Sara Peer

From: Sent: To: Subject: Attachments: Neil Jensen Friday, August 18, 2023 11:57 AM Sara Peer FW: Revised 2024 budget 2024 Preliminary.xlsx

Neil L. Jensen Cannon Falls City Administrator 918 River Road Cannon Falls, MN 55009 507-263-9304

From: Nicole Miller <nmiller@selco.info>
Sent: Friday, August 18, 2023 10:08 AM
To: Neil Jensen <njensen@cannonfallsmn.gov>
Subject: Revised 2024 budget

Neil,

Thank you for meeting with two members of the Library Board and me to review the Library's preliminary budget request.

Following our discussion, we prepared a revised preliminary budget which is attached. The revised preliminary budget is approximately \$36,176 less than the budget presented to the Council at its last work session.

The revised budget reflects a 2.9% increase over the 2023 budget, well within the limits requested by the Council at its work session.

The budget items that are reasonably within our control are essentially flat or less than those items in the 2023 budget.

Compensation and benefits costs represent a significant portion of the budget increase. Gross compensation increases were the result of the wage study, with the increases applied to both part time and full-time employees as the job descriptions are the same. The allocations among different categories (e.g., wages, vacation pay, holiday pay, etc) have shifted slightly to reflect accurate values. This information for these items came from Michelle/HR.

While the wage study results in a greater increase in compensation than in prior years, for the last five years shown on the spreadsheet, compensation increases have been solely due to COLA and step increases in accordance with the City's practices. 2019 actual figures are anomalous due to an employee's unpaid time off under FMLA.

You stated in our meeting that the rent reflected in the budget in prior years was intended to provide a cushion against significant expense for repair of the library building owned by the City. You also said that this \$15,000 was put into the general fund. If the intent is to have a reserve, it seems that funds included as part of the Library Fund Levy should be in the library's dedicated reserve fund as required by the City's Code of Ordinances rather than part of the general fund. It also does not appear that any other City department is

charged rent, and since it is not clear why the library, which is a City department, should be treated differently, this expense is not reflected in the proposed budget.

Thank you again for the discussion earlier this week, it was very helpful.

Nicole Miller Library Director Cannon Falls Library 306 W Mill St. Cannon Falls, MN 55009 (507) 263-2804

| | | | | | | | RED= Increase or over | |
|-------------------------|---------------------------|--------------|--------------|----------------|--------------|----------------------------|----------------------------------|------|
| | | | | *as of //21/23 | | | BLUE= decrease or under | |
| | | | 3 | | 1000 | | | |
| 02.81 \$493,933.00 | \$492.175.00 \$493.702.81 | \$496.046.40 | \$505.449.00 | \$774.051.71 | <u> </u> | לקוא קעה 44 לבוא לעה 20 | Totals | |
| \$27,000.00 | \$26,500.00 \$24,217.00 | \$27,515.72 | \$27,500.00 | \$17,731.64 | \$30,000.00 | \$27,500.00 | 5900 Books | 590 |
| 1.00 \$7,400.00 | \$5,000.00 \$7,82 | \$6,302.04 | \$6,300.00 | | \$7,000.00 | \$6,500.00 | 5600 Furniture/Office Equipment | 560 |
| | | \$3,492.68 | | | \$6,000.00 | \$4,500.00 | 4393 Programs | 439 |
| \$4,500.00 | \$4,500.00 \$3,310.00 | \$2,800.26 | \$4,500.00 | | \$3,500.00 | \$3,000.00 | 4392 Audio/Visual | 439 |
|)4.00 \$3,000.00 | | \$1,812.24 | | Ş | \$3,000.00 | \$2,000.00 | 4391 Periodicals | 439 |
| | ş | \$1,051.82 | s | | \$2,100.00 | \$1,500.00 | 4390 Other Charges | 439 |
| \$379.00 \$200.00 | \$200.00 \$37 | \$379.00 | | | \$250.00 | \$250.00 | 4330 Dues & Subscriptions | 433 |
| 0.00 \$15,000.00 | | \$15,000.00 | | | \$15,000.00 | \$0.00 | 4120 Bldg Rental Expense | 412 |
| \$1.00 \$12,500.00 | 10 | \$12,501.84 | \$13,000.00 | | \$13,500.00 | \$9,600.00 | 4092 SELCO Service Contract | 409 |
| | \$3,200.00 \$3,341.00 | \$3,078.32 | \$3,500.00 | | \$4,000.00 | \$3,500.00 | 4040 Equipment Repair & Services | 404 |
| \$5,000.00 | | \$3,839.21 | \$5,000.00 | Ş | \$5,000.00 | \$5,000.00 | 4010 Bldg Repair & Services | 401 |
| | \$1,200.00 \$1,318.00 | \$1,539.91 | | | \$2,000.00 | \$2,000.00 | 3890 Other Utilities | 389 |
| \$902.00 \$2,500.00 | \$2,000.00 \$90 | \$951.61 | \$2,000.00 | \$2,372.81 | \$5,000.00 | \$5,000.00 | 3830 Gas Utilities | 383 |
| \$10,000.00 | \$8,000.00 \$6,782.00 | \$8,888.52 | | | \$9,500.00 | \$8,000.00 | 3810 Electric Utilities | 381 |
| \$9.00 \$3,500.00 | \$3,300.00 \$1,439.00 | \$6,496.55 | \$5,400.00 | \$5,364.60 | \$6,000.00 | \$6,000.00 | 3610 Insurance | 361 |
| \$993.00 \$1,000.00 | \$700.00 \$99 | \$697.94 | | | \$1,000.00 | \$700.00 | 3310 Travel & Training | 331 |
| 2.00 \$800.00 | \$400.00 \$52 | \$660.58 | | \$236.98 | \$600.00 | \$400.00 | 3220 Postage | 322 |
| \$2,000.00 | \$1,000.00 \$1,418.00 | \$1,856.64 | \$1,500.00 | | \$2,000.00 | \$1,500.00 | 3210 Telephone | 321 |
| \$750.00 \$800.00 | \$800.00 \$75 | \$750.00 | \$800.00 | \$2,270.00 | \$10,120.00 | \$7,000.00 | 3130 Cleaning Services | 313 |
| 29.00 \$200.00 | \$200.00 \$22 | \$530.65 | \$550.00 | \$565.93 | \$1,000.00 | \$700.00 | 3090 Data Processing | 309 |
| \$181.00 \$400.00 | \$300.00 \$18 | \$61.15 | \$400.00 | \$0.00 | \$400.00 | \$300.00 | 2230 Building Repair & Supplies | 223 |
| \$519.00 \$600.00 | | \$519.27 | \$650.00 | | \$700.00 | \$650.00 | 2110 Cleaning | 211 |
| 13.00 \$5,000.00 | \$4,500.00 \$3,913.00 | \$3,062.63 | \$4,650.00 | | \$5,000.00 | \$4,000.00 | 2010 Office Supplies | 201 |
| \$527.00 \$2,310.00 | \$2,541.00 \$52 | \$2,843.90 | \$2,500.00 | \$2,255.00 | \$3,000.00 | \$2,700.00 | 1510 Workers Comp | 151 |
| \$50,200.00 | \$50,100.00 \$57,045.81 | \$43,431.56 | \$41,700.00 | | \$45,000.00 | \$42,194.00 | 1310 Insurance-Health, Life, Etc | 131 |
| \$21,851.00 | \$22,442.00 \$19,547.00 | \$20,851.09 | \$23,594.00 | | \$24,851.83 | \$24,851.83 | 1220 FICA | 122 |
| | | \$21,955.83 | | 10 | \$24,364.54 | \$24,364.54 | 1210 PERA | 121 |
| \$0.00 \$11,838.00 | \$12,650.00 \$11,730.00 | \$11,829.01 | \$13,142.00 | \$7,492.44 | \$14,316.99 | \$14,316.99 | 1140 Holiday Pay | 114 |
| 9.00 \$11,319.00 | \$12,190.00 \$12,269.00 | \$15,255.45 | \$12,623.00 | | \$14,543.70 | \$14,543.70 | 1130 Vacation Pay | 113 |
| \$7,704.00 | \$8,298.00 \$5,307.00 | \$9,332.61 | \$8,635.00 | | \$12,950.02 | \$11,998.61 | 1120 Sick Pay | 112 |
| \$141,3 | \$143,495.00 \$154,26 | \$154,465.31 | \$151,958.00 | \$78, | \$161,354.42 | \$162,305.83 | 1030 PT Wages | 103 |
| \$0.00 \$0.00 | \$0.00 \$ | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 1020 FT Overtime Wages | 102 |
| \$113,8 | \$116,758.00 \$109,632.00 | \$112,293.06 | \$122,065.00 | \$61,456.83 | \$121,695.35 | \$121,695.35 | 1010 FT Wages | 101 |
| | | | | | i cummuny | | | 0000 |

Code 4330 Dues & Subscriptions 4390 Other Charges 4391 Periodicals 4392 Audio/Visual 3310 Travel & Training 3610 Insurance 3810 Electric Utilities 3830 Gas Utilities 5900 Books 5600 Furniture/Office Equipment 4393 Programs 4120 Bldg Rental Expense 4092 SELCO Service Contract 4040 Equipment Repair & Services 4010 Bldg Repair & Services 3890 Other Utilities 3220 Postage 3210 Telephone 3130 Cleaning Services 3090 Data Processing 2230 Building Repair & Supplies 2110 Cleaning 2010 Office Supplies 1510 Workers Comp 1210 PERA 1140 Holiday Pay 1130 Vacation Pay 1120 Sick Pay 1020 FT Overtime Wages 1010 FT Wages 1310 Insurance-Health, Life, Etc 1220 FICA 1030 PT Wages Line Item Cleaning supplies costs are up and our new cleaners use more supplies with more thorough cleaning This covers Zoom, Black Mountain, and some SELCO-provided software. This estimate is based off of recent years' actual expenses Expenses have been low so far this year, but we will need to replace supplies as the year progresses and costs are still high Based on actual expenses in recent years Per Neil Increase based on gross wage increases per pay study approval New state legislation requires sick pay for all staff effective 1/1/24The amount is lower, but the gross pay for full time employees will be higher. This is because holiday, sick, and vacation time are subtracted from gross wage calculations. Explanation Increase based on gross wage increases per pay study approval New state legislation added an additional paid holiday for all employees Vacation accrual increases with longevity of employment, so those hours are calculated in for eligible employees The pay study and council action increased staff gross wages

Our copier lease expires in May 2024. Our rep quoted this ballpark for when we renew Waste Management increases their fees every 6 months This is the projected cost for 2024 after MN Energy discovered they were under charging us Despite rebates from Excel Energy, our costs continue to go up, in part from hotter summers LMC insurance has jumped in recent years and we need to have the money to pay for their coverage The federal mileage rate is higher than it has ever been and we are beginning to travel again for meetings and conferences Postage costs continue to rise Based on monthly costs and in case of telephone outages that require repair, as has happened We now contract with 360 Cleaning, which has raised this expense considerably

SELCO is changing their fee schedule and this is their ballpark figure for 2024

Expected inflation and increased costs

Our newspaper subscriptions keep increasing despite allowing some subscriptions to expire due to high costs

We purchase fewer AV materials than we used to as more people stream

Post-pandemic, we are running programs at pre-pandemic capacity again

This is based on actual costs in 2023 for our leased computers and allows for a purchase of equipment or furniture, if needed

Costs continue to rise and more people are coming to the library for books. We also use some of these funds to contribute to the regional Libby (audiobook and ebook) subscription, as that is used heavily by our patrons

| | | | | | 2.6% overall | | |
|--------------|----------------------------------------|--------------|----------------------------------------|----------------------------------------|----------------|---------------------------------|--------------|
| \$502,875.00 | \$495,853.85 \$493,933.42 \$502,875.00 | | \$126,670.55 \$551,121.84 \$505,448.25 | \$551,121.84 | \$126,670.55 | Total Revenues | |
| | | | | | | | |
| \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 369000 Other Misc. Revenues | 369000 |
| \$1,000.00 | \$0.00 | \$0.00 | \$500.00 | \$0.00 | \$0.00 | 367020 Donations | 367020 |
| \$3,000.00 | \$3,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 |) Fines | 351300 Fines |
| \$100.00 | \$0.00 | \$0.00 | \$0.00 | \$100.00 | \$100.00 | 347600 Library Facilties Fees | 347600 |
| \$1,200.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,500.00 | \$2,000.00 | 341500 Copies | 341500 |
| \$124,273.00 | 40 | \$122,208.85 | \$122,012.12 | \$123,570.55 \$123,570.55 \$122,012.12 | \$123,570.55 | 337200 Goodhue County Funds | 337200 |
| \$373,302.00 | \$369,128.00 \$373,302.0 | \$371,645.00 | \$380,936.13 | \$424,951.29 | | 310100 Current & Ad Valorem Tax | 310100 |
| 2020 Budget | 2022 Budget 2021 Budget 2020 Budget | 2022 Budget | 2023 Budget | 2024 Preliminary | 2024 Revisions | Line Item | Code |

2.0% UVELUI

2.9% ad valorem