



# 2024 Budget

ADOPTED  
NOVEMBER 27, 2023

**SNO-ISLE LIBRARIES**

# 2024 Adopted Budget

NOVEMBER 27, 2023

## Introduction

The 2024 adopted budget was developed based on the goals presented to the Board at the September 2023 Board of Trustees meeting.

## 2024 Budget Goals

Library staff focused the proposal on building a budget with the following principles in mind:

- Equity
- Accessibility
- Sustainability

## Sno-Isle Libraries Strategic Goals

- Enhance **library services** so that everyone can engage in experiences they value.
- Create **inspiring spaces** so that customers and staff experience spaces that are welcoming, inclusive, easy-to-use, and support current and emerging library use.
- Optimize **library funding** so that we can continue to be good stewards of our finances, ensure long-term financial stability, and work to secure additional private and state funds.
- **Invest in our people and organization** so that we are resilient, equitable and regenerative and our staff have the support and resources they need.



# Sources of Funds

# 2024 Adopted Budget

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## Total Revenue / Beginning Cash / Reserves Summary

	<b>Adopted 2023 Budget</b>	<b>Adopted 2024 Budget</b>	<b>Increase/ (Decrease)</b>
Beginning Cash	\$ 21,190,000	\$ 28,000,000	\$ 6,810,000
Transfers from Reserves	\$ 2,370,000	\$ 3,887,000	\$ 1,517,000
<b>Total Transfer from Reserves and Beg. Cash</b>	<b>\$ 23,560,000</b>	<b>\$ 31,887,000</b>	<b>\$ 8,327,000</b>
<b>Revenues</b>			
<b>Taxes</b>			
General Property	\$ 64,146,000	\$ 65,441,650	\$ 1,295,650
Other taxes	\$ 561,420	\$ 550,000	\$ (11,420)
Total Other Taxes	\$ 64,707,420	\$ 65,991,650	\$ 1,284,230
<b>Grants</b>			
State Grants	\$ 6,051,500	\$ 6,529,000	\$ 477,500
Federal Grants	\$ -	\$ 638,000	\$ 638,000
General Grants	\$ 51,000	\$ 200,000	\$ 149,000
Total Grants	\$ 6,102,500	\$ 7,367,000	\$ 1,264,500
<b>Total Bonds</b>	\$ 2,000,000	\$ -	\$ (2,000,000)
<b>Other</b>			
Investments	\$ 600,000	\$ 1,000,000	\$ 400,000
Donations	\$ 900,000	\$ 425,000	\$ (475,000)
E-rate Program	\$ 296,000	\$ 300,000	\$ 4,000
Miscellaneous	\$ 280,941	\$ 305,361	\$ 24,420
Total Other Revenues	\$ 2,076,941	\$ 2,030,361	\$ (46,580)
<b>Total Revenue</b>	<b>\$ 74,886,861</b>	<b>\$ 75,389,011</b>	<b>\$ 502,150</b>
<b>Total Revenue / Beginning Cash / Reserves</b>	<b>\$ 98,446,861</b>	<b>\$ 107,276,011</b>	<b>\$ 8,829,150</b>

# 2024 Adopted Budget

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## Total Revenue / Beginning Cash / Reserves Detail

The 2024 adopted budget has a total of \$107.3 million in available funds that include beginning cash, transfer from reserves, and total revenue.

### **Beginning Cash** \$28 million

Beginning Cash is the target cash balance in the Library District's General Operating Fund at year end that carries forward into 2024. Levied property taxes are due on April 30 and October 31 each year. Ending each year with ample cash allows for the funding of library services until the receipt of first-half property taxes in April. The imbalance of tax revenues received to expenditures during the first quarter each year necessitates the \$28 million target beginning cash balance.

### **Transfers from Reserve Funds** \$3.9 million

*Unrestricted – Designated – \$3.5 million*

- Building Reserve Fund – \$3.5 million.

*Restricted – \$387k*

- Lake Stevens Building – \$1.5k.
- Edmonds Building – \$61k.
- Mill Creek Building – \$324k.

### **Total Revenue** \$75.4 million

Total adopted revenue for 2024 is \$75.4 million, an increase of \$502k from the 2023 budget. The 2024 adopted budget includes revenue received from general property taxes, other tax revenues (timber and excise taxes), grants, investments, donations, and miscellaneous other revenue sources.

### **Property Tax Revenue** \$65.4M

The library is subject to a statutory levy growth limit of 101% or 100% plus the rate of annual inflation (implicit price deflator), whichever is less. This year the implicit price deflator is greater than 1%. Staff recommend increasing revenue by 101% to ensure long-term funding in support of our strategic goals. The 2024 adopted budget includes the 101% levy rate. The concluding levy rate on property taxes is projected at \$0.324 per \$1,000 of assessed value in 2024.

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## **Other taxes** \$550k

Other taxes include timber and excise taxes. Based on 2023 timber tax revenue, other taxes are projected to decrease by \$11k.

## **Grant Revenue** \$7.4 million

### *Washington State*

- Lake Stevens Capital Project - \$3 million.
- Langley Capital Project - \$529k.
- Mariner Community Campus - \$3 million.

### *Federal*

- Digital Equity Initiative – \$638k.

### *General*

- Mill Creek Capital Project - \$200k.

## **Investments Revenue** \$1 million

- Increase due to growth in actual investment revenue based on reserve funds balances and interest rates.

## **Donation Revenue** \$425k

- Sno-Isle Library Foundation – \$400k.
- Local Friends of the Library groups – \$25k.

## **E-Rate** \$300k

- The increase is due to changes to the *Universal Service Administrative Company (USAC)* E-Rate.

## **Miscellaneous** \$305k

- Miscellaneous revenues are from rebates received from vendors, customers paying for lost materials, print and copier services, contract fees from cities, and other general revenue.



# Use of Funds

# 2024 Adopted Budget

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## Total Expenditures / Reserves / Ending Cash Summary

	<b>Adopted 2023 Budget</b>	<b>Adopted 2024 Budget</b>	<b>Increase/ (Decrease)</b>
<b>Operations</b>			
Salaries and Benefits	\$ 43,521,848	\$ 44,579,160	\$ 1,057,312
Materials	\$ 6,381,400	\$ 6,702,520	\$ 321,120
Professional & Contract Services	\$ 4,052,749	\$ 3,787,018	\$ (265,731)
Software & Licensing Fees	\$ 1,502,215	\$ 1,699,650	\$ 197,435
Office & Operating Supplies	\$ 608,250	\$ 645,800	\$ 37,550
Equipment & Furnishings	\$ 2,380,000	\$ 1,430,500	\$ (949,500)
Strategic & Development Initiatives	\$ 750,000	\$ 750,000	\$ -
Communications	\$ 676,500	\$ 859,500	\$ 183,000
Maintenance & Repairs	\$ 755,300	\$ 798,300	\$ 43,000
Utilities	\$ 495,100	\$ 532,800	\$ 37,700
Rentals & Leases	\$ 504,838	\$ 486,838	\$ (18,000)
Training	\$ 120,000	\$ 270,000	\$ 150,000
Insurance	\$ 172,000	\$ 244,600	\$ 72,600
Miscellaneous	\$ 580,145	\$ 839,325	\$ 259,180
Operations Expenditures	\$ 62,500,345	\$ 63,626,011	\$ 1,125,666
<b>Capital Outlay</b>			
A&E Services	\$ 2,150,000	\$ 1,500,000	\$ (650,000)
Buildings & Improvements	\$ 8,513,000	\$ 8,100,000	\$ (413,000)
Equipment & Furnishings	\$ 715,000	\$ 750,000	\$ 35,000
Vehicles	\$ 247,000	\$ -	\$ (247,000)
Land	\$ 3,000,000	\$ 3,000,000	\$ -
Capital Outlay Expenditures	\$ 14,625,000	\$ 13,350,000	\$ (1,275,000)
<b>Total Expenditures</b>	<b>\$ 77,125,345</b>	<b>\$ 76,976,011</b>	<b>\$ (149,334)</b>
<b>Transfer To Reserves</b>	<b>\$ 4,200,000</b>	<b>\$ 1,300,000</b>	<b>\$ (2,900,000)</b>
<b>Ending Cash</b>	<b>\$ 17,121,516</b>	<b>\$ 29,000,000</b>	<b>\$ 11,878,484</b>
<b>Total Expenditures / Ending Cash / Reserves</b>	<b>\$ 98,446,861</b>	<b>\$ 107,276,011</b>	<b>\$ 8,829,150</b>



# 2024 Adopted Budget

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## Total Expenditures Summary

Total expenditures for operations and capital outlay are adopted at \$76.9 million. This is a \$149k decrease compared with the 2023 budget.

### **Operations** \$63.6M

**Salaries and Benefits (see Appendix A for overview of benefits)** \$44.6 million.

#### *Full Time Equivalent (FTE)*

- 392 FTE (no change in FTE).

#### *Salaries*

- Market and anniversary adjustments.

#### *Benefits*

- An increase of 21% or \$667k for Premera benefits package.
- An increase of 9% or \$87k for Kaiser Permanente benefits.

### **Materials** \$6.7 million

- Increase due to rising costs for physical and digital materials and resources.
- Total reflects reallocation of funding to support customer usage.

### **Professional & Contract Services** \$3.8 million

- Increase of 10% in custodial fees and 6.6% for landscaping fees.
- Net decrease due to reduction in selected professional services.

### **Software & Licensing Fees** \$1.7 million

- The increase reflects price increases on most licenses and includes upgrading software on public computers.

### **Office & Operating Supplies** \$646k

- Increase due to rising costs for postage, computer & printer supplies, and general supplies.

### **Equipment & Furnishings** \$1.4 million

- Decrease reflects the \$1.4M expenditure for public computer refresh in 2023.

### **Strategic Initiatives** \$750k

- Support for emerging services expenditures.

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## **Communication Equipment and Services** \$860k

- The increase reflects the use of grant funds for additional Wi-Fi hotspots for customers.

## **Maintenance & Repairs** \$798k

- Increase due to 5.7% increase for building maintenance and repair.

## **Utilities** \$533k

- Increase due to 7.6% increase in electric, gas, and recycling costs.

## **Rentals & Leases** \$487k

- No notable change.

## **Training** \$270k

- Increase reflects \$100k for Sno-Isle Libraries Conference (SILCON) all staff training day in 2024 and an overall increase in training costs.

## **Insurance** \$245k

- Increase due to premium increases for commercial and liability coverages.

## **Miscellaneous** \$839k

- The increase reflects updated expenditure for community programming and advertising.

## **Capital Outlay** \$13.35 million

Capital projects for Lake Stevens, Langley, Mariner, and Mill Creek libraries.

- Architectural & Engineering Services (A&E) \$1.5M
- Buildings & Improvements \$8.1M
- Equipment & Furnishings \$750K
- Land Acquisition \$3M



# Reserves

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## Reserve Funds

### Unrestricted (Designated) – Transfers and Balances

Fund	Balance 12/31/2022	Adopted Activity 2023	Projected Balance 12/31/2023	Adopted Activity 2024	Projected Balance 12/31/2024
Building	\$5,676,000	\$0	\$5,676,000	(\$3,500,000)	\$2,176,000
Equipment Technology Refresh	\$2,000,000	(\$1,470,000)	\$530,000	\$300,000	\$830,000
Land Acquisition	\$2,198,018	\$0	\$2,198,018	\$0	\$2,198,018
Levy Rate Stabilization	\$19,392,916	\$4,200,000	\$23,592,916	\$1,000,000	\$24,592,916
Unemployment Compensation	\$40,000	\$0	\$40,000	\$0	\$40,000
<b>Totals</b>	<b>\$29,306,934</b>	<b>\$2,730,000</b>	<b>\$32,036,934</b>	<b>(\$2,200,000)</b>	<b>\$29,836,934</b>

### Unrestricted (Designated – Required Sufficiency) – Transfers and Balances

Fund	Balance 12/31/2022	Approved Activity 2023	Projected Balance 12/31/2023	Adopted Activity 2024	Projected Balance 12/31/2024
Emergency	\$10,000,000	\$0	\$10,000,000	\$0	\$10,000,000
Self-Insurance	\$1,500,000	\$0	\$1,500,000	\$0	\$1,500,000
Vacation & Sick Pay Liability	\$2,200,000	(\$900,000)	\$1,300,000	\$0	\$1,300,000
<b>Totals</b>	<b>\$13,700,000</b>	<b>(\$900,000)</b>	<b>\$12,800,000</b>	<b>\$0</b>	<b>\$12,800,000</b>

### Unrestricted (Designated – Required Sufficiency) – Overview

The Board has set sufficiency targets on three fund balances to meet policy objectives: Emergency, Self-Insurance, and Vacation & Sick Leave Liability.

	Policy Target / Objective	2023 Actual	2024 Projected
Emergency	60-90 days of operating expense (excluding materials).	65 days	64 days
Self-Insurance	At least 16 weeks of program expenditures.	19 weeks	19 weeks
Vacation & Sick Pay Liability	At least 60% of the year-end Vacation & Sick Pay liability.	66%	66%

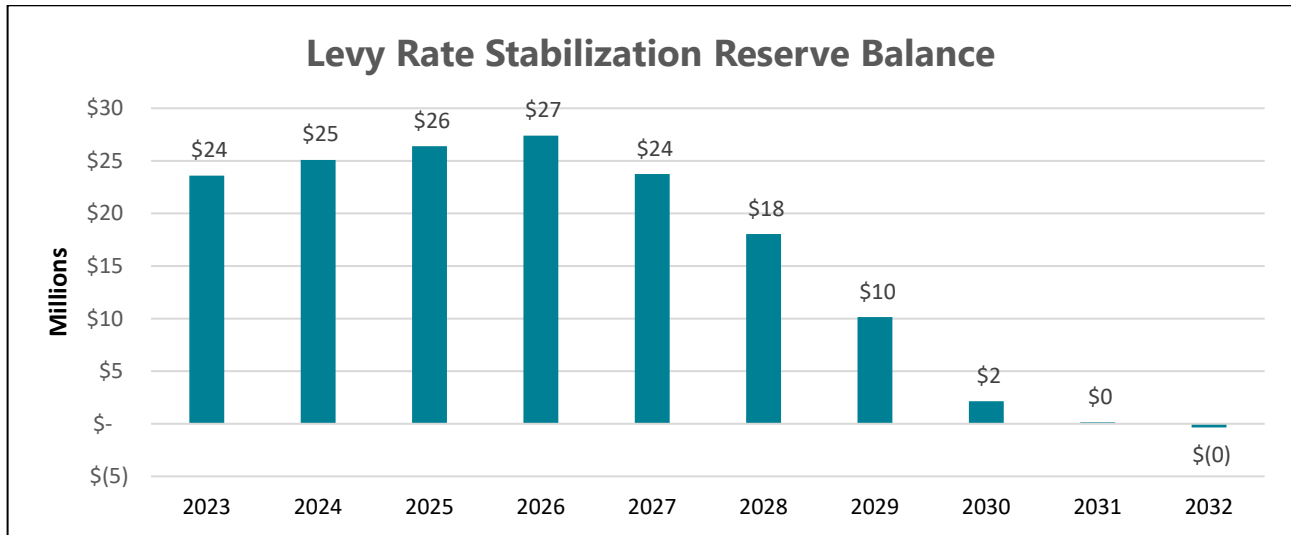
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## Restricted – Transfers and Balances

Fund	Balance 12/31/2022	Adopted Activity 2023	Projected Balance 12/31/2023	Adopted Activity 2024	Projected Balance 12/31/2024
Darrington Rural Partial County Library District	\$212,227	(\$80,000)	\$132,227	\$0	\$132,227
Edmonds Building	\$861,209	(\$800,000)	\$61,209	(\$61,209)	\$0
Lake Stevens Building	\$1,483	\$0	\$1,483	(\$1,483)	\$0
Lynnwood Building	\$1,167,444	\$0	\$1,167,444	\$0	\$1,167,444
Mill Creek Building ( activity moved to 2024)	\$324,308	(\$320,000)	\$324,308	(\$324,308)	\$0
<b>Totals</b>	<b>\$2,566,671</b>	<b>(\$1,200,000)</b>	<b>\$1,686,671</b>	<b>(\$387,000)</b>	\$1,299,671

## Levy Rate Stabilization – Unrestricted (Designated) Fund





# Budget Summary Statement

# 2024 Adopted Budget

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## 2024 Adopted Budget Summary

### Source of Funds

	<u>2023 Adopted</u>	<u>2024 Adopted</u>
Beginning Cash	\$21,190,000	\$28,000,000
Transfers from Reserves	\$2,370,000	\$3,887,000
Total Revenue	\$74,886,861	\$75,389,011
<b>Total</b>	<b>\$98,446,861</b>	<b>\$107,276,011</b>

### Use of Funds

	<u>2023 Adopted</u>	<u>2024 Adopted</u>
Operations	\$62,500,345	\$63,626,011
Capital Outlay	\$14,625,000	\$13,350,000
Transfers to Reserves	\$4,200,000	\$1,300,000
Ending Cash	\$17,121,516	\$29,000,000
<b>Total</b>	<b>\$98,446,861</b>	<b>\$107,276,011</b>



# Appendix



# 2024 Adopted Budget

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## Appendix A

### 2023 Benefits

#### Health and Wellness

- Medical and Prescription coverage.
  - 100% of the cost paid for employee coverage (20+ hours/week).
  - 50% of the cost paid for dependent coverage (20+ hours/week).
- Dental coverage.
  - 100% paid dental coverage for all employees.
  - 50% cost paid for dependent coverage (20+ hours/week).
- Employee Assistance Program.
  - Includes ten free counseling sessions.
- Medical Reimbursement Arrangement (MRA) & Health Reimbursement Arrangement (HRA)
  - \$1,000 per calendar year for Premera covered employees.
- Health Care and Daycare Flexible Spending Accounts.
- Wellness and financial resources and coaching.

#### Financial Security

- Pension plans for qualified employees.
- Social security.
- 457 Deferred Compensation Plan.
- Long Term Disability.
- Life and AD&D Insurance.
- Workers Compensation Insurance.
- Retirement resources.

#### Time off

- Paid vacation and sick leave for all employees.
- Ten paid holidays and two floating holidays.
- Medical Leaves of Absence.
- Washington Paid Family and Medical Leave.
  - Sno-Isle Libraries has chosen to pay the employee portion.