



## ALTADENA LIBRARY DISTRICT

### BUDGET NARRATIVE

FY 2019-20

#### SCHEDULE A: DETAIL BUDGET

Provides a detailed budget for Altadena Library District (the District) by various categories and accounts. The Detail budget has been strategically condensed and formatted in FY 19-20 from the FY 18-19 version for ease of use and analysis. Both the detailed and condensed versions are available in the Board Packet. Minor changes to some account names have also been made for informational and/or descriptive purposes.

#### *Revenues*

- Line 1, Transfer In From Reserves allocates unexpended funds from the fiscal year 18/19 budget that the District will carry over to use during fiscal year 19/20. The \$91,000 is made up of \$11,000 for Executive Search, \$50,000 for Architectural & Engineering and \$30,000 for Strategic Planning.
- Line 2, Donations & Grants includes funds received (as donations) from outside sources such as the Altadena Library Foundation (4705), Friends of the Library (4710), California State Library (4740) and California Library Literacy Services (4750). We anticipate receiving the same grants from California State Library and Literacy Services, as well as an increase in donations from the Friends of the Library.
- Line 3, Fines & Fees contains revenues from Library Fees (4305), MFM (Multi-Function Machine)/Printer Revenues (4310), Passport Services Fees (4340), and Sales of Products (4350). We've increased revenue from Printing based on this year's figures, and decreased revenue from Fees as we no longer charge late fees.
- Line 4, Interest Income & Adjustments is budgeted conservatively to stay the same as FY 18-19. They are a minor source of revenue for the District in FY 19-20, but cash reserves are now held at the County instead of Chase Bank and are anticipated to earn a more favorable interest rate in the future.
- Line 5, Other Revenues includes Film Rental Revenue (4915), E-Rate Revenue (4930), Transfer in from Reserves (4940) and Credit Card Rebates (4999). The District rents out library property for filming as an additional revenue source. E-Rate Revenue accounts for the reimbursement the District receives from Califa for broadband internet service.
- Lines 7-11, Property Taxes (4010-4050) are the largest source of revenue for the District. Property taxes are anticipated to increase by 2% in FY 19-20 per the County Assessor maximum allowance.

- Line 12, Special Assessment (4060) is another major source of revenue. It is the District's portion of the County per parcel benefit assessment and is anticipated to increase 2% for FY 19-20. Please note that this revenue is anticipated to sunset in FY 23-24 (the final year of assessment).
- Lines 13-14, Penalties and County Interest (4080, 4220) are budgeted in FY 19-20 with a minor increase from FY 18-19 year-end projections due to rising interest rates.
- Line 16, Total Revenues in FY 19-20 are anticipated to have an overall increase from FY 18-19 mainly due to the increase in Property taxes.

### **Expenses**

- Line 19, Salaries & Wages (5010, 5020) in FY 19-20 are anticipated to increase with expected employee step increases based on anniversary dates and adjustments to salary schedule. A 0% COLA increase is reflected in the budget. The budget also reflects some upgrades to the organizational structure.
- Line 20, Employer-Portion Taxes/Benefits contains the Employer portions of various state and federal payroll taxes (5120), PERS Retirement contributions (5210.01, 5210.02), OPEB contribution (5222) and the PERS Unfunded annual payment (5218). Payroll taxes and PERS Retirement Contributions are budgeted per employee based on estimated annual salary. The OPEB contribution and PERS Unfunded payment are fixed contributions made by the District once a year to fund retirement liabilities.
- Line 21, Health Insurance & Worker's Comp includes insurance costs for Health (5220), Dental (5230), Vision (5240), Life (5260) and Workers Compensation (5270). Retiree Health Insurance (5221) is conservatively budgeted to increase by 6%. Worker's Compensation increased over last year due to an increase in claims.
- Line 24, Equipment Furniture & Fixtures (7310) includes funds for replacement of public and staff computers, a Public Announcement and audio system, and ergonomic chairs for staff.
- Line 25, Structures & Improvements (7320) contains a limited number of capital projects. Major projects are postponed in anticipation of recommendations by the Architectural and Space Planning consultant. Lighting improvements (updated breaker boxes), Thermostat Controls and Roof Repairs are included in this budget.
- Line 27, Facilities, Grounds & Maintenance includes various Maintenance Contracts (7205), Building Maintenance & Repair (7210), Landscape (7220), Small Equipment (6755) and Janitorial Supplies (6765).
- Line 28, Library Materials contains costs for Cataloging Expenses (6110), Electronic Databases & Subscriptions (6115), Books (6120), Audio CDs (6125), DVDs & Videogames (6130), Processing of Materials (6135), Periodicals (6140), Downloadables (6150), and the Library of Things (6155). Includes increases to costs of subscriptions databases, audio CDs, DVDs, periodicals and processing costs.
- Line 29, Election Expense (7540) accounts for the cost of Trustee elections. In FY 19-20 there are no Trustees are up for election and the District does not anticipate spending here.
- Line 31, Utilities are the building costs for Electricity (6920), Natural Gas (6930), Water & Sewage (6940) and Refuse (6950). Refuse is expected to increase due to increased rates from the vendor.

- Line 32, Fees includes the costs of Banking Services (6745), Payroll Fees (6746) and County Tax Collection Services (7530).
- Line 33, Insurance accounts for the District cost of General Insurance (property, liability, equipment) (6430), and Earthquake Insurance (6432).
- Line 34, Staff Costs & Professional Development is made up of expenses for Trustees and Staff such as Trustee Professional Development (6623), Staff Training & Education (6625), Staff Recognition (6626), Meetings & Travel (6710), and Mileage & Parking Reimbursement (6730).
- Line 35, Operating Supplies contains Office Supplies (6770) as well as supplies for Technical Services (6775).
- Line 36, Advertising & Marketing includes the budgets for Recruitment (6618) and Marketing and Community Outreach (6627), which increases slightly to accommodate enhanced marketing software.
- Line 37-41, Other Operating includes budgets for Products for Resale (6960), Equipment Lease & Rental (6970), Membership Dues (6620), Printing & Reproduction (6750) and Postage & Delivery (6740). Sales of products accounts for the cost of library products for resale. The revenue for this item is maintained within line 3, Fines & Fees. Postage is expected to decrease due to the restructuring of agreements.
- Line 44, Professional includes costs for Audit & Financial Consulting (7125), Legal Fees (7130), Legal Settlement (7131), Architectural & Engineering (7140), Collection Agency (7145) and other Consulting (7155). In FY 18-19 the District experienced excessive litigation costs due to a personnel issue as well as a related legal settlement expense. These costs are not expected in FY 19-20 and as a result there is a significant decrease of professional expenses in the FY 19-20 budget. \$50,000 for Architectural Services and \$30,000 for Strategic Planning Services that were budgeted for FY 18-19 have been carried over to the FY 19-20 budget. We eliminated our answering service for an estimated savings of \$20,000. Staff is currently reviewing our Human Resources Services, and \$20,000 has been allocated in anticipation of those needs.
- Line 45, IT includes costs for IT Consulting (7135), Telecommunications (7170), Internet Service (7175), IT Equipment (7180), IT Maintenance (7185), and Website Development (7190). Most accounts in this category are expected to experience a decrease from the prior year due to the completion of RFID implementation. However, due to accounting procedure updates the category is increasing due to re-classing the E-Rate Reimbursement the District receives for internet service up to revenues instead of accounting for it here in the internet expense.
- Line 47, Programs is the cost to the District for operating Youth Services (6200), Teen Services (6210), Adult Services (6220), Bob Lucas Branch Services (6230), Literacy Services (6240), Volunteer Services (6250). Increases reflect additional programs approved and supported by the Friends of the Altadena Library and an additional budget for Volunteer Services.

## **SCHEDULE B: CAPITAL IMPROVEMENT PLAN**

See Lines 24 and 25.