



PORTAGE DISTRICT LIBRARY

Final Proposed Budget for Fiscal Year 2012 and 2013 Assuming a 1.50 Mill Levy

**To be adopted by the Library Board
at the regular board meeting held on**

August 22, 2011

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	FY 2011 Budget	FY 2012 Budget	Variance	Percent Change	FY 2013 Budget	Variance	Percent Change
REVENUE							
Millage Rate	1.500	1.500	0.000		1.500		
Tax Revenue	\$ 3,365,328	\$ 3,272,013	\$ (93,315)	-2.8%	\$ 3,209,897	\$ (62,116)	-1.9%
Other Revenue	232,546	227,683	(4,863)	-2.1%	234,705	7,022	3.1%
Total Revenue	\$ 3,597,874	\$ 3,499,696	\$ (98,178)	-2.7%	\$ 3,444,602	\$ (55,094)	-1.6%

OPERATING EXPENSES							
Salaries & Wages	\$ 1,392,603	\$ 1,320,829	\$ (71,774)	-5.2%	\$ 1,310,829	\$ (10,000)	-0.8%
Fringes & Benefits	540,033	519,250	(20,783)	-3.8%	579,580	60,330	11.6%
Library Materials	519,573	545,160	25,587	4.9%	545,160	-	0.0%
Library Supplies	113,968	112,765	(1,203)	-1.1%	98,826	(13,939)	-12.4%
Administrative Services	236,000	203,590	(32,410)	-13.7%	187,400	(16,190)	-8.0%
Building & Utilities	263,870	273,233	9,363	3.5%	270,350	(2,883)	-1.1%
Furnishings & Equipment	6,949	6,949	-	0.0%	5,749	(1,200)	-17.3%
Other Charges	213,318	216,968	3,650	1.7%	210,518	(6,450)	-3.0%
Total Operating Expenses	\$ 3,286,314	\$ 3,198,744	\$ (87,570)	-2.7%	\$ 3,208,412	\$ 9,668	0.3%

CAPITAL PROJECTS							
Capital Projects	\$ 311,560	\$ 300,952	\$ (10,608)	-3.4%	\$ 236,190	\$ (64,762)	-21.5%
Total Expenses	\$ 3,597,874	\$ 3,499,696	\$ (98,178)	-2.7%	\$ 3,444,602	\$ (55,094)	-1.6%

	Year End 2011	Year End 2012	Difference	% of Total Exp	Year End 2013	Difference	% of Total Exp
RESERVES							
General Reserve	\$ 465,348	\$ 451,940	\$ (13,408)	13%	\$ 445,685	\$ (6,255)	13%
Building Reserves	50,000	210,000	160,000	6%	210,000	-	6%
Benefits Reserve	18,991	110,991	92,000	3%	110,991	-	3%
Donation Reserve	9,825	-	(9,825)	0%	-	-	0%
Debt Reserve	9,483	90,000	80,517	3%	90,000	-	3%
Technology Reserve	44,289	44,289	-	1%	44,289	-	1%
Undesignated Fund Balance	779,189	381,672	(397,517)	11%	381,672	-	11%
Total	\$ 1,377,125	\$ 1,288,892	\$ (88,233)	37%	\$ 1,282,637	\$ (6,255)	37%

GENERAL BUDGET SUMMARY

Overview: These budget documents provide a general overview of the Fiscal Year 2012 and FY2013 Budget scenarios for the Portage District Library. They include projections of tax revenue for the Library, assuming a 1.50 mill levy and forecasts for total other expected income. Along with revenue projections, these budget sheets also categorize and delineate library operating expenses and capital projects, to give a total cost picture for operating the Library in Fiscal Year 2012. The main goals for the FY2012 Budget are: (1) To allocate and expend funds appropriately across specific line items to support operations which fulfill the Library's Long Range Strategic Plans; (2) To function in a quarterly budgeting mode in order to identify the Library's cash flow for investment purposes; and (3) To produce accurate financial reports of library activities. The FY2013 Budget is a projection based on information that is available as of June 2011 and is meant to serve as an estimate only.

Key Considerations: When reviewing the proposed Fiscal Year 2012 Portage District Library Budget, it should be noted that it covers the time period January 1, 2012 through December 31, 2012. [Note: In the same manner, taxes collected in December 2011 must be considered revenue for FY 2012] In preparing the budget for Fiscal Year 2012, the library considered the current economic climate in Portage, as well as a projection of Fiscal Year 2013 and Fiscal Year 2014. The overall projection of property tax revenue is for a 2.8% decrease in Fiscal Year 2012 and a decrease of 1.9% in Fiscal Year 2013. For Fiscal Year 2012, which is covered under this budget, the library will reduce expenditures to match the decrease in revenue funding from property tax and other revenue. The library will levy the full 1.5 mills that it is authorized to levy. In prior years, the library has chosen to levy only 1.49 mills in an effort to provide a constant revenue stream that would be unaltered by a possible Headlee Amendment rollback. The Kalamazoo County Equalization Department has notified the library that it will be eligible to levy the full 1.5 mills in Fiscal Year 2012. The Library has lowered its General Fund Reserve by \$13,408 while keeping it at a level of 13% (which falls within the ideal range of 13% to 15% of total expenditures); has maintained funding for library materials at a level of 17.04% of operating expenses; allocated more than \$80,000 for technology improvements; continued a Building Fund Reserve (\$50,000); maintains \$110,991 for a Benefits Reserve to be used for employee medical deductibles and lump sum retirement payments of accrued sick and vacation time payout; and provided for the Library's bond payment to the City of Portage.

Undesignated Fund Balance: As of the end of Fiscal Year 2010, the library had an Undesignated Fund Balance of \$779,189. This amount will be increased at the end of FY2011 with any further unspent funds. This Undesignated Fund Balance is in addition to the 13% General Reserve of annual budgeted expenditures that is available for situations that may arise. Furthermore, the library has \$50,000 reserved for emergencies that may arise with building assets, that is including within the Building Reserve. The Library is preparing this budget under the realization that all funding from Personal Property Taxes may be eliminated in the future. The Library has been very careful over the last 5 years to continually add to its Undesignated Fund Balance with the idea that at some point in the future, revenues could be seriously decreased by declining tax values on real and personal property. While declines in real tax values have not reached the level that was feared, the potential elimination of the Personal Property Tax has emerged. The Library is recommending the use of Undesignated Fund Balance to fund larger projects that the Library will be undertaking in the coming years that would be very hard to fund in a reduced budgeting scenario. These items include the following costs that are anticipated in the next 2-5 years: the replacement of the Library's boiler (\$75,000); increase in debt service in FY2014 and FY2015 (\$90,000); replacement of phone system (\$75,000); and funding of retiree vacation and sick benefit payout (\$92,000). This total of \$407,000 in future funding requirements would put a strain on the Library's future budgets that could result in deeper cuts to materials and Library personnel. The Library's debt service obligations will be completed in the 2015 Fiscal Year. Therefore, beginning in FY2016, approximately \$200,000 can be added back into the Library's budget on an ongoing basis. As part of the FY2012 Budget, funds for these projects would be shifted from Undesignated Fund Balance to Reserve lines, as noted above, to be used at a future date. All Reserve funds would need to be approved by the Library Board before they could be added to the budget and spent.

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
TAX REVENUE							
Millage Rate	1.500	1.500	0.00		1.500	0.00	
Property Tax	\$ 3,354,328	\$ 3,261,013	\$ (93,315)	-2.8%	\$ 3,198,897	\$ (62,116)	-1.9%
IFT/CFT Tax	11,000	11,000	-	0.0%	11,000	-	0.0%
Total Tax Revenue	\$ 3,365,328	\$ 3,272,013	\$ (93,315)	-2.8%	\$ 3,209,897	\$ (62,116)	-1.9%
OTHER REVENUE							
State Aid	\$ 15,500	\$ 15,500	\$ -	0.0%	\$ 15,500	\$ -	0.0%
County Penal Fine Income	80,000	80,000	-	0.0%	80,000	-	0.0%
Local Fine & Fee Income	70,000	70,000	-	0.0%	70,000	-	0.0%
Interest Income	20,000	20,000	-	0.0%	20,000	-	0.0%
Rental Income	4,000	4,000	-	0.0%	4,000	-	0.0%
Other Income	8,950	8,950	-	0.0%	8,950	-	0.0%
Donation Income	6,000	6,000	-	0.0%	20,000	14,000	233.3%
Funding from Reserves	28,096	23,233	(4,863)	-17.3%	16,255	(6,978)	-30.0%
Total Other Revenue	\$ 232,546	\$ 227,683	\$ (4,863)	-2.1%	\$ 234,705	\$ 7,022	3.1%
Total Revenue	\$ 3,597,874	\$ 3,499,696	\$ (98,178)	-2.7%	\$ 3,444,602	\$ (55,094)	-1.6%

TAX REVENUE - Fiscal Year 2012

- > **Property Tax**: The library is planning for a decrease in property tax revenue in FY2012, due to declining property values of 2.8%. This decrease is based on the decline in tax values of real and personal property within the Portage District Library's legal service population area. Additionally, this decrease takes into account potential tax revenue that the library is losing to Local Development Financing Act (LDFA) and Downtown Development Authority (DDA) tax capture. The Library is including all funding generated from Personal Property Tax collections for FY2012. There are currently bills in both the Michigan House and Senate that would eliminate all or part of this revenue source to the Library with uncertainty of replacement. At the current time, it is uncertain if the State of Michigan would replace this funding for Libraries. The Library has previously prepared a budget that is based on the loss of personal property tax that will be used as a starting point should the State of Michigan choose to eliminate personal property tax and not replace it with other funding.
- > **Industrial Facilities Tax**: Anticipated revenue for the Library to be generated from tax assessments made on industries in the service population area for the Portage District Library
- > **State-Aid**: Funding for Libraries by the State of Michigan has become very unpredictable in recent years. The Library has received confirmation from the State of Michigan that State Aid to Libraries will continue as a part of their FY2011-2012 budget at the same level as the prior year. The Library budgeted and received approximately \$.09 per resident in FY2011. This is down from approximately \$.34 per resident in FY2005.
- > **County Penal Fines**: Based on historical data, the library will anticipate that no increase in revenue will be generated by a share of penal fines distributed to public libraries in the region by Kalamazoo County government.
- > **Local Fines & Fees**: Based on historical trends, the library will anticipate no increase in revenue for the Library to be generated by fines for overdue or damaged materials and fees for services, such as Non-Resident Memberships.
- > **Investment Interest Income**: Anticipated revenue for the Library that will be generated by interest earned on investments. The Library continues to try to generate interest revenue where possible through a combination of CDs and sweep accounts.
- > **Rental Income**: Anticipated revenue to be generated by charging the public a fee to rent library meeting rooms. The library is conservatively estimating no increase in revenue in this area in FY2012.
- > **Other Income**: Anticipated revenue for the Library resulting from charging the public a fee for photocopies, computer printouts and other miscellaneous items. The Library is anticipating no increase in this area in FY2012.
- > **Donation Income**: Based on historical data, the library will anticipate no increase in donation income for FY2012.
- > **Funding from Reserves**: The budgeted \$23,233 is a combination of two amounts. First, \$9,825 for the unrestricted donations that were received in FY2010, but not used in FY2011. The Library will use these funds to help maintain its Library Material lines at a higher level in FY2012. Secondly, the Library will reduce its General Reserve to a level of 13% of Revenue. This would result in a reduction to the General Reserve, and an addition to revenue, of \$13,408. Together, these two amounts total \$23,233.

TAX REVENUE - Fiscal Year 2013

- > **Tax Revenue Projection**: The Library has met with officials from the City of Portage and based on future Property value projections, has determined that a further decline in Real & Personal Property Tax revenue for FY2013 is warranted. The decline in Tax Revenue will result in a reduction of the General Reserve to its 13% level and add \$6,255 of revenue. The Library is also asking the Friends of the Library to assist in funding programming at the Library. The Friends organization has consistently given the Library approximately \$11,000 each year to be used to purchase items that otherwise would not be purchased. These items have become known as "Wish list" items for the Library. The Friends have also expressed an interest in giving the Library an additional \$3,000 to be used towards programming. The Library will ask the Friends for the \$11,000 of Wish List funds and the \$3,000 of programming funds to be used to fund Library programming. This would allow the Library to keep Library programming at a high level without large cuts that otherwise would be needed. The Library has also estimated that \$10,000 of donations will be received in FY2011 that could be saved and used in FY2013 to bolster material lines. After three years of declining revenue, these funds will enable the Library to maintain material funding at its FY2012 level with no decrease.

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
SALARIES & WAGES							
Full Time Staff Salaries	\$ 1,133,848	1,081,000	\$ (52,848)	-4.7%	1,081,000	\$ -	0.0%
Part Time Staff Salaries	74,829	74,829	-	0.0%	74,829	-	0.0%
Library Aide Salaries	174,926	165,000	(9,926)	-5.7%	155,000	(10,000)	-6.1%
Substitute Salaries	8,000	-	(8,000)	-100.0%	-	-	0.0%
Overtime Salary	1,000	-	(1,000)	-100.0%	-	-	0.0%
Total Salaries & Wages	\$ 1,392,603	\$ 1,320,829	\$ (71,774)	-5.2%	\$ 1,310,829	\$ (10,000)	-0.8%
FRINGES & BENEFITS							
Health Insurance	\$ 262,783	\$ 255,000	\$ (7,783)	-3.0%	\$ 316,000	\$ 61,000	23.9%
Dental	32,000	32,000	-	0.0%	32,000	-	0.0%
Life Insurance	3,000	3,000	-	0.0%	3,000	-	0.0%
Long-Term Disability	4,500	4,500	-	0.0%	4,500	-	0.0%
Short-Term Disability	5,500	5,500	-	0.0%	5,500	-	0.0%
Pension	117,500	112,500	(5,000)	-4.3%	112,500	-	0.0%
Employee Assistance Program	750	750	-	0.0%	750	-	0.0%
Tuition Reimbursement	2,500	-	(2,500)	-100.0%	-	-	0.0%
Workers Compensation	4,500	4,500	-	0.0%	5,000	500	11.1%
FICA - Employer	107,000	101,500	(5,500)	-5.1%	100,330	(1,170)	-1.2%
Total Fringes & Benefits	\$ 540,033	\$ 519,250	\$ (20,783)	-3.8%	\$ 579,580	\$ 60,330	11.6%
Total Salaries & Benefits	\$ 1,932,636	\$ 1,840,079	\$ (92,557)	-4.8%	\$ 1,890,409	\$ 50,330	2.7%

SALARIES & WAGES - Fiscal Year 2012

- > **Full-Time Staff Salaries:** Projection of estimated salaries for all current full-time positions will decrease by 4.7%. This amount includes one (1) full-time Master Degree Librarian position that was vacated by a retiring employee in the Adult Services Area in FY2011 and not filled. In addition, employees will not receive a pay raise in FY2012.
- > **Part-Time Staff Salaries:** Projection of estimated wages for all current part-time positions will be held constant through no increase to wage levels.
- > **Library Aide Wages:** Projection of estimated wages for all current Library Aide I, Library Aide II positions. There is a planned decrease in total hours for Aide I and Aide II positions, while holding wage levels constant. The library has experienced several job vacancies in the Aide II level in FY2011. These hours have not been replaced to date. With the elimination of Substitute Librarians and the non-replacement of the Adult Services Position, Library Aide II's may serve a greater role of assisting Reference Librarians on the library floor as they provide service to patrons. Library Aide II's can assist by handling lower level questions and allowing Reference Librarians to answer questions that are more appropriate to their education level.
- > **Substitute Salaries:** Substitute Librarian hours will be eliminated under this plan. Substitute Librarians are currently being utilized to staff Public Service Desks on Saturdays and Sundays throughout the year. These hours will be picked up by existing Librarian staff.
- > **Overtime:** Overtime under this budget will be eliminated.

SALARIES & WAGES - Fiscal Year 2013

- > **Salary & Wage Project:** The Library is planning to decrease Library Aide I and Library Aide II spending by an additional \$10,000 in FY2013. This will be accomplished through the use of technological upgrades to RFID equipment that will allow the check-in of material more efficiently. This should improve the use of self check-out machines and result in a minor reduction in staff.

FRINGES & BENEFITS - Fiscal Year 2012

- > **Health:** Projection of a 3.0% decrease in funding for the cost of health insurance for all current full-time employees. The Library is estimating a 32% increase in premiums for FY2012 as part of this budget. To accomplish this, the Library will begin charging employees for a portion of their health insurance premiums. The unfilled Adult Services position has resulted in an approximately \$9,500 reduction in FY2012 health insurance expenses. In this plan, employees will be charged for 20% of their premiums. The Library will also look at other possible formulas that can be used to charge employees for their insurance premiums while still abiding by new legislation mandating employee contributions to health insurance. These possibilities include: employees sharing in deductible expenses; contributing for family member's premiums while receiving their own personal insurance free; or a combination of charges. The Library is currently using a renewal of its current Health plan to estimate FY2012 expenses. The Library's current plan expires in November of 2011. The Library is beginning to look at the cost of alternative plans but due to the length of time before the current plan expires, exact prices are unattainable and can only be estimated. As the Library gets closer to November 2011, it will continue to monitor alternative plans and make a decision on the best insurance plan for its employees when it can obtain more accurate rate pricing. The library will continue to use the Health Reimbursement Arrount and budget for a usage rate of 50.0% of possible deductibles. We are confident in this usage rate, given the actual usage rates experienced for the last five (5) years. At no time in those years has the usage rate for Health Insurance for the Library exceeded 35.0%.
- > **Dental:** Projection of no increase in funding for Dental Insurance is due to several factors. The library believes that with one full-time position remaining unfilled, the current level will be adequate.
- > **Life Insurance:** Projection of no increase in funding for Life Insurance and Accidental Death & Dismemberment is due in part to the change in full-time employment and in part to rate increases not materializing in prior years.
- > **Long-Term Disability:** Projection of no increase in funding for Long-Term Disability coverage for all current full-time regular employees. The library has not seen an increase in premiums in several years but has budgeted for them. This, along with the planned decrease in staffing should enable the current funding to be adequate.
- > **Short-Term Disability:** Projection of no increase in funding for Short-Term Disability coverage for all current and future full-time employees is similar to the rationale given for Long-Term Disability.
- > **Pension:** Projection of a \$5,000 decrease in employer contributions into the retirement fund for all current and future full-time employees. The decrease in the overall spending in the Full-Time Staff Salaries line is associated with not filling the vacated Adult Services position, which results in a corresponding decrease in pension funding.
- > **Tuition Reimbursement:** Funding for this line will be eliminated under this plan.
- > **Workers' Compensation:** Projection of no increase in Workers' Compensation. Three years ago, the library switched carriers for Workers' Compensation and was able to lower the yearly premiums. The library then was able to lower the budget for that line. Premiums for this policy are tied to wages of staff. A decrease in staff wages will offset any rate increases experienced.
- > **FICA / Employer:** Projected cost for employer paid social security for all paid library employees, currently 7.65% of total wages. The library is decreasing the funding for this line to correspond with the decrease in overall Salaries & Wages.
- > **Employee Assistance:** Projected cost for the employee assistance program. The Library contracts with an independent company to provide counseling in various areas if employees or their family members wish to see someone. The Library is projecting no increase in this area.

FRINGES & BENEFITS - Fiscal Year 2013

- > **Fringes & Benefits Projection** - The Library has continued to estimate a 32% increase in Health Insurance premiums. If this estimate is accurate, the Library will be forced to strongly consider alternative insurance plans as the current trend may be unsustainable. Due to the constant changing of information associated with health insurance, an accurate picture will not be clear until sometime in mid 2012. The Library will already be considering changes in 2011 as it decided on a plan for December 1, 2011. The library has also increased it's budget for Workers' comp insurance slightly as rates continue to increase slightly. FICA costs are anticipated to decrease as the Library aide budget decreases.

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
LIBRARY MATERIALS							
Books - Adult	\$ 211,400	\$ 217,743	\$ 6,343	3.0%	\$ 217,743	\$ -	0.0%
Audio/Visual - Adult	83,660	96,170	12,510	15.0%	96,170	-	0.0%
Books - Youth	79,753	82,145	2,392	3.0%	82,145	-	0.0%
Audio/Visual - Youth	58,780	60,543	1,763	3.0%	60,543	-	0.0%
Electronic Information Products	68,100	70,143	2,043	3.0%	70,143	-	0.0%
Periodicals & Publications	17,880	18,416	536	3.0%	18,416	-	0.0%
Total Library Materials	\$ 519,573	\$ 545,160	\$ 25,587	4.9%	\$ 545,160	\$ -	0.0%

LIBRARY MATERIALS - Fiscal Year 2012

- > **Books - Adult:** Projection of a 3.0% increase in printed materials in FY2012. The Library carried forward funds that were received from donations during FY2010 with the intent to use them to maintain Library collection funding in FY2012. Funding will be shifted to allow for the purchase of more ebooks.
- > **Audio/Visual - Adult:** Projection of 15.0% increase, for the purchase of CD-ROMs, compact discs, talking books and videos/DVDs for the adult collection. The area is getting an additional \$10,000 to be used for the purchase of materials needed for the Library's new Overdrive service.
- > **Books - Youth:** Projection of 3.0% increase to the youth collection. Special attention will be paid to the non-fiction collection to try and order material that will supplement the Portage School curriculum.
- > **Audio/Visual - Youth:** Projection of a 3.0% increase to purchase CD-ROM/Video Games, Compact Discs, Video DVD's, Talking Books for the youth collection.
- > **Electronic Information:** Projection of 3.0% increase for the purchase of licensed databases. The Library will protect its most used databases and work out from there.
- > **Periodicals & Publications:** Projection of a 3.0% increase for periodicals and publications. The Library will continue to order Periodicals that are the most popular and necessary.

LIBRARY MATERIALS - Fiscal Year 2013

- > **Library Material Projection:** The Library will use donated revenue received in FY2011 to help maintain material funding in FY2013 at a level consistent with FY2012. The Library feels that the collection is one of the core services that it provides for patrons and that it must be funded at an appropriate level. With decreasing revenue projected in FY2013, the Library feels that it can maintain funding at the current level but not increase funding above the FY2012 level.

SUPPLIES

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
Office Supplies	\$ 14,000	\$ 14,000	\$ -	0.0%	\$ 10,500	\$ (3,500)	-25.0%
Operating Supplies	57,240	67,740	10,500	18.3%	56,750	(10,990)	-16.2%
Central Copying/Printing	31,703	20,000	(11,703)	-36.9%	20,000	-	0.0%
Postal/Freight	11,025	11,025	-	0.0%	11,576	551	5.0%
Total Supplies	\$ 113,968	\$ 112,765	\$ (1,203)	-1.1%	\$ 98,826	\$ (13,939)	-12.4%

SUPPLIES - Fiscal Year 2012

> **Office Supplies:** Projection of no increase in the Office Supplies line will allow the Library to purchase items that are deemed necessary. Items of importance have been determined to be paper supplies, coffee bar supplies, Interlibrary Loan packaging and staff office supplies. The Library has been very careful in what it has spent in this area in the past and will continue to be in this budget.

> **Operating Supplies:** Projection of a 18.3% increase in overall Operating Supplies. The increase is directly entirely to General Operating Supplies and is composed of the following: 1) \$7,236 for purchase of Library Cards; 2) \$2,400 for the purchase of Library Book Bags; and 3) \$832 for the increase in RFID tags associated with a higher level of materials purchases. All other lines are to be held constant for FY2012.

> **Central Copying & Printing:** Projection of a \$11,703 (36.9%) decrease to cover regular printing and copying costs and to allow for selective printing of marketing promotional materials. The shift to a more electronic marketing format will allow the Library to use less funds to pay for printed items.

> **Postal/Freight:** Projection of no increase in funding for this area.

SUPPLIES - Fiscal Year 2013

> **Supplies Projection:** In FY2013, the Library will reduce funding to various budget areas as possible. General Operating Supplies will be reduced from the prior year due to the one time expense of Book Bags and Library Cards in FY2012. Office Supplies will be reduced by \$3,500 as the Library will be cautious to only purchase supplies that are deemed necessary. An increase of \$551 has been estimated for Postage & Freight. Since the Library continues to move more patrons to email notification, postage rates are anticipated to decrease.

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
ADMINISTRATIVE SERVICES							
Public Relations	\$ 40,000	\$ 7,000	\$ (33,000)	-82.5%	\$ 7,000	\$ -	0.0%
Fundraising	6,500	7,550	1,050	16.2%	7,550	-	0.0%
Professional Surveys	1,700	400	(1,300)	-76.5%	1,700	1,300	325.0%
Human Resources	4,000	4,000	-	0.0%	4,000	-	0.0%
Bank Service Charges	4,000	4,140	140	3.5%	4,500	360	8.7%
Legal Services	6,000	6,000	-	0.0%	6,000	-	0.0%
Information Services Support	36,000	22,000	(14,000)	-38.9%	22,000	-	0.0%
Internet Services	39,500	39,500	-	0.0%	39,500	-	0.0%
Payroll Services	8,000	8,000	-	0.0%	8,500	500	6.3%
Investment Services	-	-	-	0.0%	-	-	0.0%
Financial Services	13,500	13,500	-	0.0%	14,000	500	3.7%
Cataloging & Processing Services	59,800	61,500	1,700	2.8%	61,500	-	0.0%
Other Administrative Services	17,000	30,000	13,000	76.5%	11,150	(18,850)	-62.8%
Total Administrative Services	\$ 236,000	\$ 203,590	\$ (32,410)	-13.7%	\$ 187,400	\$ (16,190)	-8.0%

ADMINISTRATIVE SERVICES - Fiscal Year 2012

- > **Public Relations:** A projection of a \$33,000 (82.5%) decrease for Public Relations in FY2012. The Library will shift the majority of its marketing campaign from a print format to an electronic based campaign. This will be accomplished through the use of newsletters targeted to individuals via email. The Library will not totally abandon print advertising as it will still make a limited number of printed items available to patrons.
- > **Fundraising:** A projection of a \$1,050 (16.2%) increase for FY2012. The projected funding level will support the 2012 Spring Appeal, Annual Campaign, Donor Breakfast, Annual Report and Donor Newsletter.
- > **Professional Surveys:** The projection of a 76.5% decrease in surveys is due to the library conducting its major patron survey in FY2011. The Library will focus its surveys on those it can conduct electronically through on-line free tools, such as Survey Monkey and Poll Daddy.
- > **Human Resources:** Projection of no increase to Human Resources Services will limit the Library to just doing certain things such as: advertisements and drug screens when needed.
- > **Bank Service Charges:** Projection of a 3.5% increase in fees charged by financial institutions to cover services such as sweep accounts and account maintenance fees.
- > **Legal Services:** Projection of no increase in funding for FY2012.
- > **Information Services Support:** Projection of a 38.9% decrease is due to the completion of the Web Redesign Project, which was completed in Fiscal Year 2009. The planned update associated with the website and summer reading can be accomplished within this funding level. Planned expenditures will fund support services for the library's website, summer reading, local history digitization resources, digital signage, teen and youth peripheral equipment, meeting room and event software and maintenance to the listening stations.
- > **Internet Services:** Projection of no increase of funding will continue to allow the Library to provide wireless access to its patrons. Upgrades to the Library's services were conducted in FY2011 and will allow the Library to provide greater service going forward.
- > **Payroll Services:** Projection of no increase to process payroll through ADP and to access their time tracking software. The current level would sustain the Human Resource module to the Payroll software that is planned to be added in FY2011.
- > **Investment Services:** No funding requested for this line in FY2012.
- > **Financial Services:** Projection of no increase to perform the year end audit procedures for FY2012. The budget for this line was increased by \$500 for FY2011. The cost of the annual audit has consistently been around \$13,000 each year. To keep the cost low, the Library continues to try to perform more functions internally that enable the audit to be performed quicker and with less work by the Auditing firm.
- > **Cataloging and Processing Services:** Projection of a 2.8% increase will allow the Library adequate fund for the processing and cataloging of incoming material.
- > **Other Administrative Services:** These funds are used for any expenditures needed in the overall administration of the library at the discretion of the Library Director. Some examples of expenditures are: library board election costs and volunteer recognition. The Library's cost for the FY2011 election was \$10,221. This line has been reduced for FY2012 to reflect no election. With the rising costs of Health Insurance and possible reduction in funding from Personal Property Taxes in a future year, it is imperative that the Library develop a staffing model that will allow the Library to provide the right levels of staff, with the right levels of education to meet the current and future needs of the Library. The Library will conduct meetings during the 3rd and 4th qtrs of 2011 with Department Heads to discuss an ideal staffing model for the Library that can be used into the future. Discussions will also include technology or devices that can be utilized by employees to increase their efficiency and effectiveness in assisting employees. An example of this would be to use the Technology Reserve to wrap the return slots of the book drops. This would potentially check-in material at the time it is returned. The Library would like to place \$25,000 in "Other Administrative Services" to be used to research and implement an ideal staffing model. As of the preparation of this budget, there is not enough time to adequately study the situation, however, the Library wishes to earmark \$25,000 for this purpose and will obtain Library Board approval prior to initiating the staffing model project.

ADMINISTRATIVE SERVICES - Fiscal Year 2013

- > **Administrative Services Projection:** The Library will hold most lines at the FY2012 funding level. Other Administrative Services will be reduced back to a level that allows for the 2013 Board election, a small amount for the volunteer luncheon and small miscellaneous items as may be needed. Professional Surveys will be increased to the FY2011 level to fund the bi-annual patron survey.

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
UTILITIES							
Gas & Electric	\$ 110,000	\$ 115,000	\$ 5,000	4.5%	\$ 120,000	\$ 5,000	4.3%
Water & Sewer	5,500	9,000	3,500	63.6%	11,000	2,000	22.2%
Telephone	13,300	13,300	-	0.0%	7,350	(5,950)	-44.7%
Total Utilities	\$ 128,800	\$ 137,300	\$ 8,500	6.6%	\$ 138,350	\$ 1,050	0.8%
BUILDING							
Library Grounds Maintenance	\$ 15,789	\$ 13,585	\$ (2,204)	-14.0%	\$ 14,000	\$ 415	3.1%
Building Repair & Maintenance	84,281	87,348	3,067	3.6%	83,000	(4,348)	-5.0%
Building Insurance	35,000	35,000	-	0.0%	35,000	-	0.0%
Total Building	\$ 135,070	\$ 135,933	\$ 863	0.6%	\$ 132,000	\$ (3,933)	-2.9%
Total Building & Utilities	\$ 263,870	\$ 273,233	\$ 9,363	3.5%	\$ 270,350	\$ (2,883)	-1.1%

UTILITIES - Fiscal Year 2012

- > **Gas & Electric:** Projection of a 4.5% increase in funding for FY2012. The library has seen a small increase in expenses to this line every year. The Library has continually increased its budget for this line in the event that gas & electric prices rose significantly. Based on the FY2011 budget and current monthly billing, there is only a small margin for increases in gas & electric cost in FY2012. Therefore, the Library is budgeting for an additional \$5,000 for FY2012.
- > **Water & Sewer:** Projection of a 63.6% increase in funding for FY2012. The Library has been seeing an increase in rates since FY2009 and does not expect that to change. An increase in FY2012 is needed to stay ahead of any rising costs.
- > **Telephone:** Projection of no increase in funding for FY2012. Under the projected revenue scenario, a stipend for employee cell phones will continue to be budgeted. Under further revenue reduction models, this expense would be eliminated in future budgets.

UTILITIES - Fiscal Year 2013

- > **Utilities Projection:** The library will continue to increase the budget for Gas & Electric and Water & Sewer. All indications are that both of these lines could warrant increases. Telephone will be reduced to include only the amount needed for our land line service. This budget will not include the stipend for employee cell phones.

BUILDING - Fiscal Year 2012

- > **Library Grounds Maintenance:** Projection of 14.0% decrease in funding for FY2012. The decrease will be reached through the Library's Facilities Coordinator performing more tasks associated with the upkeep of the grounds that are now being contracted out.
- > **Building Repair & Maintenance:** Projection of a 3.6% increase for FY2012. The Library will continue to look for ways in which the Facilities Coordinator can perform tasks that are otherwise contracted out. The increase in this line is due to an increase of \$5,000 for the building audit, which is performed by TMP every 5 years.
- > **Building Insurance:** The projection of no increase in funding for the library's building insurance premiums. We believe that there is room at the current funding level to sustain a small increase in premiums.

BUILDING - Fiscal Year 2013

- > **Building Projection:** The Building Repair & Maintenance line will be reduced by \$5,000 since no building audit will be performed in FY2013. There will be minor increases to both the Library Grounds Maintenance and Building Repair & Maintenance line for services such as sewer line jetting that are being extended out from one year to two years. The Building Insurance line has been adequately funded and does not appear to be in need of an increase.

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
EQUIPMENT							
Non-Capital Equipment	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	0.0%
Capital Outlay	1,200	1,200	-	0.0%	-	(1,200)	-100.0%
Total Equipment	\$ 1,200	\$ 1,200	\$ -	0.0%	\$ -	\$ (1,200)	-100.0%
FURNISHINGS							
Non-Capital New Furnishings	\$ 5,749	\$ 5,749	\$ -	0.0%	\$ 5,749	\$ -	0.0%
Non-Capital Furnishing Replacement	-	-	-	0.0%	-	-	0.0%
Total Furnishings	\$ 5,749	\$ 5,749	\$ -	0.0%	\$ 5,749	\$ -	0.0%
Total Furnishings & Equipment	\$ 6,949	\$ 6,949	\$ -	0.0%	\$ 5,749	\$ (1,200)	-17.3%

EQUIPMENT - Fiscal Year 2012

Capital Outlay: The library is budgeting \$1,200 to fund a possible replacement to the motor of its disc cleaning machine. It is anticipated that this repair will be needed within the next few years.

EQUIPMENT - Fiscal Year 2013

> **Equipment Projection:** The Library is anticipated no funding for Capital Outlay.

FURNISHINGS - Fiscal Year 2012

> **Non-Capital New Furnishings:** The budget will be used to re-upholster existing chairs in the Youth Services Area.

FURNISHINGS - Fiscal Year 2013

> **Furnishings Projection:** The Library will continue to budget for re-upholstering of chairs in the Youth Area.

	FY 2011 Budget Request	FY 2012 Budget Request	Variance	Percent Change	FY 2013 Budget Request	Variance	Percent Change
OTHER CHARGES							
Equipment Repair & Maintenance	\$ 152,350	\$ 159,000	\$ 6,650	4.4%	\$ 157,550	\$ (1,450)	-0.9%
Library Programming	29,968	29,968	-	0.0%	24,968	(5,000)	-16.7%
Training, Education & Memberships	31,000	28,000	(3,000)	-9.7%	28,000	-	0.0%
Cooperative Fees	-	-	-	0.0%	-	-	0.0%
Total Other Charges	\$ 213,318	\$ 216,968	\$ 3,650	1.7%	\$ 210,518	\$ (6,450)	-3.0%

OTHER CHARGES - Fiscal Year 2012

> **Equipment Repair & Maintenance:** Projection of a 4.4% increase for anticipated costs related to keeping equipment at the Library in good repair and operational and to cover equipment replacements. There are increases in this area due to the addition of new hardware (i.e. RFID self checkout stations) which require certain ongoing warranty costs. The Library will eliminate the Federated Searching software, which currently costs the Library approximately \$10,000, since it has not been used by patrons. The Library reviewed all of its technology contracts to determine areas where reductions or efficiencies could be achieved. Only those contracts deemed essential have continued to be funded in this budget.

> **Library Programming:** Projection of no increase in Library Programming. Programs will continue to be reviewed to present topics and information that patrons are requesting and which are identified as the most interesting.

> **Training and Education:** Projection of a 9.7% decrease in Training, Education & Memberships. Expenditures in this category are for dues and memberships to various professional organizations for staff. Also included in this line is Staff, Board, and Director training, mileage reimbursement for staff and a staff in-service day. The majority of these decreases will be a \$3,000 reduction to the Library Director's training budget as less travel will be required due to her MLA Presidency ending in June 2011.

OTHER CHARGES - Fiscal Year 2013

> **Other Charges Projection:** FY2013 will see a small reduction in programming (\$5,000). The library will ask the Friends of the Portage Library to assist in financing programming as well as using donation from FY2011 to offset programming costs. Equipment Repair & Maintenance will see a net \$1,450 reduction as the library looks for areas to reduce spending.

	FY 2011 Budget Requests	Budget Requests	Variance	Percent Change	Budget Requests	Variance	Percent Change
CAPITAL IMPROVEMENT PROJECTS							
Library Bond Payment	\$ 226,560	\$ 213,456	\$ (13,104)	-5.8%	\$ 203,801	\$ (9,655)	-4.5%
Library Technology Project	75,000	77,496	2,496	3.3%	32,389	(45,107)	-58.2%
Capital Maintenance	10,000	10,000	-	0.0%	-	(10,000)	-100.0%
Library Refurbishing Project	-	-	-	0.0%	-	-	0.0%
Total Capital Projects	\$ 311,560	\$ 300,952	\$ (10,608)	-3.4%	\$ 236,190	\$ (64,762)	-21.5%

CAPITAL PROJECTS - Fiscal Year 2012

- > **Library Bond Payment:** Projection of bond payment which must be made to the City of Portage in July and December of FY 2012. The schedule for bond payments is outlined on the "Schedule of Building Authority Bond Payments" and was part of the Transfer Agreement signed by the City of Portage and the Portage District Library on 4-30-98.
- > **Library Technology Project:** Projection of actual funds earmarked for the replacement of staff computers. The Library has been on a four (4) year rotation of replacing its staff computers, public access computers, network infrastructure and servers. The Library will begin looking to stretch this rotation out to five (5) years and look for additional ways to save on replacement costs, especially under diminishing revenue.
- > **Capital Maintenance:** Projection of no increase to capital maintenance. This line will be used to cover unplanned projects during the year as the Library Director deems necessary.

CAPITAL PROJECTS - Fiscal Year 2013

- > **Capital Projects Projection:** The Library will see a reduction in the Bond Payment to its lowest level. There will be two years of payments remaining after FY2013. The Bond payment will increase by \$30,000 in FY2014 and an additional \$30,000 in FY2015, reaching its highest level in the final year, FY2015, of approximately \$260,000. Library Technology Project will be reduced under this revenue level as the Library looks to extend hardware out on a longer replacement schedule. The Capital Maintenance line will be eliminated for FY2013. This line is intended to provide funds for unexpected repairs to Library's biggest assets (Roof, Boiler, Telephone System). The Library is proposing replacement of these assets by the end of FY2013, which would eliminate the need for repairs.