

**Red Bank Eisner Memorial Library**  
**Questions and Answers About the March 2014 Reorganization of the Library**

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The Red Bank Public Library is governed by a volunteer Board of Trustees. The Board meets each month, and these meetings are open to the public. We encourage the public to attend. In light of the Reorganization, the Board is issuing this Q&A to address questions and any confusion.

Funding of the Library

**How is the Library funded?**

The Borough of Red Bank funds the Library every year through taxpayer money.

**Why does the Borough of Red Bank fund the Library?**

NJ state law requires each city to fund the city library (if there is one) every year.

**How much money does the Borough of Red Bank give the Library?**

The minimum amount the Borough has to give us is defined by State Law as a small percentage of the assessed value of property. The rate is 1/3 of a mill, and a mill is 1/10 of a penny, or 1/1000 of a dollar. This year, the amount comes to approximately 2% of the local tax revenues. In 2013, the funding from the Borough was \$671,124. In 2014, it is \$668,788.

**Why has the Library's tax funding decreased?**

Red Bank's tax revenue has decreased as a result of the recession which caused stores to close and property taxes to be appealed. This resulted in the collection of less tax money.

**How does the budget process work for the Library?**

The Library's fiscal year runs Jan 1 – Dec 31, the same as the Borough's fiscal year. The Library submits a budget to the Borough in December for the following fiscal year. The Borough then conducts budget hearings to approve or revise the budget. Typically towns pass their budgets in May, after the citizens have had a chance to appeal their tax assessments and the towns know how much property tax revenue to expect.

**When was the Library's 2014 budget submitted to the Borough?**

Like other Borough departments, the Library submitted its budget in December of 2013 for 2014.

**When will the 2014 budget be approved and finalized for the year 2014?**

We anticipate May 2014. The Borough has begun budget hearings this month.

**If the Library only receives a set amount each year, why does it need to submit a budget?**

We make requests each year that the Borough pay for certain things above and beyond the minimum required funding. One of these is the Library's portion of contributions to employee pensions. If the Borough approves those requests, that gives the Library additional funding in which to operate the Library. The timing requires us to operate under a tentative budget for the first several months of the year.

**What personnel costs is the Library responsible to pay?**

The Library is responsible for paying salary, health care benefits, social security and Medicare taxes, and unemployment insurance. The Library also gives generous paid sick leave and vacation leave benefits in line with Borough personnel policies. The Borough has been covering employer pensions contributions and workers compensation insurance costs for the Library.

**How much money does it cost to run the Library?**

Without the Reorganization, it will cost slightly over \$800,000 to run the library in 2014. This is with stringent economies in what we spend on books and other items as we have had to keep costs down. However this is still \$131,000 more than we will receive in funding. We are running at a deficit.

**How much of the Library's annual funding is spent on personnel costs?**

Without the Reorganization, the Library would be paying 95% or approximately \$635,400 of its local tax support on salaries and benefits.

**How much money does the Library have left to spend on collections, operating costs, and repairs?**

Again, without the Reorganization, the Library would have only 5% of its local tax support, or less than \$ 33,400, to pay for books, heat, and other utilities,

**What other costs do you anticipate this year?**

In addition to the \$131,000 deficit, we are required to pay \$38,500 in pension contributions (before the Reorganization). This year the Library will also have to pay approximately \$72,500 in unused sick pay for a retiring staff member. We have been in conversation with the Borough about these since last year as we anticipated these additional costs. We have requested that the Borough continue to cover the pension costs as they have done in the past, and also take out a bond for us to pay the \$70,000 over many years.

**How can the Library run out of money?**

It didn't. Conditions changed drastically over the past 3 years. Staffing salaries and benefits in 2014 now account for 95% of available funding which leaves only 5% for operating costs including the purchase of books, DVDs and CDs, as well as the upkeep and maintenance of the Library building itself. As you can imagine, the remaining 5% is not enough to run a library. So we have a large deficit of around \$130,000 not including

\$38,500 in employer's share of pension contribution that we hope the Borough will help us manage, along with a bond for the sick leave payout.

## The Reorganization

### **What solution did the Board of Trustees enact on Thurs, Mar 13?**

Because we needed to become more fiscally responsible, the Board of Trustees voted to reorganize the Library by reducing the number of employees. This eliminates our deficit, allows us to right-size the Library for the budget, and sustains the Library for the future. The solution implemented on March 13 was just one step in a much larger process that began in 2013 when it became clear that even with stringent cuts in expenditures last year, the Library was living beyond its means. The Board recognized that steps needed to be taken to address this.

### **Why was the Reorganization necessary?**

The tax-supported funding of the Library has decreased substantially, while staffing costs have spiraled.

### **Without the Reorganization, would the Library close?**

Yes. The Library was not being fiscally responsible. It was not living within its means. It spent at least \$100,000 more in 2013 than it received in Borough funds and would have spent \$131,000 more 2014. The Library was draining its savings and bequest accounts, which are specifically earmarked for special purposes. The Library was on the verge of closing by 2015.

### **Why did the Library eliminate positions?**

The reality is that 95% of our tax funding is going to pay for personnel costs. We cannot afford to continue to pay the personnel costs for 8 full-time people. At most we can only afford 5 full-time people. Eventually we can supplement them with part-time employees.

### **What personnel did the Library eliminate from its budget? Who was let go?**

The Library eliminated 3 part-time personnel and 3 full-time personnel.

The full-time personnel include:

- The Children's Coordinator
- Reference and Local History Librarian
- Custodian

The part-time personnel include:

- Library Assistant and Teen Services Coordinator
- Circulation Assistant
- Reference Librarian

### **How did the Library select the employees?**

The first two positions were eliminated by seniority. The last hired are the first fired as dictated by the Borough's Union contract. In addition, according to common practice in

labor relations, all part-time staff had to be cut before the full-time positions could be eliminated. Then seniority dictates that the full-time employees with the least seniority are let go first. The Custodian was let go because the Library no longer has a need for a full-time custodian.

**Will you be hiring them back?**

No. We cannot afford to employ 8 full-time employees.

**How could the Library leave 3 hard-working employees without jobs?**

The 3 full-time employees laid off are Union employees. As such, they will be offered other positions within the Borough for which they are qualified, within their classification. One has already taken a new job and starts Monday March 17.

**Why did all of this happen so suddenly?**

It wasn't sudden. This action was undertaken after many months of deliberation, consultation with the Borough and Council officials, as well as discussions with the Union.

**Can the Borough of Red Bank close the Library and build condos?**

No. According to the deed which gifted the Eisner building to the Borough of Red Bank, If the building is no longer operating as a library, the ownership of the building will automatically revert to Harvard University. Red Bank citizens could then vote on a referendum to close down the library. The Borough does not control the use of this property.

**Why doesn't the Library merge with the Monmouth County Library System?**

We have investigated this option and have discovered that merging the Library with the Monmouth County Library System would cost Red Bank taxpayers additional money each year.

**Is the Red Bank Public Library going to close?**

No. The purpose for the Reorganization was to prevent the Library from closing. The Library has been "deficit" spending for the last several years and could not continue to do so..

**Why does money need to be spent on the Library's bulkhead?**

According to the deed which gifted the Eisner building to the Borough of Red Bank, maintaining the bulkhead is a condition for ownership. If it is not maintained adequately, we risk losing ownership of the building to Harvard University.

**Will additional staff be terminated as part of the Reorganization?**

No.

**Will Library hours and programs be cut as part of the Reorganization?**

Yes, temporarily until we can supplement with other people, such as volunteers.

**Will Library hours and programs be restored in 2015?**

By 2015 the Library should be back to normal hours. One of the Library's long-term employees is retiring at the end of 2014. We will be able to hire more part-time employees to restaff the Library.

**How will the Library service the public this year with so few employees?**

Through its volunteer program. If you are interested in volunteering, please contact Linda Hewitt at 732-842-0690. We would be thrilled to have you support the success of the Library as a volunteer.

**Does the Reorganization have anything to do with bringing back the fireworks?**

We have no control over the fireworks.

**What do the Friends of the Library do?**

The Friends support the Library through fundraising events, such as the book sale and the town wide yard sale. The Friends also recruit many volunteers for the Library.

**Does the money the Friends raise go directly to the Library?**

No. The Friends are an independent legal entity. The Library is required to submit requests to the Friends. The Friends then approve or deny the list of requests. The Friends use the remaining funds to bring awareness to the Library through various events, such as hosting a booth at the Red Bank fair.

**What does the Foundation do?**

The Foundation was established to raise larger amounts from corporate and private donors. It is a separate legal entity.

**How much money has the Foundation raised in 2013?**

\$12,000 in 2013

**Does the money the Foundation raises go directly to the Library?**

While the Foundation Board can approve funds to be transferred without condition to the Library, it must first become self-sustaining before they can give us any money.

**Why has it felt like there been so little transparency from the Board of Trustees?**

Most personnel matters in organizations and corporations are confidential and are not discussed at open public meetings. In our situation, there are several entities involved: the Library, the Borough, and the Union (since all full-time Library employees are members of the Union). With regard to the budget, the 2013 budget is available on the RBPL website at [www.redbanklibrary.org](http://www.redbanklibrary.org). We are unable to share a final 2014 budget until it is finalized and approved by the Borough. It was submitted to the Borough in December 2013 to approve and we anticipate the Borough approving it in May.

**What are the qualifications for serving on the Board of Trustees?**

The Mayor of Red Bank appoints all Trustees to the Board. The Mayor evaluates the experience of each Trustee and seeks references prior to making each such appointment. Our Board consists of authors, publishers, communication experts, teachers, a lawyer, and business owners.

**Did the Library Director resign?**

Virginia Papandrea is officially retiring at the end of May and moving to upstate NY to be near her family.

**Did the President of the Friends resign?**

Yes, Beth Hanratty Fields resigned as of Friday, Mar 14, 2014.

**What can the community do to support the Library?**

Donations can be made to the Library directly or to the Foundation and are most welcome. The Library also welcomes volunteers.