



DATE: April 1, 2020
TO: Library Commission
FROM: David Farnan, Director of Library and Arts Department
Jennifer Phares, Deputy Library Director
SUBJECT: Proposed 1st Adjustment to the 2020 Base Budget

The city's first semi-annual Adjustments to Base (ATB) is scheduled to be presented to City Council for first reading on May 5, 2020. A second reading and possible adoption is scheduled to occur on May 19, 2020. These dates may change due to the current pandemic response. This first ATB presents the Library with an opportunity to adjust its base budget to accommodate continuing operational needs and/or address new needs for the 2020 budget year.

Library staff has identified a list of budget needs related to the continuation of programs and projects that are multi-year in nature and require the carryover of 2019 budget to complete. These are called budget carryovers. Carryovers come in three forms: operating carryovers, project carryovers, and grant carryovers. Operating carryovers represent unspent operating dollars from 2019 that had been dedicated to specific projects or work plan efforts that were not completed by year-end. Project carryovers represent unspent budget from capital projects. Grant carryovers represent unspent funds from projects, programs or services that were funded with third-party grant support and must be accounted for separately.

Library staff has also identified new budget needs that require additional funding from fund balance or additional revenue, which are referred to as budget supplementals. While carryover re-appropriates unspent funds from the previous year's budget, the supplementals add brand new funding to the 2020 budget. Budget supplementals can be sourced from additional revenue that has been received or is anticipated to be received within the budget year. Due to a constrained budget climate at the city, departments have been instructed to limit budget supplemental requests that rely on General Fund revenue in this first ATB. However, the supplemental requests the library plans to put forward are funded by fund balance from two dedicated library reserves in the General Fund, and additional revenue generated through library programs. Additionally, the Library does anticipate receiving \$63,952 in unspent 2019 grant funding balances from the Boulder Library Foundation. The adjustments are all one-time in nature and any remaining money will fall to fund balance at the end of the year if left unspent. **Table 1** on the next page provides a detailed list of the proposed budget adjustments divided into General Fund and Library Fund adjustments.

**Table 1
1st Round of Adjustments to 2020 Base Budget**

GENERAL FUND				
Title	Amount	Type	Source	Description
Carnegie Library Digital Asset Management System Enhancement	\$52,770	Budget supplemental	Fund balance	Funding from the Blystadt-Laesar House (BLH) restricted reserve to implement features for the digital asset management system to facilitate patron access to archived materials that have been digitally preserved. The BLH fund is dedicated to support Carnegie Library collections and storage.
Carnegie Library Digital Asset Management System support and hosting	\$25,770	Operating carryover	Fund balance	Funding from the BLH restricted reserve to fund support and hosting of the digital asset management system. This ongoing expense is not included in the library operating budget. Support includes configuration, troubleshooting, and staff training of the current system. The BLH fund is dedicated to support Carnegie Library collections and storage.
Library Volunteer Program	\$10,000	Additional revenue	General Fund	Proceeds from the library's used book sales are used to cover the costs of volunteer program which include but not limited to background check fees, Homebound Delivery and Book Sales supplies, volunteer orientation and appreciation.
Public furniture repair and replacement	\$10,000	Operating carryover	General Fund	Transfer unspent 2019 funds to Library Facilities Renovation and Replacement (FRR) for facility maintenance, renovation and other capital projects.
Library Maintenance	\$59,000	Operating carryover	General Fund	Transfer unspent 2019 funds to Library FRR for facility maintenance, renovation and other capital projects.
LIBRARY FUND				
Title	Amount	Type	Source	Description
Library Technology Strategic Plan	\$14,400	Operating carryover	Library Fund	Original appropriation was from the Library Fund Balance. A consultant was engaged in 2019 to develop the strategic plan. This plan is a Master Plan objective.
Main Library North Building	\$105,000	Operating carryover	Library Fund	Original appropriation was from the Library Fund Balance. A consultant has been selected to compile relevant building code and flood

Renovation Feasibility Study				regulations to determine how much, if any, interior renovations are permitted to the building. This study is a Master Plan objective.
Inclusivity campaign	\$13,000	Operating carryover	Library Fund	Original appropriation was from the Library Fund Balance. Funds for programs and services that emphasize and support inclusivity.
2019 Boulder Library Foundation Grant	\$129,215	Grant carryover	Grant	Appropriation of 2019 Boulder Library Foundation grant funding (unspent) balances.
State Library Grant	\$29,257	Budget supplemental	Grant	Funding for library materials and digital resources for children and Spanish speaking patrons.
North Boulder Branch Library Construction	\$500,000	Capital carryover	Library Fund	Contribution from the Library Fund Reserve for construction of the North Boulder Branch Library

The new budget adjustments sourced from the Library Fund require the favorable recommendation of the Library Commission. Library Commission provided a favorable recommendation during the February 5, 2020 meeting for the \$52,770 Carnegie Storage budget adjustment from the Blystadt-Laesar reserve account in the General Fund. This reserve account was established with proceeds from the sale of the Blystadt-Laesar house and currently holds a balance of \$ 292,091.

Library staff will continue to work on developing 2021 budget requests and plan to present those requests to the Library Commission in May.

Requests for the Library Commission

Staff requests that the Library Commissioners submit any questions about the proposed 1st Adjustments to the 2020 Base Budget by email directly to David Farnan and Jennifer Phares. David and Jennifer will compile the questions and answers and send them to the Library Commission.

April 6, 2020

To Library Commission

From: David Farnan, Library and Arts Director

Jennifer Phares, Deputy Library Director

Subject: Follow up Questions and Answers to Library Budget Update Memo – 1st 2020 ATB

1. Are these adjustments bi-annual (once every two years) or semi-annual (twice a year)?

Semi-annual – twice a year. The 2nd ATB requests are submitted in early October.

2. Are carryovers typically carried over or do they revert to the General Fund if unspent?

Unspent funds revert to the fund of origin unless they are approved for carryover during the 1st ATB or they were encumbered the previous year via contract or purchase order. Unspent, allocated Library Fund dollars revert to the Library Fund if they are not approved for carryover or encumbered. The same is true for allocated General Fund dollars.

3. What is the status of NoBo [north Boulder branch library] design and construction? Is the capital carryover for actual building or for design costs?

The north Boulder branch library design is pending site review by the Planning Board. The public hearing for site review will be rescheduled. No date has been identified. The capital carryover is for both the remaining design costs and for construction. There may be other carryover entries that occur in the Facilities and Asset Management request for the project from other funding sources. All other available funds for the project were allocated via the budget process.

4. I'm surprised to see that the proceeds from our sales of used books go to the City general fund.

All revenues generated by the Library go to the General Fund. They may be allocated for use by the department via the annual budget process like the overdue fines were when they were collected. Otherwise, they may be requested for use by the department via the 1st ATB.

5. Who is the consultant selected for Main [Library] North Building [Renovation Feasibility Study] and is there a schedule for that study?

The contract is under review by the City Attorney and City Manager. The study is scheduled to begin after the contract is final. The start may be delayed until staff is able to access the facility. We will share the name of the selected consultant and the project schedule once the contract is signed/final.

6. Could we get an inclusivity campaign update when we start meeting again as a Commission?

Public Events and Outreach staff members will report on how the Inclusivity Campaign funds were used in 2019. If the carryover is approved, they plan to use these funds to supplement programs and promotion around the One Book One Boulder event.

- 7. With the impending budget adjustments is it possible the City will want to delay the \$500k NOBO [north Boulder branch library] construction expenditure and the \$105K NOBO [Main Library north building renovation] feasibility study?**

It is possible that the north Boulder branch library construction and the Main Library north building renovation feasibility study may be postponed. The funds requested in the Library's ATB 1 submission originated from the Library Fund or the Library Fund Reserves.