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TO: Plymouth District Library Board

DATE: 03 August 2021

RE: Library 2022 Operating Budget Proposal

FROM: Shauna Anderson
Director

The proposed operating budget for FY2022 is **\$3,824,400**.

I have compiled the 2022 budget proposal with the intent to eliminate the use of capital funds and maintain solid operations with reliable sources of revenue. Grants will not be projected in advance to cover necessary projects but instead will be applied for to support moonshot projects that push our services forward in the community. I am also working to decrease our operational reliance on our accounts with the Community Foundation of Southeast Michigan. I want to ensure that funding from these sources remains stable and commit to utilizing funds on special projects (such as the proposed tween area and library book bike described below) and building these funds through new planned giving campaigns.

The library continues to be impacted by the effects of Headlee Rollbacks, with a millage reduction fraction of .9943. Our community voted to approve a perpetual millage rate of 1.7 in support of library operations. Due to the rollback, our projected millage rate is 1.4364. The revenue worksheet included in this document highlights the total lost revenue opportunities that the library has faced over the past five years.

I have worked to re-organize our projected expenditures into budget lines that allow managerial staff more involvement in the budgeting process. Numerous line items were removed from the Contractual Services line and allocated to Repairs & Maintenance and Equipment (now referred to as Technology) budget lines to make it easier for staff to track spending and move their projects forward.

Employment

The expenditures proposed in worksheet 1 of this document outline my preferred plan for staffing next fiscal year, and address the following goals for library employment practices:

- Decrease the library's reliance of precarious employment practices
- Increase wages for those at the bottom of the pay scales
- Make headway on our underfunded pension liabilities
- Set up a new retirement plan for new FT employees that reduces the library's financial liability
- Better professional development opportunities across all staff
- Bring our cleaning crew in-house for cost-savings and better inclusion with the rest of our staff

To make this happen, I am proposing removing time-and-a-half on Sundays. This frees up significant value to enact more equitable employment practices and increases the library's capacity to serve the community. I have also worked with the management team to decrease the library's reliance on substitute librarians, allocating a significantly smaller amount to ensure substitutes are utilized only in situations when current employees are unable to fill desk shifts. With the excess funds from these two changes, I suggest promoting 2 PT adult librarian positions to FT and hiring 2 PT afterhours custodial staff members.

I have included an alternate expenditure worksheet to demonstrate the costs to our employment budget lines in the event that maintaining the status quo is deemed a more effective use of library funds. This option removes the ability of the library to consider wage increases for page staff and does not allow for us to make additional investments to staff professional development. Both options allow for an in-house cleaning crew.

Books & Materials

This budget line has received sharp cuts over the last few years, as demonstrated in supplement A of the following document. This is the lowest possible amount that I am comfortable affording to our collections. As we rebound from the pandemic, community demand for materials will continue to increase, and this budget offers us fewer opportunities to maintain effective holds ratios on popular materials while also maintaining the strong digital collection that the public made use of throughout the library's closures.

Some changes to the business landscape of digital library resources (like the recent acquisition of Kanopy by Overdrive) will likely effect our budget in the coming year, but details on the effects this will have on our services have yet to be announced.

Contractual Services

This budget line was used in the past for all the various vendors the library maintained contracts with. This resulted in a very high budget for this line that was difficult for managerial staff to track and make purchasing decisions from. I have moved the majority of the projected expenses to the Repairs & Maintenance or Equipment (now referred to as Technology) budget lines. This change allows our new Facilities Supervisor and Head of IT to more easily consolidate their spending and not have to check with multiple staff members before making purchasing decisions.

Contractual services now include consultants (which include VEBA, benefits, and marketing), legal, payroll, annual audit, TLN delivery service, collection agency, and everything related to our catalog.

Conferences & Training

My suggested budget adds significant capacity for the library to support staff through professional development.

Aside from maintaining high support for virtual conference participation, I suggest resuming support for out-of-state conferences and increasing spending for in-state conferences. In the past, these conferences have been primarily library-focused conferences (presented by the American Library Association or Michigan Library Association), but I would like to expand that so staff can secure training and development in areas tangential to library services (community development, education, technology, informal learning, etc.).

I am adding support for in-house training and professional development as well, so that staff in all departments have exposure to new ideas that can help them progress in their careers and serve the Plymouth community.

I moved professional memberships from Contractual Services to this budget line, to ensure that all professional activities are tracked in the same place.

I am adding a line item for Diversity, Equity, and Inclusion (DEI) initiatives to this budget line. [The ALA Committee on Diversity recently published a scorecard to measure the organizational effectiveness of DEI initiatives in the both internal and external operations of libraries.](#) This evaluative tool scores areas such as organization culture, training/education, employment practices, budgetary priorities, and data collection. The availability of funding often supersedes our ability to act on commitments and promote substantive change, therefore I am earmarking this special fund to ensure that we prioritize the measures outlined in the DEI scorecard.

I also created a line item to support increased staff recognition opportunities. This will be used to celebrate important milestones, showcase exceptional work, and promote a climate of growth across the library.

Community Promotion/Events

This line is used to support marketing in the community and the high-quality programs that the library puts on in support of the community. Almost all of our public programs are supported financially through the generosity of the Friends of Plymouth District Library. We are working with the Friends to flesh out an easier system for funding requests that allows youth and adult staff to have a better sense of what they can spend on programs throughout the fiscal year.

Repairs & Maintenance

To aid the new Facilities Supervisor in taking on a primary role in the maintenance of the library building, I have moved a number of projected expenses from the Contractual Services budget to Repairs & Maintenance. I'd like to see the person in this position analyzing the library's facility needs and managing contractor relationships. In addition to routine maintenance costs, I am including \$25,000 for any repairs that need to be addressed through the course of the year.

Building System Replacement

I am anticipating two renovations in the upcoming fiscal year. The first will be to replace our aging door security system. I am working out a plan with managerial staff that achieves the main goals of the project through a more cost-effective strategy. I am budgeting \$55,000 for this project instead of the original plan, which called for \$100,000.

I also anticipate having to do some work on the library's skylight. The past few heavy rainstorms have produced intermittent leaking. We are working with companies now to produce quotes. While the fix is anticipated to include the replacement of minor gaskets with additional caulking, the elevation of our roof makes this a more complicated project. I am projecting \$10,000 to be on the safe side.

Furniture

Youth department staff have indicated the need for a hangout space on the lower level of the library to help accommodate our "tween" patrons. Most of our comfortable seating areas on this floor are either proximal to our imaginative play areas or without good sight lines for staff at the youth desk. Youth staff have come up with a plan to re-imagine the library's graphic novel shelving that would allow for a small soft seating area within sight of the youth information desk.

Circulation staff have also requested new chairs for use at their circulation desk area.

Any leftover funding in this budget line will be used to support the purchase of a library Book Bike in the event that a recently submitted grant proposal does not succeed. Staff put together a compelling program proposal capitalizing on the pedestrian nature of Plymouth's downtown to create more outdoor engagement opportunities for all ages. I'd like to see us work toward this project as funding allows or potentially submit additional grant applications to make this a reality.

Technology

In the past, our Head of IT had to rely on multiple budget lines to make purchasing decisions. This complicated project management, as overspending on projects managed by others often influenced the course of our upgrade schedule. I have moved network support and software from Contractual Services to the Equipment budget line in order to support efforts at maximizing our IT team's capacity.

Major technology projects slated for FY22 include: a new SAN server for storage, a virtual server host to cut down on the library's reliance on on-site servers, new public computers, and upgraded software used for internal purposes.

Resolved by _____, seconded by _____, to approve the proposed 2022 Operating Budget for purpose of discussion and public hearing at a total of **\$3,824,400.**

Roll Call:

AYES:

NAYS"

ABSENT:

RESOLUTION

REVENUES	Budget 2020	Actual 2020	Budget 2021	YTD 2021	Budget 2022	Projected Increase (Decrease)
Tax Levy	\$ 3,427,555	\$ 3,419,936	\$ 3,490,900	\$ 3,510,823	\$ 3,569,400	\$ 78,500
Taxes Delinquent	\$ 100,000	\$ 204,691	\$ -	\$ 160,577	\$ 100,000	\$ 100,000
Grants	\$ 35,000	\$ -	\$ 51,000	\$ -	\$ -	\$ (51,000)
State Appropriation	\$ -	\$ 48,000	\$ -	\$ -	\$ -	\$ -
State Aid	\$ 29,100	\$ 29,346	\$ 31,500	\$ -	\$ 28,000	\$ (3,500)
Penal Fines	\$ 75,000	\$ 22,730	\$ 25,000	\$ -	\$ 20,000	\$ (5,000)
Book Fines & Fees	\$ 55,000	\$ 16,158	\$ 45,000	\$ 9,873	\$ 35,000	\$ (10,000)
Copier/Print Fees	\$ 15,000	\$ 5,140	\$ 14,000	\$ 1,048	\$ 14,000	\$ -
Donations & Contributions	\$ 20,000	\$ 3,344	\$ 10,000	\$ 2,740	\$ 8,000	\$ (2,000)
Friends of the Library	\$ 45,000	\$ 40,121	\$ 35,000	\$ 2,031	\$ 35,000	\$ -
BOSCH (Friends of the Library)	\$ 12,000	\$ 50,000	\$ 10,000		\$ -	\$ (10,000)
Interest on Investments	\$ 20,000	\$ 23,764	\$ 13,000	\$ 696	\$ 5,000	\$ (8,000)
Community Foundation of SE Michigan	\$ 29,000	\$ 32,644	\$ 39,000	\$ 21,757	\$ 10,000	\$ (29,000)
Insurance Claim Reimbursement	\$ -	\$ 25,000	\$ -	\$ 2,494	\$ -	\$ -
Transfer from Equipment Reserve	\$ 20,000	\$ -	\$ 68,650	\$ -	\$ -	\$ (68,650)
Transfer from Furniture Reserve	\$ 9,600	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Technology Reserve	\$ 31,350	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Building Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 8,000	\$ 6,061	\$ 8,000	\$ 830	\$ -	\$ (8,000)
TOTAL	\$ 3,931,605	\$ 3,926,935	\$ 3,841,050	\$ 3,712,868	\$ 3,824,400	\$ (16,650)

EXPENDITURES	Budget 2020	Actual 2020	Budget 2021	YTD (6/30/21)	Budget 2022	Projected Increase (Decrease)
Salaries - FT & PT	\$ 1,698,490	\$ 1,565,780	\$ 1,700,535	\$ 836,071	\$ 1,747,000	\$ 46,465
Salaries - Pages	\$ 95,000	\$ 86,904	\$ 87,030	\$ 37,034	\$ 92,000	\$ 4,970
Salaries - Sundays	\$ 98,000	\$ 27,367	\$ 81,920	\$ 237	\$ -	\$ (81,920)
Employers FICA	\$ 132,545	\$ 127,124	\$ 135,000	\$ 66,128	\$ 135,000	\$ -
Medical/Dental/Optical Benefits	\$ 204,255	\$ 161,948	\$ 186,360	\$ 64,737	\$ 220,100	\$ 33,740
VEBA Contribution	\$ 64,720	\$ 64,833	\$ 67,000	\$ 2,110	\$ -	\$ (67,000)
Life & Disability	\$ 12,645	\$ 11,531	\$ 12,300	\$ 5,766	\$ 14,000	\$ 1,700
Retirement	\$ 192,780	\$ 191,925	\$ 240,000	\$ 81,213	\$ 300,000	\$ 60,000
Operating Supplies	\$ 66,000	\$ 75,856	\$ 86,000	\$ 32,336	\$ 83,000	\$ (3,000)
Books & Materials	\$ 435,235	\$ 411,225	\$ 373,450	\$ 194,606	\$ 373,450	\$ -
Contractual Services	\$ 371,045	\$ 343,473	\$ 372,630	\$ 219,453	\$ 179,700	\$ (192,930)
Communications	\$ 20,000	\$ 15,478	\$ 20,000	\$ 6,704	\$ 20,000	\$ -
Transportation	\$ 2,000	\$ 323	\$ 1,500	\$ 9	\$ 1,500	\$ -
Conferences & Training	\$ 30,900	\$ 13,772	\$ 9,200	\$ 319	\$ 41,000	\$ 31,800
Community Promotion/Events	\$ 63,295	\$ 41,792	\$ 63,160	\$ 20,651	\$ 59,770	\$ (3,390)
Printing & Publishing	\$ 1,000	\$ 634	\$ 1,000	\$ -	\$ -	\$ (1,000)
Insurance & Bonds	\$ 45,000	\$ 48,394	\$ 52,000	\$ -	\$ 55,000	\$ 3,000
Workers Compensation	\$ 5,000	\$ 3,617	\$ 5,000	\$ 3,905	\$ 5,000	\$ -
Public Utilities	\$ 165,000	\$ 132,727	\$ 166,000	\$ 71,942	\$ 161,000	\$ (5,000)
Repairs & Maintenance	\$ 87,105	\$ 79,435	\$ 74,900	\$ 102,682	\$ 113,265	\$ 38,365
Miscellaneous	\$ 8,000	\$ 7,766	\$ 8,865	\$ 3,942	\$ -	\$ (8,865)
Prior Year Tax Refunds	\$ 5,000	\$ -	\$ 2,000	\$ 520	\$ 2,000	\$ -
Building Addition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building System Replacement	\$ 50,000	\$ 280,543	\$ -	\$ -	\$ 63,000	\$ 63,000
Furniture	\$ 18,200	\$ -	\$ 4,000	\$ -	\$ 11,500	\$ 7,500
Technology (formerly Equipment)	\$ 36,350	\$ 51,811	\$ 22,550	\$ 30,584	\$ 146,965	\$ 124,415
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Reserve	\$ 20,000	\$ -	\$ 68,650	\$ -	\$ -	\$ (68,650)
Furniture Reserve	\$ 4,040	\$ -	\$ -	\$ -	\$ -	\$ -
Building Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Technology Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 3,931,605	\$ 3,744,258	\$ 3,841,050	\$ 1,780,948	\$ 3,824,250	\$ (16,800)