



## Updated Budget Narrative

Budgeting for Fiscal Year 2023/2024 involves significant challenges. There are many anticipated expenses associated with the move of one of our library locations that will be one-time-only expenses or are difficult to predict because of the unknown requirements in a new location. The major changes to this proposed budget are to update the income commitments from Accomack and Northampton Counties and the State and provide a spending plan for \$139,000 from the previous year's carryover funds to ensure that we preserve the library's unassigned fund balance at 10% as recommended by the Library of Virginia.

### Move

A significant portion of the carryover funds will go to pay for the library and Heritage Center's move. We are estimating that all moving costs will be \$94,470. Of that expense, \$81,000 is allocated from carryover funds. You'll also see \$120,246 allocated for Equipment. Approximately \$76,000 in furniture was ordered last spring and half will be paid from the current year's budget. \$10,000 for furniture will be reimbursable from the NEH grant. While we anticipate significant need for additional furniture and equipment in Parksley, it is my intention to delay additional purchases to allow for other unknown charges associated with occupying the new building that may appear.

### New Building

Fees associated with occupying the new building are estimates based on fees incurred by Accomack County prior to the library system occupying the building. While the Eastern Shore Regional Library and Heritage Center is a new building, I think that it is likely that some maintenance needs will arise and so the budget reflects \$38,500 for ongoing maintenance. I am estimating \$3,200 per month for electricity in the building based on power usage when contractors were still working in the building. The budget reflects funding for professional cleaning services for the building.

### Staff

The budget reflects the 19% increase in employee health insurance premiums as the library system is included in Accomack County's health insurance plan. The updated budget does not reflect a Cost of Living Adjustments (COLA) at this time. Historically, ESPL has planned COLA adjustments to coincide with the beginning of a new fiscal year. The planned 5% COLA for FY24 was implemented in December 2022. This adjustment still lags behind Accomack County's 6.5% increase, but due to budgetary constraints, no additional increase to staff compensation for ESPL is reflected in this budget update. It is my goal to revisit staff compensation later in the fiscal year to examine the budget to look for funds that will enable cost of living and merit increases.

### New Addition

The County of Accomack provides significant support for the library system beyond contributions to the annual operating budget. The addition of the "Accomack On-Behalf" payment lines are a means to acknowledge a fraction of these contributions. The \$4,300 shown represents property insurance payments made to VaCorp by the County of Accomack for the new Regional library in Parksley, VA.