

Sara Peer

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

Neil L. Jensen

Cannon Falls City Administrator
918 River Road
Cannon Falls, MN 55009
507-263-9304

From: Nicole Miller <nmliller@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

[illegible]

Code	Line Item	Explanation
1010	FT Wages	The 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.
1020	FT Overtime Wages	
1030	PT Wages	
1120	Sick Pay	The pay study and council action increased staff gross wages
1130	Vacation Pay	New state legislation requires sick pay for all staff effective 1/1/24
1140	Holiday Pay	Vacation accrual increases with longevity of employment, so those hours are calculated in for eligible employees
1210	PERA	New state legislation added an additional paid holiday for all employees
1220	FICA	Increase based on gross wage increases per pay study approval
1310	Insurance-Health, Life, Etc	Increase based on gross wage increases per pay study approval
1510	Workers Comp	Per Neil
2010	Office Supplies	Based on actual expenses in recent years
2110	Cleaning	Expenses have been low so far this year, but we will need to replace supplies as the year progresses and costs are still high
2230	Building Repair & Supplies	Cleaning supplies costs are up and our new cleaners use more supplies with more thorough cleaning
3090	Data Processing	
3130	Cleaning Services	This covers Zoom, Black Mountain, and some SELCO-provided software. This estimate is based off of recent years' actual expenses
3210	Telephone	We now contract with 360 Cleaning, which has raised this expense considerably
3220	Postage	Based on monthly costs and in case of telephone outages that require repair, as has happened
3310	Travel & Training	Postage costs continue to rise
3610	Insurance	The federal mileage rate is higher than it has ever been and we are beginning to travel again for meetings and conferences
3810	Electric Utilities	LMC insurance has jumped in recent years and we need to have the money to pay for their coverage
3830	Gas Utilities	Despite rebates from Excel Energy, our costs continue to go up, in part from hotter summers
3890	Other Utilities	This is the projected cost for 2024 after MN Energy discovered they were under charging us
4010	Bldg Repair & Services	Waste Management increases their fees every 6 months
4040	Equipment Repair & Services	
4092	SELCO Service Contract	Our copier lease expires in May 2024. Our rep quoted this ballpark for when we renew
4120	Bldg Rental Expense	SELCO is changing their fee schedule and this is their ballpark figure for 2024
4330	Dues & Subscriptions	
4390	Other Charges	Expected inflation and increased costs
4391	Periodicals	Our newspaper subscriptions keep increasing despite allowing some subscriptions to expire due to high costs
4392	Audio/Visual	We purchase fewer AV materials than we used to as more people stream
4393	Programs	Post-pandemic, we are running programs at pre-pandemic capacity again
5600	Furniture/Office Equipment	This is based on actual costs in 2023 for our leased computers and allows for a purchase of equipment or furniture, if needed
5900	Books	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

Code	Line Item	2024 Revisions	2024 Preliminary	2023 Budget	2022 Budget	2021 Budget	2020 Budget
310100	Current & Ad Valorem Tax		\$424,951.29	\$380,936.13	\$371,645.00	\$369,128.00	\$373,302.00
337200	Goodhue County Funds	\$123,570.55	\$123,570.55	\$122,012.12	\$122,208.85	\$120,805.42	\$124,273.00
341500	Copies	\$2,000.00	\$1,500.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,200.00
347600	Library Facilities Fees	\$100.00	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
351300	Fines	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$3,000.00	\$3,000.00
367020	Donations	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00	\$1,000.00
369000	Other Misc. Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Revenues	\$126,670.55	\$551,121.84	\$505,448.25	\$495,853.85	\$493,933.42	\$502,875.00

2.6% overall

2.9% ad valorem

2019 Budget
\$353,255.00
\$124,870.00
\$1,100.00
\$75.00
\$6,000.00
\$0.00
\$0.00
\$485,300.00