

SCAPPOOSE PUBLIC LIBRARY DISTRICT

Budget Message

April 7, 2023

Scappoose Public Library will end the 2022-23 fiscal years in sound financial health. We will end the year with at least \$245,000 in cash on hand. We managed to slightly increase our cash on hand year over year while increasing collection size and services to the public substantially. Scappoose Library operates on a cash accounting basis.

The taxes due forecast for the Scappoose Public Library from the Columbia County Assessor for the 2022-23 fiscal years is \$386,551, a 4.6% increase over the 2022-23 budgets. Tax collections were normal this year and we have received slightly more in taxes than I estimated for the current fiscal year budget. The library has built up a cash balance in the past 4 years and we should end the current budget cycle with \$245,000 or more in cash which is over 7 months of average expenses.

I am expecting tax collections to be within the norm for the past several years. Based on the normal assumption of a non-collection rate of 7% of the imposed tax, the library would yield about \$365,000 for the 2023-24 fiscal year. This is a conservative collection rate though. For the past 3 years, our non-collection rate has been about 5%. For the current fiscal year, the library has collected 102% of this year's estimated total tax collection by March with three more months of collections to go. We will exceed my budget estimates for tax collection this fiscal year probably by 5%.

Available cash on hand is estimated to be \$245,000 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 legal fiscal year until taxes begin to be received. Scappoose Library has been increasing operating cash carryover for the past five 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 \$17,000 in state, private, local and federal grants. Those grants were program specific grants. We use that money to pay for Movies in the Park, Summer Reading, Earth Day events, and a new network firewall.

The Friends of the Scappoose Public Library (FOSPL) have donated or pledged over \$2500 to the library in the current budget year. Their generous support allowed the library to purchase necessary materials and activities for the 2021 Summer Reading Program. We are very grateful for their support.

The Scappoose Library District Proposed Budget For Fiscal Year 2023-24.

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

In Personnel, I am proposing giving staff a raise related to inflation in 2023-24 which would be a 5% raise plus the longevity step of 2%. Scappoose Library wages are not competitive with other organizations with similar educational requirements to ours. Except for the director, all our professional staff earn \$17 - \$18 an hour and work 20 – 32 hours a week. The library does not provide health insurance and the only defined benefit provided is state retirement. The bonuses are a way for us to show appreciation for their work. We also received a state grant to hire a teen intern for summer break. The intern will be a teen entering either their junior or senior year of high school. They will work at the library 10-12 hours per week and need to create and implement a special creative project before the end of their employment.

LB-31 Expenditures, The total for services is a 7% increase over 2022-23. The library is experiencing inflation most noticeably in the professional services we use. Other normal expenses are also rising. I have based the numbers in this budget on our spending from the current year through March. I also propose changing the “other” budget line to Professional Memberships because we belong to several state organizations but don’t have a good way to track those expenses. I am raising the operating contingency to \$42,000 this coming year in case inflation continues to surge. Our contingency budget is used for emergencies, not normal operating costs.

LB-20, Resources, This shows resource projections estimated from current fiscal year results. Total resources proposed for fiscal year 2023-24 are \$650,000. I believe it is a realistic budget and accurately reflects budget resources that the library can expect. We will end the year with \$245,000 cash on hand. The estimated 2023-24 tax revenue for Scappoose Library is \$386,551. 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 \$365,000 in the 2023-24 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 (over 3.5%), I anticipate \$9,000 in interest income from our Treasury account. We no longer charge late fees, but I anticipate the library will receive \$9,500 from meeting room rental, fines, fees, and other income which is slightly less than in previous years. We also receive money to support library programs from the Friends of Scappoose Public Library and the State of Oregon. We anticipate receiving \$11,000 in state and private grants, and support from the Friends of Scappoose Public Library. We anticipate \$2,500 in donations. I anticipate \$1000 in natural gas royalties because the county overpaid royalties to everyone in 2021, so we received no royalties in this current year. I’m expecting a minor amount this year.

LB-31, Personnel Services: The library has moved 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. I am proposing giving employees a 5% raise in addition to the step increase.

LB-31, Material and Services,

Circulation of physical materials and eBooks increased over 33% so far this year. The library is exceeding pre-pandemic facility use. We have greatly expanded adult and children's in person programming and have no restrictions on patrons in the library. We are planning a normal slate of summer activities and movies. I think the proposed budget will allow us to do that.

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 2023-24.

Respectfully Submitted;

Jeff Weiss,
Budget Officer