

Madison Public Library Operating Budget 2025 Adoption Presentation

Presented to Library Board 7.11.24



2025 Operating Budget: Update on Budget Outlook

Common Council
June 18, 2024

Current Budget Gap

(General and Library Funds)

Expenditures = \$431.4 million

Total expenses are \$26.0 million (6.4%) higher than 2024 adopted budget. Major changes:

- + \$14.5m: Salary + benefits increases
- + \$2.7m: Metro subsidy increase
- +\$500k: PHMDC subsidy
- + \$5m: Placeholder for GF Debt Service
- + \$1.47m: Citywide Purchased Services increases for technology costs (software maintenance contracts, PCI compliance, and credit card processing fees)
- - \$1.22m: Adjusts expenses for odd-year election cycle

Revenues = \$409.4 million

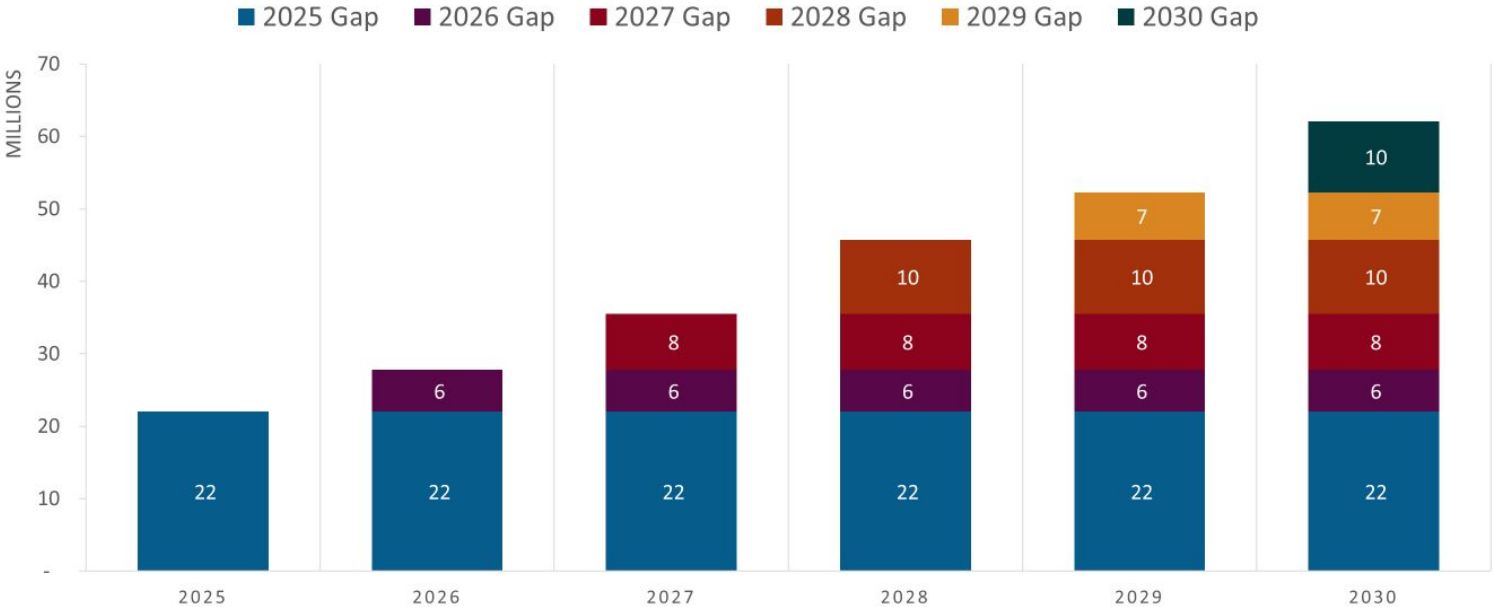
Total revenues are \$4.0 million higher than the 2024 adopted budget. Assumptions:

- + \$12.6m: Levy increase
- + \$6.0m: Increase in interest earnings
- + \$1.0m: Increase in ambulance conveyance fees
- - \$17.9m: Removing one-time sources (\$9.2m fund balance, \$5.6m ARPA, \$3.1m TID)

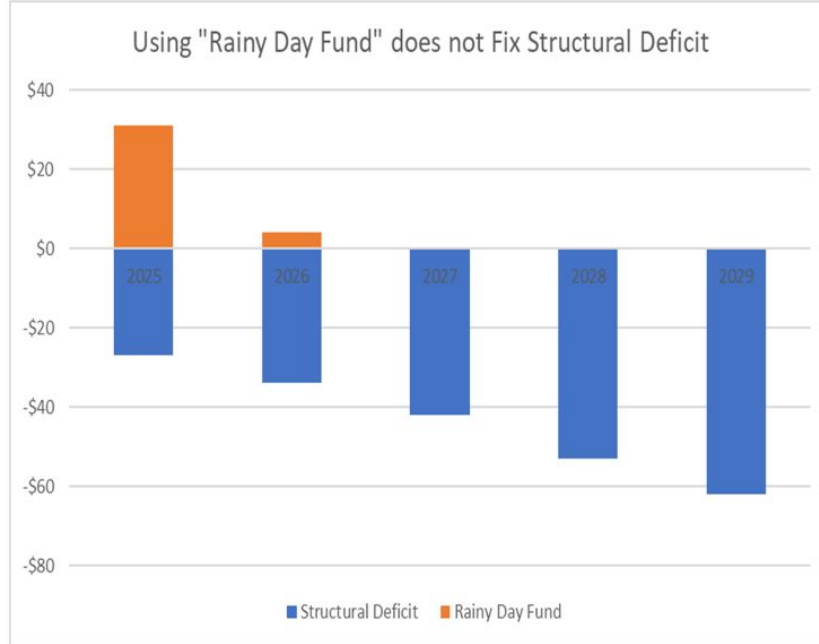
Gap = \$22.0 million

Long-Range Outlook

ESTIMATED ADDITIONAL GAP BY YEAR



2023 General Fund Results



- City finished 2023 with revenues exceeding expenditures by \$31 million:
 - Rapid increase in interest rates boosted investment income
 - Staff vacancies much higher than usual due to strong labor market and retirements.
 - Lifted "Rainy Day Fund" to 21% of budget – minimum target is 15% of budget
- Budget Outlook
 - Staff vacancy rate is slowing
 - 2024 budget already reflects savings from staff turnover
 - Interest rate impacts are short-term
 - "Rainy Day Fund" is one-time funding
 - Structural deficit is occurring every year.

Overview of Operating Budget Phases



- **March 25 – April 12:** Agency staff and budget analysts independently complete C2C files
- **April 15 – 26:** Agency staff and budget analysts meet to discuss and finalize C2C
- **April 29 – May 10:** Budget team compiles agency-level files, develops a citywide C2C, and begins planning for Agency Request phase
- **April 22 – May 10:** Agency staff update payroll allocations based on Results Madison services; begin developing non-personnel allocation changes
- **June 17:** Operating Budget Kickoff
 - Mayor provides guidance for agency submissions
 - Finance provides forms & instructions for requests
- Agencies review current & planned projects to prioritize against Mayor’s guidance
- Agencies develop proposals for all items within their Operating services
- **July 19:** Agency requests submitted
- **August 12 – 14:** Agency briefings with Mayor’s office and Management Review Team
- **Mid August – Early September:**
 - Finance analyzes requests & develops initial recommendations to balance budget
 - Mayor & review team meet to develop the executive budget
- **September:** Executive Budget finalized
- **October 8:** Executive Budget introduced at CC & referred to Finance Committee (FC)
- **Oct. 14 & 15:** FC hearings
- **Oct. 16 – 23:** FC amendment Week
- **Oct. 28:** FC votes on amendments; refers back to CC as amended
- **Oct. 29 – Nov. 6:** CC amendments
- **November 12 – 14:** CC Budget Adoption

Council Guidance on 2025 Budget

Legistar 82456, adopted April 16, 2024

Values and Priorities

1. Maintaining services to residents
2. Preventing layoffs or furloughs of city staff.
3. Maintaining wage parity for general municipal employees
4. Meeting the needs of a growing city.
5. Choosing the most progressive revenue options that consider housing affordability.

Guidance on Developing 2025 Budget

1. Evaluate service levels, staffing and fiscal impact.
2. Seek ways to increase efficiencies in operations.
3. Explore a reduction in expenditures from cost-to-continue levels that does not compromise services to residents.
4. Develop referendum language to increase property tax to meet some or all of deficit, as well as options to replace existing non-property tax revenues.
5. Prepare options other than property tax, including special charges
6. Develop a multi-year plan, including options for new, or increasing existing, fees and charges.
7. Consider the level of overall general obligation borrowing in 2025 capital budget to reduce rate of growth in property taxes
8. Develop a community engagement plan to educate the public.

Strategic Priorities: **Strong Libraries, Thriving Communities**

Our community looks to its libraries for a wide variety of services and activities. Our priorities focus on helping community members and library users connect with services and resources, interact with others, and find the tools they need to be informed, inspired, and engaged in their own communities.



Engaging & Accessible Services.

We share collections, programs, and digital resources that foster learning, literacy and personal growth.

Community Partnerships.

We actively partner with community leaders, organizations and government services to connect visitors to needed services in areas of basic needs, technology, and education.

Nourishing Spaces.

We provide welcoming, safe, environmentally friendly, community-responsive spaces which are accessible and well maintained.

Staff Development.

We invest in people and structures to provide an affirming workplace where staff at all levels can pursue their goals and best serve our community.

Service Activity Priorities for General, Library, and Fleet Funds; Metro Transit and PHMDC Subsidies

- Further reductions in certain service activities may be necessary to close the 2025 budget gap while still protecting core services.
- General, Library, Fleet, Metro Transit, and Public Health fund agencies will complete a Lower Priority Service Activity Identification form.
- Each agency will use this form to identify the cost of lower priority service activities in their agency.
- Service activities identified must total at least 5% of the agency's cost to continue budget for the General, Library, and Fleet fund agencies.
- Service activities identified must total at least 5% of the General fund subsidy for the Metro Transit and Public Health agencies.
- Agencies are allowed to propose fee or charge increases on service activities to meet the 5% target. Focus should be on service activities primarily provided to those with the ability to pay.
- No new positions / no supplemental requests.

Library 2025 Targets

Cost to Continue Target 2025	\$21,773,982
At least 5% Reduction Target	\$1,088,699

Library Mid-year Budget Update

- Mid-year projection - on budget and expected to meet both our higher salary savings goal along with the 1% efficiency target
- Will use fund balance to cover the retirements from this year (\$117,000 over budget) and Monroe Street hours (\$70,000). In previous years, the \$100,000 we keep budgeted for retirements has been sufficient, and we have had enough salary savings to cover Monroe Street without touching fund balance.

2025 Cost to Continue

Our Cost to Continue target was adjusted to make us whole on:

- -\$81,938 in reduced revenue from Dane County
- \$347,011 in increased expense to Dane County
- \$21,240 materials increase for OverDrive and inflation
- Contractual increases for janitorial services and lease/CAM expenses
- Utilities inflation increase

2025 Cost to Continue

Not included in our Cost to Continue target:

- \$1,956 for mileage and parking
- \$16,700 for subscription increases
- \$70,000 for Kanopy
- \$70,000 for Monroe Street Library service (2 days per week)

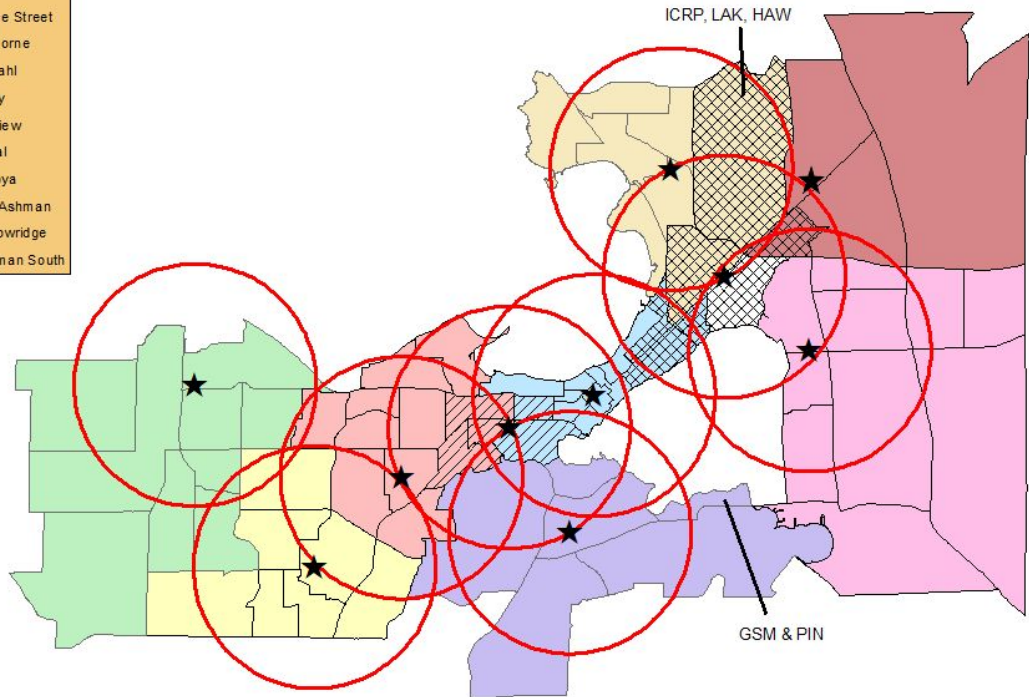
Additionally, this includes no funding for:

- Dream Bus operations (\$50,000 for 2025 and an additional \$35,000 for 2026)
- Imagination Center operations (\$258,079 for 2025, \$927,876.25 for 2026, \$569,939.25 for 2027)

Impact Data: Imagination Center at Reindahl Park

MPL Service Areas (July 2024)

- Legend**
- ★ MPL Location
 - 2-Mile Buffer
 - Monroe Street
 - Hawthorne
 - Reindahl
 - Pinney
 - Lakeview
 - Central
 - Sequoia
 - Alicia Ashman
 - Meadowridge
 - Goodman South



Population Growth 2020-2040

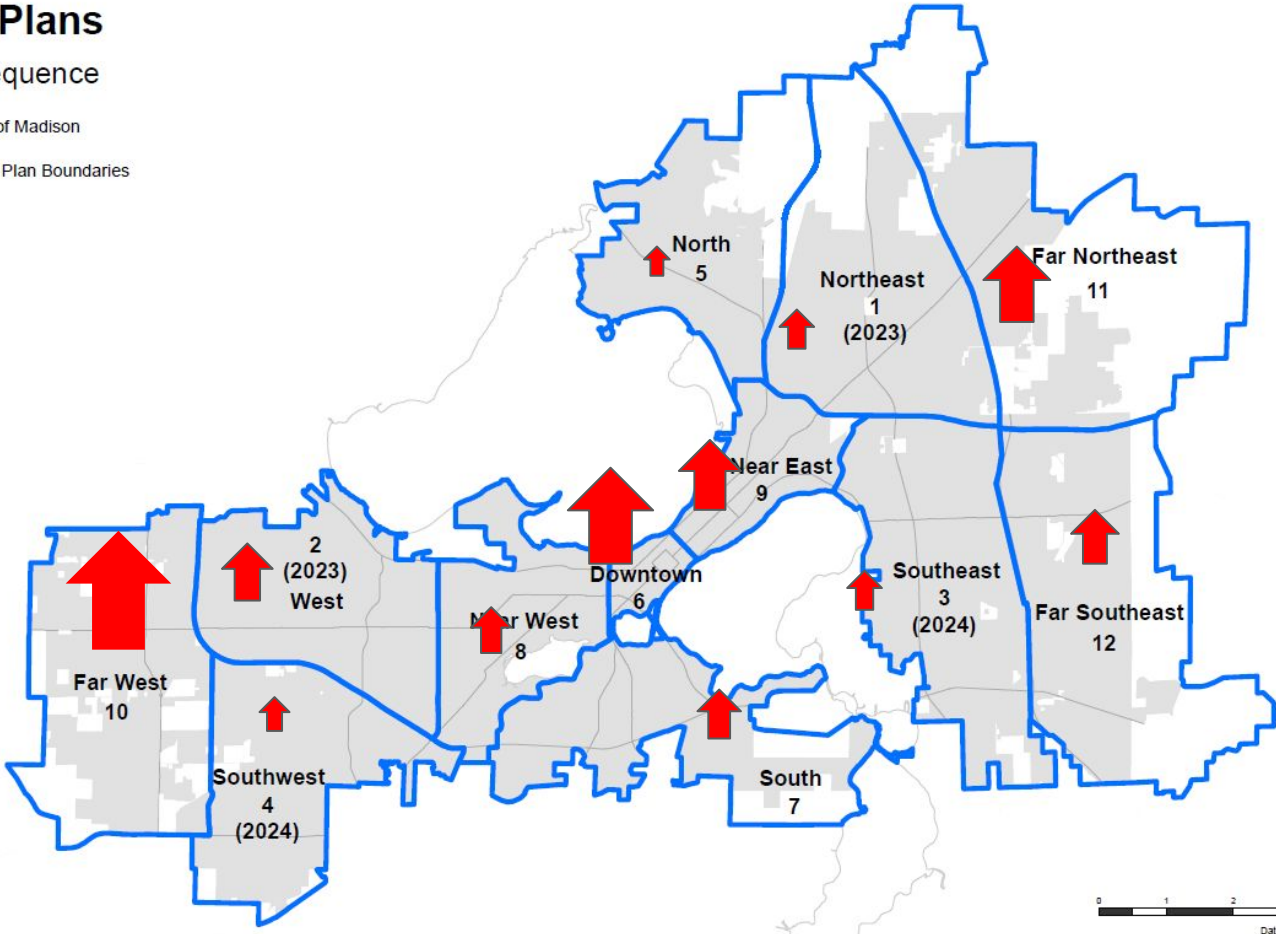
Area Plans

Plan Sequence

- City of Madison
- Area Plan Boundaries

Madison 2020 Population
274,622

Citywide 2040 Projection
324,000 - 365,000
(+50,000 - 90,000)



Service Area Demographics

From [Communities Inspiring Libraries](#), 2016 (data updated in 2024)

madpl.org/reindahl

- 13 percent of residents were born outside the U.S.
- 25 percent of residents are under 18
- the area's population grew by 15 percent between 2010 and 2017, compared with 8 percent for the rest of Madison
- More than 75 percent of MMSD students living in the area qualify for free or reduced-price lunch
- 14 percent of residents lack internet access
- students who attend the two neighborhood elementary schools (Hawthorne and Sandburg) have high percentages of English language learners (40% and 46%), higher percentages of low-income families (73% and 66%), and populations of about 75% youth of color
- residents lack cultural, civic, and arts engagement opportunities
- the library service area will gain hundreds of high-density housing units for new low- to middle-income residents around East Towne Mall as the retail landscape shifts toward mixed-use development

Project Timeline & Budget

[Imagination Center at
Reindahl Park](#) - Engineering

Timeline

- Construction documents complete: July 2024
- Project out for bid: Summer 2024
- Construction begins 2025
- Construction complete 2026

Capital Budget

- \$18.5 million, including:
 - \$14 million City general obligation borrowing
 - \$4.5 million private funding via Madison Public Library Foundation

Operating Cost Impact of Imagination Center

	Two Shift Model	One Shift Model	What Funded
2025	\$258,079	\$258,079	3 systemwide positions
2026	\$927,876	\$743,383	22 - 16 staff (13.6 - 10.1 FTE) for partial year plus operating expenses
2027	\$569,939	\$517,284	Increase staffing to full year
Total	\$1,570,349/ \$1,312,270	\$1,518,746/ \$1,260,667	Totals with and without systemwide positions

Operating Cost Impact of Dream Bus

	Additional cost needed
2025	\$0
2026	\$0
2027	\$5,000
2028	\$31,000

2025 Budget Request (Option A)

All services remain the same in 2025.

Changes:

- Eliminate the Business Operations Manager position and use the funding for
 - Monroe Street Library 2 days per week
 - Dream Bus operations (two thirds of annual operations, Foundation commitment will fund remainder in 2025 & 2026. Will need an additional \$5,000 in 2027 to fully fund service at current level and an additional \$31,000 in 2028)

Still unfunded:

- Kanopy
- Subscription increases
- Imagination Center operations

5% Reduction Priorities

Amount	Service Reduction	Staffing Impacts
\$120,692.63	No Sunday hours	No layoffs
\$323,793.35	Program reductions	This would include eliminating 3 - 3.5 FTE positions (15.6 - 18.2% of programming staff) and 15 - 19% of the program services and supplies budget
\$644,205.12	No evening hours at any location	5.6 FTE layoffs in permanent staff 6.6 FTE layoffs in hourly (actually 17 positions)
\$1,088,691.10		

2025 Budget Request: ICRP Year One (Option B)

Slight service reductions fund systemwide positions for incorporation of ICRP.

Changes:

- Eliminate the Business Operations Manager position and use the funding for
 - Monroe Street Library 2 days per week
 - Dream Bus operations (two thirds of annual operations, Foundation commitment will fund remainder in 2025 & 2026. Will need an additional \$5,000 in 2027 to fully fund service at current level and an additional \$31,000 in 2028)
- Eliminate or reallocate 3 existing programming positions (a 15.6% reduction in program positions) to fund 3 new systemwide positions (TS clerk, maintenance mechanic 2, IT specialist - \$258,079)

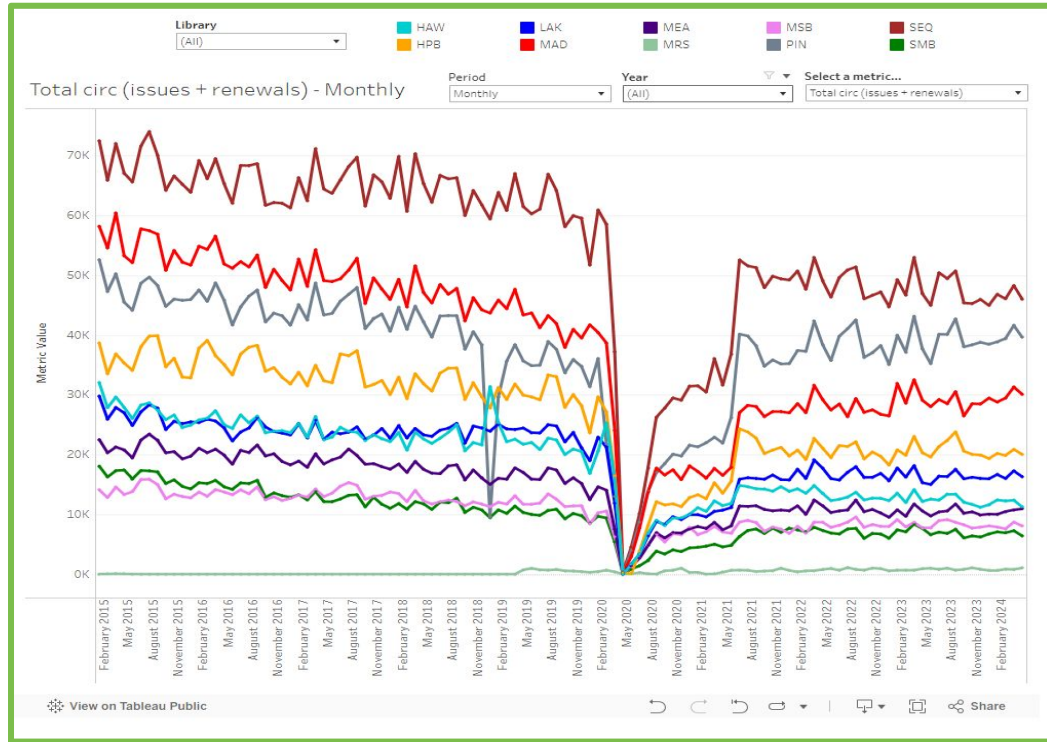
Still unfunded:

- Kanopy
- Subscription increases
- Remainder of Imagination Center operations

5% Reduction Priorities

Amount	Service Reduction	Staffing Impacts
\$120,692.63	No Sunday hours	No layoffs
\$323,793.35	Program reductions	This would include eliminating 3 additional FTE positions (18.5% of existing programming positions or 31% of 2024 levels) and 50-66% of the program services and supplies budget
\$644,205.12	No evening hours at any location	5.6 FTE layoffs in permanent staff 6.6 FTE layoffs in hourly (actually 17 positions)
\$1,088,691.10		

Impact Data: General Resources

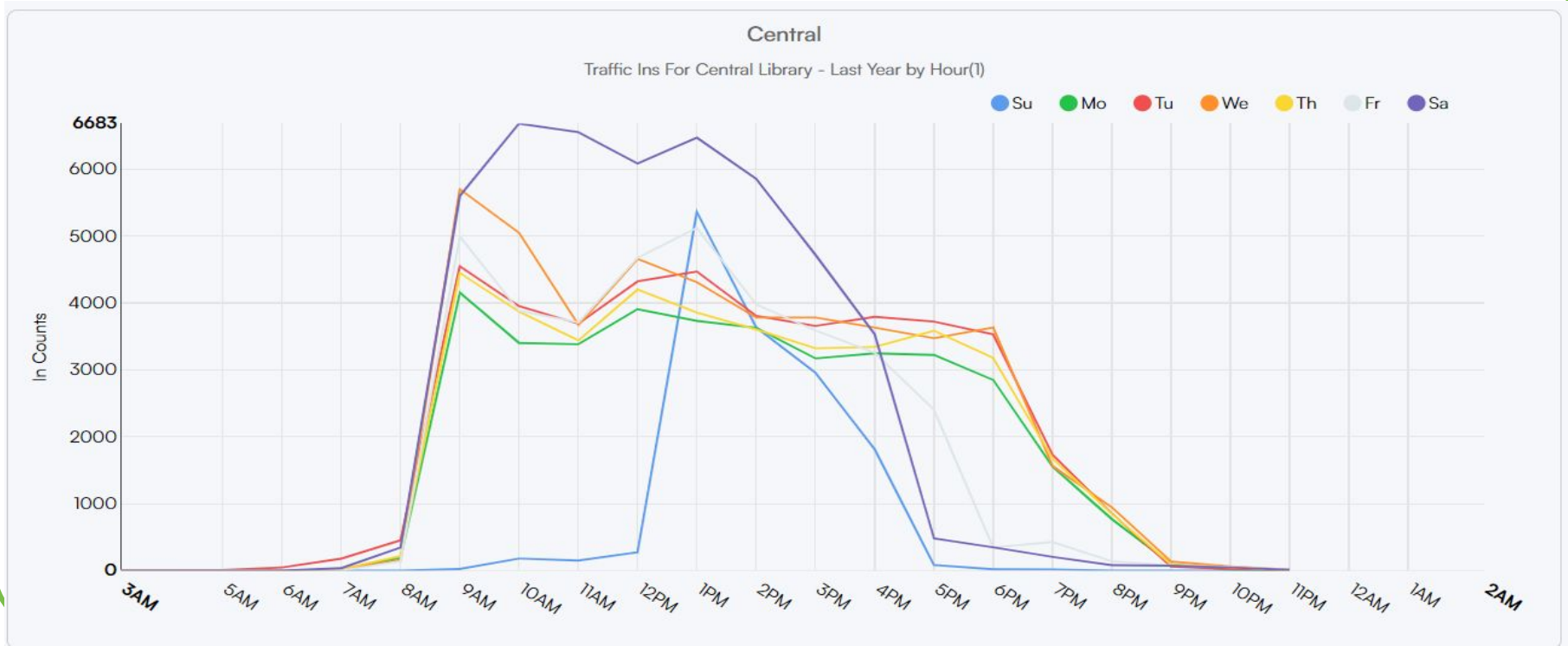


To view metrics like total circulation, visits, computer reservations, meeting room reservations, etc. visit: <https://public.tableau.com/app/profile/madison.public.library/viz/MPLMonthlyMetrics/LineGraph>

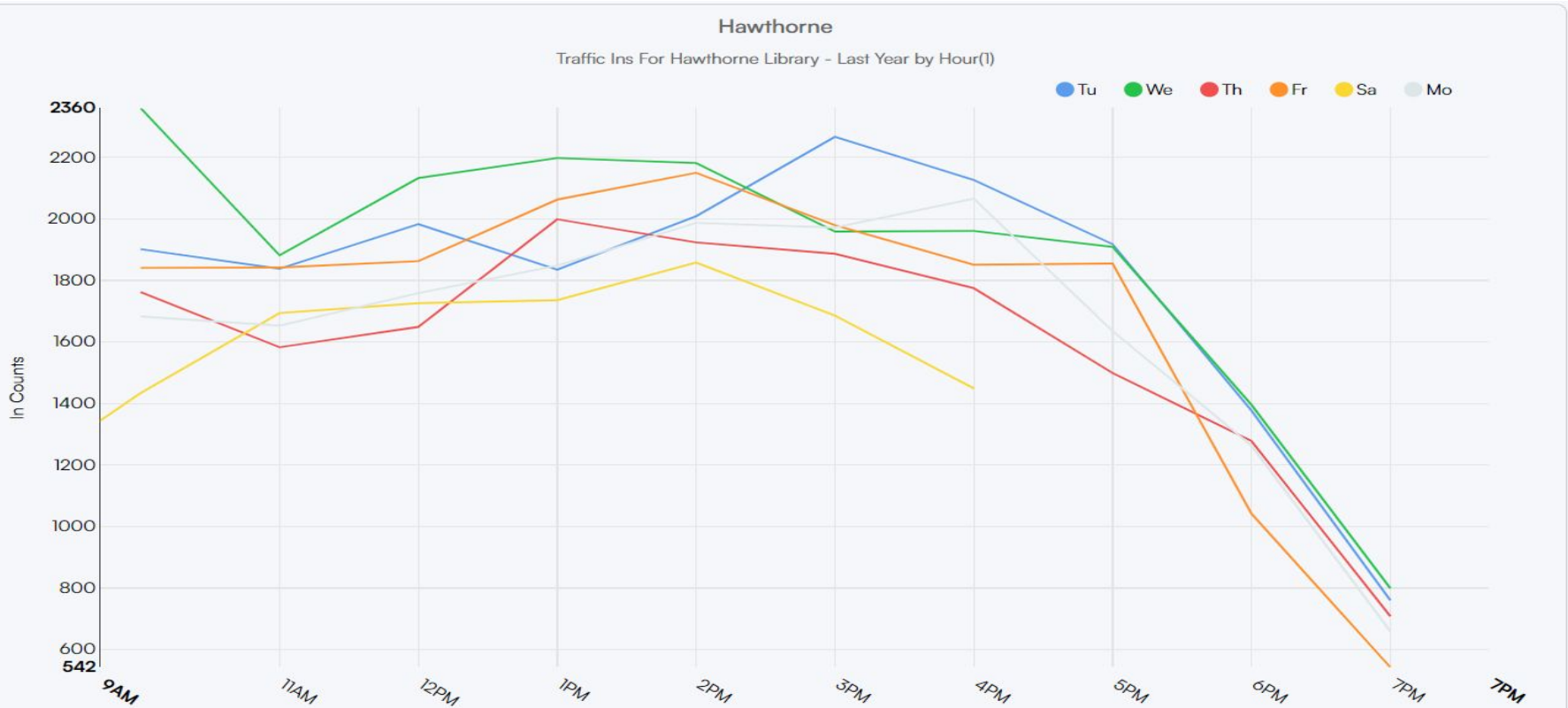
Impact Data: Evening Hours



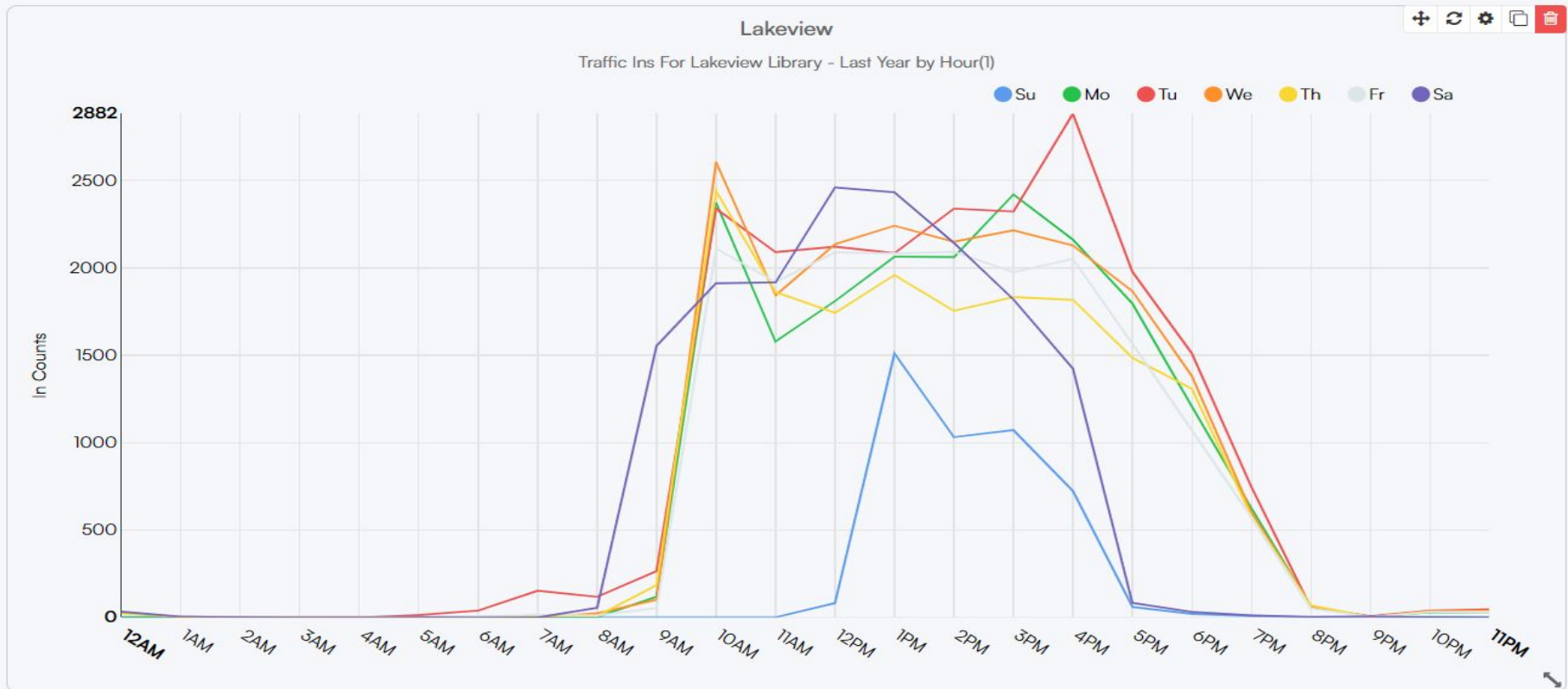
Impact Data: Evening Hours



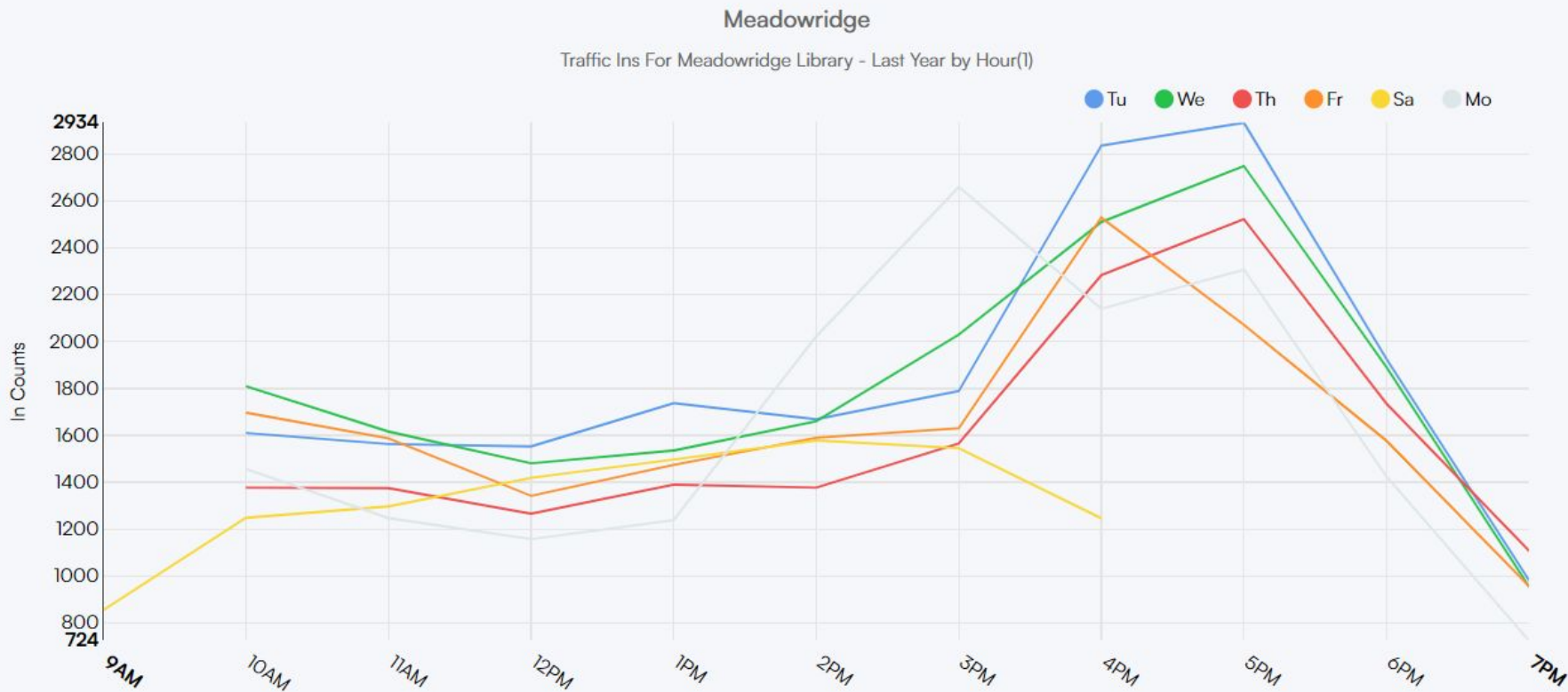
Impact Data: Evening Hours



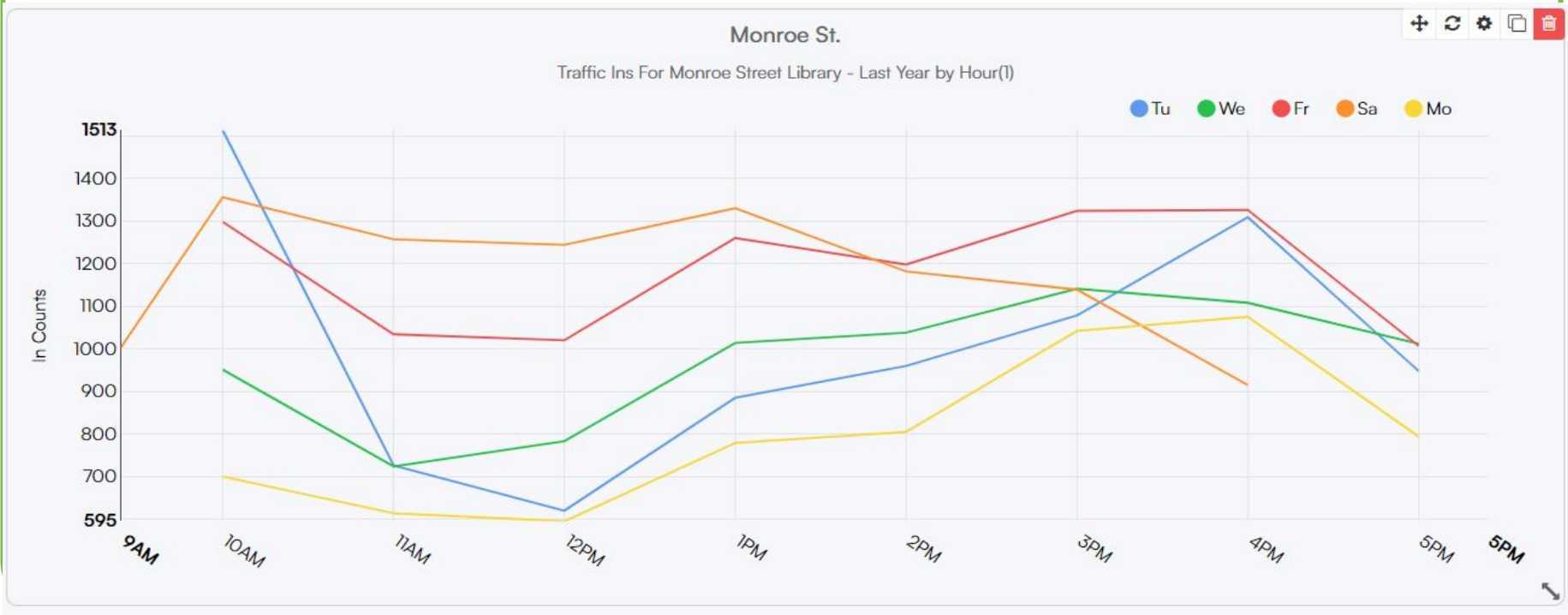
Impact Data: Evening Hours



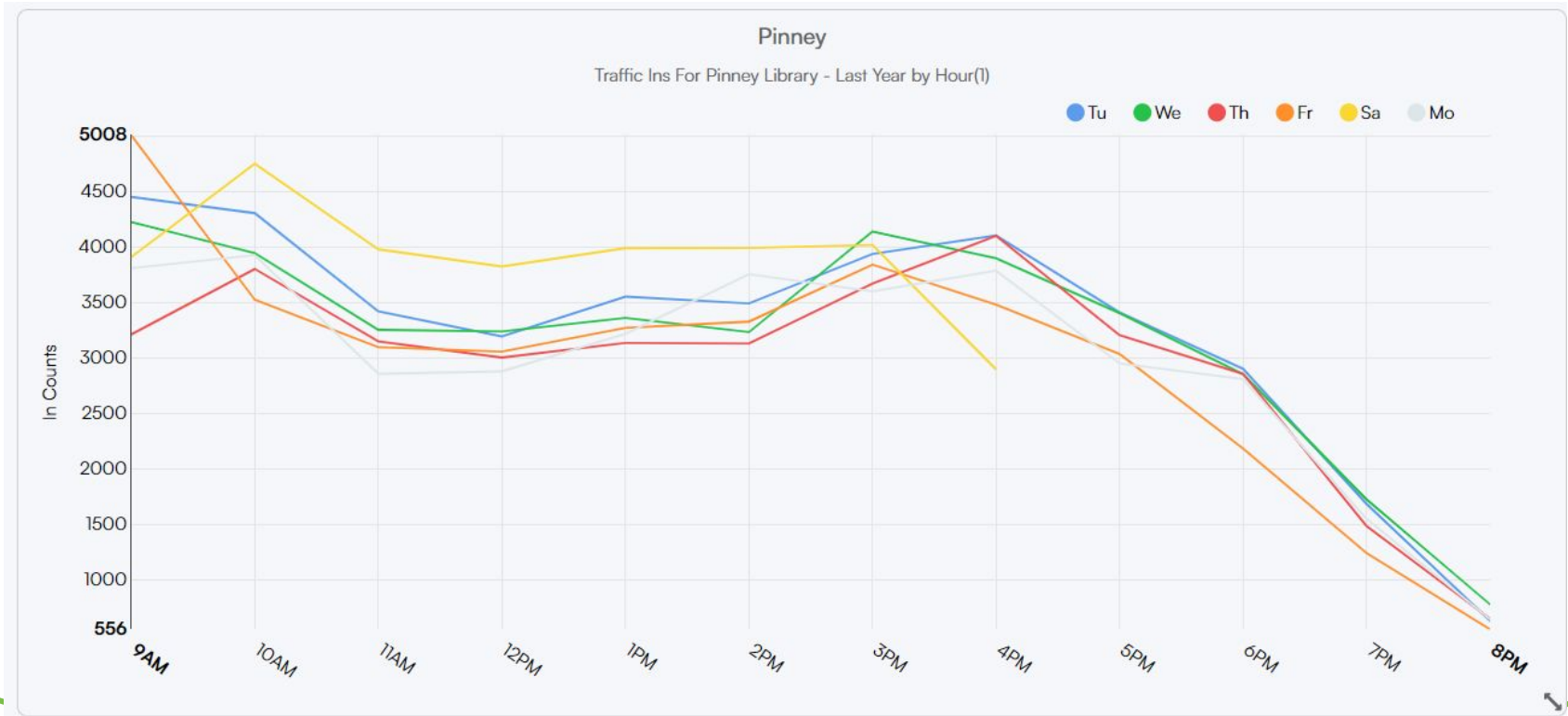
Impact Data: Evening Hours



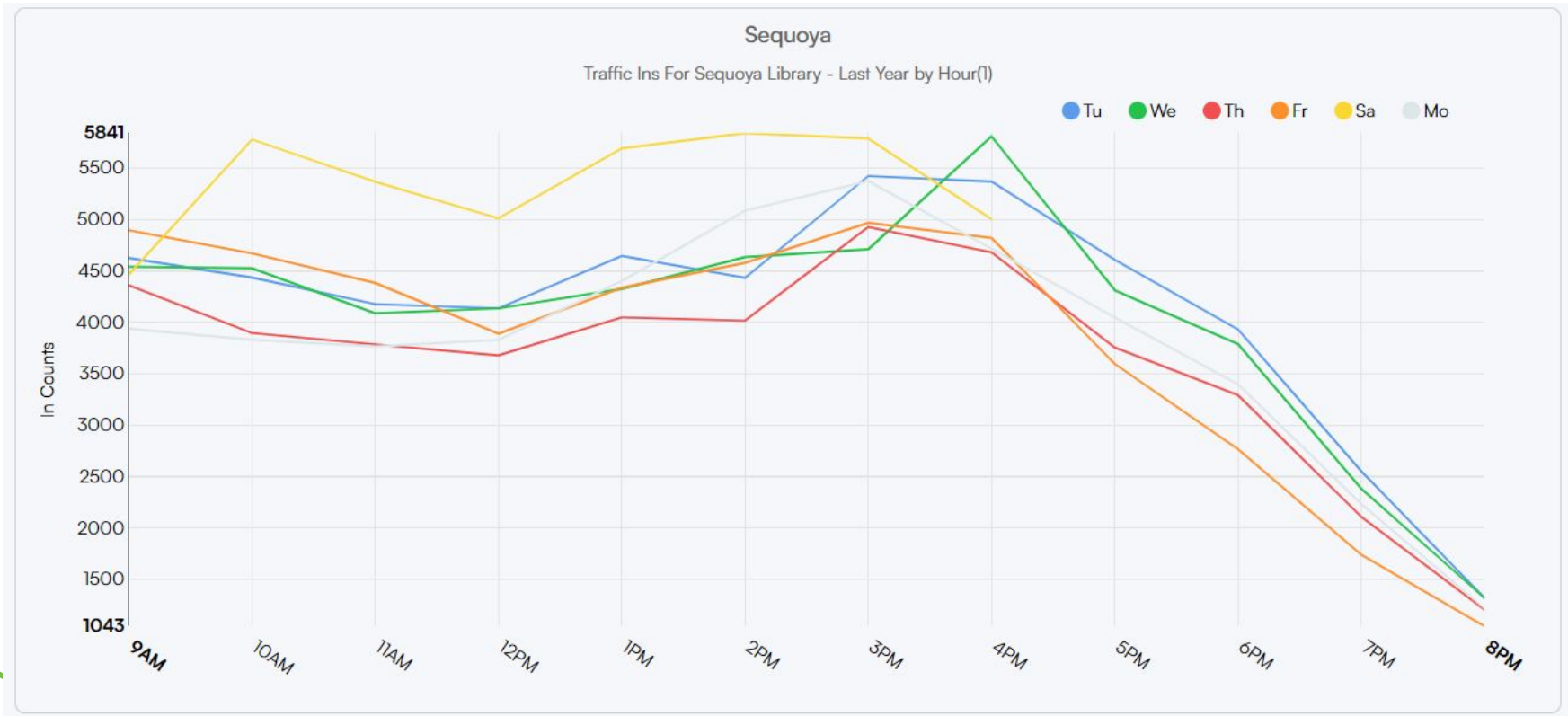
Impact Data: Evening Hours



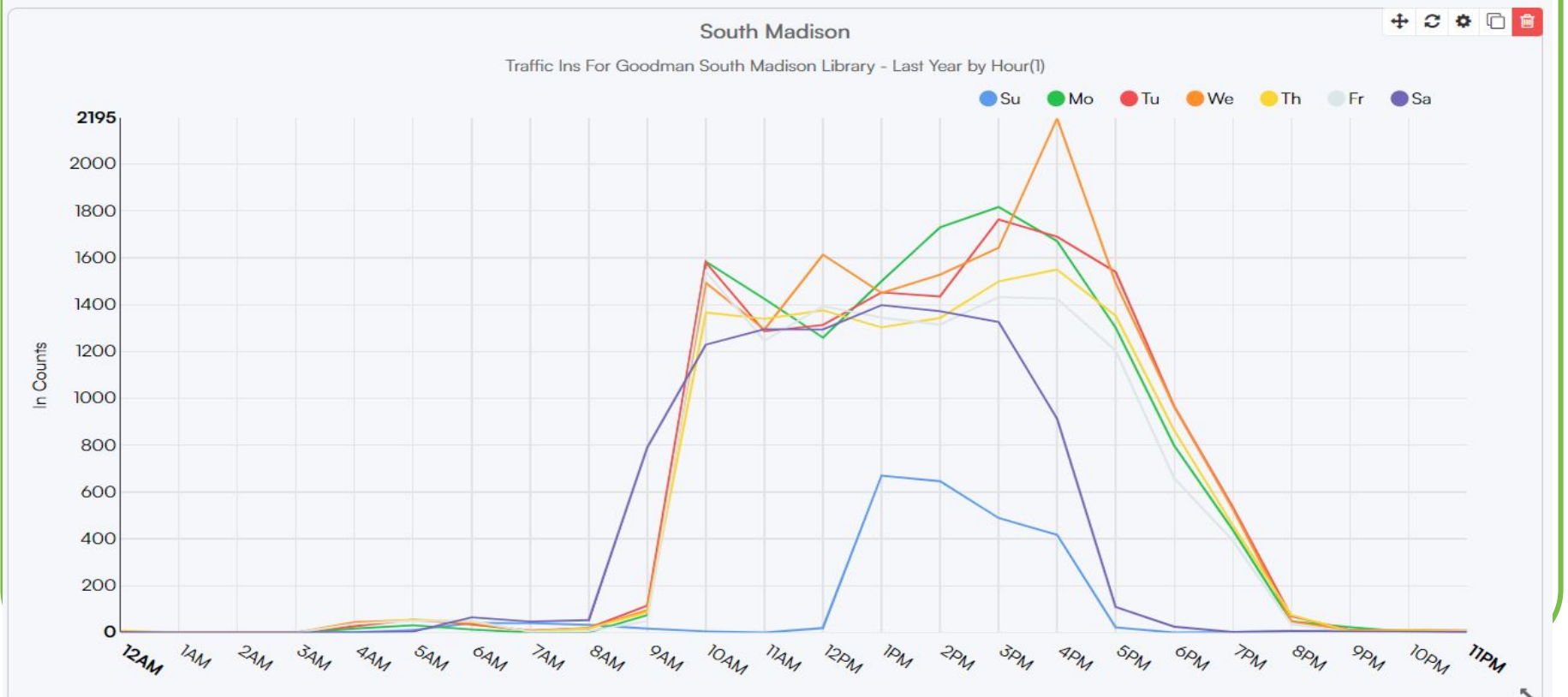
Impact Data: Evening Hours



Impact Data: Evening Hours



Impact Data: Evening Hours

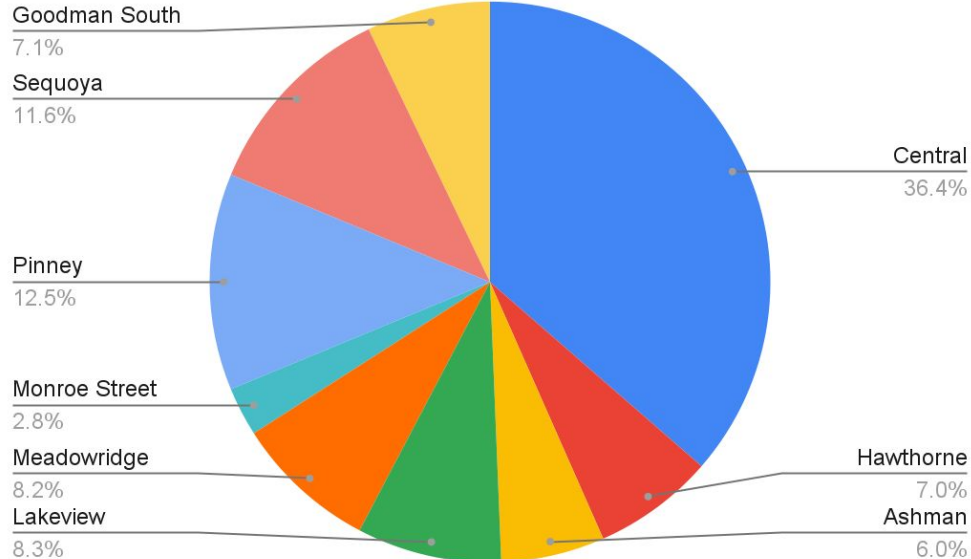


Impact Data: Closing One Day per Week

	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p	8p
0	0	1	0	1	16	11	10	6	0	0	0	0
28	28	45	39	41	45	50	53	50	43	30	17	6
33	33	53	45	46	50	48	54	58	50	35	19	7
33	33	54	44	47	48	48	52	55	48	34	18	7
28	28	46	39	40	42	41	45	47	41	31	17	7
34	34	50	45	46	49	48	49	49	39	21	13	5
45	45	58	55	54	58	56	52	41	2	1	1	0

Impact Data: Closing a Library

Total Cost per Branch Location, excludes System Wide, Collections, Admin & Mktg and LSC/General Facilities



<u>Branch</u>	<u>Total Cost</u>
Central	\$4,566,099
Hawthorne	\$ 876,550
Ashman	\$ 749,884
Lakeview	\$1,045,981
Meadowridge	\$1,033,565
Monroe Street	\$ 354,626
Pinney	\$1,567,328
Sequoia	\$1,457,548
Goodman South	\$ 894,076

Amounts are based on 2023 data as of 2/6/2024. Changes to this data have been minimal.

Impact Data: Kanopy

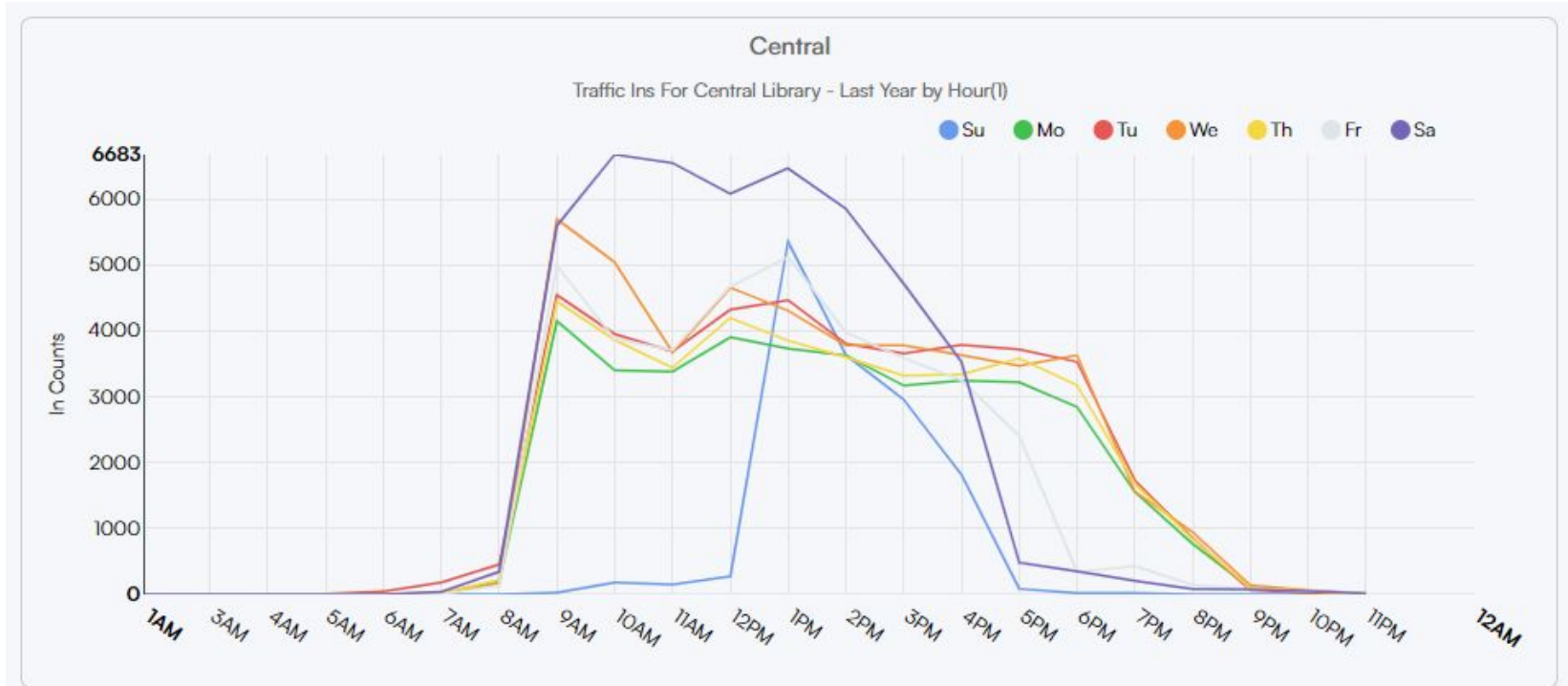
- 719,800 visits (number of unique visitor sessions, a session ends after 4 hours of inactivity)
- 830,600 pages browsed
- 74,115 videos played
- 2.7 million minutes viewed
- 3,638 unique card holders added from in 2023
- 2,192 unique card holders added YTD 2024

Impact Data: Sunday Hours

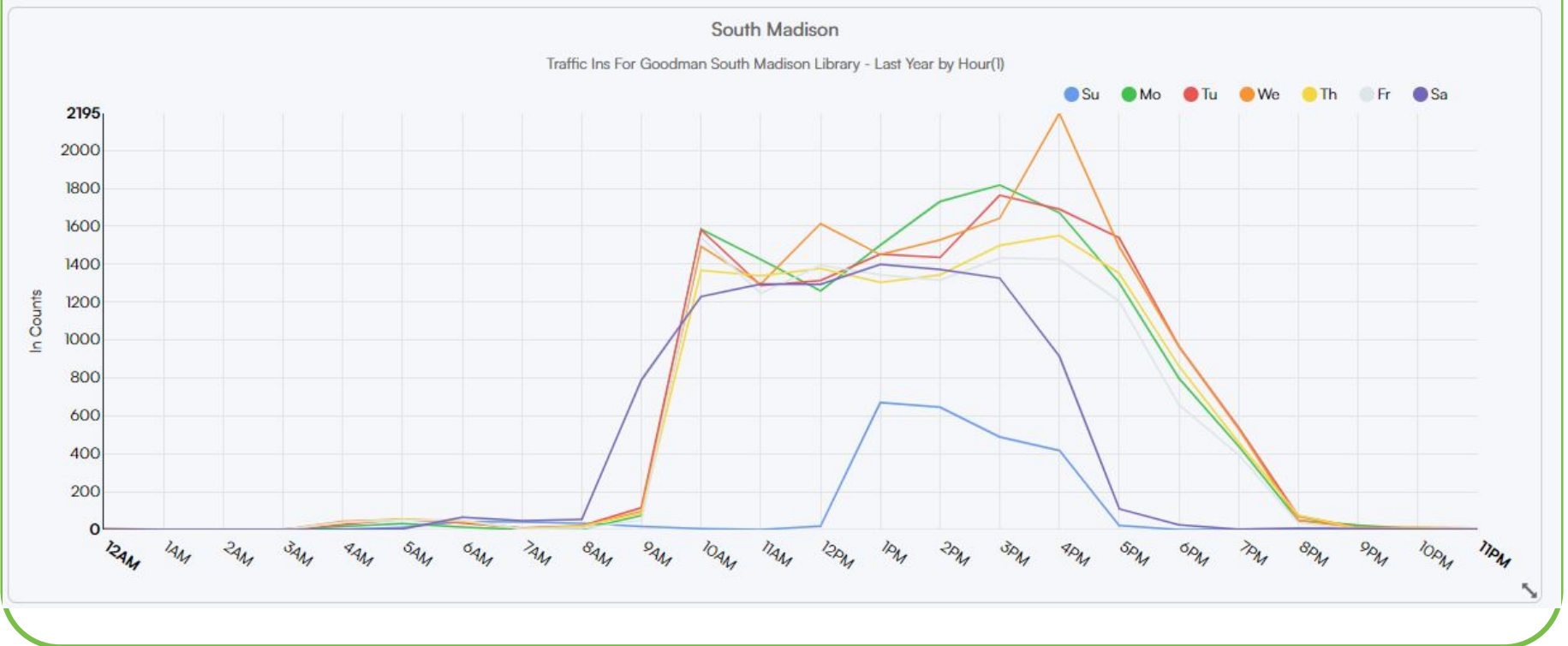
	Sunday Visits (2023)	Wednesday Visits (2023)*
Central	13,777	11,418
Goodman South Madison	2,350	4,294
Lakeview	4,411	5,529
Total Patrons Served	20,538	21,241

*Data taken from same weeks as Sunday open hours, from 1-5pm.

Impact Data: Sunday Hours



Impact Data: Sunday Hours



Impact Data: Sunday Hours

