



Orange County Public Law Library

515 North Flower Street
Santa Ana, CA 92703-2354
(714) 338-6790
www.ocpll.org

Brendan E. Starkey
Director

Hon. William Claster, President
Hon. Julian W. Bailey
Sup. Katrina Foley
Hon. Robert A. Knox
Prof. Sherry L. Leysen
Hon. Elizabeth G. Macias
Hon. Glenn R. Salter

NOTICE OF MEETING

Please be advised that the Finance Committee of the Orange County Public Law Library Board of Trustees will meet Tuesday, June 21, 2022 at 11:45 a.m. to review the proposed fiscal year 2022-23 budget.

Pursuant to Government Code § 54953(e), teleconferencing will be used. Interested members of the public are asked to attend by one of the following options:

<https://us06web.zoom.us/j/83624520071?pwd=NDIXQWZETHNiVHY4eFdxSitidjNMQT09>

Meeting ID: 836 2452 0071

Passcode: 509816

or

Phone (669) 900-6833

Alternate phone (253) 215-8782

Meeting ID: 836 2452 0071

Passcode: 509816

Supporting documentation is available for review in the Law Library Administrative Offices, Monday-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 FY2022-23 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 26-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, 2022 is \$5,276,679.96. Funds held in LAIF are not subject to transfer, loan, impoundment, or seizure by the state.

Current Fiscal Year

Revenue was better than anticipated this year. In addition to better-than-expected filing fee revenue, the legislature provided \$1,277,834.99 in supplemental funding. As of May 31, the library has an operating surplus of \$330,765.56 and a balance of approximately \$3,668,999 in the treasury.

Fiscal Year 2022-23

A draft budget follows. Budget amounts for the preceding two fiscal years are included for context. This would represent a return to pre-pandemic budgeting levels. While filing fee revenue remains below pre-pandemic levels, and the library's return on investment has been low, supplemental funding from the state and our reserve funds ensure that we remain in the black.

Draft Budget FY2022-23

Revenue	FY2022-23	FY2021-22	FY2020-21
6610 Interest (on Cash)	\$ 12,500	\$ 6,000	\$ 5,850
7430 Court Filing Fees	2,700,000	2,600,000	1,969,594
7570 Library Services	1,500	2,240	2,240
7590 Fee-based Services	600	-	550
7670 Miscellaneous Revenue	8,500	8,500	4,340
TOTAL	\$ 2,723,100	\$ 2,616,740	\$ 1,982,574

Capital Income	FY2022-23	FY2021-22	FY2020-21
6610 Interest (on Reserve)	\$ 15,000	\$ 15,786	\$ 101,747

Operating Expenditures	FY2022-23	FY2021-22	FY2020-21
0101 Regular Salaries	\$ 1,196,892	\$ 1,155,599	\$ 1,129,058
0104 Annual Leave Payoff	26,844	27,559	27,065
0200 Retirement	123,051	117,086	124,673
0204 Executive Deferred Compensation	7,600	7,125	6,750
0206 Retiree Medical	41,607	40,227	39,507
0301 Unemployment Insurance	1,680	1,680	2,205
0304 Management Employee Insurance	4,601	4,411	4,409
0306 Health Insurance	163,805	152,084	140,049
0319 Unit Employee Insurance	7,956	7,872	7,488
0352 Worker's Compensation—General	3,950	4,182	8,500
0401 Medicare	21,892	17,156	20,596
0403 Optional Benefit Plan	11,500	11,500	11,500
0741 Telephone—Other	14,163	12,769	11,771
1100 Insurance	32,037	42,086	42,215
1300 Maintenance—Equipment	102,376	72,522	60,150
1400 Maintenance—Building	3,000	3,000	3,000
1402 Minor Alterations & Improvements	3,000	3,000	3,000
1600 Memberships	5,075	4,960	4,780
1700 Miscellaneous Expense	6,318	4,518	5,818
1800 Office Expense	12,988	15,575	15,729
1801 County Publishing	150	150	150
1802 Periodicals	227,112	266,077	253,407
1803 Postage	492	350	425
1809 Minor Equipment Control	10,810	16,400	4,875
1900 Professional & Specialty Services	7,100	5,700	6,725
1901 Databases	295,304	163,901	147,187
1909 Contracts	47,933	43,233	43,317
1911 CWCAP	14,515	22,287	27,633
1940 County IT Charges	6,950	3,540	4,308
2100 Rents & Leases—Equipment	10,116	10,072	10,312
2400 Books	94,205	95,200	95,200
2600 Transportation & Travel—General	17,600	12,200	12,200
2601 Private Auto Mileage	500	500	500
2602 Garage Expense	-	5,000	3,000
2700 Transportation & Travel—Meetings	12,150	12,150	12,150
TOTAL	\$ 2,535,271	\$ 2,361,670	\$ 2,289,652

Capital Expenditures	FY2022-23	FY2021-22	FY2020-21
4000 Equipment	\$ 14,193	\$ 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): Filing fee revenue seems to have stabilized below pre-pandemic levels. While the legislature is considering an increase in the eligibility threshold for fee waivers that would have an impact on overall filing fee levels, it has ensured law libraries that our revenue will not be affected. This is a conservative estimate based on the last 12 months of income.

Library Services (7570): fines and book replacement charges. We anticipate smaller numbers than in the past because late returns, losses, and damages have been trending downward.

Fee-based Services (7590): document delivery and conference room rental. We began waiving document delivery fees at the start of the pandemic to encourage remote use of our services. We intend to continue that practice as long as the public health emergency remains in effect. We expect revenue from conference room rentals to remain low because (1) we configured one conference room to offer electronic access to remote court hearings at no charge, (2) we waive rental fees for government entities and non-profits, and (3) demand remains below pre-pandemic levels.

Miscellaneous Revenue (7670): used book sales, donations, vendor refunds, and photocopier commission. This line performed better than anticipated in prior fiscal years and is on target this year. We budgeted accordingly.

Expenditures

Salaries (0101): this reflects wage increases of 2% 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.

Retirement (0200): We prepaid the entire FY2022-23 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 for FY2023-24, pending approval by the OCERS board this summer.

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

Retiree Medical (0206): 3.4% of payroll. Staff pay a 1.75% reverse pickup for retirement contributions that 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): All staff receive the county benefits package for medical, dental, and other insurances. This package is for non-represented staff 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 2022 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 staff 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 from FY2020-21 to 2021-22 was due to the library switching providers. This estimate is based on this year's premium plus an anticipated 7.6% increase.

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. Premiums were lower this year because the library changed providers. This includes estimated 5% increases.

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 (ILS); and estimated maintenance costs on compact shelving, the Lektriever microform storage systems, photocopiers and other office equipment, and furniture. This year it also includes the one-time cost of migrating to the new Koha ILS as approved by the board in May.

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.

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 and the Southern California Association of Law Libraries for five professional staff members.

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, disaster kit supplies, and personal protective equipment (PPE). We updated our disaster kits and purchased large supplies of PPE this fiscal year, so we expect expenses to be lower next year.

County Publishing Services (1801): printed matter such as business cards and envelopes.

Periodicals (1802): includes loose-leaf services, pocket parts, and other forms of supplementation, along with journals, newsletters, etc. This includes an estimated 5% average price increase from publishers.

Postage (1803): includes planned rate increases by the Postal Service.

Minor Equipment (1809): covers purchases of less than \$5000, including a new server for our public network, a bike rack for the public, a display case for the Annex, and six HEPA air purifiers to be used during building work.

Professional Services (1900): includes estimates for attorneys' fees, the Treasurer/Tax Collector's estimate for expenses related to managing the investment pool and our treasury funds, armored car and Pony Mail costs, 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, Wolters Kluwer's VitalLaw database, and various online library utilities. The large increase is due to (1) LexisNexis' handling of the Digital Library and associated print titles—the entire annual subscription cost (\$99,645) will be charged to this line and not 1802 Periodicals or 2400 Books; (2) the addition of Practical Law and searching enhancements to our Westlaw subscription; and (3) price increases averaging 5%.

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

CWCAP (1911): the county's charge for accounting services and data system development. The drop is due to amortized charges for data system development having been paid off last year.

County IT Charges (1940): charges for remote access to the county's secured network and associated costs. The large increase is due to charges for the county's access control system, which OCIT was authorized to bill to individual departments starting next fiscal year.

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): This estimate includes an estimated 5% average price increase from publishers.

Transportation & Travel—General (2600): covers validated parking, board meeting expenses, the December joint Board/Staff meeting, and monthly staff parking. The increase is due to staff switching from stadium parking to the adjacent Superblock parking. It is offset by an expected total decrease in charges to 2602 Garage Expense.

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): Under the board's Personnel and Salary Resolution and MOU with OCEA, each employee may be reimbursed up to \$105 per month for parking expenses. In the past, this was used by staff to park closer to work in the Superblock parking a few days a month. With staff now parking in Superblock regularly, we do not expect this benefit to be used.

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 a \$2,000 professional development allowance for each of the five professional librarians.

Equipment (4000): the capital line, or purchases over \$5,000. This includes purchases of new firewalls and a flatbed scanner for the public that were approved by the board in April.