00	\$750.00
E	80280808	50110		SALARY - REGULAR EMPLOYEES	\$134,300.00	\$132,075.01	\$89,372.00	\$81,750.00
E	80280808	51500		SHARED IT COSTS	\$97,914.00	\$70,500.00	\$79,130.96	\$0.00
E	80280808	51900		OTHER SUPPLIES	\$0.00	\$18,000.00	\$18,869.04	\$17,900.00
E	80280808	52600		UTILITIES	\$2,400.00	\$2,400.00	\$4,700.00	\$4,700.00

Account Type	Organization	Object	Project	Account Description	2020 Finance Budget	2019 Revised Budget	2018 Revised Budget	2017 Revised Budget
E	80280809	50110		SALARY - REGULAR EMPLOYEES	\$132,213.00	\$140,116.50	\$115,411.00	\$93,437.00
E	80280809	52199		OTHER PROFESSIONAL SERVICES	\$10,300.00	\$8,800.00	\$7,800.00	\$0.00
E	80280809	52909		ADV/MKTING/PUBLIC EDUCATION	\$12,300.00	\$12,355.00	\$8,496.00	\$5,255.00
E	80280851	51810		LIBRARY RESALE PURCHASES	\$3,068.00	\$3,000.00	\$1,013.00	\$0.00
				TOTAL	\$4,333,176.00	\$4,460,752.14	\$4,162,786.00	\$3,912,938.00
R	803	49802		TFR FROM LIBRARY GENERAL FUND	\$0.00	(\$64,243.00)	\$0.00	\$0.00
R	810	45000		INVESTMENT INCOME	\$0.00	(\$400.00)	(\$100.00)	\$0.00
R	810	46300		DONATIONS/CONTRIBUTIONS/GIFTS	(\$23,500.00)	(\$39,000.00)	(\$39,900.00)	\$0.00
				TOTAL	(\$23,500.00)	(\$39,400.00)	(\$40,000.00)	\$0.00
E	81080821	52801		LIBRARY PROGRAMS	\$0.00	\$0.00	\$0.00	\$0.00
E	81080822	52802		LIBRARY ADULT PROGRAMS	\$0.00	\$0.00	\$0.00	\$0.00
E	81080823	52803		LIBRARY CHILDREN PROGRAMS	\$0.00	\$0.00	\$0.00	\$0.00
E	81080824	52804		LIBRARY ARCHIVES PROGRAMS	\$0.00	\$0.00	\$0.00	\$0.00
E	81080831	51420		OFFICE FURNITURE	\$32,000.00	\$32,000.00	\$0.00	\$0.00
E	81080831	51801		LIBRARY BOOKS	\$0.00	\$0.00	\$17.00	\$0.00
E	81080831	51990		OTHER LIBRARY MATERIALS	\$4,725.25	\$35,500.00	\$4,162.00	\$0.00
E	81080831	52801		LIBRARY PROGRAMS	\$2,000.00	\$2,000.00	\$6,135.00	\$0.00
E	81080831	52803		LIBRARY CHILDREN PROGRAMS	\$0.00	\$0.00	\$0.00	\$0.00
E	81080831	52911		PASS-THROUGH PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
E	81080831	59802		TFR TO LIBRARY OPERATING FUND	\$185,000.00	\$0.00	\$0.00	\$0.00
E	81080832	51801		LIBRARY BOOKS	\$10,000.00	\$20,200.00	\$5,959.00	\$0.00
E	81080832	51990		OTHER LIBRARY MATERIALS	\$750.00	\$3,000.00	\$1,997.00	\$0.00
E	81080833	51801		LIBRARY BOOKS	\$5,500.00	\$11,100.00	\$13,497.00	\$0.00
E	81080833	51990		OTHER LIBRARY MATERIALS	\$0.00	\$1,500.00	\$593.00	\$0.00
E	81080833	52801		LIBRARY CHILDREN PROGRAMS	\$0.00	\$0.00	\$0.00	\$0.00
E	81080833	52803		LIBRARY CHILDREN PROGRAMS	\$3,500.00	\$2,000.00	\$1,950.00	\$0.00
E	81080834	51801		LIBRARY BOOKS	\$900.00	\$1,700.00	\$1,600.00	\$0.00
E	81080834	51990		OTHER LIBRARY MATERIALS	\$1,000.00	\$1,500.00	\$900.00	\$0.00
E	81080834	52804		LIBRARY ARCHIVES PROGRAMS	\$0.00	\$500.00	\$6,200.00	\$0.00
				TOTAL	\$245,375.25	\$111,000.00	\$43,010.00	\$0.00
R	820	44599		OTHER SALES	(\$22,200.00)	(\$24,840.00)	\$0.00	\$0.00
R	820	49802		TFR FROM LIBRARY GENERAL FUND	\$0.00	(\$13,685.00)	\$0.00	\$0.00
				TOTAL	(\$22,200.00)	(\$38,525.00)	\$0.00	\$0.00
E	82080852	51900		OTHER SUPPLIES	\$75.00	\$75.00	\$0.00	\$0.00
E	82080852	52201		BUILDING REPAIR & MAINT	\$11,600.00	\$19,250.00	\$0.00	\$0.00
E	82080852	52600		UTILITIES	\$2,000.00	\$7,000.00	\$0.00	\$0.00
E	82080852	52909		ADV/MKTING/PUBLIC EDUCATION	\$100.00	\$100.00	\$0.00	\$0.00
E	82080852	52999		OTHER CONTRACTUAL SERVICES	\$7,750.00	\$12,150.00	\$0.00	\$0.00
E	82080852	54200		INTEREST	\$0.00	\$0.00	\$0.00	\$0.00
				TOTAL	\$21,525.00	\$38,575.00	\$0.00	\$0.00