

# 2014 BUDGET

## Preliminary EXPENDITURE Requirements – May 29, 2014 Prepared by Julie Anne Chase, Library Director

### I. Operating Reimbursement Program

#### A. Libraries in Dane County

In **2014**, a formula that averaged payment data over three years was used. Ultimately, that formula was funded at 100% and required \$2,850,669 in payments to libraries. This was funded by county library tax revenue of \$2,735,400 and payments totaling \$115,269 from Fitchburg and Madison libraries.

In **2015**, payments made to libraries inside Dane County will continue to be affected by the July 1, 2011 opening of the Fitchburg library. For 2012, we estimated payments to Fitchburg and from Fitchburg involving the county and all the other municipal libraries, based on predicted operating costs and and checkouts by non-residents. For 2013, we were able to estimate based on limited, but actual data. In 2014, we again estimated payments, but with even more actual data available to us. The 2013 contract with Fitchburg established a timeline and methodology for adjusting these payments based on data from three actual years of data when they become available. Unfortunately, that won't be until the 2016 budget is prepared. Estimated payments are calculated for the 2015 budget using the two years of actual data we currently have for Fitchburg.

All 2015 operating payments to libraries for serving **county** residents are estimated to total \$2,830,000. This is an increase of 3.5% over the 2014 county obligation of \$2,735,400.

Calculations regarding the amount of these payments that will be reallocated due to cross municipal use have not yet been completed, nor has the estimated payments to and from Fitchburg and Madison.

#### B. Libraries outside of Dane County.

By statute, Dane County must pay libraries in adjacent counties at 70% of their costs for serving our residents. In **2014**, that required \$160,400. Claims may be made until July 1, so the total funds required to meet claims in

2015 are not yet known. Payments out of county are currently estimated to require **\$170,000**, a 6% increase.

## II. Facility Reimbursement Program (only libraries in Dane County)

In **2014**, a formula that averaged payment data over three years was used. Ultimately, that formula was funded at 100%. It required a budget of **\$484,281**. This was funded by county library tax revenue of \$446,800 and payments of \$37,481 from Fitchburg and Madison.

All facility payments to libraries for serving **county** residents are estimated to total \$480,900. This is a 7.6% increase over the 2014 county obligation of \$446,800.

Calculations regarding the amount of these payments that will be reallocated due to cross municipal use have not yet been completed, nor has the estimated payments to and from Fitchburg and Madison.

## III. Personnel

No information is yet available regarding personnel costs for 2014. We are currently fully staffed, although we have reason to expect resignations late this summer.

## IV. Other Budget Line Items

- A. Delivery. The 2014 budget for delivery remained unchanged from the previous two years. While SCLS continues to try to hold the line on costs (and service reductions did occur in 2014), it is likely that there will be an increase in this contract for 2015; at this point, the amount of that increase is not known.
- B. Conference & Training. Reduced several years ago to \$800, this budget no longer supports participation in national conferences – or, realistically, for participation in state conferences or other in-state training opportunities for the director, let alone other staff. An increase of \$2,000 would allow for more robust training for staff and for the director who does have to maintain state certification.
- C. Data processing costs. Libraries participating in LINK will approve a budget in late July. Again, this budget has not increased since 2012; however, I don't believe that DCLS will see an increase in 2015.

- D. Shared Utility and Maintenance costs. No information has been received regarding this transfer to the general county budget. It is currently budgeted at \$10,570 and has not changed since 2012.
- E. Indirect Costs. Budgeted for 2014 at \$34,751 (an increase over the \$20,400 budgeted for 2013 and 2012). No information about this transfer to the general county budget has yet been provided for 2015.
- F. Rent. A new budget line in 2014, this is currently budgeted at \$60,000. No information has been received as to whether this will increase for 2015. No definitive information has been received regarding the possible relocation of the Library Service in 2015. Should that become necessary, an increase in rent would certainly be necessary – as would a moving budget in the neighborhood of \$65,000.
- G. Books and other library materials. The 2014 budget provided an inflationary increase. Besides books, magazines, audio and videorecordings, we purchase access to a number of databases (\$8,600) and pay our share of the statewide buying pool for digital audio and ebooks (\$4,256). It can be anticipated that these costs, in particular, will increase. To some degree, the increases can be met with decreases in our expenditures for print materials, but demand for print is not decreasing proportionally. With the costs of our participation in these shared programs increasing as our use rises, a budget increase of 4 to 5% in our book budget would be easily justified.
- H. Operating Equipment Expense. The county significantly increased this line item for 2013 which proved adequate for that year. Fuel costs have stabilized and repairs have been minor so far this year. No increase should be needed.

## V. Capital Budget

- A. Bookmobile Replacement. The capital plan calls for a replacement of the bookmobile in 2015 and estimates the cost at \$275,000. Both the design and function of bookmobiles have changed in the last twelve years. We are currently working on price estimates for a vehicle that would include LED lighting, CNG fueled engine and generator, a kneeling feature with ramp, a slide to provide more room for computer access. The CNG fueling is estimated to add \$30,000 to the price.

## VI. Budget Guidelines

There has been no indication of a release date for 2015 budget guidelines.