



STAFF REPORT

DATE: March 13, 2018

DISCUSSION

ITEM #5

AGENDA ITEM: Library Fund Shortfall

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

In May 2017, the Lake Elmo Library Board and City Council approved an agreement with Washington County to bring the local library back into the Washington County System as of 1/1/18. The agreement had a number of provisions including that the City will convey \$150,000 of its library funds to the County on January 1, 2018. Staff has been waiting to collect all of the final bills from 2017 before making the payment to the County.

The County and Library Board did agree in December to have contractors come in and remove asbestos during the time the library was closed down the last week of the month. Since it was still under city ownership at that time the city was to pay the bill but the County will allow that expense (\$4,173) to be deducted from the \$150,000 total.

ISSUE BEFORE COUNCIL:

How should the shortfall in the Library Fund be addressed?

PROPOSAL DETAILS/ANALYSIS:

The balance of the library fund at 12/31/16 was approximately \$174,000. In May I had asked the Library Director for his projection of the fund through 12/31/17 if the library rejoined the county system. He estimated there would be about \$10,000 left above the \$150,000 commitment to the County.

However, there were some significant deviations from the projections including library collection purchases, parking lot consultant fees, minor repairs and maintenance, and library card reimbursements. As a result, the fund is short \$7,966 of the \$150,000 commitment after factoring in the abatement costs.

We cannot have an account go negative without a plan to transfer funds to cover the shortfall. Staff is looking for direction on how to cover the shortfall in the Library Fund.

FISCAL IMPACT:

Since the city is contractually obligated to pay \$150,000, the \$7,966 shortfall will need to be made up from other city funds.

OPTIONS:

- 1) Transfer funds from the City Facilities Fund-current balance is about \$255,000. Staff expects another \$4,750 for the Brookfield fit test to come from the fund this year as well as about \$51,000 for the library parking lot paving.
- 2) Transfer funds from the General Fund

ATTACHEMENT:

- Library Fund Financials as of March 7, 2018

CITY OF LAKE ELMO
2017 LIBRARY FINANCIAL STATEMENT WITH 2016 ACTUALS PROFORMA
AS OF MARCH 7, 2018 for DECEMBER 31, 2017

<u>Account Number</u>	<u>Description</u>	<u>2016 Actual</u>	<u>2017 Adopted</u>	<u>2017 Projected</u>	<u>Comments</u>
<u>Library Fund Revenues:</u>					
Taxes					
206-000-0000-31010	Current Ad Valorem Taxes	\$ 256,957	\$ 256,957	\$ 256,957	
206-000-0000-34105	Sale of Copies, Books, Maps	84	-	-	
206-000-0000-35100	Fines	-	-	120	
206-000-0000-36210	Interest Earnings	941	-	-	
206-000-0000-36230	Donations	12,970	4,000	4,000	
		-	-	-	
Total Taxes		\$ 270,952	\$ 260,957	\$ 261,077	
Miscellaneous					
	Transfers In	-	-	-	
	Miscellaneous Revenue	-	-	-	
	Use of Fund Balance	-	-	-	
Total Miscellaneous		\$ -	\$ -	\$ -	
Total Library Fund Revenues:		\$ 270,952	\$ 260,957	\$ 261,077	
<u>Library Fund Expenditures:</u>					
5300 Administration					
Personnel					
206-450-5300-41010	Full-time Salaries	48,808	49,996	51,527	
206-450-5300-41030	Part-time Salaries	25,228	27,048	38,639	
206-450-5300-41210	PERA Contributions	5,553	4,555	6,611	
206-450-5300-41220	FICA Contributions	4,426	3,895	5,412	
206-450-5300-41230	Medicare Contributions	1,035	910	1,266	
206-450-5300-41300	Health/Dental Insurance	13,673	15,223	14,730	
		-	-	-	
Total Personnel		\$ 98,722	\$ 101,977	\$ 118,185	
Materials and Supplies					
206-450-5300-42000	Office Supplies	2,950	5,000	3,035	
206-450-5300-42180	Hardware	1,124	10,000	259	
206-450-5300-42185	Software	86	-	895	
206-450-5300-42230	Building Repair Supplies	123	-	340	
206-450-5300-42500	Library Collection Maintenance	77,595	45,000	32,330	
Total Materials and Supplies		\$ 81,878	\$ 60,000	\$ 36,859	
Charges and Services					
206-450-5300-43030	Engineering Services	420	-	-	- Moved to general engineering in G.F.
206-450-5300-43040	Legal Services	3,870	4,000	-	- Moved to G.F. so no increase added.
206-450-5300-43150	Contract Services	4,604	6,000	1,651	
206-450-5300-43180	Information Technology	11,222	3,200	14,754	
206-450-5300-43210	Telephone	2,033	1,800	2,176	

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206-450-5300-43250	Internet	929	2,000	590	
206-450-5300-43310	Mileage	166	-	-	Mileage moved to GF Admin..
206-450-5300-43630	Insurance	1,637	2,200	1,700	
206-450-5300-43810	Electric Utility	5,872	8,000	7,793	
206-450-5300-43820	Water Utility	276	-	-	
206-450-5300-43840	Refuse	819	600	660	
206-450-5300-44310	Internal Charges	10	500	-	
206-450-5300-44330	Dues and Subscriptions	-	-	289	
206-450-5300-44370	Conferences and Training	314	2,500	334	
		-	-	-	
Total Charges and Services		\$ 32,172	\$ 30,800	\$ 29,948	
Capital Outlay					
206-450-5300-44010	Repairs/Maint Bldg	67,029	30,000	64,687	Incl. \$4173 for lead abtmt. to be deducted from bal.
206-450-5300-44030	Repairs/Maint Imp Not Bldgs	13,286	-	14,264	
206-450-5300-44040	Repairs/Maint Eqpt	94	-	93	
		-	-	-	
Total Capital Outlay		\$ 80,409	\$ 30,000	\$ 79,044	
Miscellaneous					
206-450-5300-44300	Miscellaneous	38,720	38,180	33,721	
Total Miscellaneous		\$ 38,720	\$ 38,180	\$ 33,721	
1320	Total Administration	\$ 331,901	\$ 260,957	\$ 297,756	
Total Library Revenues Over/(Under) Expenditures:		\$ (60,949)	\$ -	\$ (36,679)	
FUND BALANCE AS OF 12/31:		\$ 174,540	\$ 174,540	\$ 137,861	
Original Amount Due Washington County:				\$ 150,000	
Less: Amount Paid by City for Lead Abatement:				\$ (4,173)	
Net Amount Due Washington County:				\$ 145,827	
Amount to be paid from City Facilities Fund:				\$ 7,966	