2027 Alternative Tax Budget for the Public Library of Youngstown and Mahoning County

Subject: Budget Memo regarding fund level carryover balances

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Background

PLYMC has three active funds: general, building and repair, and technology. (NOTE: A fourth fund, the Payroll Clearinghouse Fund, is a vehicle for exchanging data between the Library's accounting software (VIP) and HRIS/Payroll system (Paycom)).

All receipts are for operations and go into the general fund, coming primarily from the state Public Library Fund (PLF – ~ 47%) and our 5-year property tax levy (~48%).

PLYMC also applies for and receives federal technology funding each year for specific technology expenditures through the Erate program, and these funds cover only a percentage of the cost. In 2025, PLYMC received a 90% discount on data costs and an 85% discount on hardware costs and were less than 1% of total receipts.

Receipts into building and repair and technology funds are transfers of operating funds approved by the PLYMC Board of Trustees. PLYMC receives no public funds for construction and is not eligible for state capital budget dollars.

PLYMC operates debt free and has done so for several decades.

The Library's standard practice is to accumulate all funds for large projects prior to initiation. In this way, we do not spend taxpayer dollars on debt interest. Instead, the funds held in reserve for future projects earn interest which can be applied to project costs.

The Library is audited every other year and routinely receives clean audits.

In 2025, PLYMC undertook a multi-year capacity building project to create greater budgetary clarity and reduce administrative overhead. This transformation plan has been more complex by the reduction in PLF funding that took effect July 1, 2025. The discussion around effective use of property taxes and expected passage of HB 309 also prompted us to adjust budget practices around unencumbered carryover.

What follows is an outline of activities involved in this project, with items instigated by the PLF reduction in *italics* and marked with * and HB 309 marked with ^:

2025

- ✓ Contract with an external CPA firm to identify opportunities for improving our fiscal processes.
- ✓ Establish a more granular chart of accounts with complimentary expense accounting practices.
- ✓ Expand staff participation in the budgeting process.
- ✓ *Identify 2026 ongoing Operating Fund budget reductions to accommodate reduction in PLF Funding*.*
- ✓ *Identify ongoing technology expenditures to shift from operating fund to technology fund to (1) accommodate reduction in PLF Funding* and (2) change carryover practices in anticipation of the passage of HB 309.^*
- ✓ Complete a 10-year Facilities Masterplan with a contractor hired in late 2024, identifying those projects that would likely still be possible under new financial restrictions.
- ✓ Identify new HRIS/payroll system that will provide necessary tools and support, improve reporting and interoperability with our existing financial system, and add a customer service staff scheduling component to reduce administrative overhead.

2026

- ✓ Implement new expenditure accounting practices.
- ✓ Debut cash position statement for monthly Board briefings.
- ✓ Add financial system analytics software.
- ✓ Establish payroll clearing fund to enable automated data exchange between HRIS/payroll system and accounting software.
- ✓ Select and sign a contract for a new HRIS/payroll system and develop an implementation schedule.
- ✓ Present completed 10-year Facilities Masterplan and identify initial project schedule.
- ✓ Initiate first Masterplan project.
- Develop 5-year cost projections for the General Fund.
- Develop 5-year project and cost projections for the Building and Repair Fund for new construction and major renovation projects.
- Develop 5-year project and cost projections for the Building and Repair Fund over-$50,000 repair/replacement projects.
- Develop new transfer strategy to ensure adequate funding in the Building & Repair and Technology funds.

- Select and contract with a Strategic Planning firm to develop a 5-year plan that operationalizes recent budgetary changes and Facilities Master Plan projects.
- Begin Strategic Planning process.

2027

- Introduce budget at the more granular chart of accounts level.
- *Expand Building and Repair Fund encumbrances from two years to five years^*
- Introduce improved financial reporting for Board using new tools and more granular data, including 5-year projections.
- Complete implementation of the new HRIS/payroll system.
- Introduce a new 5-year Strategic Plan.

We expect these changes to be fully implemented by the end of CY 2027.

CY 2025 Carryover Balances and Expenses

General Fund

2025 Expenses	$21.8m
2025 Carryover	$9.38m (43% of expenses)

PLYMC maintains the equivalent of 4 months of operating expenses as part of the annual balance forward (aka Carryover). This serves as a contingency against unexpected crisis (like the COVID pandemic) and would allow us time to wind down services should one of our two major sources of permanent funding be permanently eliminated. In 2026, the operational contingency equals $8.4m (39% of 2025 expenses) and makes up 90% of the General Fund Balance Forward.

Building and Repair Fund

2025 Expenses	$1.04m
2025 Carryover	$23.14m

All maintenance and construction projects over $25,000 are budgeted into the Building and Repair Fund. PLYMC typically spends $1-$3m on large dollar repair/replacement projects across the 13 owned buildings and 2 leased facilities. Currently, the library encumbers planned project costs 2 years out.

Since the completion of the Main Library Renovation project in 2023, the Library has been rebuilding this fund in anticipation of projects resulting from a new facilities masterplan, which was completed in 2025. Group 1 (the first 5-8 years of projects) identified by the masterplan are as follows:

New Struthers Library	$6.8m
Community Engagement	$1.6m (addition of garage onto current Struthers library to house bookmobile and special delivery van, and conversion of interior to staff-only space)
New Poland Library	$12m
Renovate Austintown Library	$5.1m (this project cost may be higher due to recently discovered roof issues)
Master Plan Subtotal	$25m (estimated costs exclusive of escalation)
5 years Gen Building Maintenance:	$15m (assuming $3m/year across 11 other buildings)
Building & Repair 5-year total:	$40m

While these funds are not all encumbered in the current budget, they are planned and documented in the PLYMC Facilities Masterplan completed this year https://www.libraryvisit.org/plymc-master-plan/. We are expecting to implement a 5-year encumbrance strategy by the end of CY2027.

Technology Fund

2025 Expenses	$289,186
2025 Carryover	$3.87m

Prior to 2026, the technology fund was used exclusively for annual hardware purchases and technology expenses related to new building projects and major renovations. With the PLF reduction and HB 309, we are now moving the budget for Wi-Fi hotspots that are loaned to the public and major software subscription costs into this fund. This is expected to raise the annual expenditure from this fund to $1.25m. No transfers will be made into this fund until the carryover falls under the 50% threshold.