

TRANSMITTAL MEMORANDUM

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TO:	The Honorable Mayor & City Council	Initials:	
FROM:	Delilah A. Walsh, City Manager	File #:	MGR24-675
DATE:	October 29, 2024	Mtg. #:	11/07/24 MRf
RE:	Responses to Comments Made of the Draft 2025 Library Budget		

Please find attached a response from Library Director Pat Tully to the comments raised at the October 9, 2024, Library Advisory Board (LAB) meeting regarding the draft 2025 Library budget. In addition to these questions, during the public comment period of the regular October 17, 2024, City Council meeting, a speaker made inaccurate claims about Ms. Tully's ability to answer questions and understand the budget.

Upon reviewing the LAB meeting transcripts, it's clear that Ms. Tully fully addressed all relevant questions within her purview. The attached memorandum from the Library Director provides detailed responses to each concern raised by the LAB and during public comment.

The differences between the Finance Department's budget entry and the Ketchikan Gateway Borough's reports stem from the organizations' differing fiscal year cycles (City: January-December, Borough: July-June). It's important to note that revenue estimates for all departments, including the Library, are provided by the Finance Department. Department heads, such as Ms. Tully, are responsible for developing spending plans based on these allocated funds, which she has diligently done.

As outlined in Ketchikan Municipal Code §2.40.040(3), one of the LAB's key responsibilities is to "Review and make recommendations to the city council regarding the library budget." While the LAB discussed the budget, no formal recommendations were submitted to the City Council.

I strongly object to the suggestion that the City or a Department Head is either incompetent or misappropriating public funds. Our organization is committed to sound financial practices and accurate reporting, as evidenced by our annual financial statements.

Please review the attached document and feel free to contact me with any further questions.



MEMORANDUM

To: Ketchikan City Council
Delilah Walsh, Ketchikan City Manager and Manager, Ketchikan Public Utilities
Lacey Simpson, Ketchikan Assistant City Manager and Assistant Manager, Ketchikan Public Utilities

From: Pat Tully, Library Director

Date: October 23, 2024

Re: Responses to concerns raised about the draft 2025 Library budget

Note: Library Advisory Board members receive a binder at the start of their term. The binder includes the City ordinance (COK 2.40.030) that establishes the Library Advisory Board, the current Library budget, the most recent statistics that are sent to the State of Alaska, and information about the Friends of the Library, which is a separate 501(c)3 nonprofit organization. Updated budget and statistical documents were last distributed to Board members in April 2024, so they could replace these pages in their binder.

The Ketchikan Public Library budget is a part of the City of Ketchikan's General Government budget. The Library's budget is prepared in close collaboration between the City's Finance Department, City Manager's Office, and Library administration, with final review and approval by the Ketchikan City Council. The operational sections of each departmental budget are proposed by the department, with other sections prepared by the Finance Department and City Manager's Office.

Questions brought up at the October 9, 2024 Library Advisory Board meeting:

1. Why didn't the Library Director provide the latest version of the 2025 budget draft?

A: The Director sent the Library Advisory Board October 9 meeting agenda and packet to the Board on September 29, which included the draft budget submitted to the City Finance Department on September 4, 2024. She received the revised 2025 budget revision from the City Finance Department on October 1, made a few additional revisions, and sent the draft back to Finance on October 9. The revisions to the September 4 draft were minor for the most part, consisting mainly of corrections of typographical or calculation errors, and the Director decided not to send the Board the latest version of the budget.

2. Summary page, Funding Source: Charges for Services – Property Taxes: Why is the 2024 Amended Estimate a negative number (-\$136,990)?

A (from City Finance Department): This part of the document was not ready for distribution and had not been updated. We wait until all of the account estimates and budget stop moving before we can provide projected and current year estimates for the funding sources. The funding sources on the detail pages feed into the overall summary page.

3. Summary page, Funding Source: Charges for Services – Other: What is the source of this \$3,700 funding source?

A: (from City Finance Department): The \$3,700 is an estimated amount from Library revenue for photocopying, public computer printing, and interlibrary loan fees. (101-411.210 Copy Machine and 101-411.212 Library Service Charges.)

4. Summary page, Funding Source: Charges for Services – KGB: Why is this amount different than the amount provided to Mrs. Simon by the Borough?

A: (from City Finance Department) The City is a calendar year reporting entity while the Borough is on a July 1 to June 30 year. The City's Budget and Annual Financial numbers will not match their numbers due to different reporting periods.

5. Adult/Technical Services Division: Personnel Services & Benefits accounts: Why are there duplicate numbers for 2024 Adopted and 2024 Amended for many of these accounts?

A: These lines are often duplicated because there have been no amendments to the adopted budgets for these accounts.

6. Adult/Technical Services Division: 530.01 Library Books: What is the reference to a 74% cut in the Public Library Assistance (PLA) Grant?

A: In August, The Alaska Division of Libraries, Archives and Museums (LAM) announced a 74% decrease in the PLA Grant, a noncompetitive grant awarded to Alaska Public Libraries. Over the past 30 years the grant has been between \$6,200 and \$7,000; this year it was originally reduced to \$1,829. Alaska libraries objected to the change, which would have been devastating to many small Alaska libraries. As a result of our efforts, LAM reconsidered its decision and is awarding libraries the full \$7,000 this fiscal year.

7. Outreach Services: Personnel Services & Benefits accounts: Is it possible for some Outreach Librarian duties to be taken on by other staff instead of increasing Outreach Services Librarian hours, now that the Library is fully staffed?

A: No; each staff member has their own work to do and does not have time to take on additional duties.

8. Outreach Services: 530.02 Periodicals: Why the 30% increase from \$650 to \$850?

A: Print periodicals have increased in price and Outreach patrons who are in senior centers or homebound prefer print to online periodicals.

9. Ketchikan Public Library O&M: 635.12: Technical Services: Why has this account increased by 20% (\$1,000)?

A: Although the 2024 budget is \$5,000, the 2023 Actual was \$5,615. This account pays for professional services for the building, including inspections, pest control, and other building maintenance that require technical expertise. As the building ages, these services are needed more often and the costs for these services have also increased.

10. Ketchikan Public Library O&M: 650.02: Electric, Water, Sewer & Solid Waste: Why the change in water and wastewater rates?

A: The Library is now being charged commercial rates for water and wastewater instead of residential rates. This increased the Library's charge in this account by approximately \$1,000 per month. The Board asked if a meter could be installed at the Library and whether this would reduce this charge. The City is currently undergoing a water meter deployment project. At this time, it is unknown when all commercial buildings will be metered. Water rates will need to be adjusted accordingly based on use rather than a flat fee, and high-use facilities like the Library may see higher costs for water use.

11. **Overdue fines: Why doesn't the Library resume charging overdue fines on its materials?**

A: The Library has not charged overdue fines on its materials since the beginning of the pandemic in March 2020. This was at first a temporary measure due to the Library's being closed during lockdown. Around the same time, many other public libraries began eliminating overdue fines and reported that more patrons returned their overdue books and began using the library again. So in March 2022 the Library Director sent a memo to the acting City Manager and to the City Council outlining her decision to permanently eliminate overdue fines on its materials (but not on interlibrary loans from other libraries, and not on lost or damaged item charges). This memo was included in the Manager's Report in the City Council's March 17, 2022 meeting packet and fines were eliminated as the City Council voiced no opposition or alternative direction. Overdue fines went into the City's General Fund (as lost and damaged item revenues still do), and are not added to the Library's operational budget.