

Maplewood Public Library

Budget Documents FY 2017-2018

Adopted 06/28/17
Revised 01/17/18

MAPLEWOOD PUBLIC LIBRARY
NOTES to FY 17-18 BUDGETS

NOTES TO REVISION, 1/17/18
Budget Review

Donnelly noted first that the tax revenue shown on the December report is not accurate due to the timing of tax revenue deposits and his subsequent transfer of debt service funds out of the General fund. As of today, the Library has received in total \$249,420.96 for the FY, or 47.69% of budgeted; the Library had a tax deficit in November of \$6,496 from tax protests dating to 2006 and did not show positive revenue until that was made up. He acknowledged that this is less than the Library has received by this time in past years (closer to 85%), but says he sees no reason why the Library should not receive the expected amount eventually this FY (minus the deficit amount).

Most of the expense accounts are either on target (approximately 50% spent) or a little low, or represent large but one-time annual payments. He noted that he has spoken to City Manager Corcoran about the insurance bill, and that the Library owes for 2015 – 2018, which he estimates to be \$13,537.00, or approximately \$10,000 more than budgeted. He noted also that Envisionware has surprised him by declaring end-of-life on the PC of the Library Document Station, for which the replacement is \$800. He recommends that this be paid from the Equipment account, 535; since there is still money left from the purchase of chairs and carrels, this would put that account 5% over budget.

The Board discussed the Hoopla streaming service, which has become very popular this year. The Library pays a straight (but variable) fee for each download made on Hoopla. Donnelly estimates this service will cost approximately another \$8,700 for the FY, or \$5,000 more than budgeted. He recommended that the Board leave the budget amount unchanged and review it in June.

The Board decided to make the following adjustments to the FY2017-2018 budget at this time:

1. Subtract \$6,867 from Ac 301, Tax Revenue to reflect the revenue lost to the beginning deficit, for a budgeted amount of \$516,682.14
2. Increase Ac 544, Insurance by \$10,000 to \$13,600

NOTES TO FINAL DRAFT, FY 17-18
General Fund

1. Projected revenue for FY 16-17 was recalculated to account for released protested taxes.
2. The cash balance as of 6/30/16 was corrected to reflect the actual amount in the bank at that time.
3. Per Board decision, 3% COLA raises were applied across the board, and additional 2% given to each full-time employee.
4. The amount allocated to Account 521, Wages, was revised to accommodate these raises.
5. The amount from Savings allocated to Account 399, Unrestricted Reserves, was adjusted to \$21,000 to balance the budget.
 - a. These funds come from the projected \$39,000 surplus for the FY 16-17 year.
6. Per Board decision, \$1,000 was moved from Account 501.6, YA materials, and \$500 each was added to Accounts 506.1 and 506.2, Adult and Juvenile Programming.

Debt Service Fund

1. Corrected the typos in the current FY budgeted revenue.
2. Changed the current year estimated revenue to account for the released protested taxes.
3. This changed the Proceeds into the next FY.

Construction Fund

1. Changed the Proceeds to match the current bank balance of \$1,206.32

NOTES to 1st draft, FY 17-18

General Fund

1. You indicated your willingness to dip into reserves (savings) in this budget. The proposed budget allocates \$15,500 from savings (shown in Ac 599, Unrestricted Reserves) to balance the expenditures in the budget for the fiscal year.
2. The proposed expenditures include money for the projects we discussed: to replace the upstairs computer chairs, put study carrels in the upper stacks, and increase Richard Gibson's hours by 4 hours a week.
3. It also assumes that we will get no money from the State this year to subsidize our MOREnet internet service account or our delivery service through MALA.
4. The budget also includes across-the-board cost of living raises of 2.1%. The Consumer Price Index increased by the same amount over the past year.
5. The amount allocated to Salaries, Ac. 521, in the new budget is expressed as a percentage of what we actually spent on wages in the preceding fiscal year (i.e. this year). On the "Salaries" page, it shows \$249,870.11 actually spent in this fiscal year (as opposed to \$274,959 budgeted), and the new amount of \$280,978.94 for next year is 12.45% more than that.
6. This is the last year we will have a credit with MSD, so next fiscal year (FY18-19), we will have to budget for Ac. 531.4 again.
7. We have always looked at the percentage of our budget allocated to materials, and an old rubric was that that this figure should be at least 15%. It occurred to me that this is an out-moded criterion, since we do so much more than just provide printed materials nowadays, so I provided another percentage, expanded to include our programs and the costs associated with providing internet services, etc.
8. According to that old rubric, it was advised also that personnel costs be about 65% of total budget.
9. All of the proposals of the budget are subject to your revisions and changes, and specific figures for discretionary spending are for illustration only.
10. Note that there is a very good chance that we will not actually use all (or any) of the allocated reserves, should revenues exceed expenditures to the degree they have in the past few years. The figures can be adjusted at our usual budget reviews.
11. Since we have included savings in the budget, we need to avoid treating savings as cash revenue. The balance sheet on the first page and the proposed budget on the second page show 2 separate reports. At the top is the budget report, showing budgeted revenue (including

savings) and budgeted expenditures, and the difference between them (surplus or loss for the budget year). At the bottom of the page is a cash flow report, showing the cash on hand at the start of the fiscal year plus anticipated budgeted revenue, minus budgeted expenditures, to show the expected cash on hand at the end of the fiscal year. Savings are not cash revenue in this sense (of money coming from outside into our bank account), so they have not been counted as revenue to the cash flow. (You will note that our cash position changes from the beginning to the end of the fiscal year by approximately \$15,000, the amount used from savings).

12. The cash flow report for the proposed budget shows a balance of \$551,815 cash on hand at the end of the next fiscal year, in June, 2018. Only about half of this is our actual cash reserve. Since our fiscal year and tax year are not in sync, we require approximately half of this money (~\$275,900) to fund next year's budget, until we start getting 2018 tax revenue in December 2018 and January 2019. In effect, we borrow from our tax revenue for any fiscal year to fund the first half of the next fiscal year. So, our actual cash on hand (savings) at the end of the fiscal year is approximately half of the proceeds listed; for example, the report shows \$266,936 in the bank on June 30, 2017, half of which will fund operations until the 2017 tax revenue arrives, and half of which, \$278,468, is our actual reserve. This figure is in line with our fiscal policy.
13. The various colors of the cells are just for my use, to remind me of the kind of data each cell contains.

Debt Service Fund

There is not a lot of leeway in this budget. Our debt service premiums are set for the life of the bond (to March, 2024). The State Auditor determines both tax rates and revenue for 2017. The Auditor provides a spreadsheet to calculate tax rates for the general and debt service funds. For debt service, you tell the form how much you need to cover the bond premiums for 2018 (the taxes billed at the end of 2017 are used to pay the 2018 premiums) plus how much you need for a reasonable portion of the next year's (2019) premiums. You also tell it how much you expect to have in the bank for debt service on December, 2017, then it takes those figures and your assessed valuation, and gives you both the amount of revenue you need to collect in 2017 to cover those premiums and the rate to charge to collect it. The amount of revenue goes into the budget as Ac 301, Debt service tax revenue. Since the Library is obligated to pay the bonds, there is not much you as a Board can do to this budget. (It is possible to do a voluntary rollback of the debt service tax rate, decreasing the collected revenue, but I don't see why you'd want to do that, except maybe in the last couple of years of the bond, if we have a sufficient cash reserve.)

Construction Fund

This is also pretty simple. We have spent down the original Construction Fund over the years on the original renovation project, waterproofing remediation, and a few touchups and repairs. The remaining \$1209 is marked in this budget for Special Projects, which would be either the repair of the Reading Room floor or repaving of the front plaza. I doubt if this money would cover both repairs, and maybe not even fully cover one. At any rate, if anything is left in this fund at the end of the next fiscal year (June, 2018), it could be transferred to the General Fund and this account could be closed. (We also passed some fees associated with the bond refinancing through the Construction Fund, but it had no effect on the amount left in it at the end.)

Terry Donnelly

NOTES TO FY17-18 BUDGET (original)

1. We have had significant surpluses the last 3 years (FY13-14: \$21,605; FY14-15: \$44,004; FY 15-16: \$61,991). This is not in itself a bad thing. For example, it enabled us to get our reserves built up to a level corresponding to the reserve amount in our fiscal policy (Policy: “reserves equal to at least one half of the average annual operating budget”; Unrestricted Reserves: \$268,066 (Dec 2016), FY15-16 budgeted expenses \$517,834 / 2 = \$258,917). However, the surpluses were far more than we had expected when preparing our budgets, so it seemed like a good idea to examine the last several years’ financial records to see if we could get a more accurate picture of budgeted revenue and expenditures.
2. After reviewing the budgets and accountant’s reports, I’ve discovered that this was not due to underestimating revenue (as I had suspected), at least not by much (FY13-14: +4.85% received tax revenue over budgeted; FY14-15: +7.11%; FY15-16: .5%). So, the actual cause of these surpluses appears to be slightly more tax revenue than budgeted plus significantly lower expenditures than budgeted. However, these lesser expenditures are across the entire budget, there is no one big account we are underspending.
3. I would like to propose that we continue to budget for revenue and expenditures as we have been, but use the surplus we are almost certain to have for some additional projects (below), and designate Unrestricted Reserve Funds in Ac 399. This is strictly to produce a balanced budget at the outset of the budget year. At the end of the budget year, in June, we can revise our budgeted revenue and expenditures to match actual amounts, probably removing the Reserve funds from the budget.
4. Uses for these “surplus” revenues:
 - a. The Governor has frozen almost all funds earmarked for library services in the new State budget, which will cause an increase in what we spend for Internet services through MORENET and for delivery through KCMLIN/MALA, for a total of approximately \$4500.
 - b. I would like to propose that we replace some furniture:
 - i. All the chairs at the public computers upstairs have broken seats. There are 8 chairs, which would cost approximately \$1,200 to replace.
 - ii. I would like to replace the two tables between the stacks upstairs with 3 study carrels, two double units and one a “conference” type carrel with no divider between the sides. This would cost approx \$1,760.
 - a. The current arrangement is very wasteful of space. Each table has 4 chairs, but the usual situation is a single person at each table, since nobody will sit at a table someone else is already at. So, we get 2 usable seats out of eight chairs. If we put in two study carrels, with a chair on each side, we could potentially provide 4 chairs for 4 persons, a much more efficient use of space. When we do find 2 people at a table, it is usually an interview or counseling situation. While this is a marginally better use of space, their conversation is disruptive to anyone else in that area. The conference carrel would allow these people to meet, and the sides of the carrels would lessen the disruption. And, a single

individual could still occupy the conference carrel, but in this case would only leave one chair off limits for anyone else.

- c. I would like to give Richard Gibson another 4 hour shift per week, because we are still a little understaffed, especially when someone is out on vacation or illness. This would give him 32 hours per week, which means he would have to participate in the LAGERS retirement program. Since this requires a flat 4% contribution from the employee per month, I would propose that we give him a 4% raise to cover his participation in LAGERS (as we did when we discovered that Sam Luther and Susan Parisi should have been included in LAGERS); since he will be getting more hours a week, there would be no other increase in salary. This would increase the bottom line (including his salary increase and the Library's LAGERS contribution) by \$4,335/year.
5. I estimate that all the above extra or increased expenditures will increase the budget by around \$12,000, which is the amount I propose we allocate from Reserves (i.e. savings), with the assumption that we will find enough surplus revenue throughout the year to cover these costs without actually using the Reserve money.
6. The above does not consider any increases in next FY's expenditures due to raises or items from the Strategic Plan.

General Fund

Revised 1/17/18

Balance Sheet

	Budgeted, 17-18
Revenue	550,792.14
Expenditures	567,611.14
Surplus (loss)	(16,819.00)

Revenue

	Budgeted, 17-18
301. Tax Revenue	516,682.14
302. Contributions	0.00
303. State Aid	1,280.00
304. Interest	1,500.00
306. Fines	5,050.00
307. Photocopies	3,000.00
308. Duplicate Cards	80.00
309. Nonresident Cards	0.00
310. Book Sales	700.00
390. Miscellaneous	1,500.00
399. Unrestricted Reserves	21,000.00
3xx. TOTAL	550,792.14

Expenditures

	Budgeted, 17-18
Grand Total	567,611.14
501.1 Adult books	27,000.00
501.2 Children's books	13,000.00
501.3 Reference books	0.00
501.4 Professional books	500.00
501.6 Young Adult Materials	4,000.00
503 Periodicals	2,437.19
504.1 Adult A-V materials	7,000.00
504.2 Juv A-V materials	4,000.00
504.3 Downloadable Media	11,966.00
50xx TOTAL MATERIALS	69,903.19
505 ILL Activity	19,536.00
506.1 Adult Program Activity	5,000.00
506.2 Juv Program Activity	5,000.00

507 Copy Machines	0.00
521 Gross Wages	286,725.95
522 Medical Insurance	24,411.70
523 FICA	21,934.54
525 LAGERS	21,235.97
52xx TOTAL	354,308.15
531.1 Gas	2,674.41
531.2 Electricity	14,090.07
531.3 Water	1,103.33
531.4 Sewer	0.00
532 Telephone	6,672.00
533 Repairs & Maintenance	11,508.00
534 Janitorial	11,016.00
535 Equipment	3,300.00
53xx TOTAL	50,363.81
541 Computer Maintenance	19,676.00
542 Operating Supplies	15,000.00
543 Postage	1,500.00
544 Insurance	13,600.00
545 Accounting	10,400.00
548 Computer Software	0.00
549 Public Relations	600.00
54xx TOTAL	60,776.00
551 Continuing Education	200.00
552 Organizational Dues	100.00
55xx TOTAL	300.00
595.1 Miscellaneous	1,500.00
595.2 Debt Collection	600.00
595.3 Card Acceptance	324.00

Prior Fiscal Years

Balance Sheet						
	Actual, Prior FY (15-16)	Budgeted, Prior FY (15- 16)	Estimated, Current FY (16-17)	diff.	Budgeted, Current FY (16-17)	
Revenue	546,631.47	540,321.00	531,913.82	102%	523,237.00	
Expenditures	484,721.32	537,811.07	492,748.73	94%	523,183.43	
Surplus (loss)	61,910.15	2,509.93	39,165.09		53.57	
Revenue						
	Actual, Prior FY (15-16)	Budgeted, Prior FY (15- 16)	Estimated, Current FY (16-17)		Budgeted, Current FY (16-17)	
301. Tax Revenue	518,669.81	516,156.00	515,383.66	101%	510,000.00	
302. Contributions	1,419.20	0.00	1,219.56		0.00	
303. State Aid	12,910.71	11,360.00	2,578.57	243%	1,062.00	
304. Interest	1,810.74	1,500.00	1,888.44	126%	1,500.00	
306. Fines	6,675.35	7,000.00	5,023.71	84%	6,000.00	
307. Photocopies	2,677.40	2,500.00	3,430.64	137%	2,500.00	
308. Duplicate Cards	85.50	75.00	81.33	108%	75.00	
309. Nonresident Cards	0.00	0.00	0.00		0.00	
310. Book Sales	835.29	530.00	739.88	123%	600.00	
390. Miscellaneous	1,547.47	1,200.00	1,568.03	105%	1,500.00	
399 Reserves	0.00	0.00	0.00		0.00	
3xx. TOTAL	546,631.47	540,321.00	531,913.82	102%	523,237.00	
Expenditures						
	Actual, Prior FY (15-16)	Budgeted, Prior FY (15- 16)	Estimated, Current FY (16-17)		Budgeted, Current FY (16-17)	
Grand Total			492,748.73	94%	523,183.43	
501.1 Adult books	29,632.39	26,225.00	28,280.98	107%	26,500.00	

501.2 Children's books	12,706.96	13,000.00	11,292.10	87%	13,000.00
501.3 Reference books	0.00	0.00	0.00	#DIV/0!	0.00
501.4 Professional books	550.00	600.00	1,052.20	175%	600.00
501.6 Young Adult Materials	3,173.28	5,000.00	1,581.60	32%	5,000.00
503 Periodicals	2,110.68	2,300.00	2,321.13	99%	2,342.74
504.1 Adult A-V materials	6,889.55	8,225.00	6,683.20	95%	7,025.00
504.2 Juv A-V materials	3,127.25	4,000.00	3,271.96	82%	4,000.00
504.3 Downloadable media	4,958.00	5,250.00	7,384.69	121%	6,087.00
50xx TOTAL MATERIALS	63,148.11	64,600.00	61,867.86	96%	64,554.74
505 ILL Activity	11,366.89	10,915.00	11,163.20	93%	12,035.00
506.1 Adult Program Activity	4,460.35	4,500.00	4,800.90	107%	4,500.00
506.2 Juv Program Activity	4,730.11	4,500.00	3,935.91	87%	4,500.00
507 Copy Machine	0.00	0.00	0.00	#DIV/0!	0
521 Gross Wages	244,681.24	283,075.00	249,870.11	91%	274,959.87
522 Medical Insurance	21,992.68	21,797.00	23,550.93	102%	23,164.86
523 FICA	16,865.82	21,655.24	17,372.69	83%	21,034.43
525 LAGERS	15,075.96	16,500.81	19,472.35	98%	19,885.17
52xx TOTAL	298,615.70	343,028.05	310,266.08	92%	339,044.32
531.1 Gas	2,077.03	2,210.00	2,547.06	119%	2,138.91
531.2 Electricity	13,678.21	14,864.02	13,419.11	98%	13,752.82
531.3 Water	639.29	700.00	1,050.79	157%	668.8
531.4 Sewer	0.00	0.00	0.00	#DIV/0!	0
532 Telephone	6,572.98	5,760.00	7,424.64	106%	7,032.00
533 Repairs & Maintenance	15,855.08	15,000.00	13,696.82	95%	14,476.00
534 Janitorial	10,955.35	10,800.00	10,800.00	100%	10,800.00
535 Equipment	4,264.43	4,300.00	139.49	#DIV/0!	0.00
53xx TOTAL	54,042.37	53,634.02	49,077.91	100%	48,868.54
541 Computer Maintenance	21,687.10	22,570.00	20,602.22	97%	21,331.83

542	Operating Supplies	8,302.72	9,000.00	12,286.17	131%	9,400.00
543	Postage	960.86	1,200.00	1,273.58	142%	900.00
544	Insurance	0.00	3,600.00	3,600.00	97%	3,700.00
545	Accounting	13,610.00	15,640.00	11,186.00	108%	10,380.00
548	Computer Software	0.00	0.00	0.00		0
549	Public Relations	315.00	1,000.00	582.50	98%	595.00
54xx	TOTAL	44,875.68	53,010.00	49,530.47	107%	46,306.83
551	Continuing Education	0.00	300.00	15.00	#DIV/0!	0.00
552	Organizational Dues	290.00	250.00	0.00	0%	400.00
55xx	TOTAL	290.00	550.00	15.00	4%	400.00
595.1	Miscellaneous	2,157.54	1,800.00	1,195.57	63%	1,900.00
595.2	Debt Collection	716.00	890.00	591.00	79%	750.00
595.3	Card Acceptance	318.57	384.00	304.82	94%	324.00

Construction Fund, FY 2017-2018

Revenue	Budgeted
304. Interest	12.00
TOTAL	12.00

Expenditures		
501.1 Foundation		
Repairs	0.00	
501.2 Consultant fees	0.00	
501.3 Other Repairs	1,210.00	Plaza and/or Reading Room
TOTAL	1,210.00	

Excess Over (Under) (1,198.00)

Proceeds 1,206.32

Net 8.32

Prior Fiscal Years

Balance Sheet

	Actual, Prior FY (15-16)	Budgeted, Prior FY (15-16)	Estimated, Current FY (16-17)	Budgeted, Current FY (16-17)
Revenue				
304 Interest	22.00	15.00	12.00	15.00
Expenditures				
501.1 Foundation				
Repairs	0.00	0.00	0.00	0.00
501.2 Consultant Fees	0.00	0.00	0.00	0.00
				10,682.0
501.3 Other Repairs	768.99	10,650.00	13,183.68	0

Debt Service

Revenue	budgeted	
301. Tax revenue	265,908.00	
304. Interest	150.00	
TOTAL	266,058.00	
Expenditures		
501. Premiums	222,125.00	Sept, 2017 & Feb, 2018
Excess Over (Under)	43,933.00	
Proceeds	188,490.00	cash in the account on 7/1/17
Net	232,423.00	carry-over to next FY

Prior Fiscal Years

	Actual, Prior FY (15-16)	Budgeted, Prior FY (15-16)	Estimated, Current FY (16-17)	Budgeted, Current FY (16-17)
Revenue				
301. Tax revenue	258,989.00	234,583.00	233,201.43	261,821.25
304. Interest	224.00	200.00	168.00	200.00
TOTAL	259,213.00	234,783.00	233,369.43	262,021.25
Expenditures				
501. Premiums	227,497.00	227,425.00	231,279.00	230,525.00