

SCAPPOOSE PUBLIC LIBRARY DISTRICT

Budget Message

April 7, 2025

Scappoose Public Library will end the 2024-25 fiscal years in sound financial health. We will end the year with at least \$340,000 in cash on hand. 2025 is another year of growth for the library and we have substantially increased services to the public including an 87% circulation increase since 2021. Scappoose Library operates on a cash accounting basis.

Issues Impacting the Budget

The taxes due forecast for the Scappoose Public Library from the Columbia County Assessor for the 2025-26 fiscal years is \$408,364, a 3.5% increase over the 2024-25 collections. Tax collections were not normal this year because the denial of Cascade Paper's tax exemption yielded a one time windfall for the library of about \$45,000. I am estimating that we will collect about \$380,000 in property tax this year at a 5% non-collection rate.

Because of the Cascades Tissue back tax windfall which we are not spending in the current year, available cash on hand is estimated to be \$340,000 at the end of the current library fiscal year. This figure can be a bit confusing in the budget. By law the library operates on a fiscal year that coincides with the state budget year (July through June). However, the library does not receive much in tax income until late November when property tax is received. The cash on hand is what the library operates on during the first 1/3 of the new legal fiscal year until taxes begin to be received. Scappoose Library has been increasing operating cash carryover for the past six years.

Besides tax revenue, the library also receives grants and money from fines, fees, and meeting room rental. In the current fiscal year, the library has received over \$25,000 in state, private, and local grants. Those grants were to program specific grants. We use that money to pay for Movies in the Park, Summer Reading, Earth Day events, Columbia County Reads, and the new Scappoose SummerFestival.

The Friends of the Scappoose Public Library (FOSPL) have donated or pledged over \$4000 to the library in the current budget year. Their generous support allowed the library to purchase necessary materials and activities for the 2025 Summer Reading Program and expenses for staff presenting at the Oregon Library Conference. We are very grateful for their support.

The library is also considering asking taxpayers to support a 10 cent five year levy during the fall 2025 elections. Because of inflation and the extreme increases in utilities and the mandatory payments to the Public Employment Retirement System, we will need to cut hours, staff, and services when the windfall from Cascades Tissue runs out in about 2 years unless we get increased income.

The Scappoose Library District Proposed Budget For Fiscal Year 2025-26.

LB-30, Requirements Summary, This document summarizes the itemized budget documents LB-20 and LB-31.

LB-20, Resources, This shows resource projections estimated from current fiscal year results. Total resources proposed for fiscal year 2025-26 are \$779,000. I believe it is a realistic budget and accurately reflects budget resources that the library can expect. We will end the year with at least \$340,000 cash on hand. The estimated 2025-26 tax revenue for Scappoose Library is \$408,364. Applying an estimated collection rate of 93%, which is about the same as the average collection rate in our district for the past several years, I estimate that Scappoose Library will collect \$380,000 in the 2025-26 fiscal years. I also estimate that the amount of past due taxes paid will be about the same as this current year. Thanks to higher interest rates and based on what we are currently earning (currently 4.6%, but may fall in 2026), I anticipate \$12,000 in interest income from our Treasury account. We no longer charge late fees, but I anticipate the library will receive \$11,000 from meeting room rental, fines, fees, and other income which is an increase over last year supported by actual current sales. We also receive money to support library programs from the Friends of Scappoose Public Library and the State of Oregon. We anticipate receiving \$18,500 in state, local and private grants, including support from the Friends of Scappoose Public Library. We anticipate \$20,000 in donations and eventsponsorships. I anticipate \$1,000 in natural gas royalties.

Expenditures in General: The total for services is a slight (\$3,750) increase over 2024-25. The budget anticipates funding all activities as in the current budget year. The library is experiencing inflation most noticeably in the professional services, retirement costs and utilities we use. Other normal expenses are also rising due to inflation. However, we appear to have some unspent money in the current general fund, so I am moving that around to absorb some of the expected price increases. I am raising the operating contingency to \$50,000 this coming year in case inflation continues to surge or there is an emergency repair. Our contingency budget has always been used for emergencies, not normal operating costs.

LB-31, Personnel Services: The library has to a step scale for hourly employees. The step scale rewards experience by giving employees a 2% raise for each year of service in the library. The step scale is differentiated by paying employees with more experience, education, and job responsibility higher wages. Last year, the budget committee decided to alternate increased COLA between the two wage categories (associate vs. technician). Last year, we substantially increased the associate COLA. This year I am proposing a 4% wage increase for all employees including step. The director receives no wage increase this year. Scappoose Library wages are not competitive with other organizations with similar educational requirements to ours. Except for the director, all our professional staff earn \$19 -20 an hour and work 20 – 32 hours a week. Support staff earn \$15.50 to \$16.50 an hour and work 20 to 24 hours per week. The library does not provide health insurance to any employees and the only defined benefit provided is state retirement (PERS) of which the library mandatory rate is increasing from a rate of 18.24% of salary to 24.24% of salary. In addition, the employee contributes an additional 6.2% of their salary to PERS. I am increasing this budget this

year by \$20,000 and laying off one 8 hour per week employee to contain the cost increases from PERS and raises.

LB-31, Material and Services,

Circulation of physical materials and eBooks increased 8% so far this fiscal year. We are the most used library in Columbia County and circulate 25% more than our closest competitor. We have had inflationary shocks to our budget this year including increases in utility rates and a 20% increase in insurance costs. I have looked for cost savings in the budget to absorb these increases without exceeding our total Materials and Services budget. These include: not replacing our janitor, increasing/decreasing temperatures in the building, laying off an 8 hour per week employee. The combination of our limited budget and increased use makes savings increasingly difficult to find without cutting services or attempting to pass a levy increase. Since 2021, circulation has increased 87%. The total for services is a 2% increase over 2024-25. The increase is to help partially offset inflation. The library is experiencing inflation most noticeably in the professional services we use, computer services, and utilities. Other normal expenses are also rising. I have based the numbers in this budget on our spending from the current year through March. Because we don't have much excess in the budget and an aging building, those figures can change a lot from year to year. I am raising the operating contingency to \$50,000 this coming year in case inflation continues to surge. Our contingency budget is used for emergencies, not normal operating costs.

We have greatly expanded adult and children's in person programming with programs occurring nearly every calendar day. A major proportion of the public programming the library produces is paid by grants and sponsorships. I have increased the Summer Reading budget by \$500 to pay for the increased participation we have been enjoying which is a result of having a good staff to run it. I have decreased some funds that appear to have been overbudgeted this year in order to hold down the general fund budget increase. I have decreased the adult programming budget by \$1,300 because I don't think we need as much money to put the events on. The biggest category increase is in elections to pay for possible ballot levy. I also hope to get money from the Friends of Scappoose Library to help pay for the ballot measure.

I believe the budget is balanced and as close as we can estimate at this time. I think library operations will be much more normal as we emerge from the pandemic. I believe the Board of Directors, Librarian, Staff, Volunteers, and Patrons can all look forward to another year of growth, programs and community involvement in fiscal year 2025-26.

Respectfully Submitted;

Jeff Weiss,
Budget Officer