

Date: April 9, 2021

To: The Urbana Free Library Board

From: Celeste Choate, Executive Director

Re: FY22 Budget Memo



In last year’s budget memo, we discussed the City of Urbana’s budget being more stable, given its five year financial forecast at the time. COVID-19 is still a disruptor, so the Management Team developed the TUFL FY22 budget as a transitional budget between now and the next “new normal.” Financial pressures stick with us through all of the “normals,” though. The next minimum wage increase goes into effect January 1, 2022, and that impacts the Shelver and Café budgets. Health insurance increased dramatically beginning January 1, 2021. We continue to implement our Strategic Plan, and we moving ahead with the building program. Facilities and fund balance have been underfunded in the past, and this budget moves towards better funding in those areas.

Matching the City of Urbana, there is a 1.9% increase overall to non-staff lines. There is also an increase to the wage scale, and all qualified staff will receive applicable step increases.

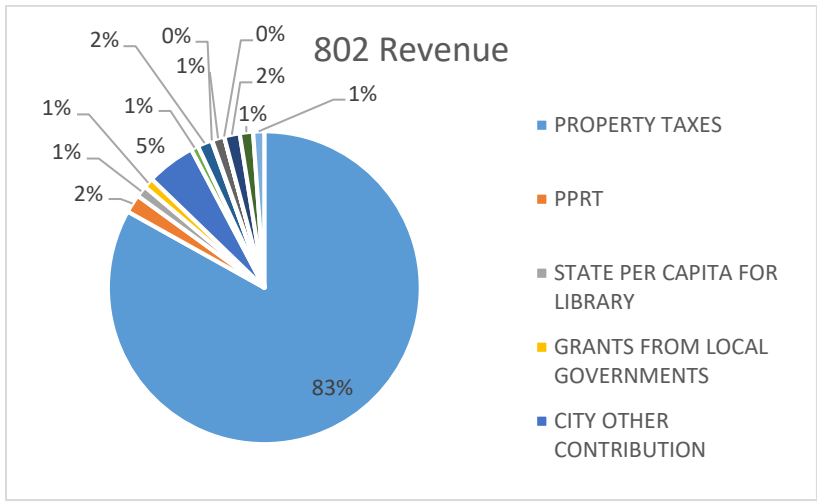
TUFL received a FY20 tax payment of \$720,540 in FY21. This decreased the revenues in FY20 but increases them in FY21. In addition, we may not spend as much as \$270,000, given shorter hours of service, unfilled open positions, and additional savings across departments. We are evaluating TUFL’s fund balances and will give additional updates at the May Board meeting. Having a healthy fund balance is of great importance. Additions to TUFL’s fund balance will help with future facilities costs and help us pay our bills when taxes are paid to us late. We anticipate future expenses, such as replacing the Trane East Air Handling Unit in the next couple of years. In 2016, its estimated replacement cost was over \$200,000. See the estimated capital expenses list attached for this and other anticipated facilities expenses.

	802	810	820	Total
Revenue FY22	\$ (4,382,734.65)	\$ (33,809.00)	\$ (23,190.00)	\$ (4,439,733.65)
Expense FY22	\$ 4,426,378.65	\$ 317,522.25	\$ 22,195.00	\$ 4,766,095.90
Total	\$ 43,644.00	\$ 283,713.25	\$ (995.00)	\$ (239,074.25)
Expenses from 802 Fund Balance include				
Compensation Study (rolled from FY20 & FY21)				\$ 10,000.00
Possible Retirement Health Savings separation payouts				\$ 23,489.00
Funds budgeted but unspent in FY21 for purchasing microfilm of the News-Gazette which is not available for sale.				\$ 5,000.00
Refund from ProQuest for payment for FY20 microfilm of the News-Gazette.				\$ 5,155.00
Expenses from 810 Fund Balance include				
Staff Association of the Urbana Free Library balance - roll to staff "sunshine				\$ 225.25
Staff Parking Lot Project, building envelope: from Donors				\$166,000.00
Refresh of 1st floor Circulation and AV areas: from Donors				\$84,488.00
Gift from Champaign County Historical Society				\$1,000.00
Furniture from Friends Café Book Sale				\$32,000.00

802 General Fund Revenue

Property tax revenue is stable, and since it is generally 80% or more of TUFL’s revenue, this is excellent news. This year, it’s 83%.

Other revenue sources have decreased for a number of reasons, including Library Fees, Interest, and possibly Grants to Local Governments. The UIUC has not yet renewed its agreement with the USD#116, and TUFL received \$9,400 as a part of this agreement. In addition, PPRT funding for FY21 is now expected to be higher than anticipated. In FY21, TUFL should expect to receive an estimated \$80,188 instead of the budgeted \$63,701. We anticipate a 3.9% increase on that for FY22, or \$83,323. Although this is an increase over FY21, PPRT revenue in FY20 was \$97,132, and the \$80,188 anticipated in FY21 is the lowest PPRT revenue FY14 – FY21.



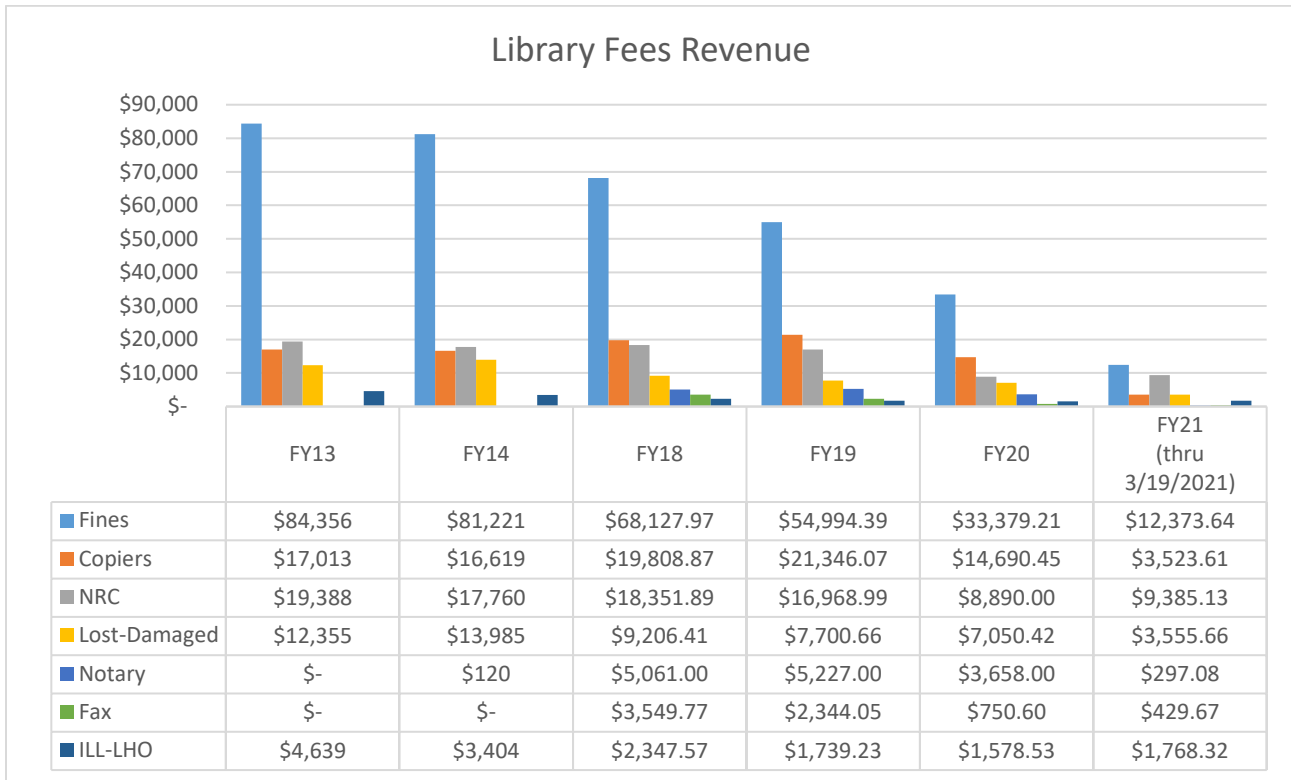
PROPERTY TAXES	\$3,641,898.65
PPRT	\$83,323.00
STATE PER CAPITA FOR LIBRARY	\$51,563.00
GRANTS FROM LOCAL GOVERNMENTS	\$45,920.00
CITY OTHER CONTRIBUTION	\$220,900.00
FRANCHISE FEE	\$33,350.00
CAFÉ REVENUES	\$65,500.00
OTHER SALES	\$3,000.00
LIBRARY FEES	\$55,900.00
INVESTMENT INCOME	\$500.00
OTHER REIMBURSEMENTS	\$70,350.00
DONATIONS/CONTRIBUTIONS/GIFTS	\$60,280.00
OTHER MISCELLANEOUS REVENUES	\$50,250.00

Library Fees revenue is not dependable except that it has been decreasing for almost a decade. There is a cost to removing barriers to access in a number of ways, and it makes us more available to our community:

- Increasing number of renewals on items and extending the time some collections circulate
- Increasing size and variety of digital collections, which do not accrue fees, and although overall circulation is down quite a bit, circulation of digital items/downloadables has more than doubled
- Increasing limits of accrued fines before patrons are blocked from using their cards or being sent to collection
- Proving access to scanners so patrons can email themselves items for free that they used to pay to copy or fax

In FY22 we will explore going fine free, per the Strategic Plan’s emphasis on diversity, equity, and inclusion. For now, we recommend an intermediary step: Implement the auto-renewal function in Polaris, which automatically renews items for patrons unless there is a hold on the item for someone else. Libraries across the state which our patrons use are either fine free and/or offer automatic renewals, including the Champaign Public Library. This provides an inconsistent patron experience, since our patrons check out items from both locations. On the other hand, TUFL has large and imminent Facilities needs in order to provide a safe and welcoming environment for patrons and staff. The FY22 budget strives to balance patron access and good stewardship and sustainability.

We do have one area with potential for new growth: The Champaign County Historical Archives has been evaluating how other archives approach remote research/reference/requests for documents. CCHA is exploring different fee-based models that could recover more of our costs to provide the service, addressing *Enhance, Goal 1’s* charge “to allow for growth and sustainability.” We hope to share additional information in the May budget proposal.



802 Donations & Grants

A gift from the Urbana Free Library Foundation of \$51,530 is listed in the 802 General Fund in Donations. Other projects may be paid by the Foundation directly, and some pass-through gifts as memorials will be included in the 810s in the gift book funds. In addition, TUFL will receive the second half of the Public Arts and Culture grant for \$1,250 and will be applying for the second year of the UC2B WiFi hot spot grant for \$7,500.

Other Miscellaneous Revenues

It is possible that TUFL will receive up to \$50,000 in an Illinois infrastructure appropriations bill passed a couple of years ago. This is included in FY22 in Facilities Building expenses for items like carpeting and paint. The funds will not be spent until they are received.

802 Expenses

Over the past year, as we have implemented our strategic plan and adjusted our operations in response to the pandemic, we have noticed some shifts we need to make to better organize our work, which will create efficiencies and better serve our community and each other.

The Programming & Outreach Manager position in AYS (who facilitates programming and outreach across TUFL) will shift to D&P, which will be renamed “Community Engagement.” In the May budget proposal, fund shifts for programming budgets and the Manager’s wages will be included in Community Engagement’s budget.

Addressing both Enhance goals – *sustainability and increased satisfaction, engagement and retention* - TUFL created another full-time, benefited Information Assistant/Circulation Clerk position from an open part-time position and Hourly hours in FY21. The FY22 budget is the first full budget year with this new position, which provides stability in leadership and scheduling for public service desks.

In addition, due to staff turnover and an open Junior Systems Administrator position, we have explored the benefits of contracting with a managed service provider for services such as systems administration and cybersecurity. Bids were just received and are being evaluated. A line for this professional, contracted service will be added to the IT budget in the May budget proposal, funded with funds from the IT staffing line.

In FY21, given the decrease in Library use due to COVID, we temporarily decreased hours of service TUFL is open to the public, and have decreased the number of staff at public service desks necessary to meet the demand. The FY22 budget anticipates a continuation of this decreased use in the first quarter but increasing staffing as the year progresses.

In addition, to create a baseline budget, the Café is budgeted to have expenses match revenues, based on the fact that it will not reopen until we are confident it will break even. Breaking even will be even more difficult now than before, with the minimum wage increasing every year by \$1/hour into 2025 and the decreased foot traffic in the Library. The Café did not break even before COVID-19.

Minimum Wage

As of January 1, 2021, the new minimum wage became \$11/hour, and wages for the hourly Shelver/Baristas (pay grade 19-Hh) were increased proportionally (base = Minimum Wage, Step 1 and Step 2). In January 2022, the minimum wage will increase to \$12/hour, which is increasing the Circulation wage budget. The Library does not recommend changing other wage lines on the wage scale this year, but will re-evaluate in FY22 for FY23.

Illinois State Minimum Wage Chart		TUFL Timeline						
Year	Minimum Wage		Starts	Ends			Starts	Ends
1/1/2020	\$9.25							
7/1/2020	\$10							
1/1/2021	\$11	FY21	1/1/2021	6/30/2021		FY22	7/1/2021	12/31/2021
1/1/2022	\$12	FY22	1/1/2022	6/30/2022		FY23	7/1/2022	12/31/2022
1/1/2023	\$13	FY23	1/1/2023	6/30/2023		FY24	7/1/2023	12/31/2023
1/1/2024	\$14	FY24	1/1/2024	6/30/2024		FY25	7/1/2024	12/31/2024
1/1/2025	\$15	FY25	1/1/2025	6/30/2025		FY26	7/1/2025	12/31/2025

Expenses for the 802 General Fund are below:

The *Serving Our Public 4.0* standards recommend that materials account for 8 – 12% of total operating budget. Materials spending is listed below, both with and without supplies, automation, and staffing costs. The collection is an important asset and a large proportion of TUFL resources are directed to it.

	FY21	FY22 802 Expenses
Total (operating + some gifts but no capital) budget	\$ 4,236,246.00	\$ 4,323,011.00
Total on materials including supplies, automation, and staffing costs	\$ 523,553.70	\$ 1,037,998.76
% of budget spent including "extra" costs	12.4%	24.0%
Total on materials only	\$ 462,044.60	\$ 470,405.00
% of operating budget spent materials only	10.9%	10.9%

Account Type	Organization	Object	Project	Account Description	2022 Department Budget	2021 Revised Budget	2021 Actuals	2020 Revised Budget	2020 Actuals					
R	802	40100		PROPERTY TAXES	(\$3,641,898.65)	(\$3,498,367.24)	(\$3,124,656.28)	(\$3,375,649.00)	(\$2,974,462.44)					
R	802	40302		PPRT	(\$83,323.00)	(\$63,701.00)	(\$61,825.37)	(\$91,001.00)	(\$96,612.78)					
R	802	40309		STATE PER CAPITA FOR LIBRARY	(\$51,563.00)	(\$51,563.00)	(\$51,562.50)	(\$51,563.00)	(\$51,562.50)					
R	802	41500		GRANTS FROM LOCAL GOVERNMENTS	(\$45,920.00)	(\$45,920.00)	(\$39,420.00)	(\$45,920.00)	(\$45,920.00)					
R	802	41700		CITY OTHER CONTRIBUTION	(\$220,900.00)	(\$226,050.00)	(\$146,973.12)	(\$186,188.00)	(\$180,647.14)					
R	802	44220		FRANCHISE FEE	(\$33,350.00)	(\$33,350.00)	(\$33,350.00)	(\$33,350.00)	(\$33,350.00)					
R	802	44506		CAFE REVENUES	(\$65,500.00)	(\$65,500.00)	(\$469.10)	(\$72,665.00)	(\$44,909.05)					
R	802	44599		OTHER SALES	(\$3,000.00)	(\$2,400.00)	(\$549.16)	(\$3,000.00)	(\$1,745.35)					
R	802	44800		LIBRARY FEES	(\$55,900.00)	(\$91,314.00)	(\$39,353.68)	(\$102,800.00)	(\$69,997.22)					
R	802	45000		INVESTMENT INCOME	(\$500.00)	(\$3,018.80)	(\$364.00)	(\$5,400.00)	(\$5,412.08)					
R	802	46290		OTHER REIMBURSEMENTS	(\$70,350.00)	(\$65,046.00)	(\$64,831.24)	(\$59,858.00)	(\$65,043.28)					
R	802	46300		DONATIONS/CONTRIBUTIONS/GIFTS	(\$60,280.00)	(\$91,010.00)	(\$36,876.94)	(\$71,560.00)	(\$45,767.20)					
R	802	46900		OTHER MISCELLANEOUS REVENUES	(\$50,250.00)	(\$255.50)	(\$8,956.31)	(\$250.00)	(\$12,267.65)					
R	802	49810		TFR FROM LIBRARY TRUST FUND	\$0.00	\$0.00	\$0.00	(\$191,500.00)	(\$20,540.20)					
				TOTAL 802 REVENUE	(\$4,382,734.65)	(\$4,237,495.54)	(\$3,609,187.70)	(\$4,290,704.00)	(\$3,648,236.89)					
E	80280800	50110		SALARY - REGULAR EMPLOYEES	\$299,797.00	\$293,742.00	\$206,324.84	\$291,289.00	\$285,009.47					
E	80280800	52320		TRAVEL, EDUCATION AND TRAINING	\$10,350.00	\$5,350.00	\$2,574.40	\$16,500.00	\$15,584.65					
E	80280801	50210		INSURANCE	\$225,170.00	\$190,275.00	\$114,199.22	\$191,353.00	\$150,887.83					
E	80280801	50220		FICA AND MEDICARE	\$184,850.00	\$179,546.00	\$117,292.79	\$174,358.00	\$163,050.91					
E	80280801	50240		RHS CONTRIBUTION	\$37,337.00	\$34,650.00	\$12,564.80	\$35,400.00	\$15,988.72					
E	80280801	50251		IMRF & SURS	\$220,900.00	\$226,050.00	\$146,973.12	\$186,188.00	\$180,647.14					
E	80280801	51410		SMALL TOOLS & EQUIPMENT	\$5,900.00	\$6,080.90	\$4,061.99	\$6,860.00	\$6,699.04					
E	80280801	51900		OTHER SUPPLIES	\$62,000.00	\$69,300.00	\$37,424.21	\$63,000.00	\$53,883.98					
E	80280801	52199		OTHER PROFESSIONAL SERVICES	\$39,970.00	\$45,790.00	\$16,231.51	\$35,540.00	\$19,096.37					
E	80280801	52202		EQUIPMENT REPAIR & MAINT	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	\$115.00					
E	80280801	52203		MAINTENANCE AGREEMENTS	\$5,105.00	\$4,620.00	\$3,910.88	\$1,950.00	\$1,836.59					
E	80280801	52721		WORKER'S COMP CLAIMS	\$10,000.00	\$10,000.00	\$7,688.42	\$10,000.00	\$9,780.12					
E	80280801	52902		POSTAGE & PRINTING	\$5,095.00	\$5,000.00	\$3,889.75	\$5,000.00	\$3,569.80					
E	80280801	52904		RECRUITING EXPENSES	\$500.00	\$725.00	\$709.00	\$500.00	\$480.15					
E	80280801	52907		CREDIT CARD & BANK FEES	\$3,020.00	\$5,907.00	\$2,210.05	\$6,000.00	\$5,380.45					
E	80280801	52999		OTHER CONTRACTUAL SERVICES	\$44,925.00	\$44,087.00	\$37,218.71	\$53,420.00	\$53,043.90					
E	80280801	53440		OTHER EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
E	80280801	59803		TFR TO LIBRARY RESERVE FUND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
E	80280801	59820		TFR TO BUILDING FUND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
E	80280802	50110		SALARY - REGULAR EMPLOYEES	\$805,773.00	\$787,600.00	\$544,583.66	\$773,705.00	\$755,021.17					
E	80280802	51801		LIBRARY BOOKS	\$137,438.00	\$141,760.20	\$98,450.31	\$136,358.25	\$127,224.00					
E	80280802	51801	80103	LIBRARY BOOKS	\$57,584.00	\$58,543.30	\$42,954.64	\$54,700.00	\$50,813.16					
E	80280802	51802		NEW COLLECTIONS	\$0.00	\$0.00	\$0.00	\$1,594.53	\$1,594.53					
E	80280802	51802	80103	NEW COLLECTIONS	\$27,668.00	\$24,151.50	\$14,063.55	\$17,600.00	\$9,834.19					
E	80280802	51803		LIBRARY PERIODICALS	\$10,889.00	\$12,500.00	\$11,445.26	\$17,630.00	\$17,526.92					
E	80280802	51803	80103	LIBRARY PERIODICALS	\$491.00	\$490.00	\$480.87	\$650.00	\$410.75					
E	80280802	51804		AUDIOBOOKS	\$6,377.00	\$6,500.00	\$4,618.84	\$10,184.98	\$9,829.43					
E	80280802	51805		CDS	\$4,905.00	\$7,150.00	\$6,460.36	\$6,507.19	\$5,841.98					
E	80280802	51806		DVD'S	\$30,312.00	\$34,000.00	\$18,855.35	\$35,731.86	\$34,794.96					
E	80280802	51806	80103	DVD'S	\$6,377.00	\$4,708.70	\$2,579.79	\$8,300.00	\$7,779.44					
E	80280802	51807		RECORDINGS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
E	80280802	51807	80103	RECORDINGS	\$6,989.00	\$6,324.10	\$2,956.13	\$5,200.00	\$4,520.97					
E	80280802	51809		GAME	\$5,690.00	\$2,961.50	\$1,236.80	\$3,500.00	\$2,558.68					
E	80280802	51811		DOWNLOADABLES	\$97,120.00	\$93,000.00	\$64,304.85	\$89,225.00	\$89,147.35					
E	80280802	51812		LIBRARY PROGRAM SUPPLIES	\$14,100.00	\$11,660.00	\$8,902.01	\$15,030.00	\$13,801.82					
E	80280802	51812	80102	LIBRARY PROGRAM SUPPLIES	\$3,400.00	\$3,300.00	\$1,857.45	\$3,750.00	\$3,029.19					
E	80280802	51812	80103	LIBRARY PROGRAM SUPPLIES	\$3,400.00	\$3,270.00	\$1,443.89	\$3,200.00	\$2,612.96					
E	80280802	52320		TRAVEL, EDUCATION AND TRAINING	\$3,124.00	\$3,066.00	\$49.00	\$3,000.00	\$1,902.23					
E	80280802	52910		DATABASE CHARGES	\$39,240.00	\$36,922.70	\$26,296.83	\$37,515.00	\$37,515.00					
E	80280802	52910	80103	DATABASE CHARGES	\$0.00	\$3,362.60	\$0.00	\$3,300.00	\$3,298.25					
E	80280803	50110		SALARY - REGULAR EMPLOYEES	\$269,020.00	\$264,627.00	\$178,508.99	\$273,011.00	\$227,456.67					
E	80280803	51801		LIBRARY BOOKS	\$4,070.00	\$4,770.00	\$4,495.51	\$4,400.00	\$4,321.67					
E	80280803	51803		LIBRARY PERIODICALS	\$3,600.00	\$3,100.00	\$2,412.90	\$4,000.00	\$2,461.70					
E	80280803	51808		MICROFORM	\$15,155.00	\$5,000.00	\$0.00	\$5,160.00	\$5,155.50					
E	80280803	51812		LIBRARY PROGRAM SUPPLIES	\$800.00	\$800.00	\$288.31	\$800.00	\$43.29					
E	80280803	52320		TRAVEL, EDUCATION AND TRAINING	\$1,800.00	\$1,450.00	\$324.00	\$1,500.00	\$119.00					
E	80280803	52910		DATABASE CHARGES	\$16,500.00	\$16,300.00	\$16,210.76	\$15,589.00	\$11,316.75					
E	80280803	52912		FACILITY RENTAL	\$8,700.00	\$8,700.00	\$7,975.00	\$0.00	\$0.00					
E	80280804	50110		SALARY - REGULAR EMPLOYEES	\$52,050.00	\$50,381.00	\$10.63	\$48,238.00	\$43,659.96					
E	80280804	51900		OTHER SUPPLIES	\$13,200.00	\$33,230.00	\$220.75	\$37,841.00	\$25,274.68					
E	80280804	52320		TRAVEL, EDUCATION AND TRAINING	\$250.00	\$250.00	\$0.00	\$500.00	\$428.00					
E	80280805	50110		SALARY - REGULAR EMPLOYEES	\$31,230.00	\$0.00	\$0.00	\$0.00	\$0.00					
E	80280805	51420		OFFICE FURNITURE	\$0.00	\$0.00	\$0.00	\$32,500.00	\$2,957.00					
E	80280805	52201		BUILDING REPAIR & MAINT	\$220,344.00	\$278,708.74	\$116,672.48	\$219,439.00	\$184,255.67					
E	80280805	52600		UTILITIES	\$156,213.00	\$153,300.00	\$119,937.05	\$150,000.00	\$129,834.37					
E	80280805	52710		INSURANCE PREMIUM	\$42,441.00	\$41,650.00	\$40,496.00	\$38,500.00	\$37,251.00					
E	80280805	53200		BUILDING	\$103,367.65	\$0.00	\$0.00	\$181,122.50	\$23,133.36					
E	80280806	50110		SALARY - REGULAR EMPLOYEES	\$214,653.00	\$210,110.00	\$157,159.58	\$207,220.00	\$199,904.21					
E	80280806	51900		OTHER SUPPLIES	\$32,000.00	\$32,780.00	\$14,854.90	\$30,000.00	\$26,744.10					
E	80280806	52320		TRAVEL, EDUCATION AND TRAINING	\$1,000.00	\$1,000.00	\$0.00	\$1,000.00	\$228.00					
E	80280807	50110		SALARY - REGULAR EMPLOYEES	\$433,700.00	\$419,650.00	\$302,916.53	\$417,452.00	\$395,802.30					
E	80280807	52320		TRAVEL, EDUCATION AND TRAINING	\$500.00	\$500.00	\$49.00	\$0.00	\$0.00					
E	80280808	50110		SALARY - REGULAR EMPLOYEES	\$145,910.00	\$140,824.00	\$72,541.55	\$134,300.00	\$128,743.96					
E	80280808	51500		SHARE DIT COSTS	\$73,900.00	\$72,523.00	\$37,116.02	\$118,439.00	\$87,576.12					
E	80280808	51900		OTHER SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00					
E	80280808	52600		UTILITIES	\$2,700.00	\$2,763.80	\$1,865.50	\$2,900.00	\$2,692.78					

