

# 2021-22 Budget Committee Meeting

## May 18, 2021

Prepared by Budget Officer Rachael Fox



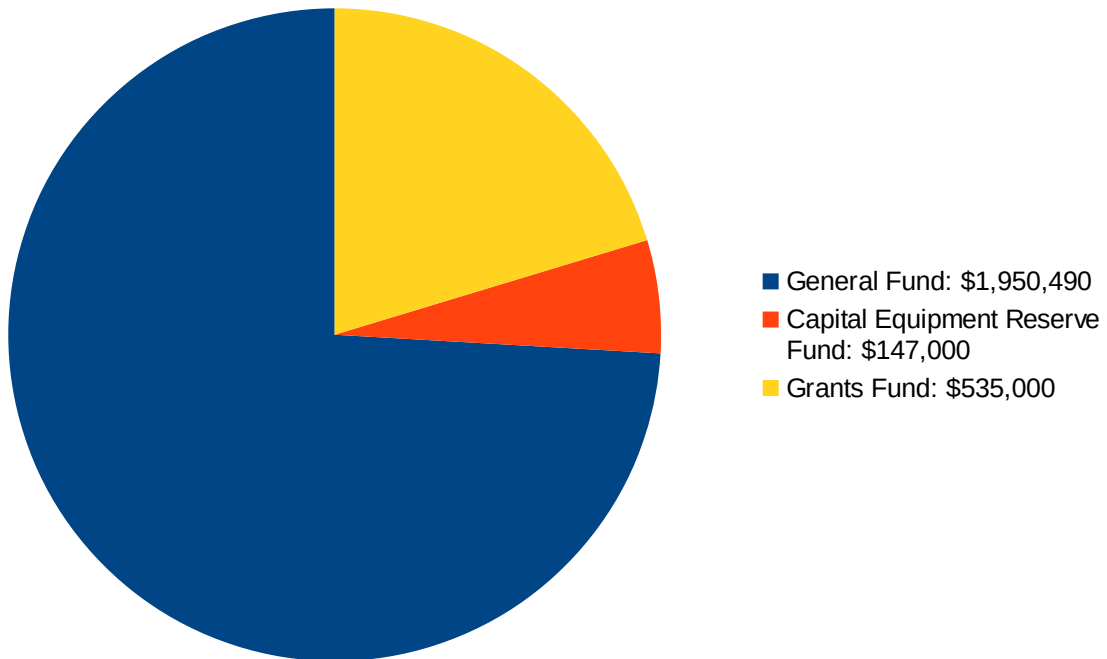
The Library District Budget Committee met on Tuesday, May 11 to discuss the budget. The committee decided they wanted to look at two different options for staff salaries and an estimate of personnel costs for fiscal year 2022-23.

- Option one: Salary increase of 6.25% with no step increase.
- Option two: Salary increase of 6.25% with a potential merit-based step increase.
- Estimate of personnel costs for fiscal year 2022-23 in response to Oregon Minimum wage increase requirements.

The Library District Budget Committee will meet on Tuesday, May 18, 6:00pm to discuss the options and approve the budget.

## Hood River County Library District Budget for FY 2021-22

### \$2,632,490



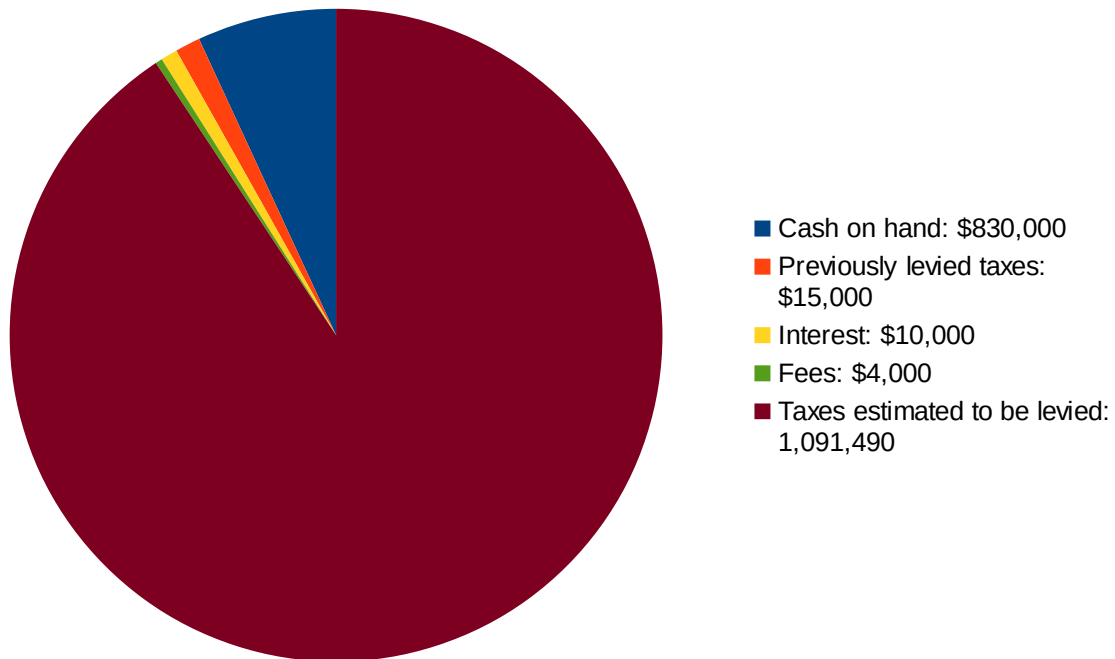
502 State Street  
Hood River - OR 97031

541 386 2535

[www.hoodriverlibrary.org](http://www.hoodriverlibrary.org)

## General Fund

**Total Resources \$1,950,490**



### **Resources**

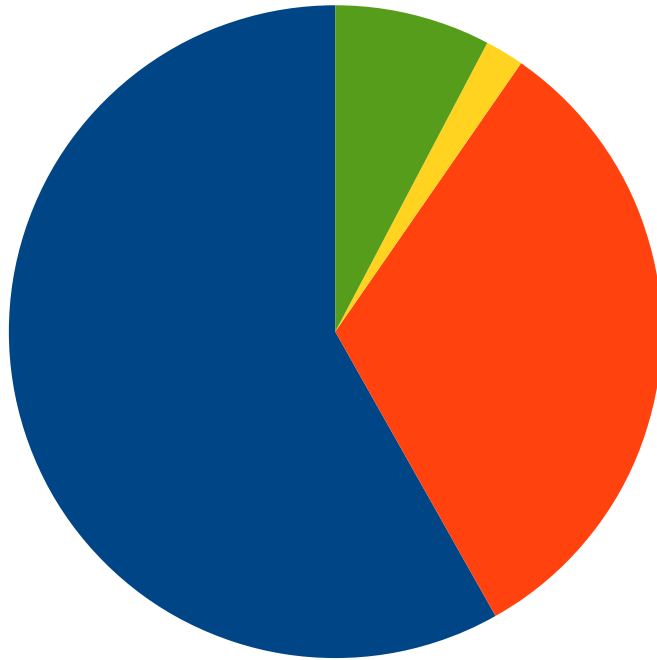
- **1 - Cash on hand:** This amount assumes monthly operating expenditures at Option 1: \$94,010 or Option 2: \$94,888 per month and unexpended contingency. Based upon current estimates for expenditures and revenue and the transfer of \$25,000 to the Capital Fund, we will carry over Option 1: \$822,372 or Option 2: \$811,837 next fiscal year. This estimate does not include the additional tax funds we usually end up receiving each year.
- **2 - Previously levied taxes:** This includes taxes that were not paid from 2011-2021.
- **3 - Interest:** Interest varies, so the District does not rely on it heavily. Public funds are restricted in terms of how they can be invested, so funds are all invested in the Local Government Investment Pool (LGIP) with Hood River County.
- **4 - Fees:** These are generated from lost item charges, copies and printouts, out-of-area library card fees, and miscellaneous other items. This year we went fine free. I have reduced the amount for this line item to reflect the change. Patrons continue to be charged for lost and damaged materials. The movement to eliminate fines is critical to our commitment to offer free and open access to our resources and services. It is bringing into focus the adverse effects of fines as a barrier to access.
- **5 - Donations:** Donors tend to give to the Library Foundation or Friends of the Library. Any donations given specifically to the District, which are few, go into the Grants Fund. Overages at the cash register (such as someone giving \$1 for \$0.75

in copies) are given to the Friends.

- **10 - Taxes estimated to be received:** Figures based on an assessed value of countywide property at \$2,945,991,593, multiplied by the District millage rate of 0.39, and assuming 5% uncollectible taxes. The estimated amount of taxes we will receive is a 1.8% increase over this fiscal year's actual amount. Last year we received an additional \$35,000 due to a pause in two urban renewal districts in Hood River. Starting last fiscal year, we started receiving an additional tax revenue in the amount of \$42,000. The downtown Urban Renewal Cascade-Columbia District was dissolved in FY 19-20. It has been in effect for 30 years.

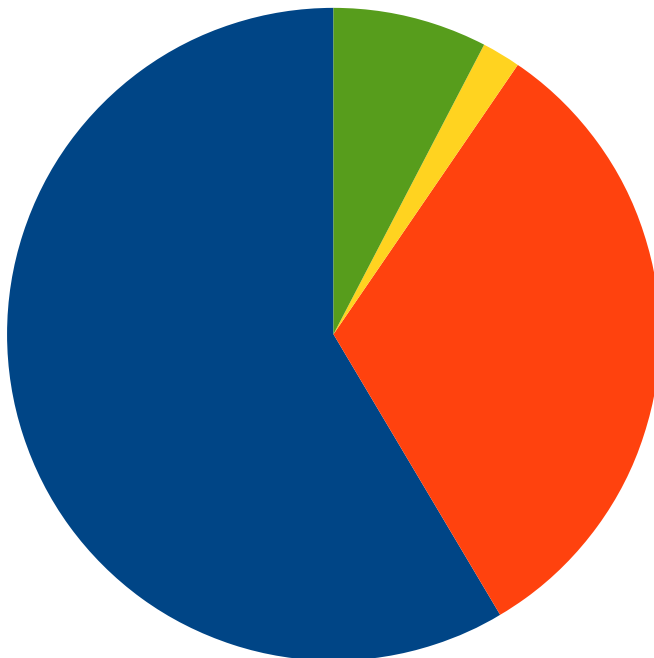
**Total expenditures \$1,950,490**

**Option 1:**



- Personal Services: \$754,794
- Materials and Services: \$417,810
- Transfer Capital Reserve: \$25,000
- Contingency: \$100,000

**Option 2:**



- Personal Services: \$766,227
- Materials and Services: \$417,810
- Transfer Capital Reserve: \$25,000
- Contingency: \$100,000

## **Expenditures**

### **Personal Services**

- *3-10 – Salaries:* See discussion below for changes here.
- *13 - Retirement:* Employees regularly scheduled for more than twenty hours per week participate in a 403(b) retirement plan. The District contributes 6% of the employee's salary and will match up to an additional 3% of the employee's own contributions. This figure assumes 9% contributions by the District for all eligible employees.
- *14 - FICA:* Calculated at 7.65% of payroll.
- *15 - Workers' compensation insurance:* Based on calculations from the recent workers' compensation renewal from Special Districts Insurance Services (SDIS).
- *16 - Health insurance:* The cap had remained unchanged for four out of the last five years, although, the cost of health insurance has dramatically increased. I recommend an increase to \$1,200 for the monthly cap from \$1,100 for each employee.
- *17 - Unemployment insurance:* Calculated at 1.2% of payroll, based on the rate given by the State of Oregon.
- *19 - Paid family and medical leave:* Starting January 1, 2022 employee payroll contributions will begin for the Oregon paid family medical leave. This is achieved through a payroll tax. The rate will be set by the Director of the Employment Department (not to exceed 1% of the employee's wages). Employers are required to contribute 40% and employees will contribute 60%. Employers may pay the employee's portion as an employer-offered benefit. I budgeted for six months Option 1: \$2,629 and Option 2: \$2,681. I recommend the District covers the cost 100%.

### **Staffing expenses**

*The proposed personnel costs for FY 2021-22:*

- *Option 1: \$754,794*
- *Option 2: \$766,227*

*The increase in personnel expenses are explained below:*

- *Minimum wage:* The District's positions were affected by the Oregon minimum wage increases starting in 2020-2021. Currently, the first step of the lowest paid classification is \$12.00/hour (See attachment I), the minimum wage for Oregon will be \$12.75 starting July 1, 2021. To ensure the District complies with the minimum wage increases, we would need to increase our wages for the entire staff by 6.25%. This allows us to retain our Clerk I classification and address wage compression. It also would place us closer to the recommended salary compensation by HR Answers.
- *Step increases:* This year, we budgeted for each staff member to have a step increase only in Option 2. While we do not plan to give all staff members a step

increase, this allows the flexibility to chose a staff member to have an increase at their annual review, and the flexibility to hire a new employee at a higher step, if a position opens during the year.

- *Cost-of-living-increase for staff:* If we were to provide only a cost-of-living increase, the District would offer a 1.8% increase which is the average increase of the Western Region CPI in 2020.
- Staff changes: I recommend we make the following staffing changes:
  - Operations Assistant
    - I recommend we move this position from thirty-two hours per week to 40 hours per week. The staff member in this position oversees volunteers, orders supplies for the district and oversees the SAGE courier. They also are Person-In-Charge of the building and assist with facility projects. This position used to be 40 hours per week and it was reduced in FY 2017-18 due to a dramatic increase in personnel expenses made before I assumed the position of Library Director. It is a great benefit to have this staff member to assist with daily operations.
  - Public Service Clerk
    - I recommend we combine two part time positions into one full-time position. This used to be a full-time position but I recommended splitting this position into two part-time position because at the time it saved money for the library but it also was hard to find coverage during vacations and sick leave. We've discovered it is more challenging to retain staff members in this position. If we can help support our staff with more hours and benefits for this position, I think it would help retain high quality employees.
- *Health Insurance increases:* There is a \$27,380 increase to health insurance line item from \$108,900 to \$136,280.
  - We budget for all staff members who receive health insurance to use the entire amount the District offers. This will cover any staffing changes throughout the year. Right now we have three positions, which the District covers the staff member's family. Seven employees receive benefits for a single person or HRA VEBA benefits. This also includes \$14,440 to add benefits for a full-time position.

The current projected actual cost for staff benefits is \$101,894 for the year, which includes a projected 15% increase in health care costs for staff members who fall under the maximum cap and adding benefits for the full-time position.

We have only raised the maximum cap once in the past five years. I recommend we increase the cap from \$1,100 per month to \$1,200 per month to support our staff.

### Salary compensation 6.25% increase

Clerk I position would start step 1 at the minimum wage set for FY 2021-22 and account for wage compression.

	Position	Salary Survey mid-point	Mid-point 6.25% increase	Percentage below
Clerk I	Shelver	\$34,441	\$28,163	0% adjusted
Clerk II	Public Service Clerk	\$35,207	\$32,386	8.00%
Library Assistant I	Children's Services Assistant	\$40,219	\$38,896	3.00%
Library Assistant I	Operations Assistant	\$45,763	\$38,896	3% adjusted
Library Assistant II	Cataloging Specialist	\$45,654	\$44,699	2.00%
Library Assistant II	Collection Development Specialist	\$47,978	\$44,699	7.00%
Librarian I	Children's Services & Teen Services Librarian	\$56,333	\$53,664	5.00%
Librarian I	Outreach Specialist	\$57,135	\$53,664	6.00%
Librarian II	Assistant Director	\$70,824	\$65,291	8.00%
Librarian II	Library Director	\$99,099	\$87,048	12.00%

### Salary Schedule, 2021-22, 6.25% increase (Personnel Polices, Appendix A)

Steps:	1	2	3	4	5	6	7
<b>Clerk I</b>	\$12.75 \$26,520	\$13.01 \$27,061	\$13.27 \$27,602	\$13.54 \$28,163	\$13.81 \$28,725	\$14.09 \$29,307	\$14.37 \$29,890
<b>Clerk II</b>	\$14.67 \$30,514	\$14.96 \$31,117	\$15.26 \$31,741	\$15.57 \$32,386	\$15.88 \$33,030	\$16.20 \$33,696	\$16.52 \$34,362
<b>Library Assistant I</b>	\$17.62 \$36,650	\$17.97 \$37,378	\$18.33 \$38,126	\$18.70 \$38,896	\$19.07 \$39,666	\$19.45 \$40,456	\$19.84 \$41,267
<b>Library Assistant II</b>	\$20.25 \$42,120	\$20.66 \$42,973	\$21.07 \$43,826	\$21.49 \$44,699	\$21.92 \$45,594	\$22.36 \$46,509	\$22.81 \$47,445
<b>Librarian I</b>	\$24.30 \$50,544	\$24.79 \$51,563	\$25.29 \$52,603	\$25.80 \$53,664	\$26.32 \$54,746	\$26.85 \$55,848	\$27.39 \$56,971
<b>Librarian II</b>	\$29.58 \$61,526	\$30.17 \$62,754	\$30.77 \$64,002	\$31.39 \$65,291	\$32.02 \$66,602	\$32.66 \$67,933	\$33.31 \$69,285
<b>Library Director</b>	\$39.44 \$82,035	\$40.23 \$83,678	\$41.03 \$85,342	\$41.85 \$87,048	\$42.69 \$88,795	\$43.54 \$90,563	\$44.41 \$92,373

**Option 1:**

The first option would allow for a 6.25% salary increase but no step increase.

**Salaries, 2021-22, 6.25% increase**

Minimum wage increase adjustment: 6.25% Insurance: \$1,200

ID	Position	FTE	Current FT Salary	Proposed Salary w/ no step increase	Prorated Salary	Current Insurance	Insurance assumes 15% increase (Jan.-June)	Proposed Insurance monthly cap	Retirement
Shelver	Clerk I	0.300	\$25,459	\$27,061	\$8,118				
Public Service Clerks (FT)	Clerk II	1.000	\$30,493	\$32,386	\$32,386	\$8,875	\$9,542	\$14,440	\$2,915
Public Service Clerks (FT)	Clerk II	1.000	\$30,493	\$32,386	\$32,386		\$9,542	\$14,440	\$2,915
Public Service Clerks (PT & subs)	Clerk II	1.500	\$30,493	\$32,386	\$48,579				
Children's Services Assistant	Assist I	0.750	\$35,880	\$38,126	\$28,595	\$8,875	\$9,542	\$10,800	\$2,574
Operations Assistant	Assist I	1.000	\$36,608	\$38,896	\$38,896	\$8,875	\$9,542	\$14,440	\$3,501
Collection Development Specialist	Assist II	0.625	\$42,910	\$45,594	\$28,496	\$4,783	\$5,136	\$9,000	\$2,565
Cataloging Specialist	Assist II	0.750	\$42,078	\$44,699	\$33,524	\$5,292	\$5,685	\$10,800	\$3,017
Outreach Librarian	Lib I	1.000	\$47,570	\$50,544	\$50,544	\$6,312	\$6,783	\$14,440	\$4,549
Children's Services Librarian	Lib I	0.675	\$49,504	\$52,603	\$35,507	\$8,100	\$9,720	\$9,720	\$3,196
Teen Services Librarian	Lib I	0.750	\$49,504	\$52,603	\$39,452	\$8,875	\$9,542	\$10,800	\$3,551
Assistant Director	Lib II	1.000	\$60,258	\$64,002	\$64,002	\$11,610	\$12,420	\$12,960	\$5,760
Library Director	Director	1.000	\$80,330	\$85,342	\$85,342	\$12,000	\$14,440	\$14,440	\$7,681
<b>Total FTE</b>		<b>11.350</b>			<b>\$525,828</b>	<b>\$83,597</b>	<b>\$101,894</b>	<b>\$136,280</b>	<b>\$42,222</b>

**Option 2:**

The second option would allow for a 6.25% salary increase and a potential 2% merit-based step increase.

**Salaries, 2021-22, 6.25% with step increase**

Minimum wage increase adjustment: 6.25% Insurance: \$1,200

ID	Position	FTE	Current FT Salary	Proposed Salary w/ step increase	Prorated Salary	Current Insurance	Insurance assumes 15% increase (Jan.-June)	Proposed Insurance monthly cap	Retirement
Shelver	Clerk I	0.300	\$25,459	\$27,602	\$8,281				
Public Service Clerks (FT)	Clerk II	1.000	\$30,493	\$33,030	\$33,030	\$8,875	\$9,542	\$14,440	\$2,973
Public Service Clerks (FT)	Clerk II	1.000	\$30,493	\$33,030	\$33,030		\$9,542	\$14,440	\$2,973
Public Service Clerks (PT & subs)	Clerk II	1.500	\$30,493	\$33,030	\$49,545				
Children's Services Assistant	Assist I	0.750	\$35,880	\$38,896	\$29,172	\$8,875	\$9,542	\$10,800	\$2,625
Operations Assistant	Assist I	1.000	\$36,608	\$39,666	\$39,666	\$8,875	\$9,542	\$14,440	\$3,570
Collection Development Specialist	Assist II	0.625	\$42,910	\$46,509	\$29,068	\$4,783	\$5,136	\$9,000	\$2,616
Cataloging Specialist	Assist II	0.750	\$42,078	\$45,594	\$34,196	\$5,292	\$5,685	\$10,800	\$3,078
Outreach Librarian	Lib I	1.000	\$47,570	\$51,563	\$51,563	\$6,312	\$6,783	\$14,440	\$4,641
Children's Services Librarian	Lib I	0.675	\$49,504	\$53,664	\$36,223	\$8,100	\$9,720	\$9,720	\$3,260
Teen Services Librarian	Lib I	0.750	\$49,504	\$53,664	\$40,248	\$8,875	\$9,542	\$10,800	\$3,622
Assistant Director	Lib II	1.000	\$60,258	\$65,291	\$65,291	\$11,610	\$12,420	\$12,960	\$5,876
Library Director	Director	1.000	\$80,330	\$87,048	\$87,048	\$12,000	\$14,440	\$14,440	\$7,834
<b>Total FTE</b>		<b>11.350</b>			<b>\$536,360</b>	<b>\$83,597</b>	<b>\$101,894</b>	<b>\$136,280</b>	<b>\$43,068</b>



Next fiscal year the Budget Committee can select from multiple options. I would not recommend less than a 2.5% increase because it will remove three steps from the pay scale. I did an in-depth analysis only for Option A since this is the minimum I would recommend. This would also be more in-line with a cost of living increase. Many things can change before next year and we may be able to offer a higher increase to the entire staff or chose to overhaul the entire salary schedule to be more in-line with the Salary Survey recommendations.

- Option A: Increase 2.5% with a potential 2% merit based step increase. This would meet the minimum wage requirements \$13.50 for steps 3-7 for the Clerk I position. We would not use step 1-2.
- Option B: Increase 4% with a potential 2% merit based step increase. This would meet the minimum wage requirements \$13.50 for steps 2-7 for the Clerk I position. We would not use step 1.
- Option C: Increase 6.25% with a potential 2% merit based step increase. This would meet the minimum wage requirements \$13.50 for all seven steps for the Clerk I position.

**Option A:**

**Salary Schedule, 2022-23, 2.5%  
(Personnel Polices, Appendix A)**

<b>Steps:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Clerk I</b>	\$13.06 \$27,165	\$13.32 \$27,706	\$13.59 \$28,267	\$13.86 \$28,829	\$14.14 \$29,411	\$14.42 \$29,994	\$14.71 \$30,597
<b>Clerk II</b>	\$15.04 \$31,283	\$15.34 \$31,907	\$15.65 \$32,552	\$15.96 \$33,197	\$16.28 \$33,862	\$16.61 \$34,549	\$16.94 \$35,235
<b>Library Assistant I</b>	\$18.06 \$37,565	\$18.42 \$38,314	\$18.79 \$39,083	\$19.17 \$39,874	\$19.55 \$40,664	\$19.94 \$41,475	\$20.34 \$42,307
<b>Library Assistant II</b>	\$20.76 \$43,181	\$21.18 \$44,054	\$21.60 \$44,928	\$22.03 \$45,822	\$22.47 \$46,738	\$22.92 \$47,674	\$23.38 \$48,630
<b>Librarian I</b>	\$24.90 \$51,792	\$25.40 \$52,832	\$25.91 \$53,893	\$26.43 \$54,974	\$26.96 \$56,077	\$27.50 \$57,200	\$28.05 \$58,344
<b>Librarian II</b>	\$30.22 \$62,858	\$30.82 \$64,106	\$31.44 \$65,395	\$32.07 \$66,706	\$32.71 \$68,037	\$33.36 \$69,389	\$34.03 \$70,782
<b>Library Director</b>	\$40.43 \$84,094	\$41.24 \$85,779	\$42.06 \$87,485	\$42.90 \$89,232	\$43.76 \$91,021	\$44.64 \$92,851	\$45.53 \$94,702

**Increase for FY 2022-23 if the committee selects  
FY 2021-22 Option 1: 6.25% with no merit-based step increase.**

Salary increase: \$23,696

Retirement increase: \$1,901

**Salaries, 2022-23, 2.5% increase**

Minimum wage increase adjustment: 2.50% Insurance: \$1,200

ID	Position	FTE	Current FT Salary	Proposed Salary w step increase	Prorated Salary	Retirement
Shelver	Clerk I	0.300	\$27,061	\$28,267	\$8,480	
Public Service Clerks (FT)	Clerk II	1.000	\$32,386	\$33,862	\$33,862	\$3,048
Public Service Clerks (FT)	Clerk II	1.000	\$32,386	\$33,862	\$33,862	\$3,048
Public Service Clerks (PT & subs)	Clerk II	1.500	\$32,386	\$33,862	\$50,793	
Children's Services Assistant	Assist I	0.750	\$38,126	\$39,874	\$29,906	\$2,691
Operations Assistant	Assist I	1.000	\$38,896	\$40,664	\$40,664	\$3,660
Collection Development Specialist	Assist II	0.625	\$45,594	\$47,674	\$29,796	\$2,682
Cataloging Specialist	Assist II	0.750	\$44,699	\$46,738	\$35,054	\$3,155
Outreach Librarian	Lib I	1.000	\$50,544	\$52,832	\$52,832	\$4,755
Children's Services Librarian	Lib I	0.675	\$52,603	\$54,974	\$37,107	\$3,340
Teen Services Librarian	Lib I	0.750	\$52,603	\$54,974	\$41,231	\$3,711
Assistant Director	Lib II	1.000	\$64,002	\$66,706	\$66,706	\$6,004
Library Director	Director	1.000	\$85,342	\$89,232	\$89,232	\$8,031
<b>Total FTE</b>		<b>11.350</b>			<b>\$549,524</b>	<b>\$44,123</b>

**Increase for FY 2022-23 if the committee selects FY 2021-22 Option 2: 6.25% with potential merit-based step increase. This assumes we granted every staff member a step increase.**

Salary increase: \$24,218

Retirement increase: \$2,033

**Salaries, 2022-23, 2.5% with step increase**

Minimum wage increase adjustment: 2.50% Insurance: \$1,200

ID	Position	FTE	Current FT Salary	Proposed Salary w/ step increase	Prorated Salary	Retirement
Shelver	Clerk I	0.300	\$27,602	\$28,829	\$8,649	
Public Service Clerks (FT)	Clerk II	1.000	\$33,030	\$34,549	\$34,549	\$3,109
Public Service Clerks (FT)	Clerk II	1.000	\$33,030	\$34,549	\$34,549	\$3,109
Public Service Clerks (PT & subs)	Clerk II	1.500	\$33,030	\$34,549	\$51,824	
Children's Services Assistant	Assist I	0.750	\$38,896	\$40,664	\$30,498	\$2,745
Operations Assistant	Assist I	1.000	\$39,666	\$41,475	\$41,475	\$3,733
Collection Development Specialist	Assist II	0.625	\$46,509	\$48,670	\$30,419	\$2,738
Cataloging Specialist	Assist II	0.750	\$45,594	\$47,674	\$35,756	\$3,218
Outreach Librarian	Lib I	1.000	\$51,563	\$53,893	\$53,893	\$4,850
Children's Services Librarian	Lib I	0.675	\$53,664	\$56,077	\$37,852	\$3,407
Teen Services Librarian	Lib I	0.750	\$53,664	\$56,077	\$42,058	\$3,785
Assistant Director	Lib II	1.000	\$65,291	\$68,037	\$68,037	\$6,123
Library Director	Director	1.000	\$87,048	\$91,021	\$91,021	\$8,192
<b>Total FTE</b>		<b>11.350</b>			<b>\$560,578</b>	<b>\$45,010</b>

Option B:  
Salary increase estimate: \$32,181

**Salary Schedule, 2022-23, 4%**  
**(Personnel Polices, Appendix A)**

<b>Steps:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Clerk I</b>	\$13.26 \$27,581	\$13.53 \$28,142	\$13.80 \$28,704	\$14.08 \$29,286	\$14.36 \$29,869	\$14.65 \$30,472	\$14.94 \$31,075
<b>Clerk II</b>	\$15.26 \$31,741	\$15.57 \$32,386	\$15.88 \$33,030	\$16.20 \$33,696	\$16.52 \$34,362	\$16.85 \$35,048	\$17.19 \$35,755
<b>Library Assistant I</b>	\$18.32 \$38,106	\$18.69 \$38,875	\$19.06 \$39,645	\$19.44 \$40,435	\$19.83 \$41,246	\$20.23 \$42,078	\$20.63 \$42,910
<b>Library Assistant II</b>	\$21.06 \$43,805	\$21.48 \$44,678	\$21.91 \$45,573	\$22.35 \$46,488	\$22.80 \$47,424	\$23.26 \$48,381	\$23.73 \$49,358
<b>Librarian I</b>	\$24.91 \$51,813	\$25.41 \$52,853	\$25.92 \$53,914	\$26.44 \$54,995	\$26.97 \$56,098	\$27.51 \$57,221	\$28.06 \$58,365
<b>Librarian II</b>	\$30.76 \$63,981	\$31.38 \$65,270	\$32.01 \$66,581	\$32.65 \$67,912	\$33.30 \$69,264	\$33.97 \$70,658	\$34.65 \$72,072
<b>Library Director</b>	\$41.02 \$85,322	\$41.84 \$87,027	\$42.68 \$88,774	\$43.53 \$90,542	\$44.40 \$92,352	\$45.29 \$94,203	\$46.20 \$96,096

Option C:  
Salary increase estimate: \$44,250

**Salary Schedule, 2022-23, 6.25%**  
**(Personnel Polices, Appendix A)**

<b>Steps:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Clerk I</b>	\$13.50 \$28,080	\$13.77 \$28,642	\$14.05 \$29,224	\$14.33 \$29,806	\$14.62 \$30,410	\$14.91 \$31,013	\$15.21 \$31,637
<b>Clerk II</b>	\$15.59 \$32,427	\$15.90 \$33,072	\$16.22 \$33,738	\$16.54 \$34,403	\$16.87 \$35,090	\$17.21 \$35,797	\$17.55 \$36,504
<b>Library Assistant I</b>	\$18.72 \$38,938	\$19.09 \$39,707	\$19.47 \$40,498	\$19.86 \$41,309	\$20.26 \$42,141	\$20.67 \$42,994	\$21.08 \$43,846
<b>Library Assistant II</b>	\$21.52 \$44,762	\$21.95 \$45,656	\$22.39 \$46,571	\$22.84 \$47,507	\$23.30 \$48,464	\$23.77 \$49,442	\$24.25 \$50,440
<b>Librarian I</b>	\$25.82 \$53,706	\$26.34 \$54,787	\$26.87 \$55,890	\$27.41 \$57,013	\$27.96 \$58,157	\$28.52 \$59,322	\$29.09 \$60,507
<b>Librarian II</b>	\$31.43 \$65,374	\$32.06 \$66,685	\$32.70 \$68,016	\$33.35 \$69,368	\$34.02 \$70,762	\$34.70 \$72,176	\$35.39 \$73,611
<b>Library Director</b>	\$41.91 \$87,173	\$42.75 \$88,920	\$43.61 \$90,709	\$44.48 \$92,518	\$45.37 \$94,370	\$46.28 \$96,262	\$47.21 \$98,197

## **Materials & Services**

*Please note several categories have a slight increase to account for inflation.*

- *26 – Bank charges:* This line item includes miscellaneous bank fees as well as the monthly charge for the employee direct deposit program.
- *27 - Building rental:* Includes current leases for the Cascade Locks (\$11,325.60) and Parkdale (\$2,000) branches. I estimate we will spend \$13,325.60 in rent this year.
- *28 - Building maintenance:* General building maintenance including repairs, electrical work, plumbing, light bulbs, fire extinguisher upkeep, roof repairs, and more. Due to the age of the Hood River building, we have more expenses and upkeep.
- *29 - HVAC:* This line item includes the cost of maintaining the heating and cooling systems at the Hood River Library. It involves work by a local firm for preventative maintenance on our two small heating/cooling units in the Tech room and Columbia room. It also includes work by an outside firm for preventative maintenance and on-call maintenance on our boiler and large rooftop unit. This also includes repairing parts on the 14 remote VAV units showing regular wear and tear. They will need to have parts replaced over the next few years.
- *30 - Elevator:* There is a maintenance contract for the Hood River Library elevator.
- *31 - Telephone:* This line item includes the cost for the District's VOIP and landline telephone, and mobile phone reimbursement for employees who use their own devices. It assumes \$390 in monthly costs (Hood River, Parkdale, Cascade Locks, Odell) and \$45 per month for the Library Director, Assistant Director, and Bilingual Outreach Librarian cell phone reimbursement.
- *32 - Internet:* This line item includes the cost for bandwidth for the Hood River and Parkdale branches \$225 per month. The bandwidth at the Cascade Locks Library is included in our lease with the Hood River County School District. There is an increase this year. I added the \$3,132 annual cost for our 21 hot spots to this line item. In the past, 10 hot spots were initially funded by the Friends of the Library and then we added 11 more hot spots which were added to the technology line item.
- *33 - Collection development:* This line item is for collection materials including books, DVDs, audiobooks, and more. All physical library materials are budgeted from the General Fund. Electronic resources are budgeted from the Grants Fund, which is paid for by the Foundation. We have had a minimal increase to this line item over the past five years. I recommend a higher increase this year to account for the increase in cost of new materials, decrease of funds provided for audiobooks by a Friends of the Library donor, and to further expand our Library of Things collection. It's standard practice in libraries to spend 10% of the library budget on the collection. If we raise the amount to \$90,000 we will spend 8% on our actual operating expenses on the collection.
- *34 - Technology:* This line item assumes replacement of 20% of all public and staff computers, miscellaneous other technology needs and the cost of our website, email, design programs, photos for marketing purposes, eNewsletter program, Zoom subscription, appointment software, IT support network switches, staff wiki storage, and IT support. The District still maintains the Linux operating system, which allows costs to remain low.
- *35 - Accounting and auditing:* Includes the quoted amounts for auditing and accounting

services.

- 36 - *Courier*: This line item represents the cost of moving materials between our three locations and Hood River Valley High School. Currently the District pays mileage to staff or volunteers.
- 37 - *Custodial services*: Our current rate is \$2,123/month for the Hood River building. This includes cleaning six days per week, shampoo carpets/wax floors and window cleaning annually, and dusting of the library shelves monthly. This cost increased this year due to COVID. We had to add an additional day of service due to cleaning requirements. There is also \$1,200 budgeted for cleaning of the carpets at Cascade Locks and Parkdale branches, \$1,200 to add cleaning services to the Parkdale Library and extra clean up, as needed.
- 38 - *Technical services*: Includes the annual cost for our out-of-Sage interlibrary loan service as well as our catalog record download service.
- 39 - *Library consortium*: Includes annual membership, which is the amount the Sage Library System will charge libraries of the District's size next fiscal year. The Sage Budget Committee expects a 5% rise in costs.
- 40 - *Copiers*: \$225/month for copier leases and an estimated \$65/month for copies.
- 41 - *Elections*: This is a biannual expense happening on odd-numbered years.
- 42 - *Furniture and equipment*: These funds are used to purchase furniture and small equipment that doesn't qualify as capital.
- 43 - *Property and liability insurance*: Amount based on estimates from SDAO. This fiscal year SDAO conducted an appraisal of the building, grounds and contents of the library. We anticipate at least a 5% increase in our policy and up to 16% total increase due to the appraisal.
- 44 - *Georgiana Smith Memorial Gardens*: As the managing entity for the Gardens, the District uses these funds for professional bed maintenance, tree trimming, grass cutting, snow removal, irrigation, and other associated costs.
- 45 - *Legal Services*: This covers the fees for our legal counsel Ruben Cleaveland. Cleaveland reviews our contracts and policies.
- 46 - *Professional Services*: In 2015-16, the District hired a strategic planning consultant from this line item. Our Strategic Goals 2016-21 plan ends June 30, 2021. I budgeted last fiscal year to hire a consultant but decided to postpone due to the pandemic. I have allocated funds to hire a consultant this fiscal year to work on a new strategic plan.
- 47 - *Membership dues*: Includes memberships in local organizations and professional societies. Includes dues for the Chamber of Commerce, Gorge Technology Alliance, Gorge Nonprofit Collaborative, Libraries of Eastern Oregon, Hood River Rotary, Hood River Lions, Soroptimists, Oregon Library Association, American Library Association, Public Library Association, and Library Leadership & Management Association.
- 48 - *Miscellaneous*: This covers items which do not fit into a category like our annual volunteer appreciation party.
- 49 - *Postage/freight*: This covers postage for items we lend and borrow from outside our SAGE system, items we need to return, and postage for library business. Last year I recommend increasing this line item to allow for the potential to mail items to patrons unable to visit the library due to the pandemic. I reduced the line item since we are not

mailing items to patrons.

- *50 – Printing:* This covers cost of printing our bookmarks and other various marketing materials.
- *51 - Programs:* This line item includes the costs for hiring performers, buying supplies for programs, Summer Reading expenses and other program costs. The Summer Reading Performers and a portion of our programming in Odell is funded through the Grants Fund by the Friends of the Library and the Library Foundation. We have high attendance at our District programs. It is an area where the District particularly excels when compared to peer libraries. I would like to keep the budget at its current level. We are offering programming in a new way during the pandemic. We offer virtual programs. In addition, we distribute Take and Make craft packets and free books during summer reading and beyond. This year we will have a Summer Reading Program with prizes but no in-person performers and limited in-person programs.
- *52 - Advertising:* Most recruitment-related expenses fit under this category. This also includes money for additional advertising to promote District collections and services.
- *53 – Office supplies:* Includes all office and cataloging supplies.
- *54 - Travel:* Includes travel to trainings, programs, outreach activities, and hotel expenses. I recommend reducing the line item this year due to the pandemic.
- *55 - Training:* Includes registration for training events such as Sage classes and the Oregon Library Association conference.
- *56 - Board development:* This line item is used for Board training expenses, such as attendance at the Special Districts Association of Oregon conference.
- *57 – Parking reimbursement –* This fund is to reimburse volunteers for parking fees they accrue while volunteering in the Hood River Library.
- *58-61 - Utilities:* The amounts budgeted are based on actual costs, with room for a possible increases in utilities. There is still some money built in for a colder-than-normal winter and hotter-than-normal summer.
- *65 - Transfer to capital reserve:* Used for capital projects. There is an equivalent revenue in the Capital Equipment Reserve Fund. I recommend a transfer of \$25,000.
- *67 - Contingency:* This money is set aside in case something unforeseen arises, such as major facilities issues. If these funds aren't used, they are rolled back into the budget the following fiscal year. We have only used the funds one time since we became a Library District for the purchase of the HVAC system. We replenished the funds last fiscal year.
- *71 - Vacation reserve:* These liabilities are employees' unused vacation and holiday leave. If an employee is no longer employed by the District, these amounts are paid out to them. The Board felt it prudent to create a reserve fund to help pay for such liability should an employee(s) depart. Per the Financial Management Policies (attachment VIII), the reserve amount should equal at least 75% of current outstanding liabilities. Employees are capped at rolling over only 80 hours into a new fiscal year, pro-rated based on a 40-hour workweek, so the District's long-term liabilities are limited.
- *73 - Unappropriated ending fund balance (UEFB):* This amount is ample to get the District from July through half of November 2021, especially if contingency is not used. At a projected Option 1: \$94,010/month or Option 2: \$94,888/month in expenditures,

the District would need Option 1: \$423,045 or Option 2: \$426,996. This fiscal year, the District has averaged around \$78,221 per month due to the decrease in spending during the closure.

The UEFB is much higher this year due to reduced spending during the pandemic and we will receive more tax revenue than previously estimated. The projected UEFB in fiscal year 2017-18 was \$336,443, FY 2018-19 it was \$419,338, FY 2019-20 it was \$457,645, FY 2020-21 it was \$507,409 and this year will be Option 1: \$640,886 or Option 2: \$629,453. The goal is to get the UEFB closer to actual operating needs so that the District is fully using the allotment of taxes the public gives us.

This year the projected expenditures for option 1 is \$8,000 more than estimated revenue and for option 2: is \$19,000 more than the estimated revenue. Since this District was formed we have always received more tax revenue (\$23,000-\$40,000) per year than estimated. I am confident we will receive more tax revenue than currently estimated. [Notes added 5/21/21: The Budget Committee discussed at their Tuesday, May 18 meeting, that historically the District always receives more tax revenue than anticipated because the revenue is based upon estimates. FY 2015-16, received +23,666, FY 16-17 +\$17,709, FY 17-18 +26,999, FY 18-19 +23,413, FY 19-20 \$20,065, projected FY 20-21 +41,146. After further discussion, based upon these estimates, the District will not expend more than the anticipated revenue for this fiscal year and the information above not not apply. The District will continue forward will being fiscally prudent with our funds].

## **Capital Equipment Reserve Fund**

### **Resources**

- **2 - Cash on hand:** Carryover from previous years.

### **Requirements**

- **9 - Capital outlay:** Capital expenditures projects below.

This fund will carry over around \$120,000 from last fiscal year. I recommend transferring \$25,000 this year from the General Fund to the Capital Equipment Reserve Fund. We do not have any large projects we need to complete this year. We should consider using capital funds to start the restoration of the Hood River building.

Long-term, there are other projects to consider in following fiscal years.

- **5 years: \$130,000**
  - Single ply roof - \$60,000
    - Estimated cost and life span: 2023-2033 (\$15,000-\$20,000). It is showing wear in areas. This figure was taken from the 2014 Facilities plan. I have contacted two local roofing companies and they will not provide estimates for the life span or a quote for replacement. I recommend we contact a facilities

consultant to assist with assessing the current cost of replacement and life span on the roof. I can have the assessment done this summer.

- Carpet - \$70,000
  - The carpet in the Hood River building will also need to be replaced in 3-8 years (2024-2029) for an estimate of \$70,000 which includes carpet and moving bookshelves, books, and furniture.
- **10 years: \$65,000**
  - Boiler - \$65,000
    - The boiler will need to be replaced in 9-19 years (2030-2040).
- **15 years: \$60,000**
  - Slate shingle roofing - \$60,000
    - Estimated cost and life span: should not need to be replaced until 2043-2053 and will cost between \$10,000 to \$20,000. This figure was taken from the 2014 Facilities plan. I estimate the cost will most likely be three times the amount listed above: \$45,000-\$60,000.
- **20 years: \$115,000**
  - HVAC unit
    - We replaced our central air handling/condensing unit (HVAC) in FY 2019-20 for \$104,926. This unit will need to be replaced in 19 years.
- **Ongoing project:**
  - Restoration Hood River Building - \$157,000
    - Over time we will need to restore the entire exterior elevation of the original library. This includes the concrete around the windows and the brick on the original building. We can break this down into sections. We can explore addressing the front entrance this coming fiscal year for \$25,000. There is no other area at this time that needs to be addressed due to safety issues. The rest of the project will cost \$132,000. We can apply for matching grants for this work.

We already have a solid foundation of \$326,486.

- \$145,000 in the capital fund (\$120,000 carry over and \$25,00 transfer)
- \$181,486 in unallocated carry over in the General Fund at the end of FY 2021-22. This unallocated carry over figure is based upon the assumption we will spend our entire projected budget for FY 2021-22, which we will not do. I anticipate we will have a higher balance for unallocated carry over. The unallocated carry over figure is described in further detail in General Fund, Resources, line 1.

We also have \$100,000 contingency for emergencies

Based upon our immediate needs, we need to start saving more funds. We can start with



a minimum of \$25,000 per year for three years to address the single ply Hood River Library roof. In addition, we can use funds from the Capital Fund and transfer more funds in the future from our unallocated carry over to cover the cost of the carpets and boiler replacement.

## Grants Fund

### **Resources**

The District is fortunate to receive several grants and donations throughout the year. Not the least of these are the monies given to us by the Friends of the Library and Library Foundation. Between them, they add about \$60,000 to \$85,000 annually to improve the District's services. Friends and Foundation money is done through the Grants Fund to allow us to better track it.

There also are regular grants that the District receives as well as grants that are carryovers from the 2020-21 fiscal year. Carryovers include the 2021 Ready to Read grant (an Oregon State Library grant used for reading readiness), Library Foundation funds for digital and newspapers subscriptions and funds for several projects related to signage for the Hood River building and the bookmobile, Friends of the Library funds for our Summer Reading programs, Hood River Cultural Trust (bookmobile collection), Pat Hazlehurst Endowment fund and grant funds from our newspaper digitization project. All other grants will be expended by the end of the fiscal year.

The Grants Fund also includes several grants that the District hopes to receive. These include rehabilitating the historic exterior of Hood River Library, State Library grant for the bookmobile and other unanticipated opportunities that might arise for library services. This entire fund usually is budgeted optimistically to take advantage of grant opportunities as they arise. However, if the grants are not received, subsequent expenditures are not incurred, either.

This upcoming fiscal year we will be using Foundation and grant funds to purchase and operate the new bookmobile.

- **2 - Cash on hand:** Carryover of Foundation and Friends funds, Ready to Read 2021 grant monies, Pat Hazlehurst Endowment Fund grant, and Newspaper Digitization projects. We received more funds this year from the Library Foundation than projected due to the Bookmobile campaign.
- **3 - Grants (specific purposes):** Includes potential grants as described above.
- **4 - Friends of the Library donations:** The Friends contribute to collection development, programming, equipment, and other library expenses.
- **5 - Library Foundation donations:** The Foundation anticipates giving \$10,000 this fiscal year toward magazine subscriptions, electronic resources, and movie licensing and a TBD project for the 2022 Feast of Words fundraiser.
- **6 - Pat Hazelhurst Fund donations:** The District has an endowment at the Gorge Community Foundation, named in honor of long-time library supporter Pat Hazelhurst.

This fund must dispense some of its funds to the library annually.

### **Requirements**

- **26 – Materials and services:** The Friends and Foundation contribute toward collection development, the Summer Reading Program, new furniture and technology, and much more. In addition, some funds have been built in to take advantage of unanticipated grant opportunities.
- **36 - Capital outlay:** Purchase a new bookmobile and rehabilitate the old parts of Hood River Library.
- **44 - Unappropriated ending fund balance:** This year, there is no unappropriated ending balance for the Grants Fund. Since the UEFB cannot be spent per state law, the District needs the ability to spend out its grants by the end of the fiscal year should the need arise.

### **Conclusion**

Overall, this budget keeps the District on a positive path of better serving the community's needs for library and literacy services. It supports the District's strategic goals and prepares for upcoming changes in the future.