

MADISON PUBLIC LIBRARY
Supplementary Notes to the 2019 DRAFT OPERATING BUDGET
As at June 27, 2018

Key Indicators

\$18,056,208		Total Target Budget Operating Expense
\$19,707,496		Total Operating Budget Request Expense
\$118,868*	0.60%	Estimated shortfall from target
\$1,532,420	7.78%	Total Net Operating Revenue (excluding City Appropriations as a percentage of requested total expenditure)
\$12,777,642	65%	Total Wages & Benefits Expense
\$1,501,106	7.62%	Total Supplies Expense
\$2,623,526	13%	Total Services Expense
\$2,805,222	14%	Total Debt/Inter-Dept Charges

Summary

The 2019 draft operating budget report represents the projected position of the library next fiscal year as at December 31, 2019. All line items have been extensively reviewed for variations and reasonable estimates compared to the 2018 target budget projections initially set by the City. This review results in an estimated budget shortfall of \$118,868*.

The key contributors of this shortfall includes:

Revenue Items:

- \$50,000 decrease in cataloging contract revenue as per SCSL
- \$30,000 decrease in library fine revenue reflecting continued downward trends

Expense Items:

- \$30,000 net increase in Facilities supplies to reflect cost to continue for printing, work, janitorial, building, electrical, plumbing and equipment supplies.
- \$8,000 net increase in purchased services to reflect cost to continue for:
 - \$33,000 increase in library systems technology/internet subscriptions and services (annual SCLS Tech & ILS membership fees, ILLIAD, OCLC, Charter)
 - \$13,000 increase in leased property Common Area Maintenance as per trends
 - \$8,000 increase equipment improvement/repair
 - \$5,900 increase for system and software maintenance/licensing
 - \$3,000 increase for employee mileage claims for increased outreach
 - \$8,300 increase for other Facilities related services particularly with the Library Support Center coming on board in 2018

The above increases in service expenses are largely offset by savings in the following areas:

- \$1,200 decrease in natural gas utility costs
- \$20,000 decrease in electricity utility costs
- \$4,800 decrease in Facility rental for MEA due to overestimate of lease costs
- \$4,700 decrease in estimate for leased property taxes due to overestimates
- \$6,600 decrease in repair/maintenance for technology/communication devices
- \$1,900 decrease in office equipment repairs

- \$1,000 decrease in associated library fines collection agency costs

With the costs and associated revenues for the Wisconsin Book Festival operations now being fully managed under the Madison Public Library Foundation, a nil effect reduction of both anticipated revenue and expenditure of \$30,000 is recorded in the respective budget line items. This has no effect on the projected budget shortfall in the Library's request for funding in 2019.

The Library is required to present a balanced budget; therefore, present a nil fund balance impact through balancing the shortfall through increased revenue generation or reduced expenditure and services or submit a supplemental request. The following proposed supplemental items are presented below by management for approval by the Board in order to submit a balanced budget.

2019 Supplemental Requests

1. Restore Sunday Hours \$94,000

Sunday hours are very important to our service delivery to the community. Sundays provide an equitable solution to working families and children that would not have access during the week. Sundays at the library are busy and a valuable asset to the neighborhoods they serve.

2. Restore Page Hours \$25,000

Our hourly personnel are an essential component of our staffing needs. This request would allow us to maintain 3 existing positions at 15/hours per week.

*A matter relating to the recognition of utility costs for the Library Support Center equating to \$15,300 is yet to be resolved as to whether this can be incorporated in the 2019 target projection. If this is not the case, then additional page positions will be included in this supplemental request to offset the difference where the projected shortfall is \$134,168.

3. Library Assistant at Meadowridge Library \$45,000

Meadowridge Library has made tremendous gains in providing a community connection to the neighborhood it serves. Our partnership with the adjacent neighborhood center has increased the capacity to deliver services. Yet there still remain several challenges that can be addressed through more partnerships and collaborations. This position will provide support while we engage the community with more options to better address needs in the neighborhood.

4. Community Engagement Librarian at Goodman South Madison Library \$54,000

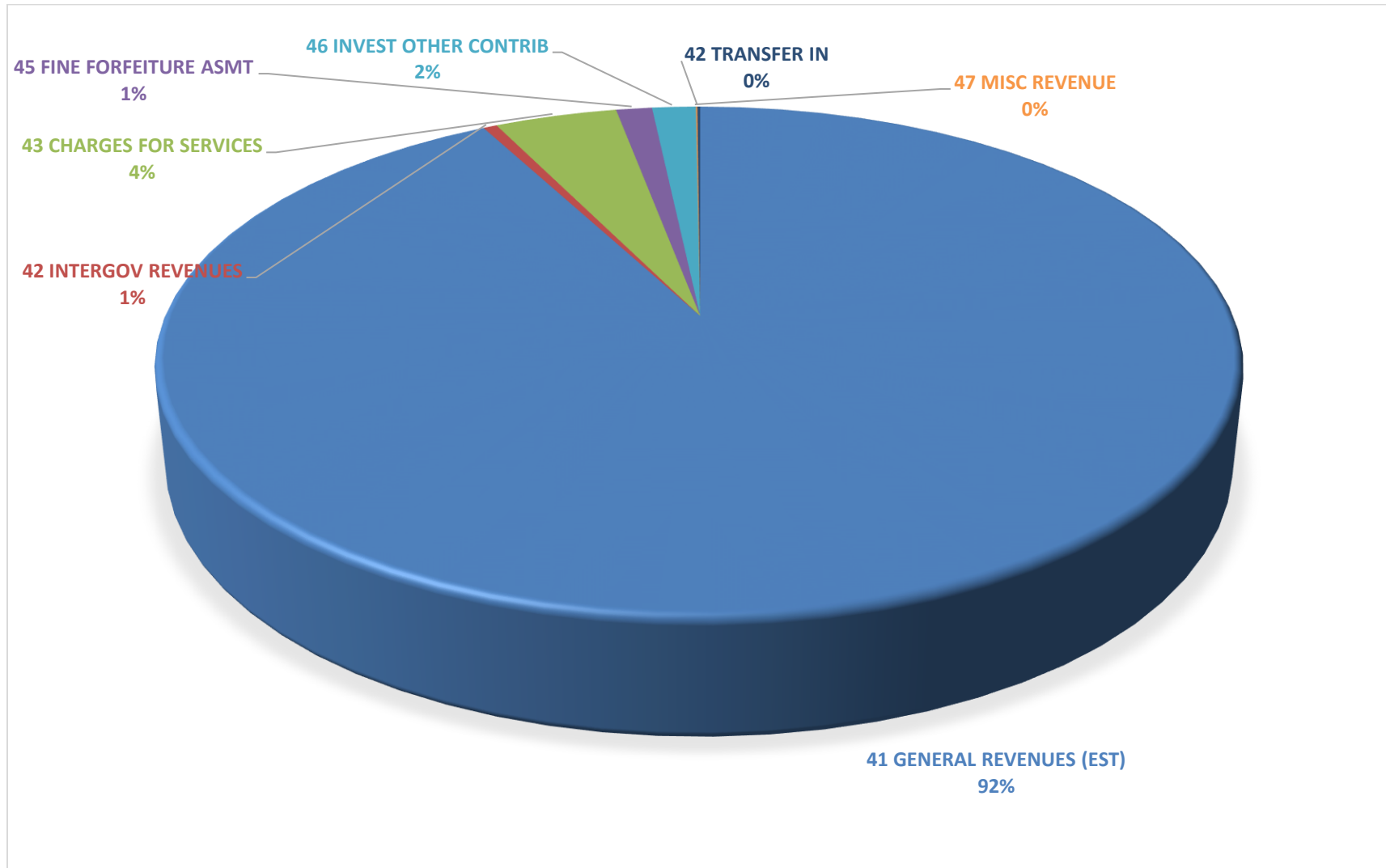
The Goodman South Madison Library recently completed a community designed renovation that will provide more opportunities to engage the youth in the neighborhood and create new programming options. It is vital to address these opportunities now, especially with the new Madison College-South, we will be prepared with established programs and partnerships to enhance our services with this new resource in the community.

Recommendation:

That the Madison Public Library Board approves:

1. The proposed 2019 operating budget request for submission to the City of Madison including the associated supplemental requests to balance the budget; and
2. The provision of a general budget authority for any contributions and donations awarded to the Madison Public Library received in the 2019 fiscal period and associated expenditure.

2019 PROJECTED DRAFT OPERATING BUDGET REVENUE (City appropriations estimated only)



2019 PROJECTED DRAFT OPERATING BUDGET EXPENDITURE

