



# COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

**TO:** City Council Members

**FROM:** Ben Luedtke, Senior Analyst

**DATE:** January 16, 2024

**RE:** Fiscal Year (FY) 2024 Library Budget Amendment #1

## **Project Timeline:**

Set Date: January 9, 2024

1<sup>st</sup> Briefing: January 16, 2024

2<sup>nd</sup> Briefing: February 6, 2024 (if needed)

Public Hearing: February 6, 2024

Potential Adoption Vote: February 20, 2024

## **ISSUE AT-A-GLANCE**

The library system provides in-person services at a main library downtown, seven branch libraries around the City, and a wide variety of digital services online. The Council's role in the library budget process is unique to other City enterprise funds. The Library Board sets the policy for operations. The Council is tasked with reviewing and approving the annual budget, midyear budget amendments, and setting the library's tax rate. The Mayor is recommending the Council approve the Library Board's proposed Budget Amendment #1. It has two items with a total expense of \$229,670 and one new full-time employee (FTE) for the Safety Team.

### **1% Cost of Living Adjustment (COLA) to All Library Employees and Higher than Budgeted Medical Insurance Premiums (\$166,240 from Library Fund Balance)**

A 1% COLA increase is proposed for all library employees. This would be in addition to the 3% COLA approved in the FY2024 annual budget. Like the City's General Fund, personnel costs are typically around two-thirds of the library's ongoing costs. *(Staff note: Benefits for Library system employees are not the same as City employees, so cost of living adjustments are frequently different than City employee cost of living adjustments).* This item also includes additional funding to cover higher than budgeted medical insurance premiums which the library was notified of after the Library Board had voted to recommend the annual budget. The annual budget estimated a 7% premium increase but the actual increase was more than double that at 14.9%. See the Additional Info section for more about the library's employee medical insurance. Standard budgeting practice is to include sufficient funding for both of these items in conjunction with the annual budget, but the timing of information, combined with the communication during the Council budget process, did not allow for that for FY2024. The Council may wish to ask the Library Staff how to ensure budget for both of these items in conjunction with the annual budget for FY2025 (see policy question #1).

### **One New Safety Associate FTE (\$63,430 from Library Fund Balance)**

An additional safety associate FTE would bring the Library Safety Team up to a total of 14 members which includes: a manager, two supervisors, eight full-time associates, and two part-time associates. The requested \$63,430 would be the full year cost (see policy question #2). The library system is experiencing an increase of criminal activity and misbehavior incidents. See the Additional Info section for a chart of annual incidents in the past three years and background information from the library. The Safety Team is located at library branches with higher levels of incidents and not posted at every branch location. Library locations are typically open longer than government building business hours; the Main Library is open 62 hours a week and branch locations are typically open 56 hours a week. Staffing Safety Team members at all library locations during all hours of operations would require additional FTEs. The library stated they are "piloting a 'mobile patrol' model to more efficiently support our branches and respond to incidents."

### **\$395,310 Revenue Above Recommended FY2024 Annual Budget**

The Council was notified in early June that revenues for the library were \$395,310 more than estimated in the FY2024 annual budget recommended by the Library Board and the Mayor. This was caused by \$202,103 of new growth in property tax revenue and \$193,207 from the judgment levy. There was neither a contingency recommendation about how to use revenue above nor below estimates (See policy question #3). The Council put these revenues into the library's Fund Balance for FY2024. This budget amendment proposes to fund the two expense items described above from the library's Fund Balance. The FY2024 budget projected a Fund Balance of 16.7%. The library has a minimum target of keeping Fund Balance at or above 16% which is approximately equivalent to two months of operating expenses. The Library's Fund Balance would remain above 16% after the expenses proposed in this budget amendment.

### **POLICY QUESTIONS**

1. **Mid-year Cost of Living Adjustment (COLA)** – The Council may wish to discuss with the Library and Administration the long-standing practice of considering a COLA / general pay increases as part of the annual budget process and not in midyear budget amendments. The Council's flexibility is maximized when all the competing budgetary needs are considered together during the annual budget.
2. **Requesting Full-year Funding for New Safety Associate FTE** – The Council may wish to ask the library why a full-year of funding is proposed when only half of the fiscal year remains. The half-year cost would be \$31,715 and would leave the other half in the library's fund balance.
3. **FY2025 Contingency for Actual New Growth and Judgment Levy Revenues** – The Council may wish to request that the Library and Administration include contingency recommendations in the next annual budget for how to handle actual new growth and judgment levy revenues for the library are more or less than expected.
4. **Increased Criminal and Misbehavior Challenges** – The Council may wish to ask the Administration what additional resources would help address the increasing number of incidents involving criminal activity and misbehavior that are not appropriate for a library. The FY2024 budget included \$200,000 for expansion and enhancements of security cameras and devices at the Main Library, surrounding plaza, and some branches which are in process of being implemented. The library anticipates requesting funding in future budget openings for additional security improvements (infrastructure, technology, and FTEs).

### **ADDITIONAL & BACKGROUND INFORMATION**

#### **Library Employee Medical Insurance**

The library provided the below points summarizing insurance offered to full-time benefit-eligible employees:

- The Library health and dental insurance provider is PEHP and is part of the Large Employer Risk Pool.
- The Library only offers a High Deductible Health Plan with a contribution to the Health Savings Account.
- Medical premiums for employee-only coverage are paid 100% by the Library while medical premiums for employee plus children, spouse, or family are paid 90% by the Library and 10% by the employee.
- Basic life insurance for employee is paid 100% by the Library.
- Dental premiums are split 50/50 between the Library and employees. Additional life insurance, vision and other ancillary insurance is also offered at the employee's cost.

#### **In-house Licensed Clinical Social Worker Providing Services and Coordinating Referrals**

In December 2022, a social worker began staffing the Main Library providing direct client services, referrals to outside agencies, de-escalation, and assessing the needs of library patrons and staff. The library provided the below points summarizing the social worker's impact in the past year:

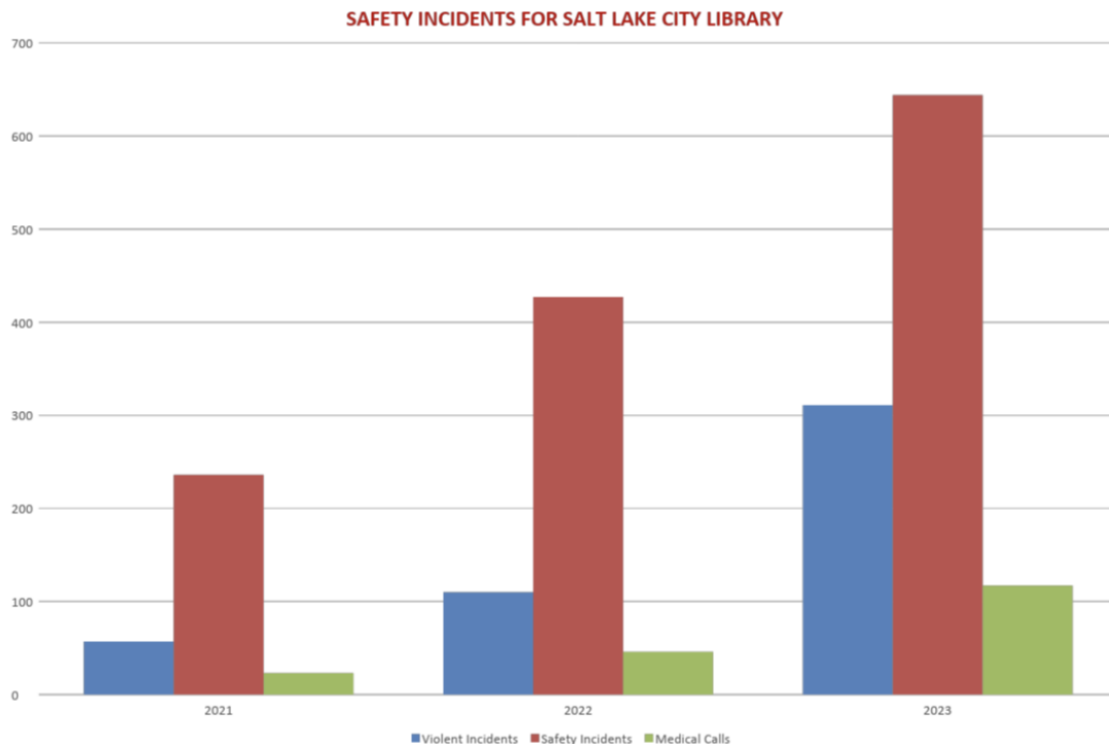
- Number of suspensions for potentially preventable behavior by engaging with Social Services team between Mar & Aug 2023: 219/313 (70%). Ex: drug abuse, disruptive behavior, shouting, offensive odors
- We are considering a proposal based on this project for additional staff to support the community's Social Services needs and better connect them to the resources that can help their situations.
- The goal is to have a regular presence of Social Service options, whereas the previous model relied on one

partner, who was only here a few hours a week.

- Hours spent providing direct services between May & October 2023: 53.25
- Hours spent providing direct services between Aug 30, 2023 & Nov 3, 2023: 77
- Hosted 11 total partner agencies at Main alone; none at branches currently
  - o Number of services provided by partner agencies Q3 & Q4 FY23: 4671
  - o Number of services provided by partner agencies thus far FY24: 3390
- Since winter overflow shelters opened, our Social Services Coordinator assists people who have been camping enter shelter approx. 5-10x/week.

### Increasing Criminal and Misbehavior Incidents in the Library System

The library provided the below chart and points comparing annual incidents across the library system from 2021 through 2023. The blue columns are violent incidents, red columns are safety incidents, and green columns are medical calls. Note that the red safety incidents include the other two categories. All three categories show year-over-year increases from 2021 through 2023.



The library provided the below points summarizing safety incident trends in recent years:

- Violent incidents have increased almost 3x since last year. This includes credible threats of violence - verbal and physical, as well as physical altercations.
- Medical incidents have increased, that is due to the fact that we have made substantial investments in our safety personnel becoming EMT certified. These can mostly be addressed immediately and prevent the need to call an ambulance or another City Service.
- Overall, incidents have increased, and unfortunately this doesn't appear to be an isolated trend. Initially, we had hoped the spike at the beginning of 2023 was due to a particularly long and harsh winter, but as the year has progressed, the number of incidents has remained high.

### ATTACHMENTS

1. None

### ACRONYMS

COLA – Cost of Living Adjustment or Cost of Labor Adjustment

FTE – Full Time Employee

FY – Fiscal Year