

This report is an update on the elements of the transition of the Library to operate as a Special District Library (as currently defined by New York State Education Department (NYSED)). This is a mutual project of the Town Board and the Library Trustees, undertaken to update practices and emphasize the Library's accountability and autonomy. This transition will require changes from existing operations relative to Town support for payroll, procurement, custody of Library funds, etc. as noted below. At the end of the transition, Library operations will not rely on Town resources, unless, and except as, *ad hoc* efficiencies in collaborating are identified by the Library and the Town and a mutually agreed upon, separate contract is put in place.

The target date for operational transition is: January 1, 2022 ("Transition Date").

Multiple shared services, along with their previous/current approach (2020 used as a baseline) and the 2022 approach, are identified in Table 1 below.

Reference	Service	2020 State	2022 State
A	Payroll	Administered by Town	Administered by Library
B	Bill Paying	Administered by Town	Administered by Library
C	Funds/Bank Accounts	Held by Town	Held by Library
D	Annual Budgeting Process	Town Process/Approved by Town	Special District Guidelines/ Public Vote as required
E	Trustee Appointment	Appointed by Town	Special District Guidelines/ Public Vote Administered by Library
F	Employee Medical Benefits/WC/Retirement/Disability	Administered by Town	Administered by Library
G	HR Administration	Administered by Town	Administered by Library
H	Insurance Coverage (Building, D&O)	Administered by Town	Administered by Library
I	Building Maintenance	Administered by Library	Administered by Library
J	Building Ownership	Owned by Town	Transfer to be pursued.
K	Land Ownership	Owned by Town	Transfer to be pursued.
L	Sidewalk Clearance/Landscaping	Administered by Library	Administered by Library
M	Parking Lot Snow Plowing/ Lawn Mowing	Performed by Town - transitioned to Library in winter 2020/2021	Administered by Library
N	Governance/ Compliance Guidance	Administered by Town	Administered by Library
O	On-going Legal Support	Administered by Town	Administered by Library
P	Policies	Town and Library blend	Administered by Library

Table 1. Capture of Services

A. Payroll was administered through the Town in 2020; beginning on the 1 January 2022, the Library will manage payroll in accordance with local Civil Service rules and guidelines.

B. In 2021, Library Procurements were handled through either the Town or the Library payment processes. Under either process, all Library bills (services and goods) were in the name of, and paid by, the Library. Expenses specifically designated to use funds that resided in Library held accounts used the Library process. All procurements through the Library process follow the Library's procurement policy. All procurements through the Town process follow the Town's procurement policy. Both processes adhere to state finance law. Beginning on the 1 January 2022, the Library will administer all Library procurements, unless *ad hoc* efficiencies are identified and jointly agreed to by the Library and the Town.

C. Library Funds, and the Accounts where those funds reside, are described in the table below.

Account Balances Chart

	Library Held			Town Held	
	Status	Balance		Status	Balance
Fund Balance Account	In place (xxx1567)	\$0	Fund Balance Account	In place	\$300,406 ‡
Operating Account	In place (xxx1164)	\$101,834.59†	Operating Account	In place (Town Fund 17.)	\$47,461.16*
Trustees Account	In place (xxx1596)	\$5,466.11	Trustees Account	Account closed 9/16/2021	
Petty Cash Account	In place	\$0	Petty Cash Account	In place (xxx5534)	\$406
			Petty Cash On Hand	Lock Box	\$58
			Circulation Tray	Tray	\$75

Table 2. Summary of Library Funds and Accounts Holding those Funds as of 30 November, 2021 (unless otherwise noted)

† Principally from Department of Library Development State Aid for Library Construction Grant

‡ December 31, 2018 value from 2018 Town of Ballston Financial Report (provided by Town Budget Officer (25 January, 2021)).

* Value provided by Town of Ballston Bookkeeper (2 December, 2021)

The most recent Library-generated financial report was reviewed in the Public Meeting of the Library Board of Trustees on 29 December, 2021.

To facilitate continued Library operations, the Town will turn over to Library's Treasurer \$100,000 (less Library expenses or obligations outstanding in the Town process) on 3 January 2022, in advance of receipt of tax levy funds.

The Bookkeepers for the Town and Library have been working closely to establish the amount of the pre-paid accrual for 2022 and 2023 as \$25,344.67 as of 29 December 2021. This implies a transfer of \$74,655.33 is to be expected in January 2022 as noted above.

D. The tax levy is currently authorized to be included on the budget submitted by the Town Board, and paid only by those in the district served. To reflect the powers of a Special District Library, an update to give the Library Board of Trustees the authority to directly petition for the levy is being pursued. The Library Tax will continue to be collected by the Town on residents' tax bills. This will maintain operational efficiency and a consistent tax payer experience. The legislation that is currently being drafted (see section E below) addresses the process by which a budget is approved by the Special District Library.

E. Historically, Library Trustees are appointed by the Town Board. NYSED specifies an election-based approach for Special District Libraries. Constituents in the Library's Special District (serving the Town of Ballston, excluding the Village of Ballston Spa) will be eligible to vote. The vote will be conducted in accordance with legislation that is being drafted in December 2021 by a group that includes Deb Kaelin (Town Attorney), Kelly Stewart (Town Board member), Cole Adams (Library Attorney), and representatives from the Library (Staff and Trustees).

F. Employee Medical Benefits/WC/Retirement/Disability was administered through the Town in 2020; beginning on the 1 January 2022, the Library will manage this in accordance with local Civil Service rules and guidelines.

G. HR Administration leveraged Town policies in 2020. In Q4 2021, the Library contracted Public Sector HR to create an employee handbook for Library employees. The handbook was adopted by the Library Board of Trustees in December of 2021. Beginning on the 1 January 2022, the Library will manage HR Administration in accordance with local Civil Service rules and guidelines and that handbook.

H. The Library premises and contents have been previously insured through the Town, and paid by Library funds. Presently, the Library has secured its own insurance for the Library's premises and contents that go into effect on the 1/1/2022. The process for insuring the building may change as (and, if) building ownership evolves. A copy of the applicable insurance policies is being provided to the Town by the Library.

I. Building Maintenance is coordinated and paid for by the Library. Capital improvements are coordinated and paid for by the Library, with notice to and upon leave of the Town as property owner. This will not change through the Transition.

J & K. The Library premises are owned by the Town, but restricted by deed to the use of the Library. The Library and Town coordinate on property-related issues. Transfer of ownership is sought within 2022.

L & M. Snow removal and landscaping are administered and paid by the Library. Historically, the Town and Library have jointly procured sidewalk salt, which had been stored at the Town. The Library’s current supply of salt is being stored at Hometown Turf.

N. The Library has retained an accountant for the fiscal reports it must file with the State and share with the public and other services. Coordination and collaboration between Town and Library financial entities will be especially critical in reporting during the period of transition. The Library finances are reviewed by NYSED annually and that will continue. The Library is already subject to audit by the NYS Comptroller, and will continue to be so.

O. On-going Legal Support of the Library was previously provided by Town, but is currently coordinated and paid by the Library.

P. Previously, the Library employed Policies of both Town and Library, with the Library leveraging Town policies for many administrative and non-Library specific operations. An assessment of the comprehensive policy set that governs the Library is underway as part of this transition. The structure employed is based on the guidance from the New York State Library organization within NYSED. That guidance describes Externally Focused (Service to the Public) and Internally Focused (Library Operations) Policy Areas as noted in Table 3 below.

Externally Focused Policy Areas	Internally Focused Policy Areas
Circulation	Board (Trustees)
Collection	Administrative
Public Space	Financial Controls
Technology	Personnel
	Safety

Table 2. Summary of Library Policy Topic Areas

Summary:

The goal of this document is to memorialize the roles of the Town and the Library relative to operations and governance of the Library as a Special District Library (using the Contemporary Definition).

The Town and Library serve shared constituents. It is imperative that this transition results in minimal disruption for patrons and employees, while maintaining a productive partnership between the Town and the Library.