



# Orange County Public Law Library

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## NOTICE OF MEETING

Please be advised that the Finance Committee of the Board of Trustees of the Orange County Public Law Library will meet at the law library Tuesday, June 25, 2024 at 11:45 a.m. to review a proposed fiscal year 2024-25 budget.

*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 FY 2024-25 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 27-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 is \$5,572,891.49. At the moment, 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 \$180,952.60 in supplemental funding to offset expected losses from filing fee waivers. As of May 31, the library has an operating surplus of \$692,596.22 and a balance of approximately \$ 6,277,464.36 in the treasury. Revenues and expenditures as of May 31 are attached for reference.

### **Fiscal Year 2024-25**

A draft budget follows. Budget amounts for the current fiscal year are included for context. Filing fee revenue has steadily increased, as has return on investment. Spending on the physical collection is expected to remain steady or even decrease as spending increases on electronic resources. Substantial increases are expected in the cost of employee benefits.

**Budget FY 2024-25**

**DRAFT**

<b>Revenue</b>	<b>FY2025</b>	<b>FY2024</b>
6610 Interest (on Cash)	\$ 232,818	\$ 105,750
7430 Court Filing Fees	3,027,332	2,750,000
7570 Library Services	2,500	2,060
7590 Fee-based Services	2,900	2,800
7670 Miscellaneous Revenue	10,000	10,000
<b>TOTAL</b>	<b>\$3,275,550</b>	<b>\$2,870,610</b>

<b>Capital Income</b>	<b>FY2025</b>	<b>FY2024</b>
6610 Interest (on Reserve)	\$ 226,282	\$ 110,000

<b>Operating Expenditures</b>	<b>FY2025</b>	<b>FY2024</b>
0101 Regular Salaries	\$1,294,932	\$1,235,260
0104 Annual Leave Payoff	20,336	29,558
0200 Retirement	141,979	127,905
0204 Executive Deferred Compensation	8,450	8,000
0206 Retiree Medical	13,153	43,004
0207 Health Reimbursement Accounts	23,985	n/a
0301 Unemployment Insurance	1,680	1,680
0304 Management Employee Insurance	8,363	4,743
0306 Health Insurance	257,126	189,861
0319 Unit Employee Insurance	7,488	7,488
0352 Worker's Compensation—General	4,000	3,516
0401 Medicare	23,513	22,570
0403 Optional Benefit Plan	11,500	11,500
0741 Telephone—Other	12,590	12,669
1100 Insurance	30,977	33,253
1300 Maintenance—Equipment	48,460	85,785
1400 Maintenance—Building	4,000	16,591
1402 Minor Alterations & Improvements	3,000	3,000
1600 Memberships	5,250	5,140
1700 Miscellaneous Expense	6,344	6,318
1800 Office Expense	12,357	10,845
1801 County Publishing	3,000	2,133
1802 Periodicals	227,670	236,196
1803 Postage	1,300	600
1809 Minor Equipment Control	12,164	11,203
1900 Professional & Specialty Services	16,900	29,329
1901 Databases	358,130	323,992
1909 Contracts	50,747	50,286
1911 CWCAP	15,150	13,995
1940 County IT Charges	11,055	6,788
2110 Short-Term Lease—Equipment	10,131	10,456
2400 Books	91,384	84,269
2600 Transportation & Travel—General	19,400	18,210
2601 Private Auto Mileage	500	500
2602 Garage Expense	200	500
2700 Transportation & Travel—Meetings	17,500	17,150
<b>TOTAL</b>	<b>\$2,774,712</b>	<b>\$2,664,288</b>

<b>Capital Expenditures</b>	<b>FY2025</b>	<b>FY2024</b>
4000 Equipment	\$ 36,476	\$ 42,548

## Notes

### Revenue

Interest (6610): The library draws interest on its funds in the county treasury and LAIF. These estimates are based on the increasing rates of the current fiscal year while allowing for expected cooling of the markets.

Court Filing Fees (7430): Filing fee revenue has been steadily increasing, despite legislative changes to the civil filing fee schedule. This estimate is based on trends observed over the last six years.

Library Services (7570): fines and book replacement charges. We anticipate roughly similar numbers as late returns, losses, and damages have been lower than in the past.

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 have continued that practice with low volume users of the service. We expect revenue from conference room rentals to remain roughly the same.

Miscellaneous Revenue (7670): used book sales, donations, vendor refunds, and photocopier commission. This line performed slightly better than anticipated, so we budgeted accordingly.<sup>1</sup>

### Expenditures

Salaries (0101): this includes estimated wage increases for unit staff, as negotiations with the Orange County Employees Association are ongoing.

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 FY 2024-25 employer contribution to the Orange County Employees Retirement System (OCERS) in January of this year to obtain a 7% prepayment discount. The current figure is based on expected rate increases and a reduced prepayment discount for FY 2025-26.

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<sup>1</sup> The current balance includes a \$25,705.13 reimbursement from the county for erroneous maintenance charges. Without that reimbursement, the current balance is \$12,119.69, closer to the budgeted \$10,000.00.

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

Retiree Medical (0206) and Healthcare Reimbursement Accounts (0207): these reflect the decision to shift from the former retiree medical benefit to the new healthcare reimbursement plan. Line 0206 funds existing retirees and employees who elected to keep balances in the former plan. It is 1% of payroll. Line 0207 funds the current benefit at \$61.50 per employee per pay period. The total budgeted amount of \$37,138 is less than this year's expenditures, which included the cost of rolling over balances from the old plan to the new reimbursement accounts.

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. The number includes a substantial increase in the cost of dental insurance.

Health Insurance (0306): This estimate is based on the medical coverage employees chose for the 2024 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 estimate is based on increases over the last three years since we switched providers.

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. This includes estimated 5% increases.

Maintenance—Equipment (1300): includes computer hardware and software maintenance agreements and service contracts, along with estimated maintenance costs on compact shelving, the Lektriever microform storage systems, photocopiers and other office equipment, and furniture. The drop from last year reflects the end of the library's contract with Innovative Enterprises, the former provider of our integrated library system.

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 pickup of hazardous, medical, and e-waste; and for any library-requested modifications outside the normal maintenance schedule. The drop from last year reflects the county's cessation and reimbursement of routine maintenance charges to the library.

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, and personal protective equipment (PPE).

County Publishing Services (1801): printed matter such as business cards and brochures. We expect to use their services more this year, as the product is good and the prices competitive.

Periodicals (1802): includes loose-leaf services, pocket parts, and other forms of supplementation, along with journals, newsletters, etc. The number allows for expected cost increases of around 5% while reflecting a drop in the amount of supplementation issued by publishers who have been electing to issue brand new volumes instead (see the increase in the books budget below).

Postage (1803): includes planned rate increases by the Postal Service and increased shipping by the library of recently outdated materials to underfunded California county law libraries.

Minor Equipment (1809): covers purchases of less than \$5000, including a new web server, reference desk printer, safe, and electronic release system for our delivery doors.

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. The reduced amount reflects the lack of auditor's fees, as our biennial audit was completed this fiscal year.

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 higher number reflects (1) the addition of Bloomberg Law to our offerings, (2) an increase in the price of Trellis that reflects a substantial increase of its content, 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.

County IT Charges (1940): charges for remote access to the county's secured network and associated costs. The increase is due to necessary security upgrades.

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): includes an estimated 5% average price increase from publishers, along with an increase by publishers of new editions in lieu of periodic supplementation.

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 inflationary pressures in the service economy.

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 a set amount each month for parking expenses. In the past, this was used by staff to park closer to work a few days a month. With staff now parking in the lot adjacent to our building, we do not expect much use of this benefit.

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 \$3,000 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 window shades for the administrative area and replacement desk chairs, as approved by the board in May.



May 2024

Revenue	May	FYTD	Budget	% of BUD	BUD @ 11 MOS
6610 Interest (on Cash)	\$ 22,900.29	\$ 209,818.00	\$ 105,750.00	198%	\$ 96,937.50
7430 Court Filing Fees	278,553.81	2,817,016.66	2,750,000.00	102%	2,520,833.33
7570 Library Services	-	2,450.00	2,060.34	119%	1,888.65
7590 Fee-based Services	1,360.00	3,618.00	2,800.00	129%	2,566.67
7670 Miscellaneous Revenue	1,028.00	37,824.82	10,000.00	378%	9,166.67
<b>TOTAL</b>	<b>\$ 303,842.10</b>	<b>\$ 3,070,727.48</b>	<b>\$ 2,870,610.34</b>	<b>107%</b>	<b>\$ 2,631,392.81</b>

State Supplemental Funding	May	FYTD	Budget	% of BUD	BUD @ 11 MOS
6970 State, Other	\$ -	\$ 180,952.60	n/a	n/a	n/a

Operating Expenditures	May	FYTD	Budget	% of BUD	BUD @ 11 MOS
0101 Regular Salaries	\$ 94,493.30	\$ 1,089,590.23	\$ 1,235,260.10	88%	\$ 1,132,321.76
0104 Annual Leave Payoff	-	21,516.48	29,557.80	73%	27,094.65
0200 Retirement	(4,957.03)	126,124.84	127,905.05	99%	117,246.30
0204 Executive Deferred Compensation	615.38	7,063.02	8,000.01	88%	7,333.34
0206 Retiree Medical	4,918.26	57,616.17	43,003.82	134%	39,420.17
0301 Unemployment Insurance	-	-	1,680.00	0%	1,540.00
0304 Management Employee Insurance	187.12	3,427.63	4,742.73	72%	4,347.50
0306 Health Insurance	14,061.64	156,156.28	189,860.59	82%	174,038.87
0319 Unit Employee Insurance	576.00	6,619.20	3,348.00	198%	3,069.00
0352 Worker's Compensation—General	-	3,608.00	3,515.57	103%	3,222.60
0401 Medicare	1,626.95	19,233.04	22,569.75	85%	20,688.94
0403 Optional Benefit Plan	-	11,500.00	11,500.00	100%	10,541.67
0450 Accrued Salary & Benefits	18,940.65	69,515.98	n/a	n/a	n/a
0741 Telephone—Other	996.63	11,134.40	12,668.52	88%	11,612.81
1100 Insurance	5,137.00	29,877.00	33,253.00	90%	30,481.92
1300 Maintenance—Equipment	943.61	63,266.14	85,784.62	74%	78,635.90
1400 Maintenance—Building	75.10	805.70	16,591.00	5%	15,208.42
1402 Minor Alterations & Improvements	-	2,017.46	3,000.00	67%	2,750.00
1600 Memberships	-	5,100.00	5,140.00	99%	4,711.67
1700 Miscellaneous Expense	-	446.29	6,317.50	7%	5,791.04
1800 Office Expense	103.01	7,858.83	10,844.54	72%	9,940.83
1801 County Publishing	-	341.32	2,132.55	16%	1,954.84
1802 Periodicals	19,766.34	188,532.74	236,196.16	80%	216,513.14
1803 Postage	-	724.50	600.00	121%	550.00
1809 Minor Equipment Controlled	560.17	9,919.55	11,202.85	89%	10,269.28
1900 Professional & Specialty Services	351.64	24,190.69	29,329.00	82%	26,884.92
1901 Databases	16,164.77	310,166.89	323,991.55	96%	296,992.25
1909 Contracts	3,959.01	43,122.18	50,285.73	86%	46,095.25
1911 CWCAP	-	14,001.00	13,995.00	100%	12,828.75
1940 County IT Charges	(459.99)	4,469.40	6,788.00	66%	6,222.33
2110 Short-Term Lease—Equipment	761.45	8,673.43	10,455.70	83%	9,584.39
2400 Books	6,912.14	59,786.44	84,269.07	71%	77,246.65
2600 Transportation & Travel—General	1,527.39	15,580.91	18,210.00	86%	16,692.50
2601 Private Auto Mileage	-	-	500.00	0%	458.33
2602 Garage Expense	-	92.00	500.00	0%	458.33
2700 Transportation & Travel—Meetings	2,595.52	6,053.52	17,150.00	35%	15,720.83
<b>TOTAL</b>	<b>\$ 189,856.06</b>	<b>\$ 2,378,131.26</b>	<b>\$ 2,660,148.20</b>	<b>89%</b>	<b>\$ 2,438,469.18</b>

Capital Income	May	FYTD	Budget	% of BUD	BUD @ 11 MOS
6610 Interest (on Reserve)	\$ -	\$ 204,694.92	\$ 110,000.00	186%	\$ 110,000.00

Capital Expenditures	May	FYTD	Budget	% of BUD	BUD @ 11 MOS
4000 Equipment	\$ -	\$ 43,679.33	\$ 42,547.86	103%	\$ 39,002.21