

**BUDGET RESOLUTION
OF
THE BOARD OF DIRECTORS
OF THE
BALDWIN PUBLIC LIBRARY**

ADOPTED THIS 20th DAY OF MARCH, 2017

WHEREAS, The Baldwin Public Library Board of Directors has been presented with the proposed budget for the Library for the 2017-2018 fiscal year; and

WHEREAS, a public hearing on the proposed budget was held on March 20, 2017, in accordance with the provisions of Act 43 of 1963 (the Budget Hearings of Local Governments Act); and

WHEREAS, notice of that public hearing was duly published in the Birmingham Eccentric newspaper on March 12, 2017; and

WHEREAS, a copy of the proposed budget was made available for public inspection at the Library on and after March 17, 2017; and

WHEREAS, the Board of Directors has considered the proposed budget, and has heard and considered the public input on the proposed budget; and

WHEREAS, the Board of Directors has determined that the proposed budget accurately represents the amount of money necessary for the support and maintenance of the Library for the ensuing year.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors of the Baldwin Public Library hereby approves and adopts the budget, as proposed and amended, and attached hereto, and hereby declares the total amount of the budget as reported, to be necessary for the support and maintenance of the Library for fiscal year 2017-2018.
2. The Board of Directors authorizes and directs its President to report the estimate to the City Commission for the City of Birmingham, for assessment and collection as provided by law.

AYES: Frank Pisano, James W. Suhay, Bob Tera, Ashley Aidenbaum, Sheila Brice, David Underhill

NAYS: None

ABSENT: None

RESOLUTION DECLARED ADOPTED THIS 20th DAY OF MARCH, 2017.



Bob Tera
Secretary, Board of Directors
Baldwin Public Library

Baldwin Public Library
Overview of Budgets For FY 2015-16
Through FY 2018-19
January 25, 2017

	FY 2015-16 Actual	FY 2016-17 Amended Budget	FY 2016-17 Changes to Budget	FY 2016-17 Projected Year-End	FY 2017-18 Proposed Budget	FY 2018-19 Proposed Budget
Library Fund Balance at Start of Fiscal Year	\$1,472,740	\$1,492,161		\$1,492,161	\$450,591	\$1,131,707
Revenue						
Birmingham Tax Revenue (1.1 mills)	\$2,190,339	\$2,287,955	\$5,000	\$2,292,955	\$2,399,131	\$2,483,566
Birmingham Tax Revenue (extra 0.31 mills in FY 2016-17 and FY 2017-18; extra 0.2957 mills in FY 2018-19)	\$0	\$649,015	\$0	\$649,015	\$680,346	\$671,660
County/State Revenue	\$111,039	\$83,700	\$19,028	\$102,728	\$102,700	\$102,700
Local Grants	\$0	\$0	\$0	\$0	\$0	\$0
Bev Hills, Bing Farms & Bloomfield Hills Contracts	\$850,809	\$867,110	-\$4,888	\$862,222	\$875,909	\$893,079
Patron use revenue	\$98,512	\$96,240	-\$10,900	\$85,340	\$95,350	\$95,350
Investment income	\$16,950	\$16,500	\$0	\$16,500	\$11,000	\$19,000
Total	\$3,267,649	\$4,000,520	\$8,240	\$4,008,760	\$4,164,436	\$4,265,355
Expenses						
Personnel	\$1,924,275	\$2,013,980	-\$14,000	\$1,999,980	\$2,098,060	\$2,151,320
Supplies	\$67,275	\$83,500	\$2,000	\$85,500	\$75,000	\$77,500
Contracted Services	\$434,886	\$321,730	-\$13,300	\$308,430	\$295,990	\$362,690
Technology & Maintenance	\$86,710	\$142,610	-\$48,900	\$93,710	\$136,000	\$93,000
Utilities	\$75,557	\$94,000	\$4,000	\$98,000	\$99,000	\$100,000
Fees & Dues; Communication; Other Charges	\$48,727	\$49,270	\$5,000	\$54,270	\$59,070	\$59,870
Capital Outlays (Building/Furniture/Equipment)	\$71,100	\$2,151,240	-\$100,000	\$2,051,240	\$160,000	\$176,000
Collections	\$539,697	\$554,450	\$4,750	\$559,200	\$560,200	\$572,200
Total	\$3,248,227	\$5,410,780	-\$160,450	\$5,250,330	\$3,483,320	\$3,592,580
Variance Between Revenue and Expenses (Transfer To/From Fund Balance)	\$19,422	-\$1,410,260	\$168,690	-\$1,241,570	\$681,116	\$672,775
Transfer from Baldwin Public Library Trust	\$0	\$200,000	\$0	\$200,000	\$0	\$0
Library Fund Balance at End of Fiscal Year	\$1,492,161	\$281,901		\$450,591	\$1,131,707	\$1,804,482

Baldwin Public Library
Revenue Budgets For FY 2015-16 Through FY 2018-19
January 25, 2017

		FY 2015-16 Actual	FY 2016-17 Budget	FY 2016-17 Changes to Budget	FY 2016-17 Projected Year- End Revenue	FY 2017-18 Proposed Budget	FY 2018-19 Proposed Budget
402.0001	Birmingham Tax Revenue (1.1 mills)	\$2,198,948	\$ 2,302,955	\$0	\$2,302,955	\$ 2,414,131	\$2,498,566
402.0001	Birmingham Tax Revenue (extra 0.31 mills in FY 2016- 17 and FY 2017-18; extra 0.2957 mills in FY 2018-19)	\$0	\$ 649,015	\$0	\$649,015	\$ 680,346	\$671,660
402.004	Provision for Tax Loss	-\$8,609	-\$15,000	\$5,000	-\$10,000	-\$15,000	-\$15,000
	Total B'ham Tax Revenue	\$2,190,339	\$2,936,970	\$5,000	\$2,941,970	\$3,079,477	\$3,155,226
564.0000	State Grant	\$23,116	\$20,700	\$2,400	\$23,100	\$23,100	\$23,100
569.0000	Local Community Stabilization Authority	\$13,153	\$0	\$5,628	\$5,628	\$5,600	\$5,600
581.0001	Penal Fines From County	\$74,770	\$63,000	\$11,000	\$74,000	\$74,000	\$74,000
	Total County/State Revenue	\$111,039	\$83,700	\$19,028	\$102,728	\$102,700	\$102,700
599.0000	Local Grants	\$0	\$0	\$0	\$0	\$0	\$0
585.0001	Beverly Hills Contract	\$465,957	\$475,000	-\$6,788	\$468,212	\$473,000	\$482,000
585.0002	Bingham Farms Contract	\$100,969	\$106,210	\$0	\$106,210	\$109,000	\$111,000
585.0003	Bloomfield Hills Contract	\$283,883	\$285,900	\$1,900	\$287,800	\$293,909	\$300,079
	Total Contract Revenue	\$850,809	\$867,110	-\$4,888	\$862,222	\$875,909	\$893,079
616.0002	Lost card fees	\$296	\$350	-\$50	\$300	\$300	\$300
648.0001	Sale of Items	\$636	\$500	-\$200	\$300	\$300	\$300
648.0002	Vending machine fees	\$530	\$650	-\$50	\$600	\$600	\$600
653.0003	Video Game Fees	\$83	\$90	\$50	\$140	\$100	\$100
653.0006	Fines	\$58,885	\$65,000	-\$15,000	\$50,000	\$60,000	\$60,000
653.0007	Room Rentals	\$22,443	\$15,000	\$5,000	\$20,000	\$20,000	\$20,000
653.0008	Hot Picks Fees	\$1,301	\$1,000	-\$400	\$600	\$700	\$700
653.0009	Proctor fees	\$1,260	\$1,400	-\$400	\$1,000	\$1,000	\$1,000
653.0010	Program fees	\$3,335	\$2,400	\$0	\$2,400	\$2,400	\$2,400
653.0011	Copy machine fees	\$1,977	\$1,800	-\$200	\$1,600	\$1,600	\$1,600
653.0012	Computer printer fees	\$7,287	\$7,700	\$300	\$8,000	\$8,000	\$8,000
653.0013	Fax fees	\$479	\$350	\$50	\$400	\$350	\$350
	Total Patron Use Revenue	\$98,512	\$96,240	-\$10,900	\$85,340	\$95,350	\$95,350
664.0000	Investment income	\$16,950	\$16,500	\$0	\$16,500	\$11,000	\$19,000
	Total revenue	\$ 3,267,649	\$ 4,000,520	\$8,240	\$ 4,008,760	\$ 4,164,436	\$ 4,265,355

Baldwin Public Library
Expense Budgets For FY 2015-16 Through FY 2018-19
January 25, 2017

		FY 2015-16 Actual	FY 2016-17 Amended Budget	FY 2016-17 Changes to Budget	FY 2016-17 Projected Year-End Expenses	FY 2017-18 Proposed Budget	FY 2018-19 Proposed Budget
PERSONNEL							
702.0001	Salaries & Wages	\$1,316,607	\$1,370,760	\$0	\$1,370,760	\$1,479,650	\$1,512,190
702.0002	Overtime Pay	\$0	\$0	\$0	\$0	\$0	\$0
706.0001	F.I.C.A.	\$99,206	\$105,540	\$0	\$105,540	\$113,190	\$115,680
706.0002	Hospitalization	\$226,829	\$242,940	-\$16,000	\$226,940	\$232,210	\$238,160
706.0003	Life Insurance	\$4,083	\$6,320	\$0	\$6,320	\$5,980	\$6,320
706.0004	Retirement Health Care	\$135,768	\$134,300	\$0	\$134,300	\$103,430	\$103,950
706.0005	Dental/Optical Insurance	\$7,351	\$16,510	\$0	\$16,510	\$16,410	\$17,660
706.0006	Long/Short Term Disability	\$5,872	\$7,230	\$0	\$7,230	\$7,650	\$8,190
706.0007	Worker's Compensation	\$4,025	\$4,160	\$0	\$4,160	\$4,830	\$4,830
706.0010	Retirement Employer Contrb.	\$68,692	\$66,160	\$1,000	\$67,160	\$70,070	\$74,900
706.0011	HRA Benefit	\$3,000	\$3,000	\$1,000	\$4,000	\$4,000	\$4,000
706.0012	Retirement-Def. Contr. Emplr.	\$39,469	\$42,760	\$0	\$42,760	\$46,340	\$49,840
706.0013	Ret Hlth Svgs Contr Emplr.	\$13,373	\$14,300	\$0	\$14,300	\$14,300	\$15,600
	Subtotal	\$1,924,275	\$2,013,980	-\$14,000	\$1,999,980	\$2,098,060	\$2,151,320
SUPPLIES							
727.0000	Postage	\$10,196	\$15,500	\$0	\$15,500	\$15,500	\$15,500
729.0000	Operating Supplies	\$17,652	\$17,000	\$4,000	\$21,000	\$17,000	\$17,500
742.0000	Computer Software	\$21,970	\$25,000	\$1,000	\$26,000	\$18,000	\$20,000
746.0000	Maintenance Supplies	\$5,272	\$9,500	-\$3,000	\$6,500	\$8,000	\$8,000
748.0000	Technical Services Supplies	\$12,185	\$16,500	\$0	\$16,500	\$16,500	\$16,500
	Subtotal	\$67,275	\$83,500	\$2,000	\$85,500	\$75,000	\$77,500
CONTRACTED SERVICES							
801.0200	Legal	\$465	\$8,000	-\$4,000	\$4,000	\$8,000	\$8,000
802.0100	Audit	\$10,520	\$11,100	-\$400	\$10,700	\$11,600	\$11,800
805.0100	Landscape Services	\$1,600	\$2,000	-\$900	\$1,100	\$2,000	\$2,000
811.0000	Other Contracted Services	\$119,297	\$80,000	\$2,000	\$82,000	\$86,000	\$149,000
813.0000	Administrative Services	\$104,890	\$104,890	\$0	\$104,890	\$104,890	\$104,890
816.0100	Janitorial Contract	\$35,206	\$39,500	\$0	\$39,500	\$39,500	\$40,000
901.0200	Marketing & Design Services	\$16,488	\$30,000	-\$10,000	\$20,000	\$39,000	\$27,000
901.0600	Architectural Services	\$146,420	\$46,240	\$0	\$46,240	\$5,000	\$20,000
	Subtotal	\$434,886	\$321,730	-\$13,300	\$308,430	\$295,990	\$362,690
TECHNOLOGY & MAINTENANCE							
830.0200	ILS Services	\$34,328	\$90,210	-\$50,000	\$40,210	\$85,000	\$40,000
830.0300	Cataloging & ILL Services	\$9,351	\$11,500	\$0	\$11,500	\$11,000	\$12,000
851.0000	Telephone	\$9,029	\$10,900	\$1,100	\$12,000	\$10,000	\$10,000
933.0200	Equipment Maintenance	\$34,002	\$30,000	\$0	\$30,000	\$30,000	\$31,000
	Subtotal	\$86,710	\$142,610	-\$48,900	\$93,710	\$136,000	\$93,000

Baldwin Public Library
Expense Budgets For FY 2015-16 Through FY 2018-19
January 25, 2017

		FY 2015-16 Actual	FY 2016-17 Amended Budget	FY 2016-17 Changes to Budget	FY 2016-17 Projected Year-End Expenses	FY 2017-18 Proposed Budget	FY 2018-19 Proposed Budget
UTILITIES							
920.0000	Electricity	\$58,276	\$68,000	\$4,000	\$72,000	\$72,000	\$72,000
921.0000	Gas	\$11,238	\$16,000	-\$2,000	\$14,000	\$15,000	\$16,000
922.0000	Water & Sewage	\$6,043	\$10,000	\$2,000	\$12,000	\$12,000	\$12,000
	Subtotal	\$75,557	\$94,000	\$4,000	\$98,000	\$99,000	\$100,000
FEES & DUES; COMMUNICATION; OTHER CHARGES							
861.0000	Transportation	\$2,747	\$2,300	\$500	\$2,800	\$3,000	\$3,200
901.0000	Printing	\$12,137	\$7,000	\$5,000	\$12,000	\$12,000	\$12,000
907.0000	Programs	\$1,237	\$2,000	-\$500	\$1,500	\$1,500	\$1,500
955.0100	Training	\$1,649	\$4,000	-\$2,000	\$2,000	\$4,500	\$5,000
955.0300	Memberships & Dues	\$7,376	\$8,100	-\$2,000	\$6,100	\$6,200	\$6,300
956.0200	Parking	\$18,624	\$19,000	\$5,000	\$24,000	\$25,000	\$25,000
957.0400	MML Insurance	\$4,570	\$4,570	\$0	\$4,570	\$4,570	\$4,570
957.0600	Unemployment Insurance	\$0	\$2,000	-\$1,000	\$1,000	\$2,000	\$2,000
962.0000	Miscellaneous	\$387	\$300	\$0	\$300	\$300	\$300
	Subtotal	\$48,727	\$49,270	\$5,000	\$54,270	\$59,070	\$59,870
CAPITAL OUTLAYS							
971.0100	Equipment	\$62,764	\$118,000	\$0	\$118,000	\$58,000	\$62,000
972.0000	Furniture	\$8,336	\$18,000	\$0	\$18,000	\$94,000	\$29,000
977.0000	Building Improvements	\$0	\$2,015,240	-\$100,000	\$1,915,240	\$8,000	\$85,000
	Subtotal	\$71,100	\$2,151,240	-\$100,000	\$2,051,240	\$160,000	\$176,000
COLLECTIONS							
987.0300	Microforms	\$492	\$750	-\$250	\$500	\$500	\$500
987.0500	Books: Adult	\$154,808	\$160,000	-\$20,000	\$140,000	\$160,000	\$160,000
987.0700	Books: Youth	\$59,493	\$66,000	\$0	\$66,000	\$66,000	\$67,000
987.0900	Subscriptions: Adult	\$24,335	\$25,000	\$0	\$25,000	\$26,000	\$27,000
987.1000	Subscriptions: Youth	\$2,562	\$2,700	\$0	\$2,700	\$2,700	\$2,700
987.1100	Audiovisual: Adult	\$99,114	\$100,000	-\$10,000	\$90,000	\$95,000	\$95,000
987.1200	Audiovisual: Youth	\$34,453	\$35,000	\$0	\$35,000	\$35,000	\$35,000
987.1800	Online Services	\$164,440	\$165,000	\$35,000	\$200,000	\$175,000	\$185,000
	Subtotal	\$539,697	\$554,450	\$4,750	\$559,200	\$560,200	\$572,200
	Total expenses	\$3,248,227	\$5,410,780	-\$160,450	\$5,250,330	\$3,483,320	\$3,592,580

BALDWIN PUBLIC LIBRARY
Budget Narrative for FY 2017-18

INTRODUCTION

The Baldwin Public Library is grateful to be financially stable and able to provide excellent services, programs, and collections to the citizens of its service area.

As part of its long-range plan for building improvements, the Library is currently renovating its Adult Services section. That area will be opened to the public by the start of June 2017. The Library hopes to continue the momentum that this project has created by moving ahead with plans for Phase 2, which will bring about the renovation and expansion of the Youth Room in FY 2019-20. Specifically, the Library wishes to start pre-funding Phase 2 as soon as possible.

To cover its operating expenses, the Library is proposing a continuation of its current 1.1 mills. To pay for the building improvements, the Library is proposing an additional 0.31 mills in FY 2017-18 and an additional 0.2957 mills (the maximum allowable under Headlee) in FY 2018-19. Therefore, the Library's proposed total millage request is 1.41 mills in FY 2017-18 and 1.3957 mills in FY 2018-19.

According to information the Library has received from the City, the *additional* millage would bring in the following revenue:

FY 2017-18	\$ 680,346	(0.31 mills)
FY 2017-18	<u>671,660</u>	<u>(0.2957 mills)</u>
Total	\$1,352,006	

MILLAGE RATE

In 1998 the voters of Birmingham reinstated a millage rate of 1.75 mills for the Baldwin Library. In the past 18 years, the Headlee cap has reduced Baldwin's maximum millage rate to an estimated 1.4145 mills in FY 2017-18.

Below is a chart, from Mark, Gerber, showing the estimated reduction in the Library's maximum millage rate over the next several years because of the Headlee Amendment:

FY 2016-17	1.4371 mills
FY 2017-18	1.4145 mills
FY 2018-19	1.3957 mills
FY 2019-20	1.3792 mills
FY 2020-21	1.3629 mills
FY 2021-22	1.3468 mills
FY 2022-23	1.3309 mills
FY 2023-24	1.3152 mills

Since FY 2012-13 the Library has operated with a millage rate of 1.1 mills. For FY 2016-17 Baldwin is once again requesting a millage rate of 1.1 mills for general operating expenses, which will allow it to offer both full services and a balanced operating budget.

On top of that, however, the Library is requesting 0.31 mills in additional millage in FY 2017-18 to cover the remaining cost of renovating the Adult Services area of the Library. Therefore, Baldwin's total millage request for FY 2017-18 is 1.41 mills.

In addition, the Library is requesting 0.2957 mills in additional millage in FY 2018-19 to begin pre-funding Phase 2 of the long-range building plan (renovating and expanding the Youth Room). Therefore, Baldwin's total millage request for FY 2018-19 is 1.3957 mills.

FUND BALANCE

The Library wishes to maintain an adequate fund balance in order to cover its \$125,000 insurance deductible, allow a major equipment expenditure in case of an emergency, and permit the Library to weather a financial emergency, such as would occur if one of the Library's contract communities gave notice to withdraw from its agreement with Baldwin. In addition, the Library wishes to keep a small amount of extra money on hand in case it is needed for extraordinary or unforeseen expenditures.

On September 21, 2015, the Library Board approved the following Fund Balance Policy:

To ensure the prudent financial management of the Baldwin Public Library ("Library"), the Library Board of Directors shall maintain an unassigned fund balance of not less than 25% of annual expenditures and of not more than 35% of annual expenditures, except

where it is building its fund balance in support of specific non-recurring projects, which will be assigned as such. These percentages are based on the Library's previous fiscal year-end financial statement.

The Library's fund balance, which stood at \$1,785,663 at the end of FY 2007-08, was reduced to \$911,656 over the course of three fiscal years in order to cover deficits in the operating budget. Since then, as a because of Bloomfield Hills brought to Baldwin, the Library's annual budgets returned to a modest surplus. At the end of FY 2015-16, the fund balance stood at \$1,492,161. In the current fiscal year, however, the Library anticipates a deficit of \$1,241,570 because of the Adult Services renovation, thus bringing the fund balance down to \$450,591, if the Library Board transfers \$200,000 from the Trust, or \$250,591 if it does not. At the start of July 2017, the City will post the full amount of the Library's tax revenue for the next fiscal year. At the end of FY 2017-18, the Library's fund balance is estimated to be \$1,131,707 if the Library Board has transferred \$200,000 from the Trust, or \$931,707 if it has not.

ADULT SERVICES RENOVATION AND YOUTH SERVICES RENOVATION & EXPANSION

The final cost of the Adult Services renovation project will be determined this summer, after the completion of the project, but it will definitely come in under the projected budget of \$2.218 million. The difference between the budgeted amount and the actual cost will be saved and applied to Phase 2 of the Library's long-range building plan—the renovation and expansion of the Youth Room—which is projected to cost \$2.1 million in 2019 dollars.

The \$680,346 raised from the additional millage in FY 2017-18 will be applied toward paying off the Adult Services renovation and restoring the Library's fund balance.

The \$671,660 raised from the additional millage in FY 2018-119 will help pre-fund Phase 2, which we anticipate will be able to take place in FY 2019-20.

GRANTS AND OTHER FUNDRAISING

On September 13, 2016, 220 Merrill Restaurant celebrated its two-year anniversary with Denise Illitch as its owner. The Restaurant donated to the Library a portion of the proceeds from its

food and drink sales that day, as well as from a silent auction. The Library ended up receiving \$1,500 for literacy and education programs.

BALDWIN PUBLIC LIBRARY TRUST

The Baldwin Public Library Trust is a 501(c)(3) organization that provides support for the Library.

- Gifts and tribute funds under \$10,000 donated to the Library are added to the Trust. They are then spent as requested or in general support of the Library's mission and goals.
- Donations made by the Friends of the Library to the Library are divided into separate line items that relate to approved spending areas: Youth, Teen, Adult, and Outreach & Equipment. Expenditures and balances are reported to the Friends on a monthly basis.
- A named Endowment fund may be established for large gifts that are intended for the continuing support of the library. These funds are established in perpetuity with the annual income used in accordance with the fund restrictions. A minimum of \$10,000 is needed to establish an Endowment fund. Baldwin currently has 22 such Endowment funds.

In FY 2015-16 donations came to \$98,135, and expenditures amounted to \$133,435. Of those donations, \$38,250 came from the Friends of the Baldwin Public Library, \$14,420 from donations to the Endowment, \$25,747 from the 2015 Books and Bites fundraiser (including a \$2,500 sponsorship from the Friends), and \$19,718 from miscellaneous other donations.

As of February 28, 2017, the total value of the Trust stood at \$1,448,345. Much of that money consists of endowment investments and various kinds of restricted funds. A total of \$234,155 is available as unrestricted general spendable funds. The Library intends to use these unrestricted funds to help cover part of the costs of the Library's building improvements.

Gift donations and Friends money are spent as they come in. Earnings from the Endowment, on the other hand, are withdrawn only once a year in accordance with the Library's Trust Investment Policy. The policy states that the Trustees of the Baldwin Public Library Trust may approve the transfer of up to 5% of the Endowment's market value, as it stands at the end of April each year, so long as such a transfer does not reduce the endowment below its principal amount plus 5%. The formula uses a trailing five-year weighted average. In May 2016, the

Trustees approved the transfer of \$50,332 for expenditure according to the various guidelines laid down when the individual Endowment funds had been established. The value of Endowment investments stood at \$1,075,389 as of February 28, 2017. Unless there is a significant drop in the stock market before April 30, 2017, we anticipate that the Trustees will be in a position to transfer money out of the Endowment again this year.

The Directors of the Baldwin Public Library also serve as Trustees of the Baldwin Public Library Trust. Trust donations and expenditures are not included in the Library's regular budget, but all donations and expenditures are approved by the Trustees at the Trust's monthly meetings, and detailed information about the activities of the Trust can be found at the Library Board's page on Baldwin's website at www.baldwinlib.org/library-board.

CONTRACTS WITH NEIGHBORING COMMUNITIES

The Library has provided library services to the Villages of Beverly Hills and Bingham Farms through contractual arrangements since the 1960s. Starting November 2011, Baldwin has also served the City of Bloomfield Hills through a contract.

Baldwin's three contracts will provide \$875,909 in revenue in FY 2017-18. That is 25.1% of Baldwin total operating budget and equivalent to approximately 0.39 mills in Birmingham property tax revenue.

ASSUMPTIONS AND REQUESTS FOR THE FY 2017-18 BUDGET

The revenue side of the proposed fiscal year 2017-18 budget includes the following assumptions and requests:

- For operating expenses, the Library is requesting that the millage rate remain at 1.1 mills. This will bring in more money than during the current fiscal year because of increased property values.
- To finish paying the cost of the Adult Services renovation, the Library is requesting an additional 0.31 mills in FY 2017-18, which would bring in \$680,346. To begin pre-funding Phase 2 of the long-range building plan, the Library is requesting an additional 0.2957 mills in FY 2018-19, which would bring in \$671,660.
- Oakland County penal fines and state aid will remain roughly the same.

- The Library's agreements with Beverly Hills, Bingham Farms, and Bloomfield Hills will bring in more revenue next year than this year, according to the stipulations of the individual contracts.
- Patron use revenue will increase slightly as the Library returns to normal after a year of disruption due to the renovation. The long-term trend, however, is for patron use revenue to decrease as the circulation of physical items declines.
- Investment revenue, which is a percentage of the Library's fund balance, will decrease slightly since the fund balance will be drawn down a great deal at the end of FY 2017-18 in order to cover the expenses of the Adult Services renovation.
- When applicable, the Library has used information from the City of Birmingham and from our contract communities to generate these revenue numbers.

The expense side of the proposed fiscal year 2017-18 budget includes the following requests and assumptions:

- **Personnel expenses will go up by 4%.** it includes a modest salary increase as well as a new part-time Youth Librarian position. The full-time staff count now stands at 16 and will remain at that level next year. Personnel expenses account for 60.2% of the operating expenses budget, which is well within the range considered acceptable by public library best practices.
- **The Library will remain open 67 hours per week, 353 days a year.**
- The Library will continue to provide a wide variety of materials, programs and services to the residents of our service area. **The collections budget for FY 2016-17 will increase by 1%.** It will account for 16.1% of the operating expenses budget, which conforms to public library best practices. The only increases in the collections budget comes in periodicals and online resources (e-books, e-audiobooks, streaming music, streaming video, databases, online learning programs, etc).
- **The Library's program offerings will also remain strong.**
- The budget includes money for **keeping computer equipment and technology up to date.**
- The budget includes money, over the course of the next two years, for **furniture, carpet, painting, and electrical improvements in the Grand Hall, lower level, and second floor—all areas that are not scheduled for improvement in the long-range building plan.**
- **Money is included for equipment and supply purchases for the new makerspace and for enhanced marketing and publicity efforts.**
- **Tentatively, a plan to digitize all back issues of the Birmingham Eccentric from existing microfilm is scheduled for and funded in FY 2018-19.**

- **In FY 2017-18, the Library will either renew its contract with its existing supplier of integrated library software, or else switch to a new system. Money is included for the possible purchase of a new system.**
- **When applicable, the Library used City of Birmingham information and tools to generate its expense numbers.**

SUMMARY

The Library appreciates the strong support it receives from Birmingham and its contract communities.

The 1.1 mills it collects for operating expenses—along with its other revenue sources, such as income from its three contract communities—is currently adequate to fund the Library’s services, programs, and collections at a high level.

The Library’s building has been in need of an update, but the Adult Services renovation, which is currently in progress, is taking a big step toward resolving these issues.

Phase 2 in a proposed three-phase building plan is the renovation and expansion of the Youth Room. The Library wishes to start pre-funding Phase 2 with any savings it achieves in the Adult Services renovation, plus an additional millage of 0.295 mills in FY 2018-19.

The City will review the Library’s millage request at its budget hearing on April 22, when the most current property tax revenue numbers are available.