

## FINANCIAL SUMMARY

*See Appendix E-a: ESPL Historical Financial Trends*

The Eastern Shore Public Library's financial status review is unlike any other library systems in the Commonwealth. Not only is the library physically isolated from other library systems in the state, its organizational structure is different in that it has affiliate member libraries, one being a town library and one a 501(c)3 nonprofit. A major \$5.5 million capital project is underway, though it has been set back by both the pandemic and construction delays associated with the contractor. As a regional library, the system did not get pandemic relief funds directly, but rather funneled as grants from other agencies. Out of the capital planning, a new ESVA Heritage Center concept has emerged to ramp up the library's special collections program, but without a clear plan for sustainability...yet.

Virginia Humanities is supporting an ESVA Heritage Center Sustainability Plan with a SHARP grant in 2022. The plan will be completed in Spring 2022. The goal of this plan is to develop viable financial and fundraising goals so that the Center does not drain limited funds from the library system.

**Accomack and Northampton Counties provide 67% of ESPL income.** Around 25% is from State Aid, which is calculated based on local government income. Cape Charles Memorial Library is funded by the Town of Cape Charles with some additional Northampton County funds. Chincoteague Island Library funds are secured from donations. The financials of those affiliate libraries are not included in this analysis. Tangier's Muddy Toes Public Library operates under the auspices of the Tangier History Museum and Interpretive Cultural Center. As Tangier is part of Accomack County, ESPL provides services to Tangier citizens in cooperation with their library, but there is no formal agreement with the library.

If cost of living is factored in, ESPL's county income has remained relatively flat in the past. When the Northampton Free Library was absorbed into the system, no significant increase in the budget took place. Neither has the addition of technology to library services created a proportional increase in funding. While technology has created more efficiencies—such as not needing to type library catalog cards manually--over the years, services have been removed. The bookmobile is the most bemoaned loss of service which was cut when the vehicle became impossible to repair and operate safely. While the trend in many communities has been to ramp up **bookmobile** service, ESPL cannot afford the additional \$200,000+ each year to operate mobile service to the many small towns and hamlets on the Shore.

Most notably, if one looks at the ratio of spending in 2021 compared to 2011, technology expenses have increased from .06 to .10, while **personnel spending has decreased**, from .67 to .61. Administration has found it is easier to justify technology than personnel in budget plans. The pandemic has demonstrated that while technology has enabled remote access to library services, the people behind it are the ones making it user-friendly. Staff are required to install and maintain technology, promote it, and train the public in its use. This requires more sophisticated work skills and continuous staff training. The Board has charged the Personnel and Finance Committees to address staff retention and budget planning.

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Further analysis of spending trends shows that **supply costs are increasing**. Near future projects expect even higher changes with a larger library that has more bathrooms to supply and the Heritage Center's acid-free archival supply needs, which are significantly higher than general office supplies. **Vehicle expenses** will increase as more outreach takes place with the library van providing both weekly delivery between system libraries and weekend use at events.

When compared with other state libraries of either similar budgets or similar structure (regional), ESPL falls toward the bottom of expenditure ratios. **This highlights the inequity of library services to the Shore community**. Staff expenditure ratios place ESPL at the very bottom. ESPL cannot provide many of the programs other libraries offer as there are just not the staff to implement them. It is not uncommon for ESPL to receive equipment but not have the staff to use it for public programs. Often, staff turn down donations of equipment they know will not be used or managed properly.

Unless other sources of revenue are obtained or the counties commit more funds, ESPL will continue to have inequitable library services. The dynamics in securing county funds that meet the 75/25 regional agreement formula will always produce **flat funding** as neither county is going to significantly increase funds without throwing the agreement out of balance---unless both counties agree on such a budget plan.

EASTERN SHORE PUBLIC LIBRARY STRATEGIC PLAN, 2022 --2027  
SECTION: 12 – FINANCIAL PLAN

*For larger scale version, see Appendix E-a: ESPL Historical Financial Trends.*

EASTERN SHORE PUBLIC LIBRARY  
5 YEAR BUDGET PLAN

		FY23-ESPL	FY23-HC	FY24-ESPL	FY24-HC	FY25-ESPL	FY25-HC	FY26-ESPL	FY26-HC	FY27-ESPL	FY27-HC
<b>INCOME</b>	% of Income										
Accomack	56%	573,602	61,682								
Northampton	19%	191,201	20,560								
State Aid		241,567									
<b>TOTAL GOVT</b>		<b>1,006,370</b>	<b>82,242</b>								
Contributions		12,358									
Reimbursements		21,600									
Fines and Fees		3,000									
Endowments		2,000									
Grants		1,930	5,000								
<b>TOTAL INCOME</b>		<b>1,047,258</b>	<b>87,242</b>								
<b>COMBINED TOTAL</b>		<b>1,134,500</b>									
	Estimated annual increase										
<b>EXPENSES</b>											
Building - Parksley	7%	60,000		64,200		68,694		73,503		78,648	
Building - NFL	7%	40,000		42,800		45,796		49,002		52,432	
Utilities - Parksley	7%	38,000		40,660		43,506		46,552		49,810	
Utilities - NFL	7%	5,000		5,350		5,725		6,125		6,554	
Telephone	7%	6,000		6,420		6,869		7,350		7,865	
Vehicle	7%	2,800		2,996		3,206		3,430		3,670	
Insurance	7%	13,300		14,231		15,227		16,293		17,434	
Computer	10%	44,000	10,000	48,400	11,000	53,240	12,100	58,564	13,310	64,420	14,641
<b>TOTAL OPERATIONS</b>		<b>209,100</b>	<b>10,000</b>	<b>225,057</b>	<b>11,000</b>	<b>242,263</b>	<b>12,100</b>	<b>260,819</b>	<b>13,310</b>	<b>280,833</b>	<b>14,641</b>
Equipment	7%	10,000	9,000	10,700		11,449		12,250		13,108	
Programs	10%	17,000	-	18,700		20,570		22,627		24,890	
Personnel	See staff plan	515,000	70,000	660,450	121,800	754,264	255,454	815,891	323,118	887,868	332,811
Benefits	10%	102,000	10,600	112,200	11,660	123,420	12,826	135,762	14,109	149,338	15,519
Supplies	10%	32,000	5,000	35,200	5,500	38,720	6,050	42,592	6,655	46,851	7,321
Materials/Books	10%	85,000		93,500		102,850		113,135		124,449	
Other	7%	8,000	500	8,560	535	9,159	572	9,800	613	10,486	655
Misc	7%	11,300		12,091		12,937		13,843		14,812	
Professional Services	7%	40,000		42,800		45,796		49,002		52,432	
<b>TOTAL EXPENSES</b>		<b>1,029,400</b>	<b>105,100</b>	<b>1,219,258</b>	<b>150,495</b>	<b>1,361,429</b>	<b>287,002</b>	<b>1,475,721</b>	<b>357,804</b>	<b>1,605,067</b>	<b>370,947</b>
<b>COMBINED TOTAL</b>		<b>1,134,500</b>		<b>1,369,753</b>		<b>1,648,431</b>		<b>1,833,525</b>		<b>1,976,014</b>	