

RTM Education Committee Minutes

Special Meeting, 2/6/20

Blackstone Memorial Library

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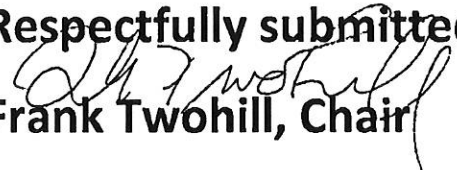
TOWN CLERK'S OFFICE
BRANFORD, CONNECTICUT

**Committee Members Present: Reps. Jackson, Sember &
Twohill**

Absent: Reps. Prete, Soomro, Anderson & Hynes

Also Present: Reps. Sires & Stepanek

Chairman Twohill called the meeting to order at 6:05 p. m. The sole agenda item was to hear how the Blackstone prepared it's annual budget request to the Town. The Committee heard from Trustees Chair Polly Fitz, Librarian Karen Jensen and Treasurer, Rick Mahoney. Karen described the budgeting process and her Memorandum detailing the steps taken, Income, Expenses & Capital Requests result in the budget. Her Memorandum describing the process dated 2/6/20 is attached. Meeting adjourned at 6:45 p. m. and a library tour was then provided to the Representatives.

Respectfully submitted

Frank Twohill, Chair



Memorandum

To: Town of Branford RTM Education Committee Members
CC: Polly Fitz, President, Board of Trustees; Rick Mahoney, Treasurer;
Adam Spilka, Assistant Treasurer; Kathy Oxsalida, Business Manager
From: Karen Jensen, Library Director
Re: Blackstone Library Budget Development Process
Date: February 6, 2020

Dear Members of the RTM Education Committee,

In connection with the request of the Education Committee to better understand our budget process, I am pleased to provide background information.

The James Blackstone Memorial Library is a 501(c) 3 not-for-profit organization which serves as Branford's principal public library. The library's mission is to provide essential access to information, resources and unique shared experiences to help ensure Branford is an educated and enriched community. The success of this mission depends on a strong relationship with the governing body of the Town of Branford and a continuing commitment to the Library's support.

Managing a \$1.6 million budget is a year-round endeavor. However the budget cycle begins in earnest in December of each year, once we have the first six months of the current year's expenditures and the audited previous year's budget to actual comparison. We then begin to investigate any anticipated cost variances in contracts, materials and supplies.

The library's budget, unlike regular town departments, is the organization's **total budget** including health insurance, pension, FICA, utilities, building & grounds maintenance, etc.—items for which the library continually monitors and evaluates contracts and pricing.

The Blackstone budget is developed and tracked by the library's business manager and library director. As the governing and fiscal authority for the library, the Board of Trustees reviews the proposed budget prior to submission to the Town.

1. Income – *Calculating what we have to work with*

- Town of Branford Operating Grant – typically 85% of the library's total operating cost; we try to limit the annual increase to 2.5%
- Program Operations – income from copier/fax machine, lost items, auditorium rental, fines
- Contributions – cash donations inside the library and donations to our (2) mailed appeals

- Development & Fundraising – The Trustees’ Development Committee projects income from planned events, such as minigolf, Hogwarts, etc.
- Other Grants – We have consistently relied on borrowIT* funds from the State of Connecticut (\$5,000), and grants for specific programs that come to the library through application (Allen Louis Loeb Foundation and Guilford Savings Bank for a total of \$5,000).
- Long Term Investments -- we limit withdrawals to 5% of the average total balance of library investment accounts on December 31 of the most recent three years (\$121,213 for FY 2021).

*borrowIT, formerly Connecticard, refers to the State’s cooperative borrowing agreement which compensates the library for materials it loans to out of town patrons.

2. Expenses – Determining the Library’s needs

- Review the past 12 months’ budget vs. actual, noting trends.
- Review contracts/pricing from vendors (supplies, building & grounds maintenance, liability insurance, LION etc.) and note any variances. Investigate other vendors if increases are excessive.
- Calculate salaries based on headcount, cost of living increases recommended by Town Finance Director. Other factors influencing salaries include recommendations by the CT Library Association, pay rates at area libraries competing for staff, and rates paid to Town employees in comparable positions, especially Town library employees.
- Calculate corresponding payroll taxes.
- Health Insurance – the projected increase is based on the recommendation of the CT Insurance Commissioner – our provider notifies us of the actual increase in June. Other factors that affect this line include changes in coverage for employees. We strive to include an open enrollment allowance. Library staff contribute 15% of the total cost.

3. Capital Requests

- The Blackstone Library Board of Trustees’ Building Committee determines capital building needs in cooperation with the library director and presents them to the Trustees for approval.
- Department supervisors recommend furniture and equipment purchases that are reviewed by the library director and presented to the Trustees for approval.

4. Proposed Budget – Our starting point

Once staff has determined the library’s projected income and expenses, these numbers are entered into the budget spreadsheet. The Finance Committee of the Board of Trustees meets and works with library staff to adjust projected expenses and income, based on instructions from the Town Finance Director received in January. The library is careful to limit the request for town appropriation to no more than 85% of the total operating budget. The library also endeavors to keep the overall budget increase to approximately 2.5%. The proposed budget is submitted to the Trustees for approval and the approved budget is submitted to the Town. The Trustees’ president, treasurer, library director and business manager meet with the First Selectman and Finance Manager to discuss the request before it is sent to the Board of Finance.

5. Additional Factors – *What is going on around us?*

- ***We take trends and best practices into account:*** for instance, last year the LION consortium voted to allow items to be automatically renewed, which has already been perceived as a benefit by our patrons, but has reduced our income from fines. The emerging best practice is for libraries to move toward eliminating fines completely. This is important to know for revenue projection. Health insurance is another area where costs are trending upward.
- ***We review contracts regularly*** and solicit pricing from at least 3 vendors for major purchases whenever possible. We recently reviewed pricing for office supplies and determined that we continue to receive the best pricing through Quill. We implemented a system to better track supply usage in order to realize a significant savings. We review statistics for materials circulation and use them to influence materials purchases. We recently reviewed our periodical subscriptions and cancelled those that were not being used.
- ***We try to use the same vendor(s) as the Town whenever possible and take advantage of their municipal rate for utilities.***
- ***The Friends contribution is not included in the budget request:*** New library initiatives that are not included in the operating budget are sometimes funded by the Friends of the library; for instance, maker equipment (3D printer, sewing machines, video equipment), copy machine for administrative office, HOOPLA and Kanopy streaming services were all funded by the Friends. The Friends continue to fund the total cost of HOOPLA and Kanopy, estimated to exceed \$12,000 in FY 2021. They also supplement the circulating materials budget and pay for other special items including a sound system for the auditorium.
- ***Most libraries in CT spend more on books and other circulating materials:*** The amount of \$100,000 has not been increased since 2008, and was actually reduced in recent years as income from the auditorium rental was not available. Based on CT library statistics reported for FY 2019, the average materials funding per capita is \$5.08. The combined materials budget of JBML and WWML amount to \$3.85 per capita. As a goal, increasing the JBML budget to \$110,000 would bring the town to \$4.84, closer to the average and above the median at \$4.42. Furthermore, increasing the JBML to \$120,000 would bring the per capita materials expenditure to \$5.19.