



Orange County Public Law Library

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NOTICE OF MEETING

Please be advised that the Finance Committee of the Orange County Public Law Library Board of Trustees will meet Thursday, June 10, 2021 at 12:15 p.m. to review the proposed fiscal year 2021-22 budget.

Pursuant to California Executive Order No. N-29-20 (March 17, 2020), interested members of the public are asked to attend electronically by one of the following options:

<https://zoom.us/j/93023327529>

Meeting ID: 930 2332 7529

or

Phone (669) 900-6833

Alternate phone (253) 215-8782

Meeting ID: 930 2332 7529

Supporting documentation is available for review in the Law Library Administrative Offices, Monday through Friday, 8 a.m.-5 p.m., except where exempt from disclosure.

Those requiring accommodations under the Americans with Disabilities Act should contact the Law Library Administrative Offices at least 24 hours prior to the meeting at (714) 338-6803. Later requests will be accommodated to the extent feasible.

Review of Proposed FY2020-21 Budget

Background

The library operates on a cash accounting method. Each fiscal year is treated separately. At fiscal year-end, any operating funds remaining are held for future use, either in our fund in the county treasury or in reserves. Our operating budget does not include capital income (interest on reserves) or capital expenses (equipment costing more than \$5,000 or major building expenses). Over a 25-year period, the library has ended on a negative balance only four times.

Reserves

Our account in the state Local Agency Investment Fund (LAIF) was established in March 1995. The balance as of June 1, 2021 is \$ 5,261,988.41. Funds held in LAIF are not subject to transfer, loan, impoundment, or seizure by the state.

Current Fiscal Year

The public health crisis significantly cut revenue and bred uncertainty at the start of the fiscal year. As the year went on, however, revenue was better than anticipated. In addition to better-than-expected filing fee revenue, the legislature provided supplemental funding in the amount of \$939,313.83 to offset pandemic-related losses. As of May 31, the library has an operating surplus of \$ 310,718.51 and approximately \$2,000,000 in operating cash in the county treasury. Both of those balances should decline as payments post by fiscal year-end. We do not anticipate ending in the red.

Fiscal Year 2021-22

A draft budget follows. Budget amounts for the preceding two fiscal years are included for context. While this is not an austerity budget, it is not a return to pre-pandemic spending levels either. Revenue remains modest. Filing fee income has been better than expected, but the library's return on investment has been low. Rates declined throughout the year, a trend that will probably continue in the short term.

Draft Budget FY2021-22

Revenue	FY2021-22	FY2020-21	FY2019-20
6610 Interest (on Cash)	\$ 6,000	\$ 5,850	\$ 6,270
7430 Court Filing Fees	2,600,000	1,969,594	2,813,705
7570 Library Services	2,240	2,240	2,800
7590 Fee-based Services	-	550	1,100
7670 Miscellaneous Revenue	8,500	4,340	6,200
TOTAL	\$ 2,616,740	\$ 1,982,574	\$ 2,830,075

Capital Income	FY2021-22	FY2020-21	FY2019-20
6610 Interest (on Reserve)	\$ 15,786	\$ 101,747	\$ 88,200

Operating Expenditures	FY2021-22	FY2020-21	FY2019-20
0101 Regular Salaries	\$ 1,155,599	\$ 1,129,058	\$ 1,129,058
0104 Annual Leave Payoff	27,559	27,065	32,906
0112 Other Salaries	-	-	2,000
0200 Retirement	117,086	124,673	141,725
0204 Executive Deferred Compensation	7,125	6,750	6,750
0206 Retiree Medical	40,227	39,507	45,317
0301 Unemployment Insurance	1,680	2,205	2,205
0304 Management Employee Insurance	4,411	4,409	4,875
0306 Health Insurance	152,084	140,049	139,495
0319 Unit Employee Insurance	7,872	7,488	7,488
0352 Worker's Compensation—General	4,182	8,500	7,678
0401 Medicare	17,156	20,596	20,526
0403 Optional Benefit Plan	11,500	11,500	11,500
0450 Accrued Salary & Benefits	n/a	n/a	n/a
0741 Telephone—Other	12,769	11,771	11,178
1100 Insurance	42,086	42,215	42,579
1300 Maintenance—Equipment	72,522	60,150	65,087
1400 Maintenance—Building	3,000	3,000	4,010
1402 Minor Alterations & Improvements	3,000	3,000	3,000
1600 Memberships	4,960	4,780	4,780
1700 Miscellaneous Expense	4,518	5,818	5,818
1800 Office Expense	15,575	15,729	15,073
1801 County Publishing	150	150	150
1802 Periodicals	266,077	253,407	362,010
1803 Postage	350	425	350
1809 Minor Equipment Control	16,400	4,875	9,115
1900 Professional & Specialty Services	5,700	6,725	23,133
1901 Databases	163,901	147,187	141,650
1909 Contracts	43,233	43,317	41,055
1911 CWCAP	22,287	27,633	27,634
1940 County IT Charges	3,540	4,308	2,414
2100 Rents & Leases—Equipment	10,072	10,312	353
2400 Books	95,200	95,200	136,000
2600 Transportation & Travel—General	12,200	12,200	12,200
2601 Private Auto Mileage	500	500	2,000
2602 Garage Expense	5,000	3,000	3,000
2700 Transportation & Travel—Meetings	12,150	12,150	13,425
TOTAL	\$ 2,361,670	\$ 2,289,652	\$ 2,477,536

Capital Expenditures	FY2021-22	FY2020-21	FY2019-20
4000 Equipment	\$ 5,937	\$ -	\$ 5,937

Notes

Revenue

Interest (6610): The library draws interest on its funds in the county treasury and LAIF. These estimates are based on the declining rates of the current fiscal year and the performance of these funds over the last decade or so.

Court Filing Fees (7430): While we expect fees to tick upward as courts continue to reopen, this is a conservative estimate based on the last 10 months of income.

Library Services (7570): fines and book replacement charges. Material continued to circulate during the stay-at-home period because we offered “curbside” pickup. We anticipate similar numbers this year.

Fee-based Services (7590): document delivery and conference room rental. We waived document delivery fees due to encourage remote use of our services and took our conference rooms out of circulation in order to offer electronic access to remote hearings at the request of the Superior Court. Staff have not determined when these services will be offered as before.

Miscellaneous Revenue (7670): used book sales, donations, vendor refunds, and photocopier commission. This line performed 191% better than anticipated and we expect to continue that trend in the next fiscal year.

Expenditures

Salaries (0101): this reflects wage increases of 3% for unit staff and varying amounts for management, as approved by the board.

Annual Leave Payoff (0104): The Library’s Personnel and Salary Resolution and its Memorandum of Understanding (MOU) with the Orange County Employees Association (OCEA) allow employees to request a payout of a specified amount of accrued annual leave each fiscal year.

Other Salaries (0112): covers bonuses and extra pay elements. Staff do not anticipate any such expenses this fiscal year.

Retirement (0200): We prepaid the entire FY2021-22 employer contribution to the Orange County Employees Retirement System (OCERS) in January of this year to obtain a 5.8% prepayment discount.

The current figure is based on estimates provided by OCERS for FY2022-23, pending approval by its board this summer.

Executive Deferred Compensation (0204): part of the director's compensation package.

Retiree Medical (0206): 3.4% of payroll. The employees' 1.75% reverse pickup for retirement contributions offsets part of this cost.

Unemployment Insurance (0301): The Library pays this at the start of the calendar year. This estimate is based on our current rate of 1.6% on the first \$7,000 of compensation per employee.

Management Employee Insurance (0304): Library employees receive the county benefits package for medical, dental, and other insurances. This package is for non-represented employees and includes dental, life, salary continuance, and AD&D insurances.

Health Insurance (0306): This estimate is based on the medical coverage employees chose for the 2021 calendar year. If anyone changes during open enrollment in the fall, costs will adjust.

Unit Employee Insurance (0319): This package, administered by OCEA, is for represented employees and includes dental, life, vision, and salary continuance insurances.

Workers Compensation (0352): The premium is based on our total payroll. The substantial drop in premium is due to the library switching to another workers compensation insurer last fall. It is unclear what impact COVID-19 and California's rebuttable assumption will have on workers compensation claims.

Medicare (0401): includes Medicare for all employees and Social Security for an employee who waived OCERS membership.

Optional Benefit Plan (0403): This gives non-represented employees a lump sum which they may invest and/or receive as a taxable lump sum distribution.

Telephone—Other (0741): all internet and phone connections including backup lines.

Insurance (1100): includes package insurance and directors and officers and employment practices liability insurance. While premiums were less than budgeted for this fiscal year, we are allowing for 3% increases here.

Maintenance—Equipment (1300): includes computer hardware and software maintenance agreements and service contracts; the annual contract with Innovative Enterprises for hosting and supporting our integrated library system; and estimated maintenance costs on compact shelving, the Lektriever microform storage systems, photocopiers and other office equipment, and furniture.

Maintenance—Building (1400): The county pays for custodial services and routine repairs. The library pays for repairs to the intrusion alarm and closed-circuit television systems, for e-waste pickup, and for any library-requested modifications outside the normal maintenance schedule.

Minor Alterations & Improvements (1402): an allowance for unexpected building modification work, e.g., adding an electrical outlet or card access point. We are over budget on this line this fiscal year due to expenses associated with the rehabilitation project (repainting, reflooring, and related work) but no such expenses are expected in the coming fiscal year.

Memberships (1600): The Library belongs to the Council of California County Law Librarians (CCCLL), the Innovate Users Group, the Innovative Law Users Group, and Califa, a non-profit corporation for library support services through which we receive discounts on supplies and some conference registrations. We pay dues to the American Association of Law Libraries for five professional staff members, and the director would like to include membership in the local chapter (the Southern California Association of Law Libraries) starting next fiscal year.

Miscellaneous Expense (1700): includes interlibrary loan charges, technical training for Network Services staff, and general staff training.

Office Expense (1800): includes library supplies, general office supplies, signage, and county charges for the “Pony Mail” (interoffice) delivery system, armored car pickups, and credit card merchant fees. It also includes purchases of personal protective equipment (PPE) and sanitizing supplies, which staff anticipate purchasing at higher-than-usual levels into the coming fiscal year.

County Publishing Services (1801): printed matter such as business cards. We no longer order letterhead, as the cost of color printing on the newer printers and copiers is relatively low.

Periodicals (1802): includes loose-leaf services, pocket parts, and other forms of supplementation, along with journals, newsletters, etc. This number continues the substantial decrease from the year-before-last but does not require cuts. Staff negotiated multi-year agreements with several publishers that provide large discounts and lower year-on-year increases.

Minor Equipment (1809): covers purchases of less than \$5000, including replacement chairs for the computer lab, specialized printers, slight reconfigurations of the public services staff areas, a bike rack for the public, replacement handheld transceivers (walkie talkies), a marker board for the smaller conference room, upgraded parts for the security gates, and a display case for the Annex.

Professional Services (1900): includes estimates for attorneys' fees, the county's estimate for expenses related to managing the investment pool and our treasury funds, and an allowance for employee inoculation at the county Health Care Agency.

Databases (1901): Westlaw, Lexis, FastCase, CEB OnLAW, HeinOnline, LLMCDigital, Nolo Press and National Consumer Law Center e-books, and various online library utilities. In addition to expected price increases, this includes costs for shifting more library services online.

Contracts (1909): intrusion alarm monitoring and security guard service.

CWCAP (1911): the county's charge for accounting services and data system development.

County IT Charges (1940): charges for remote access to the county's secured network and associated costs.

Rents & Leases—Equipment (2100): a postage meter and public copiers and related expenses. The cost of leasing copiers is offset by the library's full retention of all print and copy charges.

Books (2400): As with periodicals (1802), this number represents a substantial decrease from the year before last, but does not require extensive cuts. Staff negotiated multi-year agreements with several publishers that provide larger discounts and lower year-on-year increases.

Transportation & Travel—General (2600): covers validated parking, board meeting expenses, the December joint Board/Staff meeting, and monthly staff parking.

Private Auto Mileage (2601): Library policy allows employees authorized to use private vehicles in the performance of their duties to be reimbursed at the county rate for mileage driven.

Garage Expense (2602): Each employee may be reimbursed up to \$105 per month for parking expenses. The increase reflects the increase in that benefit under the new agreement with OCEA.

Transportation and Travel—Meetings (2700): includes the negotiated educational reimbursement program, costs for the director to attend two CCCLL business meetings, costs to attend various local meetings, and the \$2,000 professional development allowance for each of the five professional librarians. While many professional development opportunities are still being offered remotely, actual attendance at meetings may be required in the coming fiscal year.

Equipment (4000): the capital line, or purchases over \$5,000. This is the estimated cost of replacing the library's domain controller.

May 2021

Revenue	May	FYTD	Budget	% of Bud.	Bud. @ 11 mos.
6610 Interest (on Cash)	\$ 1,071.60	\$ 14,411.86	\$ 5,850.00	246%	\$ 5,362.50
7430 Court Filing Fees	275,188.27	2,360,105.28	1,969,593.50	120%	1,805,460.71
7570 Library Services	213.00	2,113.01	2,240.00	94%	2,053.33
7590 Fee-based Services	-	26.00	550.00	5%	504.17
7670 Miscellaneous Revenue	2,704.58	8,301.81	4,340.00	191%	3,978.33
TOTAL	\$ 279,177.45	\$ 2,384,957.96	\$ 1,982,573.50	120%	\$ 1,817,359.04

State Supplemental Funding	May	FYTD	Budget	% of Bud.	Bud. @ 11 mos.
6970 State, Other	\$ -	\$ 939,313.83	n/a	n/a	n/a

Operating Expenditures	May	FYTD	Budget	% of Bud.	Bud. @ 11 mos.
0101 Regular Salaries	\$ 85,642.25	\$ 991,136.25	\$ 1,129,057.50	88%	\$ 1,034,969.38
0104 Annual Leave Payoff	-	11,249.91	27,065.40	42%	24,809.95
0112 Other Salaries	-	-	-	0%	-
0200 Retirement	159.24	132,010.01	124,673.02	106%	114,283.60
0204 Executive Deferred Compensation	519.24	6,023.18	6,750.00	89%	6,187.50
0206 Retiree Medical	2,911.90	33,699.48	39,506.76	85%	36,214.53
0301 Unemployment Insurance	-	-	2,205.00	0%	2,021.25
0304 Management Employee Insurance	177.10	2,856.15	4,409.49	65%	4,042.03
0306 Health Insurance	10,446.24	125,099.33	140,049.00	89%	128,378.25
0319 Unit Employee Insurance	576.00	6,513.60	7,488.00	87%	6,864.00
0352 Worker's Compensation—General	-	3,157.60	8,500.00	37%	7,791.67
0401 Medicare	1,489.59	17,492.70	20,596.49	85%	18,880.12
0403 Optional Benefit Plan	-	11,500.00	11,500.00	100%	10,541.67
0450 Accrued Salary & Benefits	6,708.82	39,409.94	n/a	n/a	n/a
0741 Telephone—Other	-	8,612.66	11,770.80	73%	10,789.90
1100 Insurance	-	30,656.00	42,215.00	73%	38,697.08
1300 Maintenance—Equipment	34.20	47,342.82	60,149.52	79%	55,137.06
1400 Maintenance—Building	-	2,508.38	3,000.00	84%	2,750.00
1402 Minor Alterations & Improvements	2,385.01	39,839.15	3,000.00	1328%	2,750.00
1600 Memberships	-	4,760.00	4,780.00	100%	4,381.67
1700 Miscellaneous Expense	-	7.50	5,817.50	0%	5,332.71
1800 Office Expense	70.71	10,336.19	15,729.33	66%	14,418.55
1801 County Publishing	-	-	150.00	0%	137.50
1802 Periodicals	33,915.48	236,467.01	253,407.00	93%	232,289.75
1803 Postage	-	251.09	425.00	59%	389.58
1809 Minor Equipment Controlled	595.40	23,646.08	4,875.00	485%	4,468.75
1900 Professional & Specialty Services	117.23	1,228.22	6,725.00	18%	6,164.58
1901 Databases	-	134,137.36	147,187.14	91%	134,921.55
1909 Contracts	3,493.56	23,449.77	43,316.79	54%	39,707.06
1911 CWCAP	-	27,633.00	27,633.00	100%	25,330.25
1940 County IT Charges	345.06	3,362.47	4,308.45	78%	3,949.41
2100 Rents & Leases—Equipment	-	7,120.98	10,312.30	69%	9,452.94
2400 Books	9,942.69	80,746.46	95,200.00	85%	87,266.67
2600 Transportation & Travel—General	1,147.00	8,951.16	12,200.00	73%	11,183.33
2601 Private Auto Mileage	-	-	500.00	0%	458.33
2602 Garage Expense	-	2,768.00	3,000.00	92%	2,750.00
2700 Transportation & Travel—Meetings	-	267.00	12,150.00	2%	11,137.50
TOTAL	\$ 160,676.72	\$ 2,074,239.45	\$ 2,289,652.50	91%	\$ 1,908,043.75

May 2021

Capital Income	May	FYTD	Budget	% of Bud.	Bud. @ 11 mos.
6610 Interest (on Reserve)	\$	44,199.06	\$ 101,747.00	43%	\$ 101,747.00

Capital Expenditures	May	FYTD	Budget	% of Bud.	Bud. @ 11 mos.
1850 Rehabilitation Project	\$ 232,903.76	\$ 428,433.87	\$ 470,220.25	91.1%	\$ 431,035.23
4000 Equipment	-	-	-	-	-