

OFFICE OF THE
CITY MANAGER

DATE: November 14, 2011

TO: Mayor and City Council

FROM: John Szerlag, City Manager *JS*
 Mark F. Miller, Director of Economic & Community Development *MFM*
 Tom Darling, Interim Director of Finance & Administration *TD*
 Cathleen Russ, Library Director *CR*
 Monica Ireland, Assistant to the City Manager *MI*

SUBJECT: Hours of Operation of the Library

Fiscal year 2006/7 is the high point for funding and staffing of the Troy Public Library. The actual expenditures incurred were \$4,360,752, and included 17 full time employees and 98 part time employees. In fiscal 2006/07, the library was open for 65 hours per week, for seven day service. Starting in fiscal 2008/09 funding for the library began to decrease. In fiscal 2010/11, the library budget was decreased by \$1.4 million and the library was scheduled for closure on June 30, 2011. However, a millage proposal referendum was authorized for the ballot on August 3, 2011.

The passage of the dedicated millage of 0.7 mills for the Troy Public Library assured funding through June 30, 2016. Accordingly, the City Manager developed a one-year budget for the fiscal year ending 2012 and a three-year budget through fiscal year ending 2014. The budget documents were developed in accordance with the declining revenue line. City Council adopted the budget amendment on September 26, 2011. This budget provides a consistent level of service over the three year time horizon. This is one of the reasons that the adopted budget incorporates a fund balance. In other words, this method of budgeting smoothes out the level of service, so that the library does not begin with a higher level of service and fall to a lower one throughout the budget cycle. The budget is subsidized by the general fund to cover city administrative indirect costs.

The approved library budget is \$2,973,495 and provides 55 hours of library service per week, including hours Monday through Friday and Sunday. The budget includes 69 staff positions; six full time and 63 part time employees. Fourteen of those positions are vacant. Library Director Russ is recruiting to fill the vacant positions.

Mayor Daniels submitted a Council Comment requesting that the November 14, 2011 Council agenda include an item to re-open the library on Saturdays. Based upon this submittal City Management prepared this subject memorandum outlining the facts and linear progression of necessary events to implement Saturday library service.

City Management assumed that Mayor Daniels' proposed Saturday library service would include service paralleling Sundays, 1:00 P.M. to 5:00 P.M. Based upon this assumption certain factors other than staff need to be accounted for: custodial services, supplies and utilities are all necessary expenditures. Based on the 2009/10 expenditures in these areas and factoring in the increase in utility costs, an additional \$50,000 in expenditures is projected.

The library would require an additional two full time staff (one librarian and one administrative assistant) and seven part-time staff (four librarians and three library aides) in order to meet the demand of Saturday operations. This would bring staffing levels to 8 full time employees and 70 part time employees, for a total of 78 employees. This would require an estimated additional \$250,000 in the personal services budget.

Estimated Additional Staff:	\$250,000
Estimated Additional Expenses (utilities, custodial, supplies):	\$ 50,000
Total Estimated Additional Funds needed:	\$300,000

It is estimated that revenues from the dedicated library millage will cover Saturdays in the first fiscal year. It is estimated that beginning in July 2012 through the remainder of the millage term, June 30, 2016, there is not enough revenue to sustain a seven day operation. Saturday library service adds \$300,000 of proposed expenditures. City Management requires additional time to accurately compute the budgetary impacts on the one year budget, three year budget and the five year forecast for the dedicated millage.

Operationally there is a practical problem related to staffing, at this point the Library is short staffed. Library Director Russ is in the process of recruiting and filling 14 open positions. These positions are necessary to staff the existing library hours. Adding Saturday hours would compound this staffing issue. This shortage of staff will negatively impact customer service and subject library users to long wait times and delays.

If City Council desires to add Saturday hours at the library there is a linear progression of events that must occur. Adding Saturday hours requires a budget amendment. City Council can adopt a resolution authorizing City Management to prepare a budget amendment. A resolution is attached for City Council's use. If authorized, City Management will refine the cost of Saturday library service and determine the budgetary impact. Because City Management anticipates that the dedicated millage will not provide enough revenue in future years to operate the library with Saturday service, funding options will need to come from the general fund to subsidize the dedicated library millage.

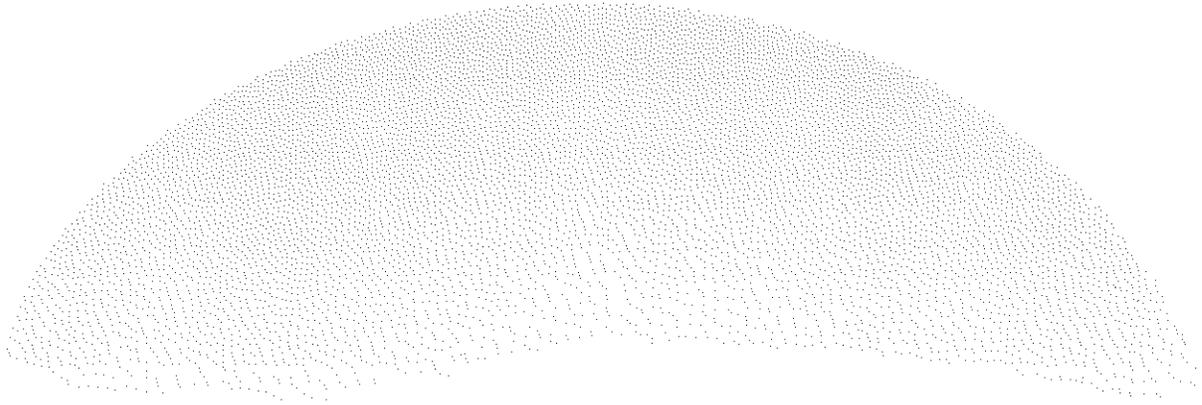
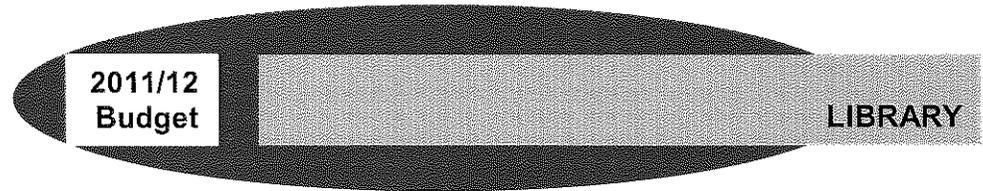
As an alternative, City Council could authorize City Management to develop a plan for Saturday Library service as part of a six day a week operation within existing budget constraints. City Management can provide this plan for the December 5, 2011 City Council meeting.

2011/2012 BUDGET AMENDMENT NO 2.

	2012 Current Budget	Amendment	2012 Amended Budget
GENERAL FUND			
Revenues:			
Penal fines	\$ 100,000	\$ (100,000)	\$ -
Fines & forfeitures	20,000	(20,000)	-
Total amended revenues	<u>120,000</u>	<u>(120,000)</u>	<u>-</u>
Expenditures:			
Library operating	<u>\$ 662,550</u>	<u>\$ (662,550)</u>	<u>\$ -</u>
LIBRARY FUND			
Revenues:			
Taxes	\$ -	\$ 3,060,593	\$ 3,060,593
Fines and Fees	-	156,000	156,000
Other Revenue	-	114,481	114,481
Total amended revenues	<u>-</u>	<u>3,331,074</u>	<u>3,331,074</u>
Expenditures	<u>\$ -</u>	<u>\$ 2,973,495</u>	<u>\$ 2,973,495</u>

FYE 2013 and 2014 BUDGET AMENDMENT NO 2.

	2013 Current Budget	2013 Amended Budget	2014 Current Budget	2014 Amendment	2014 Amended Budget
GENERAL FUND					
Expenditures:					
Library operating	\$ 99,500	\$ -	\$ 101,000	\$ (101,000)	\$ -
LIBRARY FUND					
Revenues:					
Taxes	\$ -	\$ 2,835,249	\$ -	\$ 2,682,165	\$ 2,682,165
Fines and Fees	-	150,000	-	150,000	150,000
Other Revenue	-	100,000	-	100,000	100,000
Total amended revenues	-	3,085,249	-	2,932,165	2,932,165
Expenditures	\$ -	\$ 2,973,495	\$ -	\$ 2,872,995	\$ 2,872,995



- *Library Director*.....**Cathleen Russ**

Expense Annual Budget by Organization Report

Detail

	2010 Actual Amount	2011 Estimated Amount	2011 Amended Budget	2012 Approved Budget	2012 Amended Budget	% Change From Prior Year
Fund: 271 Library						
Revenue						
TAXES					\$3,060,593.00	
FINES AND FEES					\$156,000.00	
OTHER REVENUE					\$114,481.00	
TOTAL- 271 REVENUES					\$3,331,074.00	
Fund: 271 Library						
Expenditures						
PERS - PERSONAL SERVICES	\$2,559,519.31	\$1,364,950.00	\$1,492,599.80	\$373,150.00	\$1,542,635.00	3%
SUP - SUPPLIES	\$49,321.63	\$39,000.00	\$58,000.00	\$14,500.00	\$59,000.00	2%
OTH - OTHER SERVICE CHARGES	\$782,898.99	\$696,130.00	\$709,070.00	\$274,900.00	\$774,360.00	8%
Department Total: Library	\$3,391,739.93	\$2,100,080.00	\$2,259,669.80	\$662,550.00	\$2,375,995.00	5%
Fund: 271 LIBRARY- CAPITAL						
Capital Expenditures						
BUILDING AND IMPROVEMENTS	\$62,406.00	\$0.00	\$0.00	\$0.00	\$40,000.00	400%
OFFICE EQUIPMENT	\$51,735.00	\$1,000.00	\$0.00	\$0.00	\$37,500.00	375%
BOOKS/MATERIALS	\$709,227.00	\$300,000.00	\$425,000.00	\$106,250.00	\$520,000.00	18%
Capital Total: Library	\$823,368.00	\$301,000.00	\$425,000.00	\$106,250.00	\$597,500.00	29%
TOTAL- 271 LIBRARY EXPENSES	\$4,215,107.93	\$2,401,080.00	\$2,684,669.80	\$768,800.00	\$2,973,495.00	10%
Fund 271: LIBRARY- Unassigned Fund Balance						
Fund Balance						
Year-end Total					\$357,579.00	



2011/12
Budget

PERSONNEL SUMMARY

Positions	Approved 2011/12		Amended 2011/12	
	Full- Time	Full- Time	Full- Time	Part- Time
• <i>Library</i>				
Library Director	0	0	1	
Assistant Library Director	0	0	1	
Administrative Aide	0	0	0	
Circulation Supervisor	0	0	0	
Office Assistant				1
Business Office Assistant				1
Librarian				16
Librarian I	0	0	0	
Librarian II	0	0	0	
Library Aide				16
Library Assistant				15
Library Systems Specialist				1
Page				13
Head of Adult Information Services	0	0	1	
Head of Youth Services	0	0	1	
Head of Circulation	0	0	1	
Business Office Manager	0	0	1	
Total- Library	0	0	6	63



2011/12
Budget

LIBRARY

SUMMARY OF BUDGET CHANGES - LIBRARY

- *Significant Notes – 2011/12 Budget Compared To 2010/11 Budget*

Personal Services:

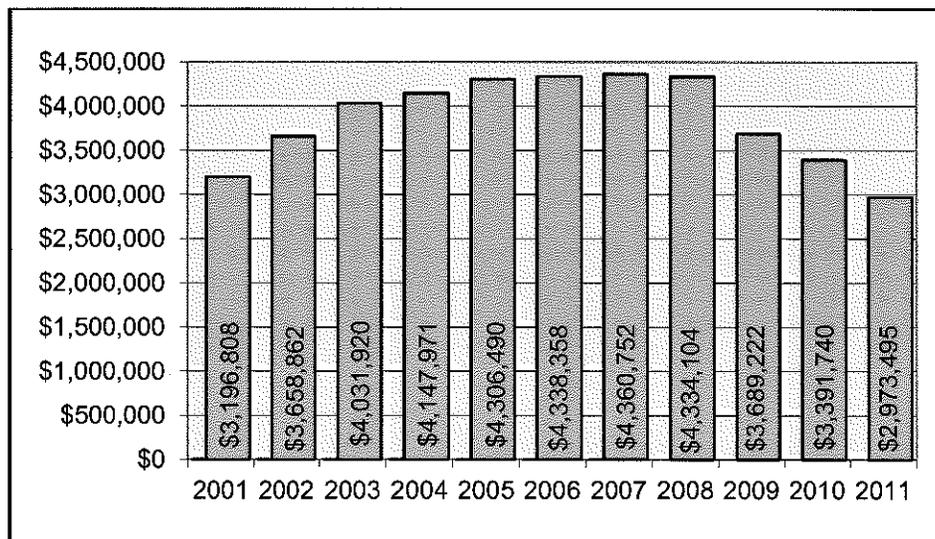
There is a \$50,000 increase in Personal Services, due to the addition of an Adult Information Services department head, a Youth Services department head, and the reinstatement of the Assistant Director position. However, the total number of full-time employee remains the same.

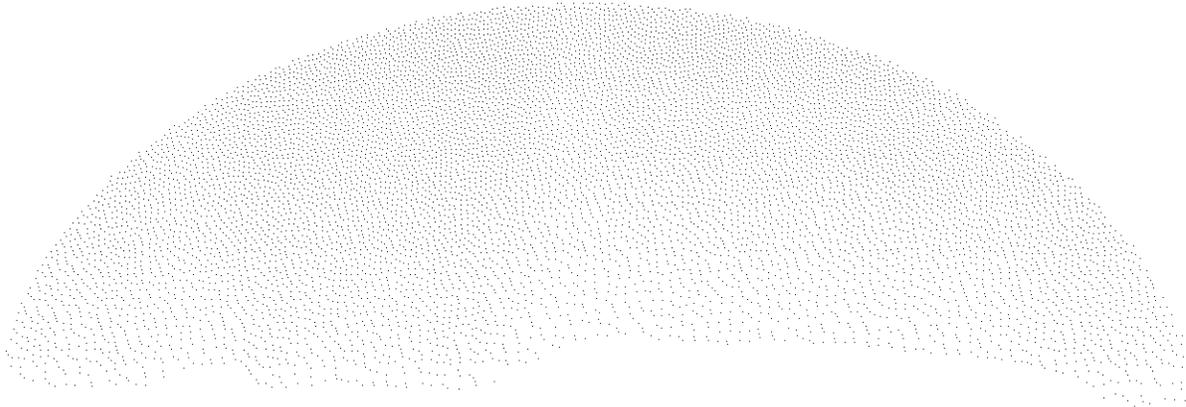
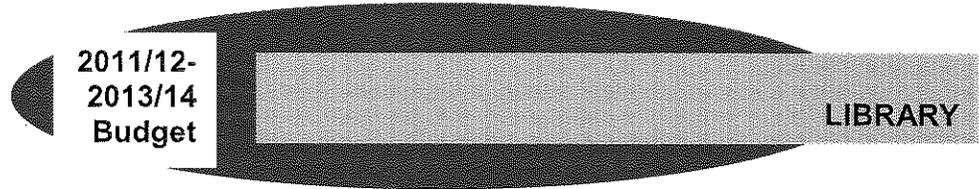
Other Service Charges:

The Troy Public Library will conduct a strategic planning project this year. \$20,000 has been allocated for the services of a library consultant to assist with this project, which will involve all facets and members of the Troy community.

Personnel Summary	Approved 2008/09		Approved 2009/10		Approved 2010/11		Amended 2011/12	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Library	16	96	15	93	6	64	6	63
Total Department	16	96	15	93	6	64	6	63

- *Operating History for Library*





- *Library Director*.....**Cathleen Russ**

Expense Annual Budget by Organization Report

Detail

	2011 Amended Budget	2012 Approved Budget	2012 Amended Budget	2013 Proposed Budget	2014 Proposed Budget
Fund: 271 Library					
Revenue					
TAXES			\$3,060,593.00	\$2,835,249.00	\$2,682,165.00
FINES AND FEES			\$156,000.00	\$150,000.00	\$150,000.00
OTHER REVENUE			\$114,481.00	\$100,000.00	\$100,000.00
TOTAL - 271 LIBRARY REVENUES			\$3,331,074.00	\$3,085,249.00	\$2,932,165.00
Fund: 271 Library					
Expenditures					
PERS - PERSONAL SERVICES	\$1,492,599.80	\$373,150.00	\$1,542,635.00	\$1,542,635.00	\$1,542,635.00
SUP - SUPPLIES	\$58,000.00	\$14,500.00	\$59,000.00	\$59,000.00	\$59,000.00
OTH - OTHER SERVICE CHARGES	\$709,070.00	\$274,900.00	\$774,360.00	\$751,360.00	\$751,360.00
Department Total: Library	\$2,259,669.80	\$662,550.00	\$2,375,995.00	\$2,352,995.00	\$2,352,995.00
Fund: 271 LIBRARY - CAPITAL					
Capital Expenditures					
BUILDING AND IMPROVEMENTS	\$0.00	\$0.00	\$40,000.00	\$40,000.00	\$0.00
OFFICE EQUIPMENT	\$0.00	\$0.00	\$37,500.00	\$25,000.00	\$0.00
BOOKS/MATERIALS	\$425,000.00	\$106,250.00	\$520,000.00	\$520,000.00	\$520,000.00
Capital Total: Library	\$425,000.00	\$106,250.00	\$597,500.00	\$585,000.00	\$520,000.00
TOTAL - 271 LIBRARY EXPENSES	\$2,684,669.80	\$768,800.00	\$2,973,495.00	\$2,937,995.00	\$2,872,995.00
Fund 271: LIBRARY- Unassigned Fund					
Fund Balance					
Year-end Total			\$357,579.00	\$504,833.00	\$564,003.00



2011/12-
2013/14
Budget

PERSONNEL SUMMARY

Positions	Approved 2011/12		Amended 2011/12		Proposed 2012/13		Proposed 2012/13	
	Full- Time	Full- Time	Full- Time	Part- Time	Full- Time	Part- Time	Full- Time	Part- Time
• <i>Library</i>								
Library Director	0	0	1		1		1	
Assistant Library Director	0	0	1		1		1	
Administrative Aide	0	0	0		0		0	
Circulation Supervisor	0	0	0		0		0	
Office Assistant				1		1		1
Business Office Assistant				1		1		1
Librarian				16		16		16
Librarian I	0	0	0		0		0	
Librarian II	0	0	0		0		0	
Library Aide				16		16		16
Library Assistant				15		15		15
Library Systems Specialist				1		1		1
Page				13		13		13
Head of Adult Information Services	0	0	1		1		1	
Head of Youth Services	0	0	1		1		1	
Head of Circulation	0	0	1		1		1	
Business Office Manager	0	0	1		1		1	
Total- Library	0	0	6	63	6	63	6	63



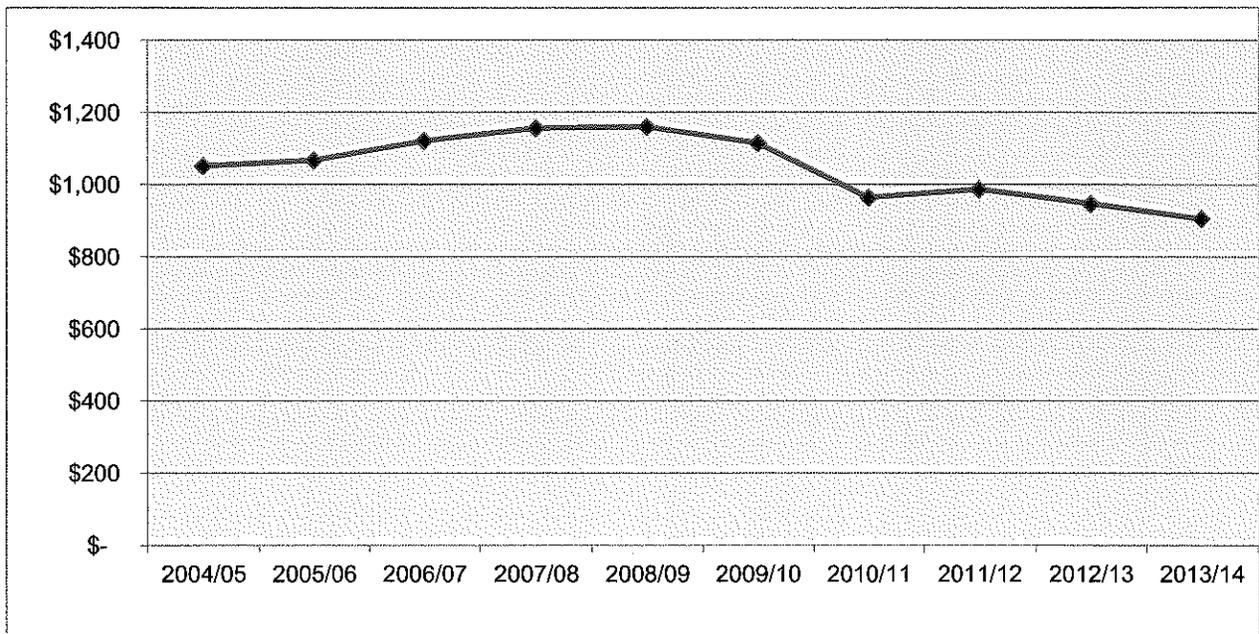
2011/12 -
2013/14
Budget

SUMMARY OF MIILLAGE REQUIREMENTS

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Proposed 2011/12	Proposed 2012/13	Proposed 2013/14
General Operating	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Refuse	0.83	0.83	0.68	0.68	0.75	0.87	0.96	1.06	1.14
Capital	1.62	1.60	1.60	1.60	1.53	1.53	1.53	1.53	1.36
Debt	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.67
Library							0.70	0.70	0.70
Total	9.45	9.43	9.28	9.28	9.28	9.40	10.19	10.29	10.37

Ave. Res. TV 112,886 118,834 124,597 124,885 120,014 102,490 96,775 91,930 87,300

Ave. Res. City Taxes \$ 1,067 \$ 1,121 \$ 1,156 \$ 1,159 \$ 1,114 \$ 963 \$ 986 \$ 946 \$ 905



Suggested Resolution

Resolution #2011-11-

Moved by

Seconded by

WHEREAS, Troy City Council adopted the 2011/12 Annual City Budget and 3-Year Budget at the Regular City Council Meeting of May 16, 2011, and

WHEREAS, Troy City Council adopted the 2012-2014 Troy Public Library Budget at the Regular City Council Meeting of September 26, 2011, and

WHEREAS, State of Michigan Public Act 621 of 1978 (the Uniform Budgeting Act) dictates:

- Budgets must be adopted for the general fund and special revenue funds.
- The budgets must be balanced.
- The budgets must be amended when necessary.
- Public hearings must be held before budget adoptions.
- Expenditures cannot exceed budget appropriations.
- Expenditures must be authorized by a budget before being incurred.

And,

WHEREAS, The 2012-2014 Troy Public Library Budget allows for 55-hours per week with 6-day service, and

WHEREAS, Amendments to the 2011/12 Annual City Budget and the 2012-2014 Troy Public Library Budget are necessary to allow for additional expenses and staffing associated with Saturday service.

THEREFORE, BE IT RESOLVED, That Troy City Council hereby DIRECTS City Administration to prepare amendments to the 2011/12 Annual City Budget and the 2012-2014 Troy Public Library Budget to allow for Saturday service, showing costs of service and funding options, to be presented at the November 28, 2011, Regular City Council Meeting.

Yes:

No: