

MEMORANDUM

April 25, 2019

TO: Education and Culture Committee

FROM: Gene Smith, Legislative Analyst *GS*

SUBJECT: FY20 Operating Budget: Takoma Park Library Annual Payments Non-Departmental Account (NDA)

PURPOSE: Review and make recommendation to the Council

Those expected for this worksession:
Bruce Meier, Office of Management and Budget

Budget Summary

The Executive recommends \$188,329 for the Takoma Park Library Annual Payments NDA (TPLAP), an increase of \$24,271 or 14.8% from FY19.

Council Staff Recommendation

Approve the Executive's FY20 recommendation of \$188,329 for this NDA.

See the Executive's recommendation on ©1. Section 2-53 of the County Code requires this annual payment to any municipality within the County that supports or operates a free public library that is not part of the County library system. The City of Takoma Park (the "City") is the only municipality in the County that meets this requirement.

The County's funding is based on a formula that is equal to the portion of the general County's ad valorem property tax rate that supports the annual appropriation of the Montgomery County Public Libraries (MCPL) multiplied by the assessable property tax base within the City. Changes in the County's annual appropriation are due to fluctuations in the MCPL annual appropriation and/or the municipality's assessable property tax base. As the formula demonstrates, this payment is related to property tax duplication. However, it is a separate payment from the property tax duplication NDA

because the issue is addressed in a separate section of the County Code. **The annual appropriation for this NDA is a placeholder because the actual amount is calculated at year-end.**

The City's FY20 proposed budget for the Takoma Park Library is \$1,230,320. See the summary of the proposed Takoma Park Library budget on ©2-4. The County's estimated annual payment is 15.3% of the City's proposed budget for the Takoma Park Library in FY20.

Council staff recommends approval of the Executive's recommendation of \$188,329 for this NDA.

<u>This packet contains:</u>	<u>Circle #</u>
Executive FY20 recommendation for TPLAP	1
Takoma Park Library FY20 proposed budget	2

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☀ Takoma Park Library Annual Payments

The annual amount provided in this NDA is a function of County expenditures for the Montgomery County Public Libraries (as a share of property tax-funded spending) and the City of Takoma Park's assessable base. The payment is authorized by Section 2-53 of the Montgomery County Code.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	164,058	0.00
Increase Cost: Formula Projection Adjustment	24,271	0.00
FY20 Recommended	188,329	0.00

Department Summary

Department Overview:

The Takoma Park Maryland Library enhances the quality of life in Takoma Park by responding to and inspiring the literary, educational, and informational needs of a diverse community. The Library provides and promotes up-to-date resources, collections, and referrals that match community interests, promote literacy and learning, nurture a love of books and stories, and present a broad range of views within an inviting and safe environment. The Library also operates the City's Computer Learning Center.

<i>Staffing Summary by Division (FTEs)</i>	<i>Actual FY18</i>	<i>Adopted FY19</i>	<i>Proposed FY20</i>
<i>Library</i>	9.75	9.75	9.75
<i>Computer Learning Center</i>	1.38	1.38	1.38
<i>Department Total FTEs</i>	11.13	11.13	11.13

<i>Source of Funds</i>	<i>Actual FY18</i>	<i>Adopted FY19</i>	<i>Estimated FY19</i>	<i>Proposed FY20</i>
<i>Library Aid from County</i>	168,704	164,000	164,000	188,329
<i>Library Fines and Fees</i>	16,457	17,000	20,000	20,000
<i>Subtotal</i>	185,161	181,000	184,000	208,329
<i>General Fund</i>	1,085,577	1,191,720	1,226,730	1,125,741
<i>Department Total</i>	1,270,738	1,372,720	1,410,730	1,334,070

Department Summary

<i>Dept. Expenditures by TYPE</i>	<i>Actual FY18</i>	<i>Adopted FY19</i>	<i>Estimated FY19</i>	<i>Proposed FY20</i>
<i>Wages</i>	794,649	847,500	868,000	838,500
<i>Fringe Benefits</i>	286,558	310,300	333,000	312,500
<i>Overtime</i>	8,019	7,200	8,200	8,200
<i>Employee Recognition</i>	9,070	3,070	3,070	6,570
<i>Personnel Subtotal</i>	1,098,296	1,168,070	1,212,270	1,165,770
<i>Supplies</i>	118,878	131,950	130,100	106,200
<i>Computer Expenditures</i>	6,726	13,000	14,760	14,400
<i>Services and Charges</i>	28,212	37,600	31,500	30,200
<i>Communications</i>	6,257	7,100	7,100	7,000
<i>Office Expenditures</i>	2,334	3,500	3,500	4,000
<i>Conferences, Training, & Dues</i>	10,034	11,500	11,500	6,500
<i>Operating Expenditures Subtotal</i>	172,442	204,650	198,460	168,300
<i>Department Total</i>	1,270,738	1,372,720	1,410,730	1,334,070

<i>Dept. Expenditures by DIVISION</i>	<i>Actual FY18</i>	<i>Adopted FY19</i>	<i>Estimated FY19</i>	<i>Proposed FY20</i>
<i>Library</i>	1,173,612	1,271,030	1,304,880	1,230,320
<i>Computer Learning Center</i>	97,126	101,690	105,850	103,750
<i>Department Total</i>	1,270,738	1,372,720	1,410,730	1,334,070

Department Summary

Adopted to Estimated Actual FY19:

- *Departmental expenditures are expected to be \$38,010 higher than budget.*
- *The variance is attributable primarily to higher than anticipated personnel costs.*

FY20 Budget Highlights:

- *Departmental expenditures are \$38,650 lower – a decrease of 2.8 percent – compared to budgeted expenditures for FY19.*
- *Departmental FTEs do not increase.*
- *Approximately 87.4 percent of departmental expenditures are personnel related.*
- *Personnel costs decrease by \$2,300 compared to budgeted expenditures for FY19.*
- *Approximately eight percent of departmental expenditures are supplies. This category includes the cost of digital and print books, periodicals, reference resources, and media; and computer and office supplies, including all materials needed for processing and circulation (see divisions).*
- *Supplies account for 7.96 percent of the total Library department budget. This category includes print and digital books for adults and children (\$58,000 or 34 percent less than FY 19) digital reference materials (\$15,590 or 19.3 percent less than FY19). It formerly included media, which is not being purchased next year. It also includes print and digital periodical subscriptions (\$17,600) which increases by 4 percent, and office and computer supplies (\$11,000) which decrease 45 percent from FY 19. In the Computer Center, Supplies account for 0.3 percent of the total budget (\$ 3,460), and consist of office and computer supplies (now combined) which increases by \$460 from FY19.*
- *Computer inventory expenditures are \$14,400 – an increase of 10.8 percent over FY19. These expenditures are not budgeted separately in the Computer Center, as Computer Center computers are mainly provided through our 3-year contract with Useful Corp.*

Department Summary

- *Services and charges account for 2.3 percent of the department budget. They include contracts (\$15,000) for our Integrated Library System (\$7,800) and Cataloging and AV support (\$4,750), and small hosting service contracts. This account decreases by 6.6 percent. Also included are expenses for programing and outreach (\$6,200), which decreases by 61 percent from FY19. A small amount for rebinding (\$2,000) is eliminated in FY20. At \$1,500, postage is unchanged from FY19. In the Computer Center, services and charges are budgeted at \$1,000 – representing 0.075 percent of the total budget. Expenditures include a \$200 contract for the print station in the Computer Center.*
- *Communications include charges for telephone (\$3,500) and cell phone (\$3,500). The communication account is deleted for the Computer Center, as expenditures are included with the Library division, thus eliminating \$600 that was budgeted in FY19.*
- *Office expenditures account for 0.3 percent, or \$4,000 of the total, \$500 more than in FY19. In the Library and Computer Center, these are categorized as miscellaneous expenses. They include minor furnishings and décor, as well as water cooler, coffee and first aid supplies.*
- *Conferences, training, and dues include professional memberships (\$2,000), and conference attendance (\$4,500) which decreases by 43.5 percent from FY19. Expenditures are deleted from the Computer Center division as a separate account, eliminating a \$500 budgeted amount in FY19.*