

Item: WLS 2022 Operating Budget

Background: The Budget Committee of the Board of Trustees met on September 8th, September 21st, and October 12th to review a number of options in order to arrive at a budget proposal for the 2022 fiscal year.

The proposed budget was presented to the Board as an Information Item at its October 26th meeting.

A capital projects budget is still being developed and will be brought to the Board in January 2022.

Status: Attached is the Executive Summary for the proposed FY 2022 Operating Budget along with detailed spreadsheets and back-up information, which remain unchanged since the presentation in October.

In addition to the work of the Committee, input was also sought from the WLS managers and staff.

Recommended

Action: The Budget Committee recommends adoption of the WLS 2022 Operating Budget as presented.

November 30, 2021

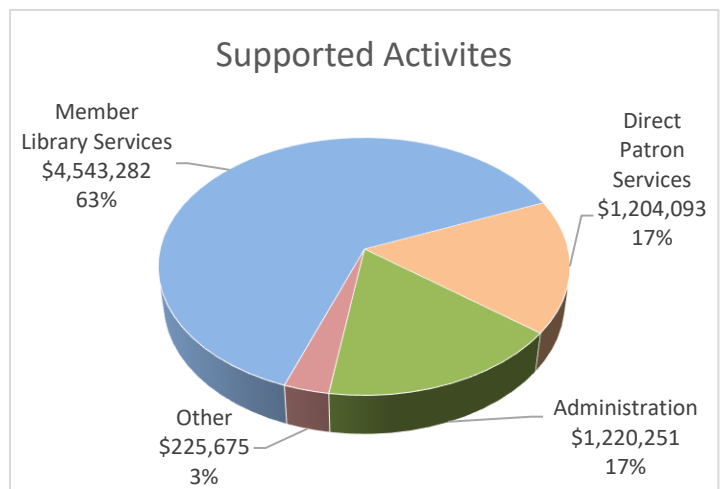
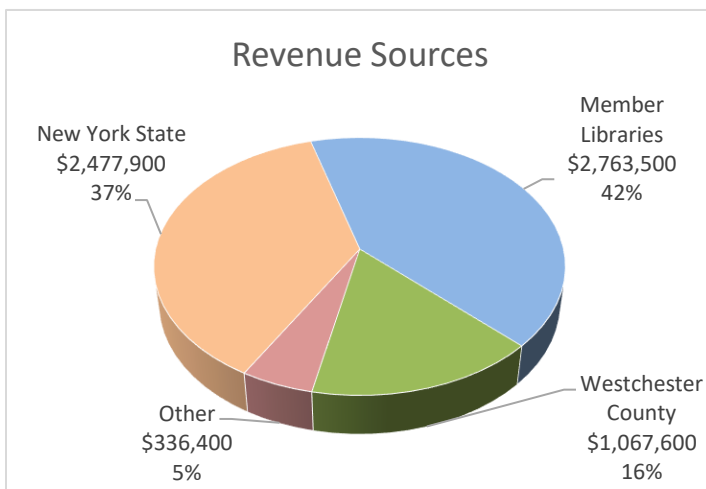
Westchester Library System Proposed FY 2022 Operating Budget

Executive Summary

This budget has been developed to support the Westchester Library System (WLS) mission to empower lives and communities by connecting people in Westchester County with the resources, services and programs available through WLS and the member libraries.

In preparing the 2022 proposed budget, WLS two major assumptions: (1) no increase in funding from New York State and Westchester County as well as (2) a reduction in IT fees of approximately 3.4% less than previous year budget.

The budget was developed and presented to the Budget Committee over the course of three meetings with a deeper focus on department-level allocations. The committee examined previous year actual figures, current year budget and the proposed budget at the department level. Considerations were made to the purpose of programs as pertaining to administration, services to member libraries and direct services to the public.



2022 Budget Highlights:

✓ Revenue

- Approximately \$6.6 million from all sources
 - a decrease of roughly \$92,000 over the 2021 revenue budget
- eRate funding of \$155,000 (compared to \$150,000 budgeted for 2021)
- Restructuring of IT member fees fully implemented in 2022
 - Introduction of new Service Level Agreements with each library for IT services

✓ Expenses

- Operational changes intended to increase value and streamline expenses including:
 - Promoting two part-time employees to full-time
 - Elimination of one open position
 - Funding for outside printing to reduce use of in-house copying
- Budgeted expenses exceed revenues by \$547,900 before depreciation (compared to \$645,250 budgeted for 2021)
 - The Budget Committee recommends that WLS appropriate unrestricted assets to meet its projected expenditures for 2022
 - Restricted assets (grants) earned in prior years will also be spent in 2022
- WLS currently holds just over \$6 million in Cash and Cash Equivalents between its Operating, Reserve and Investment accounts
- Projected depreciation of \$144,250 is included in the Operating budget
- Member Library Services includes member-funded IT services, and additionally includes, but is not limited to, cataloging, interlibrary loan, training, and delivery services

Westchester Library System Proposed FY 2022 Operating Budget

The budget allows for the continuation of current programs and services whose overarching goal is to drive increased services to current and potential library patrons throughout the County, including:

- ✓ Public Innovation and Engagement
- ✓ HSE Connect! and the Job Search Tool Kit
- ✓ Westchester Seniors Out Speaking (WSOS)
- ✓ Westchester County and New York State Corrections Outreach
- ✓ Interlibrary Loan (ILL) and Cataloging Library Materials
- ✓ Career Coaching Services
- ✓ Member Library Technology

The following assumptions form the basis for the revenue figures included in the budget:

- ✓ The allocations from New York State and Westchester County will be flat
- ✓ Member Library contributions will be reduced due to reductions in requested services
- ✓ The WLS Annual Breakfast, if able to be held, and any other planned special events will break even
- ✓ Other Revenues with Restrictions line includes revenues for services to Spanish speaking populations, senior programs, digital equity, diversity equity and inclusion (DEI), youth workforce development and library administration training

On the expense side, the following assumptions are built into the budget:

- ✓ 2022 salaries will increase by 2% (approximately \$39,500) for salaried staff, although this is offset by the overall reduction in total salaries due to the elimination 7 FTE related to Project HOPE and will not continue in 2022
- ✓ An increase of 8% for the cost of health insurance, although this is offset by the overall reduction in staff due to the benefits expenses related to Project HOPE and will not continue in 2022
- ✓ Pension costs will be approximately 14% of 2022 salary expenses and is consistent with previous years' expenses
- ✓ Professional Fees will increase by more than 27% (\$10,750), driven by the increased cost of the financial audit process and recruitment of new employees
- ✓ Contractual Services will increase by approximately \$66,000 and includes monies for activities associated with DEI as well as engagement with outside specialists to support ongoing WLS programs
- ✓ Printing and Postage, while decreased overall, will increase in many departments to support the shift of using outside printing services to reduce the cost of in-house copying and build more direct allocations of printing expenses to programs, especially those funded by grants
- ✓ A Manager of Operations in the IT department will have been hired to oversee the implementation and adherence to the SLAs (Service Level Agreements) which are in the final stage of approval from member libraries

Westchester Library System Proposed FY 2022 Operating Budget

The following expense lines in 2022 will have significant changes compared to the 2021 budget:

- ✓ Equipment will be reduced by 17% (\$10,750) as many new PCs were rolled out in 2021 and major purchases will be brought separately as part of a capital / special project budget
- ✓ Library Materials will be reduced by 8% (\$60,950) to better align the expense line with the funding available to support these purchases
- ✓ Supplies will be reduced by 17% (\$8,350) to adjust the budget based on the 2020 actual and 2021 projected expenses
- ✓ Professional Development will be increased by 75% (\$39,810) for the Palmer School program, which will be held for two semesters in 2022; WLS is reimbursed by the participants for the cost of this program
- ✓ Travel will be reduced by 15% (\$6,160) based on reduced spending in 2020 and 2021 driven by the COVID-19 pandemic, the impact of which is expected to have continued impact in 2022
- ✓ Insurance will be increased by 28% (\$7,000) due to allocations added for Professional Liability insurance

In 2022, WLS will work to maximize investment and resource allocation to support both its ongoing operations and its strategic initiatives. At the same time, WLS will continue to support the needs of the libraries, people and businesses in Westchester by providing services that support the member libraries' efforts to engage with their communities. As always, spending will be monitored against the budget on an ongoing basis, and WLS will continue to look for cost savings and additional sources of revenue throughout the year.

Westchester Library System
2022 Proposed Budget - Summary 2020-2022
Oct-2021

Item #		2020 Final	2021 Adopted	2021 Projected	2022 Proposed	% change over 2021 Adopted
	REVENUES:					
R-1	General Library Aid	1,526,612	1,221,280	1,526,392	1,526,390	25.0%
R-2	Supplemental Aid	202,941	162,300	202,912	202,950	25.0%
R-3	Local Library Services revenue	275,324	220,300	275,284	275,300	25.0%
R-4	Local Library Services pass-thru payments	(275,324)	(220,300)	(275,284)	(275,300)	25.0%
R-5	Local Services Support Aid	189,944	151,950	189,917	189,900	25.0%
R-6	Grants in Aid	0	0	0	0	
R-7	Grants in Aid pass-thru payments	0	0	0	0	
R-8	Central Library Aid/Book Aid	345,779	276,600	345,729	345,760	25.0%
R-9	Westchester County	1,030,000	1,037,500	1,050,600	1,050,600	1.3%
R-10	Federal Aid	159,066	662,860	938,844	155,000	-76.6%
R-11	Member Library Fees	2,694,635	2,860,640	2,830,073	2,763,500	-3.4%
R-12	Special Events	0	10,000	0	10,000	0.0%
R-13	Contributions (Unrestricted)	13,921	1,000	1,238	1,000	0.0%
R-14	Investments/Interest Income	21,879	17,000	2,401	4,000	-76.5%
R-15	WEBS, Non-Resident Cards, Misc	12,502	28,000	6,986	7,900	-71.8%
R-16	Coordinated Outreach	153,331	125,920	153,309	153,300	21.7%
R-17	Correctional Facilities	38,438	30,750	38,433	38,400	24.9%
R-18	Adult Literacy	8,294	6,650	8,293	8,300	24.8%
R-19	Family Literacy	12,902	10,300	12,900	12,900	25.2%
R-20	Westchester Seniors Out Speaking	17,460	13,900	17,460	17,000	22.3%
R-21	Other revenues with Restrictions	181,212	120,500	263,065	158,500	31.5%
	Total Revenues:	6,608,916	6,737,150	7,588,552	6,645,400	-1.4%
	EXPENSES:					
	Personnel					
E-1	Salaries & Hourly Wages	2,258,569	2,571,500	2,297,798	2,481,119	-3.5%
E-2	Employee Benefits	875,383	1,164,000	880,314	1,079,781	-7.2%
E-3	Retiree Health Benefits	413,341	277,000	251,533	260,000	-6.1%
	Subtotal Personnel	3,547,293	4,012,500	3,429,645	3,820,900	-4.8%
	Other Than Personnel					
E-4	Professional Fees	149,891	38,900	50,896	49,650	27.6%
E-5	Equipment	323,936	166,900	251,756	138,000	-17.3%
E-6	Library Materials	954,012	752,400	741,683	691,450	-8.1%
E-7	Rent & Utilities	345,937	375,100	345,773	361,200	-3.7%
E-8	Repairs & Maintenance	401,674	505,000	432,528	511,500	1.3%
E-9	Supplies	25,222	50,200	24,388	41,850	-16.6%
E-10	Telephone & Internet	325,364	446,400	380,899	438,000	-1.9%
E-11	Printing & Postage	19,209	74,800	75,669	59,500	-20.5%
E-12	Bibliographic Fees	77,629	72,500	79,244	80,500	11.0%
E-13	Professional Development	53,417	52,800	29,445	92,610	75.4%
E-14	Travel, Conferences & Meetings	13,313	40,600	1,369	34,440	-15.2%
E-15	Memberships	8,671	22,300	15,871	21,700	-2.7%
E-16	Contractual Services	281,604	290,800	288,952	356,800	22.7%
E-17	Delivery Service	336,226	418,000	427,433	429,000	2.6%
E-18	Special Events	0	10,000	0	10,000	0.0%
E-19	Insurance	21,089	25,000	32,600	32,000	28.0%
E-20	Miscellaneous	7,186	28,200	9,537	24,200	-14.2%
	Subtotal Other Than Personnel	3,344,380	3,369,900	3,188,043	3,372,400	0.1%
	TOTAL EXPENSES	6,891,673	7,382,401	6,617,688	7,193,300	-2.6%
	Net Revenue before Depreciation	(282,757)	(645,251)	970,864	(547,900)	
	Prv. Yr. Temp. Restd. Assets to be released		42,650		6,500	
	From Reserves		602,600		541,400	
	Depreciation & Non-Cash Activity	225,940	187,750	190,008	144,250	
	TOTAL EXPENSES with Depreciation	7,117,613	7,570,151	6,807,696	7,337,550	
	Net Revenue	(508,697)	(230,401)	780,856	(150,750)	

Westchester Library System
2022 Proposed Budget - Detail
Oct-2021

2022 PROPOSED BUDGET BY DEPARTMENT										
Revenues	Admin	Development	Cataloging	Delivery	Outreach	Training	CCS	Youth	Information Technology	TOTAL
General Library Aid	1,240,610	59,630	101,650	24,400	36,700	28,000	35,400	0	0	1,526,390
Supplemental Aid	0	0	167,350	0	35,600	0	0	0	0	202,950
Local Library Services revenue	275,300	0	0	0	0	0	0	0	0	275,300
Local Library Services payments	(275,300)	0	0	0	0	0	0	0	0	(275,300)
Local Services Support Aid	138,000	0	0	1,600	0	50,300	0	0	0	189,900
Central Library Aid	271,878	0	0	0	0	8,000	0	0	0	279,878
Central Library Book Aid	65,882	0	0	0	0	0	0	0	0	65,882
Westchester County	0	0	100,100	466,000	299,500	0	185,000	0	0	1,050,600
Federal Aid	0	0	0	0	0	0	0	0	155,000	155,000
Member Library Fees	298,000	0	0	0	0	0	0	0	2,465,500	2,763,500
Special Events	0	10,000	0	0	0	0	0	0	0	10,000
Contributions (unrestricted)	0	1,000	0	0	0	0	0	0	0	1,000
Investments/Interest Income	4,000	0	0	0	0	0	0	0	0	4,000
WEBS, Non-Resident Cards, Misc	2,000	0	0	0	0	0	0	5,900	0	7,900
Coordinated Outreach	0	0	0	0	153,300	0	0	0	0	153,300
Correctional Facilities	0	0	0	0	38,400	0	0	0	0	38,400
Adult Literacy	0	0	0	0	8,300	0	0	0	0	8,300
Family Literacy	0	0	0	0	0	0	0	12,900	0	12,900
Westchester Seniors Out Speaking	0	0	0	0	17,000	0	0	0	0	17,000
Other revenues with Restrictions	20,000	90,000	0	0	10,000	34,000	0	4,500	0	158,500
Total Revenues:	2,040,370	160,630	369,100	492,000	598,800	120,300	220,400	23,300	2,620,500	6,645,400
Expenses										
Personnel:	Admin	Development	Cataloging	Delivery	Outreach	Training	CCS	Youth	Information Technology	TOTAL
Salaries	742,940	101,927	211,749	30,344	252,701	20,229	107,599	0	815,302	2,282,792
Hourly Wages	10,000	0	0	0	152,202	0	0	0	36,126	198,328
Employee Benefits	331,140	35,323	85,851	8,755	139,197	5,811	47,561	0	426,143	1,079,781
Retiree Health Benefits	260,000	0	0	0	0	0	0	0	0	260,000
Subtotal Personnel	1,344,080	137,250	297,600	39,100	544,100	26,040	155,160	0	1,277,570	3,820,900
Other Than Personnel Services (OTPS)										
Professional Fees	26,900	0	0	0	700	0	0	0	22,050	49,650
Equipment	20,500	0	0	0	2,500	0	0	0	115,000	138,000
Library Materials	635,800	0	500	0	27,250	0	0	17,900	10,000	691,450
Rent & Utilities	82,300	12,800	21,600	17,900	37,100	34,600	13,900	0	141,000	361,200
Repairs & Maintenance	16,600	1,500	0	0	3,400	0	0	0	490,000	511,500
Supplies	15,800	300	750	6,000	2,500	0	5,000	500	11,000	41,850
Telephone & Internet	0	0	0	0	0	0	0	0	438,000	438,000
Printing & Postage	16,000	1,000	0	0	31,300	0	1,000	4,900	5,300	59,500
Bibliographic Fees	0	0	55,000	0	25,500	0	0	0	0	80,500
Professional Development	5,000	1,200	0	0	5,500	59,810	100	0	21,000	92,610
Travel, Conferences & Meetings	8,990	800	3,000	0	1,250	0	400	0	20,000	34,440
Memberships	13,000	600	1,000	0	5,100	0	0	0	2,000	21,700
Contractual Services	70,000	0	1,000	0	48,300	0	47,500	0	190,000	356,800
Delivery Service	0	0	0	429,000	0	0	0	0	0	429,000
Special Events	0	10,000	0	0	0	0	0	0	0	10,000
Insurance	16,000	0	0	0	2,000	0	3,000	0	11,000	32,000
Miscellaneous	2,500	0	200	0	0	0	0	0	21,500	24,200
Subtotal OTPS:	929,390	28,200	83,050	452,900	192,400	94,410	70,900	23,300	1,497,850	3,372,400
TOTAL EXPENSES	2,273,470	165,450	380,650	492,000	736,500	120,450	226,060	23,300	2,775,420	7,193,300
<i>% of overall budget(before depreciation)</i>	31.6%	2.3%	5.3%	6.8%	10.2%	1.7%	3.1%	0.3%	38.6%	100.0%
NET REVENUE before Depreciation	(233,100)	(4,820)	(11,550)	0	(137,700)	(150)	(5,660)	0	(154,920)	(547,900)
Prv. Yr. Temp. Restd. Assets to be released	0	0	0	0	6,500	0	0	0	0	6,500
From Reserves	0	0	0	0	0	0	0	0	0	541,400
Depreciation	14,250	0	0	0	0	0	0	0	130,000	144,250
TOTAL EXPENSES with Depreciation	2,287,720	165,450	380,650	492,000	736,500	120,450	226,060	23,300	2,905,420	7,337,550
Net Revenue	(247,350)	(4,820)	(11,550)	0	(131,200)	(150)	(5,660)	0	(284,920)	(144,250)

Westchester Library System
2022 Proposed Budget - Notes
Oct-2021

REVENUE

#	Budget Item	GENERAL NOTES	2022 BUDGET NOTES
R-1	General Library Aid	Formula aid provided by NYS to WLS in support of services provided to member libraries	Unrestricted monies which may be budgeted for any services provided by WLS. Assumes flat NYS funding over 2021 actual allocations. All State aid figures do not reconcile with audited financial statements and are structured for budgetary comparison.
R-2	Supplemental Aid	Same as General Library Aid	Same as General Library Aid.
R-3	Local Library Services Aid	Direct formula aid to assist individual public libraries in the system	Monies are sent to WLS for distribution to the individual libraries Assumes flat NYS funding over 2021 actual allocations.
R-4	Local Library Services payments	Formula aid distributed to member libraries	Monies sent to WLS are passed through to individual libraries. Allocations are set by the NYS Division of Library Development.
R-5	Local Services Support Aid	Same as General Library Aid	Same as General Library Aid.
R-6 and R-7	Grants in Aid	Additional aid from NYS to WLS and Member Libraries	Funding in this category was received in 2019 for both WLS and as pass-through to member libraries. No funding was anticipated for 2021 during the budget planning process. While there is always a possibility of additional aid, the 2022 budget assumes that none will be received.
R-8	Central Library Aid/Book Aid	Funding to support expenditures for adult non-fiction and foreign language materials	Budget is based on recommendations from the PLDA Central Library/eResources committee. Assumes flat NYS funding over 2021 actual allocations.
R-9	Westchester County Aid	Allocation from Westchester County for programs and services, based on a Statement of Work submitted by WLS	Aid is used to provide career & educational counseling services for adults, consumer education on health and related services for those who are 60+ years of age, cataloging and interlibrary loan, delivery service and electronic content.
R-10	Federal Aid	Rebates (up to 90%) received to help eligible libraries obtain affordable telecommunications and internet access	WLS currently receives reimbursement on 56% of eligible expenses. Note: Unlike the annual financial audit, this number is presented as unreconciled with Telephone and Internet for budgetary comparison purposes. 2021 Budget and Projections include Project HOPE and NY Cares which is not included in the 2022 budget. 2021 Projections also include PPP forgiveness, which was not budgeted in 2021.
R-11	Member Library Fees	The figure in this line represents revenue in two departments, IT and Administration. Revenue in IT is driven by services agreed to in the IT Service Level Agreements. Revenue in Administration is to support group purchases of e-content.	Revenue is projected to be 1.4% less than budgeted in 2021. These figures are driven by the selections of services in the IT Service Level Agreements. The amount collected for group purchases of e-content (\$298,000) is assumed to be flat over the 2021 budget.
R-12	Special Events	Monies raised from special events held by WLS	Assumes that monies generated and expenses related to event(s) will break even. Figure in audited financial statements in a net figure, this is unreconciled for budgetary comparison purposes.
R-13	Contributions (unrestricted)	Monies raised by Development which may be used for any WLS services	
R-14	Investments/Interest income	Monies earned on as interest from bank accounts and returns on investments.	
R-15	WEBS, Non-resident Cards, Misc	Monies raised for Career & Educational Counseling services in libraries, purchase of WLS library cards from non-residents, miscellaneous income	
R-16	Coordinated Outreach	Aid provided to library systems to provide services directly and through member libraries to New Yorkers who are most in need and who often are not regular library users	Family literacy, adult literacy, re-entry services for formerly incarcerated individuals, Vision Labs accessibility services, Senior Law Day (legal & financial workshops for older adults and caregivers) Assumes flat NYS funding over 2021 actual allocations.
R-17	Correctional Facilities	Aid to support libraries for offenders residing in NYS and Westchester County correctional facilities	Support for library services at correctional facilities including interlibrary loan, and purchase of library materials. Assumes flat NYS funding over 2021 actual allocations.

Westchester Library System
2022 Proposed Budget - Notes

Oct-2021

R-18	Adult Literacy	Funding to support services to improve adult literacy on the job and in the home	Core literacy tutoring and high school equivalency guidance. Assumes flat NYS funding over 2021 actual allocations.
R-19	Family Literacy	Funding to provide family literacy services to children and their parents/caregivers	Expertise and resources to assist families with young children in developing early literacy skills needed to succeed in the school years ahead. Assumes flat NYS funding over 2021 actual allocations.
R-20	Westchester Seniors Out Speaking	Funding to provide education & counseling services addressing Medicare and related benefits	Educational workshops and one-to-one counseling delivered by trained volunteers at venues throughout the County.
R-21	Other Revenues with Restrictions	Monies raised by Development for specific WLS programs	Adult Literacy, Family Literacy, Battle of the Books, professional development, census, digital resources.

EXPENSES

#	Budget Item	GENERAL NOTES	2022 BUDGET NOTES
E-1	Salaries & Hourly Wages	Salaries and hourly wages paid to WLS-employed individuals	See separate illustration of FTE comparison 2021 vs 2022
E-2	Benefits	(For Active Staff): Social Security & Medicare (employer portion) health insurance, worker's compensation, disability, life insurance, vision insurance, dental insurance, pension	8% increase in health insurance, 3% increase in dental and vision insurance, 5% increase in life insurance, pension costs equal to approx. 14% of salaries
E-3	Retiree Health Benefits	Health insurance for retirees	
E-4	Professional Fees:	Audit & Legal fees; Payroll Processing Fees, Recruitment Fees	
E-5	Equipment	Furniture, computer equipment, equipment rental, copier lease, network hardware	This is mostly network and computer hardware to support the member libraries.
E-6	Library Materials	Books, audio books, e-format materials, periodicals, DVDs/videos, databases	Budget is primarily for audio books, e-format materials and databases.
E-7	Rent & Utilities	Rent, utilities, real estate taxes, office cleaning, maintenance	
E-8	Repairs & Maintenance	Computer maintenance, equipment maintenance, software & software maintenance	Maintenance support for Evergreen, mobile printing, PC reservations help desk, thin client management, VMware (virtualization software), help desk software, back-up system, filtering, Windows 10/Office 365
E-9	Supplies	Office & computer supplies, WLS-identified clothing	
E-10	Telephone & Internet	Telephones & internet connections	Internet circuits for all libraries, phone lines and cellular telephones. Unlike the annual financial audit, this number is presented as unreconciled with eRate for budgetary comparison purposes.
E-11	Printing & Postage	Postage, express mail, printing, publicity	
E-12	Bibliographic Fees	Fees to Online Computer Library Center (OCLC), the bibliographic utility that provides shared cataloging records and an automated system for requesting interlibrary loans from participating libraries world-wide	
E-13	Professional development	Training & professional development, trustee activities	
E-14	Travel, Conferences & Meetings	Travel, registration and related expenses for staff representation at professional conferences and meetings	ALA, PLA, NYLA, technology conferences
E-15	Memberships	Institutional membership in professional organizations	Includes memberships in Metro (RRR), Empire Library Delivery to support ILL shipping and receiving with outside institutions, ALA, NYLA, WCA and professional organization memberships for staff.
E-16	Contractual Services	Services rendered under a formal contract/letter of agreement by outside persons, consultants or contractors	Network admin, co-location, WEBS counselors New Rochelle Library's Broadband Technology project, annual actuarial study
E-17	Delivery Service	Transportation of library materials to & from member libraries	Reflects 2% increase in fees for 2022
E-18	Special Events	WLS-sponsored events and fundraising activities	While being able to hold an event is not anticipated at this time, the assumption is that the event will break even and has been budgeted accordingly.
E-19	Insurance	Liability and automobile insurance, Directors & Officers insurance	
E-20	Miscellaneous	Automotive Supplies, maintenance & repairs; Miscellaneous expenses; Bank Fees; Contingency	

Westchester Library System
 2022 Proposed Budget - Headcount: 2021 vs 2022
 Oct-2021

Department	2021 Budget	2022 Budget	NOTES for 2022 personnel
Administration	6.45	7.45	1 PT position moved to full time Reallocation of time for support staff person
Fundraising	1.00	1.00	
Cataloging	3.00	3.00	
Delivery	0.15	0.15	Admin time from Exec. Dir.
Outreach	14.00	6.80	7 FTE positions for Project HOPE removed 2 PT (5 hr per wk) positions added for Outreach support 1 PT position moved to full time.
Training	0.10	0.10	Admin time from Exec. Dir.
WEBS	1.00	1.20	.85 FTE position added Reallocation of time for support staff person
Youth Services	0.00	0.00	
Information Technology	13.00	11.45	Removed Library Data Specialist position Reallocation of time for support staff person
TOTALS	38.70	31.15	