

SOMERSET COUNTY LIBRARY SYSTEM
of NEW JERSEY

BUDGET 2024

Approved by the
Somerset County Library Commission

May 1, 2024



BUDGET 2024

SOMERSET COUNTY LIBRARY SYSTEM *of* NEW JERSEY



Somerset County Library System of New Jersey
partners with you to connect, to explore, to share, and to discover.

STRATEGIC PRIORITIES



Providing activities and places that **FOSTER SOCIAL INTERACTIONS AND CONNECTIONS.**



Connecting people to opportunities for **COMMUNITY ENGAGEMENT AND PARTICIPATION.**



Addressing the needs of **SHIFTING DEMOGRAPHICS.**



Exploring and enhancing the variety of ways **CUSTOMERS EXPERIENCE LIBRARY SERVICES.**

CORE SERVICES



Making **PERSONALIZED CONNECTIONS** between customers and materials.



Presenting programs that help community members **CONNECT, EXPLORE, SHARE, AND DISCOVER.**



Serving as a community **GATHERING SPACE.**



Promoting and supporting **LIFELONG LEARNING.**



Providing **TECHNOLOGY ACCESS AND EXPERTISE** that meet the needs of the community.



Creating opportunities that build Somerset County's **ECONOMIC AND WORKFORCE DEVELOPMENT.**

2023

For more information: [SCLSNJ.org/about/strategic-plan](https://sclsnj.org/about/strategic-plan).



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2023 IN REVIEW

In 2023 we...

- Partnered with the Mary Jacobs Foundation to successfully open the Mary Jacobs Neighborhood Library in Rocky Hill
- Established reciprocal borrowing arrangements with Bernardsville, Bernards Township and Clarence Dillon Libraries.
- Underwent a major internal reorganization of our management and system service structures
- Onboarded four new branch managers who were all graduates of the SCLSNJ Managerial Development cohort.
- Expanded HR Outreach to the branches by reviving “Breakfast with Brian”, flu shot clinics, Partnership Health Center information sessions, and “HR on the Road” visits to respond to staff questions and to give overviews to staff regarding benefits.
- Won a New Jersey Library Association (NJLA) Marketing Award for the Library System’s Sort-O-Matic public relations campaign
- Opened the Digital Lab at the Montgomery branch with both professional archival and consumer level digitization equipment
- Continued work on our strategic priority to explore and enhance the variety of ways customers experience library services by having a two-day Customer Experience workshop for management team members
- Transitioned to an array of outreach services in the Bound Brook community after the discovery of asbestos closed the Bound Brook branch in October
- Continued to increase physical circulation, digital circulation, library visits, and program attendance post-COVID.



Community mural at the entrance to the Manville Library

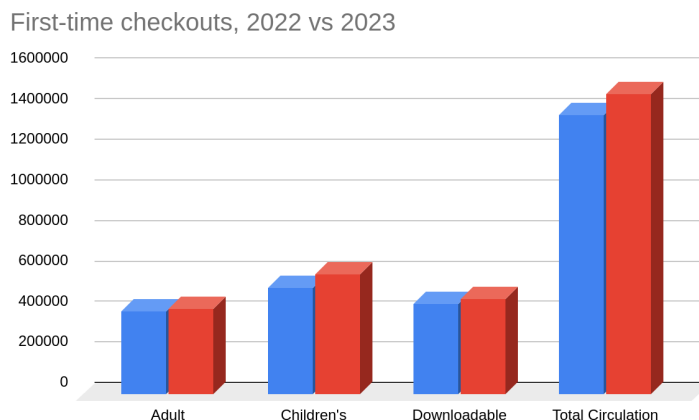


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2024: What Lies Ahead

We assume continued growth in usage:



This budget assumes a just-under two percent tax increase, necessary primarily to accommodate negotiated salary increases. Anticipating challenges with the overall fund balance in 2026 and beyond, and capitalizing on some anticipated one-time savings across a variety of object lines, we are taking steps now to enhance productivity and the efficient use of staff in a number of ways, including:

- carefully managing vacancies, filling them temporarily with staff from closed branches;
- conducting a meticulous review of hours of operation in order to more efficiently match those hours with actual customer usage patterns and service needs;
- adding a second Automated Materials Handling (“AMH”) system, to be installed at Bridgewater. Our Montgomery AMH has proven its value by obviating the need for two additional FTEs to handle the volume there. The Bridgewater AMH will streamline customer returns and also provide automated sorting of materials for our couriers, thereby reducing the need for additional staff over time.
- This budget also provides funding for two additional 24/7 holds lockers, which we plan to deploy at locations that are slated for renovation-related closures.

This budget also includes funding for a 10% increase to the municipal subsidies line, a \$40,000 increase to the resources budget to better meet demand for downloadable content, and funding to replace a 2007 vehicle.



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Our plans for 2024 include:

- We will add an automated materials handling system at Bridgewater to support both the branch and the system
- We will add two 24/7 book lockers
- We will move e-communications, holds notification messaging, and other digital messages to Patron Point, a new marketing automation platform that will allow for more enhanced, targeted communications to our customers as it seamlessly integrates with our Integrated Library System (ILS).
- We will close the current Watchung branch in preparation for major renovation, and will open for abbreviated service in a temporary location
- We will close the current Peapack & Gladstone branch in preparation for a major renovation and plan for abbreviated service in an alternate location
- We will redesign and relaunch our website, SCLSNJ.org
- We will reorganize the space at our Hillsborough branch to make more room for youth services collections and activities and to create better spaces for quiet study and small group work
- We will plan and deliver continuing programs and services that support our strategic priorities
- We will expand our Passport Acceptance hours and availability
- We will open a new temporary Bound Brook branch location and work with the Borough of Bound Brook to plan for permanent renovations to the new location
- We will explore ways to make our performance evaluation process more equitable and meaningful for staff at all levels
- We will expand reciprocal borrowing with additional partners, including county libraries and towns contiguous with Somerset County
- We will adjust branch operating hours to enhance service delivery efficiencies and to better align with usage patterns
- We will explore alternate service delivery models throughout our service area



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REVENUES

	2023	2024	DELTA
Non-resident fees	\$3,600	\$2,500	-30.56%
Copier Fees	\$11,600	\$12,500	7.76%
Passport Fees	\$57,700	\$85,000	47.31%
Taxes	\$18,645,769	\$19,017,744	1.99%
A & O Taxes	\$0	\$0	
State Aid	\$116,072	\$122,360	5.42%
Interest	\$29,000	\$77,000	165.52%
Mary Jacobs Foundation		\$70,000	
Use of Fund Balance	\$1,190,000	\$1,113,517	-6.43%
TOTALS	20,053,741	\$20,500,622	2.23%

NOTES

1. **General Reserves** is often referred to as “Fund Balance”. These are the aggregated unspent funds from prior years. They have two uses: they assist with cash flow and can be used as revenue in subsequent years.
2. **A & O Taxes** refers to added and omitted taxes which are collected during the year to account for revised property tax assessments on a given property (e.g., the owner adds a finished basement that increases the value of the property).
3. **State Aid** is the amount of per capita funds received in the prior year from the NJ State Library. For information about how this is calculated, see the Appendix.
4. Anyone not otherwise eligible for a free card who wants full access to SCLSNJ services pays a **non-resident fee**.
5. **Mary Jacobs Foundation** refers to a fund maintained by the Library on behalf of the Mary Jacobs Foundation as outlined in the current branch agreement. While listed as “revenue” the funds belong to the Mary Jacobs Foundation. The inclusion of these funds here is to offset the expenses made on the behalf of the Mary Jacobs Foundation, which appear in the General Expenses section.



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EXPENSES – PERSONNEL

	2023 Budget	2023 Actual	2024 Proposed	Deltas to 2023 Budget	
Salaries	\$11,093,777	\$10,750,000	\$11,384,283	\$290,506	2.62%
FSA Claims and Administration	\$5,000	\$2,000	\$5,000	\$0	0.00%
Waivers in Lieu of Benefits	\$102,000	\$104,000	\$108,000	\$6,000	5.88%
Health Benefits	\$2,360,350	\$2,312,000	\$2,500,000	\$139,650	5.92%
Social Security	\$856,477	\$790,000	\$879,160	\$22,683	2.65%
Pension	\$1,444,462	\$1,444,000	\$1,431,519	-\$12,943	-0.90%
Dental Benefits	\$64,000	\$65,000	\$70,000	\$6,000	9.38%
Staff development/conferences	\$195,000	\$150,000	\$150,000	-\$45,000	-23.08%
Total	\$16,121,066	\$15,617,000	\$16,527,962	\$406,896	2.52%

Notes

1. “2023 Actual” includes encumbered (or “certified”) funds subject to subsequent de-certification.
2. The **Salaries** line assumes a 1% Merit basis and a 3% Guaranteed Minimum Increase assuming performance evaluations are consistent with the experience from prior years.
3. **FSA Claims and Administration** is the cost to provide health and child care savings accounts using pre-taxed income.
4. **Waivers in Lieu of Benefits** is the cost to offer a consideration to those staff who elect *not* to have health insurance because they are able to use their spouse’s insurance coverage. The sum is based on the experience from prior years.
5. **Pension** is the assessment we get from the County for our share of the total assessment for the Public Employee Retirement System. See the Appendix for an explanation of how this amount is calculated.
6. **Staff Development** costs include training and conference costs. Industry standards call for a staff development budget of 1% – 3% of total personnel costs. Our staff development costs represent less than 1% of the personnel budget. This line includes all training costs, fees, software licenses, trainers, materials and the costs of sending staff to professional conferences.



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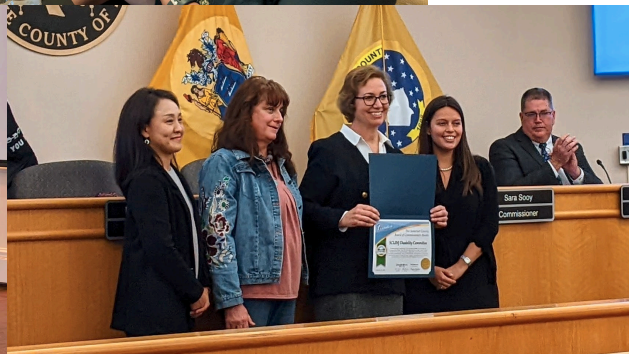
SOMERSET COUNTY LIBRARY SYSTEM *of* NEW JERSEY

EXPENSES – RESOURCES

	2023 Budget	2023 Actual	2024 Proposed	Deltas to 2023 Budget	
Preservation	\$500	\$0	\$500	\$0	0.00%
Programs	\$215,000	\$210,000	\$215,000	\$0	0.00%
Materials	\$1,910,000	\$1,873,000	\$1,950,000	\$40,000	2.09%
Digital Access	\$250,000	\$193,000	\$297,060	\$47,060	18.82%
Total	\$2,375,500	\$2,276,000	\$2,462,560	\$87,060	3.66%

Notes

1. “2023 Actual” includes encumbered (or “certified”) funds subject to subsequent de-certification.
2. These represent those expenses that place content directly “into the hands” of customers and total 12% of the overall budget.
3. **Preservation** covers any costs associated with rebinding or restoring historical materials of value.
4. **Materials** is books, media, periodical and newspaper subscriptions, downloadable content and online resources.
5. **Digital Access** is the cost to provide high speed internet access, i.e., equipment, software and broadband costs.



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EXPENSES – OPERATING

	2023 Budget	2023 Actual	2024 Proposed	Deltas to 2023 Budget	
Outside Contracts	\$48,000	\$48,000	\$40,000	-\$8,000	-16.67%
Advertising	\$1,000	\$1,000	\$750	-\$250	-25.00%
Postage	\$27,000	\$29,000	\$35,000	\$8,000	29.63%
Marketing & Public Relations	\$30,000	\$29,000	\$37,000	\$7,000	23.33%
Printing	\$10,000	\$8,000	\$12,000	\$2,000	20.00%
Vehicle Expenses	\$3,000	\$4,000	\$4,000	\$1,000	33.33%
Technology	\$393,000	\$319,000	\$330,000	-\$63,000	-16.03%
Equipment lease/purchase/repair	\$20,000	\$22,000	\$22,000	\$2,000	10.00%
Legal	\$60,000	\$60,000	\$50,000	-\$10,000	-16.67%
Audit	\$6,000	\$6,000	\$5,850	-\$150	-2.50%
Insurance/Bonding	\$107,000	\$50,000	\$126,000	\$19,000	17.76%
Municipal payments	\$385,000	\$359,000	\$405,000	\$20,000	5.19%
Mary Jacobs Foundation	\$90,000	\$32,000	\$70,000	-\$20,000	100.00%
Office Supplies	\$85,000	\$80,000	\$82,000	-\$3,000	-3.53%
Travel Expenses	\$13,175	\$24,000	\$24,000	\$10,825	82.16%
New Vehicle	\$103,000	\$56,000	\$60,000	-\$43,000	-41.75%
Equipment	\$75,000	\$20,000	\$114,000	\$39,000	52.00%
Furniture/Fixtures	\$55,000	\$22,000	\$50,000	-\$5,000	-9.09%
Gasoline	\$6,000	\$0	\$7,500	\$1,500	25.00%
Bibliographic/Resource sharing services	\$40,000	\$62,000	\$35,000	-\$5,000	-12.50%
Total	\$1,557,175	\$1,231,000	\$1,510,100	-\$47,075	-3.02%

Notes

1. “2023 Actual” includes encumbered (or “certified”) funds subject to subsequent de-certification.
2. **Outside Contracts** includes expenses for collection agency fees, background checks, payroll and social media management.
3. **Advertising** is the cost to place legal notices and to advertise nationally for high level vacancies.
4. **Technology Expenses** are split across OPERATING and RESOURCES. Those expenses used to provide customer-facing digital access are reflected in RESOURCES to better reflect their purpose as a direct service rather than as overhead.
5. **Equipment** lease/purchase/repair is the public and staff access photocopier/printer/scanners.
6. **Legal** is lower since there will be no bargaining unit negotiations..
7. **Municipal Payments** are a Library Commission initiative (not otherwise binding) to provide a token offset to hosting municipalities for their costs in providing the branches we operate. The Commission created a \$200,000 pool of funds which is distributed proportionately to the number of square feet of library space offered by each town (except Bridgewater) with a branch. The balance is the sum paid to Bridgewater for use by SCLSNJ for system level services, set by agreement at 44.2% of total building operating costs.
8. **Vehicles** is the sum required to purchase up to two passenger vehicles to replace a 2007 passenger vehicle.
9. **Equipment** includes the leasing costs for a new AMH system and two 24/7 holds lockers.
10. **Furniture/Fixtures** provides for office furniture and small modification projects.
11. **Bibliographic/Resource** sharing covers the cost of access to cataloging data.

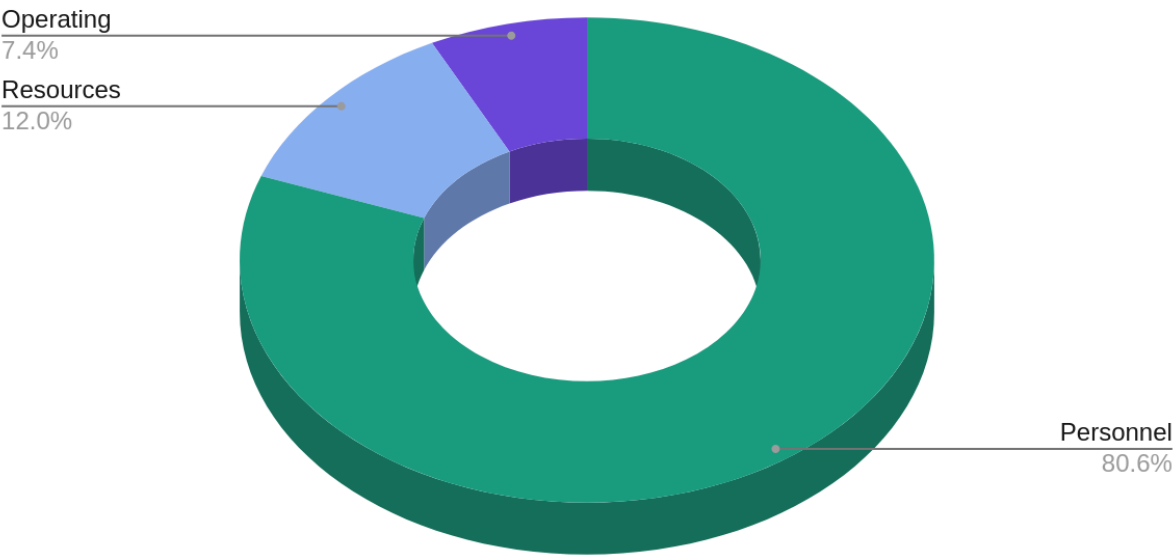


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TOTAL BUDGET

	2023 Budget	2023 Actual	2024 Proposed	Deltas to 2023 Budget	
Personnel	\$16,121,066	\$15,617,000	\$16,527,962	\$406,896	2.52%
Resources	\$2,375,500	\$2,276,000	\$2,462,560	\$87,060	3.66%
Operating	\$1,557,175	\$1,231,000	\$1,510,100	-\$47,075	-3.02%
TOTAL	\$20,053,741	\$19,124,000	\$20,500,622	\$446,881	2.23%



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PROJECTED USE OF THE FUND BALANCE

We propose to continue using surplus funds (fund balance) from prior years in three ways:

- to ensure adequate cash flow,
- to act as revenue for succeeding years and
- to fund one-time extraordinary planned purchases.

Assuming the following to be true:

- the tax rate increases for the years 2024 and 2025 will be 2%,
- all other revenue increases between 2024 and 2026 will also be 2%, and that
- we will add on average 5% of the approved prior year's budget to each subsequent year's fund balance,

In prior budget years, where revenue increases generally matched overall inflation, these assumptions correlated with a highly stable fund balance. The comparatively higher inflation of the last several years is manifesting in the increasing gap between costs and revenue, which leads to projected pressures on the fund balance as we attempt to maintain a balanced budget at the current level of library service within a 2% tax cap on tax increases.

Based on the above assumptions, we project the following fund balances as of January 1 of each year:

2023	2024	2025	2026	2027
\$1,675,000	\$1,685,000	\$1,470,000	\$930,000	\$130,000

Given the projected numbers for 2026 and beyond, we are undertaking several initiatives to reduce future staffing costs through attrition; to more efficiently deploy existing staff; and to better tailor hours of operation to align with community needs. This budget also includes funding to provide for greater efficiencies via implementation of an Automated Materials Handling system at Bridgewater to improve branch and systemwide logistics, and additional 24/7 book lockers.



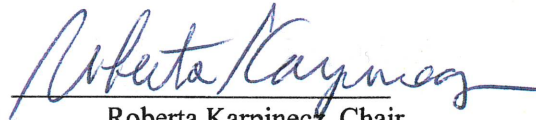
**RESOLUTION SETTING THE 2024 BUDGET FOR THE SOMERSET COUNTY
LIBRARY SYSTEM
RESOLUTION 24-05-03**

WHEREAS, the Somerset County Library Commission has carefully considered the budget requirements for providing library services to the fifteen member municipalities it serves;


NOW, THEREFORE, BE IT RESOLVED that the Commission adopts an operating budget in the amount of \$20,500,622 and sets the Library Tax Rate at a level to provide \$19,017,744;

AND REQUESTS that the Board of County Commissioners accept this budget and the tax rate it requires.

DATED: May 1, 2024


Roberta Karpinecz, Chair

I certify that the above is a true copy of a Resolution passed by the Somerset County Library Commission at the meeting held on May 1, 2024.


Brian K. Auger
Secretary to the Commission

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APPENDIX --

HOW STATE AID IS CALCULATED

The Per Capita State Aid (PCSA) program is the largest public library grant program administered by the State Library and is the foundation of state support for public libraries. The program is authorized pursuant to N.J.S.A. 18A:74-3 et seq.

In order to qualify for PCSA, libraries must meet minimum standards based on the population size of the community or communities they serve. There are standards for numbers of professional and other staff, operating hours, collections and other public service requirements. If the requirements are not met, the amount of PCSA is reduced. [Details can be found here](#)¹.

A sliding scale is used to calculate PCSA that is based on how close a given library's funding is to "full funding". Full funding is one half mil (.00050); our 2023 tax rate was .000417.

All of this assumes that the PCSA program itself is fully-funded, which it has not been since 2009. Because the program is not fully-funded, annual awards are pro-rated so as to not overspend the total amount available for award. [The statute governing the apportionment of state aid can be found here](#)².

HOW THE PERS COST IS CALCULATED

Equal to the PERS Contribution Rate published by the State of NJ multiplied by the annualized second quarter PERS pensionable wages from two years prior.

Therefore, for this year:

- PERS Contribution Rate: 17.61%
- 2022 annualized 2nd Q pensionable wages: \$8,129,012
- Result: rounded to \$1,431,519.

¹ https://www.njstatelib.org/services_for_libraries/resources/library_law/page02-2/

² https://www.njstatelib.org/services_for_libraries/resources/library_law/state_aid/

