

Budget Approval Notes from Board of Trustees Minutes

FY18

Review and approval of our FY2018 Operating Budget

Library administration has received the notice of their allocations from both State and Local sources. With those allocations, John Taube presented a balanced operating budget for FY2018 for adoption with the following changes:

- Position Titles and Grades were adjusted to prepare for the Salary Study recommendations.
- The maximum wage for each grade was increased in accordance with the Salary Study recommendations.
- Wage adjustments:
 - Staff wages were adjusted to meet the minimum of each grade
 - If staff wages already exceeded the minimum wage of their Grade,
 - Grades 1-8 received a 2% increase, and
 - Grades 9-20 received a 3% increase.
- Funding was allocated to hire a 4th Service Specialist for the South Cumberland Library.
- Funding was allocated to hire a Program Specialist in October 2017 for the system.
- Funds were transferred from Wages to Contracted Services for contract custodial services at libraries.
- Funding was reduced in:
 - Collections
 - Facilities -Repairs
 - Facilities - New
 - Utilities
- Transfer income was reduced due to reduced principal in the designated accounts, and
- eRate income was reduced due to scheduled reductions in program reimbursements.

FY19

FY2019 Operating Budget Work

As our mission statement says, we exist to enrich and improve the lives of people in our community. During budgeting season, we look for ways to ways to increase hours of service when libraries are open; expand our collections; offer additional programs and programming; or a combination of those. We also look to increase wages of library staff and in this year, we proposed a plan to address the wage gaps revealed in the 2017 salary study.

Based on the latest information available, our state funding will increase but county funding will not change in FY 2019. They are our two primary sources of operating income for ACLS (making up roughly 92% of our income). Using data from 2016, ACLS has the second lowest income per capita in Maryland at \$28.36, where the state average is \$48.61. Due to anemic local support, ACLS has had the second lowest per capita income for the last 17 years.

Given this funding picture for FY 2019, I anticipate:

- We will not be able to increase wages as recommended by the WMRL salary survey.
- We will not be able to give cost of living wage increases at all in FY 2019.
- Library staff contributions to health insurance premiums will not increase in FY 2019
- The number of library service hours will not change in FY 2019,
- We are looking to implementing improvements as the funding allows

FY20

At the 8/14/2018 regular meeting, the Library Board of Trustees approved an operating income for FY2019 of \$1,962,994 and expenses of \$1,962,758. This included \$67,169 in grant income (line 41000), \$295,003 in exempt salaries (line 66001), \$733,707 in non-exempt salaries (line 66002), and \$57,493 in contract salaries (line 66003).

Chris McGee, an exempt employee resigned around September 1, 2018.

To address operational needs as of 9/1/2018, plans were put in place to hire an Adult and Teen Program Specialist (Exempt, grade 9); an 18 hour per week staff member (non-exempt, grade 3) position was converted to a 35 hour per week position; and two (2) additional 21 hour per week part time staff (contract, grade 3) were hired.

After implementing those actions, John updated the FY19 operating budget to reflect expected expenditures and income. The grant income line (line 41000) was increased to \$92,576. The exempt salaries line (line 66001) was decreased to \$281,508, non-exempt salaries (line 66002) was increased to \$743,278, and contract salaries (line 66003) was increased to \$70,477. The total FY19 operating income adjusted to \$1,988,401 and total expenses were adjusted to \$1,972,491. Those figures are reflected in the adopted operating budget dated after January 1, 2019.

John used the adopted operating budget as of January 1, 2019 as the baseline for drafting the FY2020 operating budget.

FY21

Adopting the FY 2021 Operating Budget

In drafting the proposed budget, we prioritized:

- Maintaining the safety of library patrons and staff while finding ways to provide necessary services that the library is uniquely positioned to perform.
- Continue to employ all library staff without layoffs, furloughs, or firings.
- Implement activities approved in the Strategic Plan
 - Maintain our collection budget because our collections serve our community very well.
 - Fund the Marketing and Outreach Department to “tell our story”

According to the Allegany County Government website, they passed the FY2021 budget on Thursday 5/28/2020. The documents indicate that we are to be flat funded.

Based on the county’s flat funding and the prospect that the State will fund their increase in FY21, the budget proposed makes these adjustments to continue operating.

- staff are allocated a 1.5% wage increase,
- Minimum wage for each staff wage grade is increased by 1.5%
- No increase in the percentage of health insurance deducted from staff pay.
- There will be an increase in the total dollars taken for health insurance due to increased rates and administrative fees. (from \$28 to \$34)
- We have funding for five (5) 18 hour/week Part-Time staff (down from 4 at 21 hours/week and 2 subs at 10 hours/week)
- Collections budget was reduced by \$6300, due to cancelling newspaper and magazine purchases due to their potential to transmit coronavirus.
- Collections budget was further reduced by \$1400
- Cleaning service at LaVale stops on 7/1/2020
- Cleaning service goes to 5 days/week at Frostburg, South, Westernport and Washington Street

- facilities repairs reduced by \$2300 since LaVale will be closed,
- Utilities reduced by \$3700 since LaVale will be closed,
- ILS expenses are reduced by \$12,000 thanks to switch to polaris,
- Marketing dept budgeted for \$6500,
- Reduced income in Fines, Printing, and copying due to LaVale renovation (\$9200)

FY22

Board Adoption of the FY2022 Operating Budget

John Taube presented the operating budget for adoption prepared by the leadership team. John indicated that the budget was a combination of continuing to readjust to the pandemic as well as preparing for the reopening of the LaVale Library in FY 2023.

He reviewed the:

- FY2022 Health Insurance Estimates
- FY2022 Wage Scale
- FY2022 Operating Budget - Summary
- FY2022 Operating Budget.

John mentioned that the highlights of the FY2022 operating budget include:

- A 2% wage increase for all library staff
- Complying with State minimum wages
- Preserving a 4% employee contribution to Health Insurance premiums
- Provides funding for 3 new LaVale staff to start in April 2022
- Adjusts for eliminating overdue fines for minors
- Resets income from printing and photocopying services
- Restores funding for newspaper subscriptions

FY23

- Funding to provide for one time bonuses for library staff
- Funding to maintain the South Cumberland Security Guard
- Funding to add LaVale Library to the Perfect Reflections facilities maintenance contract.
- Funding to provide funds for a staff photocopier at LaVale
- Funding to add LaVale Library to our cleaning contract.
- Funding for the increased costs of utilities at LaVale
- Funding for the cost of snow removal at LaVale
- Funding to provide funding for cleaning, and office supplies at LaVale
- Funding for the expected increase in cost of natural gas as of October 2022
- Funding to restart the replacement cycle of networking equipment
- Funding for fuel costs for new Events and Outreach Van
- Anticipated increased income from fines, copier, and printing at LaVale

Library staff to receive 2% wage increase on July 1, 2022

Many library staff will receive an additional wage increase on January 1, 2023 when the state minimum wage increases to \$13.25/hour.

The wage scale will be modified as of January 1, 2023 due to the state minimum wage increase.

Grades 1 and 2 will start at \$13.25 per hour

Grade 3 will receive a 3% incremental increase

Grades 4 through 8 will be adjusted using a 6% increment between grades

Grades 9-20 will remain at 5-6% incremental grade differences.

Adopting the FY2023 Budget

John Taube reviewed the documents and premises that made up the operating budget for Fiscal 2023.

- Highlights of the Operating Budget
- Current Wage Scale (FY2022)
- Wage Scale - effective July 1, 2022
- Wage Scale - effective January 1, 2023
- Health Insurance Costs estimates
- Schedule of Public Hours of Operation
- Schedule of Staff Hours and Shifts
- Operating Budget -Summary Table

- Operating Budget - Detailed Table

After reviewing the documents, the Board discussed the budget and plans. Renee Kniseley made a motion to adopt the operating budget for FY 2023. The motion was seconded by Deb Hendrickson and approved by the Board.

FY24

FY2024 Operating Budget - Adoption

John and the Board reviewed the wage scale, the estimates of health insurance costs, the changes to the budget since our May meeting review, and the operating budget for FY2024.

The highlights of the operating budget include:

- All staff will receive wage increases of between 6 and 13% effective July 1, 2023.
- Frostburg, LaVale, South, and WSL each get a 21 hour/week part time staff
- GCRL, and Westernport each get a 14 hour/week part time staff
- Service Leaders will serve as the “point person” for branch generated programs. Redistribute numerous routine event related duties back to the Service Leaders.
- Use \$35,000 in fund balance (FY2022 Carry Over)

A motion to adopt the FY2024 operating budget as presented was made by Bill Bingman, seconded by Gary Leasure and was approved by the Board.

John indicated that at our August meeting, the Board will receive the recommendation for the allocation of annual bonuses.

FY25

Review the June 4, 2024 version of the Proposed FY2025 Operating Budget

John reported that following the May 14, 2024 Board meeting, members of the Leadership Team have solicited additional opinions from library staff and received it from library patrons. We have also reviewed the latest usage statistics in order to propose the FY2025 Operating budget.

At the June 4, 2024 meeting John recommended an operating budget that would have reduced hours at George's Creek and Westernport libraries to balance the budget.

John also stated that selecting GCRL and Westernport for reduced hours was based on actual usage at those locations and the best use of library resources. This proposed budget is a patch for one year, it will give us the time to make more careful considerations of any needed branch closures due to insufficient funding.

John then reviewed the budget with the Board.

The Board discussed the budget and Artie Lee Travis moved to request that John investigate reallocating funds to keep George's Creek and Westernport Libraries open at least 3 days per week or a summer schedule. The motion was seconded by Sue Rudd and approved by the Board.

Review the June 11, 2024 version of the Proposed FY2025 Operating Budget

John presented the updated version of the operating budget. He stated "in seeking to continue to provide library services in the county while providing sufficient time to consider any necessary changes to staffing or hours, we have drafted this budget for your approval and consideration. This budget maintains staffing and hours of operation at all 6 libraries for a period of 1 year using a one-time fund transfer from a Board restricted account."

John then went on to review the budget line by line and show the changes from the previous week. He highlighted the one-time fund transfer of \$54,850 from the Knipple Account to provide funds to maintain hours and staffing at George's Creek and Westernport Libraries in line 46505. Also noted were these changes:

- No changes to staffing or hours of operation.

- 2.25% wage increases
- No change in wage scale
- Use FY23 carry over \$35,000
- Employee contribution to health insurance increases from 4 to 5%
- 16% reduction in collections
- Cataloger positions unified into Grade 7
- Postpone strategic plan until FY2026
- Use WMRL Unrestricted Surplus Grant funds for IT Hardware (\$100,000)
- Liquidate the Board restricted Knipple Account to fund maintaining staffing and hours.

After a period for questions and clarifications, Sue Rudd moved that since the county notified the library system of the cuts to their budget so late that we have been unable to complete the appropriate amount of research that is necessary to make a decision about reducing hours or closing a library. Therefore, I move that we liquidate the Board restricted Knipple Account to maintain staffing and hours for the FY2025 year. And that the Board make a decision by January 15, 2025 on the necessary measures to address future potential funding gaps. Sue's motion was seconded by Bill Bingman and was approved by the Board.

Sue Rudd then moved to approve the FY2025 operating budget as presented today using the transfer of Knipple account funds to maintain staffing and hours. Sue's motion was seconded by Bill Bingman and was approved by the Board.

Sue Rudd followed up with another motion. "In light that the budget we have just passed is a 1 year patch on our fiscal situation, I move that a committee be created and begin work by mid-August 2024 to study the issue of maintaining 6 libraries within the funds appropriated to ACLS." Juli McCoy seconded the motion.

There was discussion that the committee should be made up of Board members, Leadership

Team members, library staff, members of the branch Friends groups, and other members of the communities the libraries serve.

Deb called for a vote on the motion to create the suggested committee and the motion was approved.

After approving the motions, several Board members thanked the public in attendance for their commitment to libraries in Allegany County.