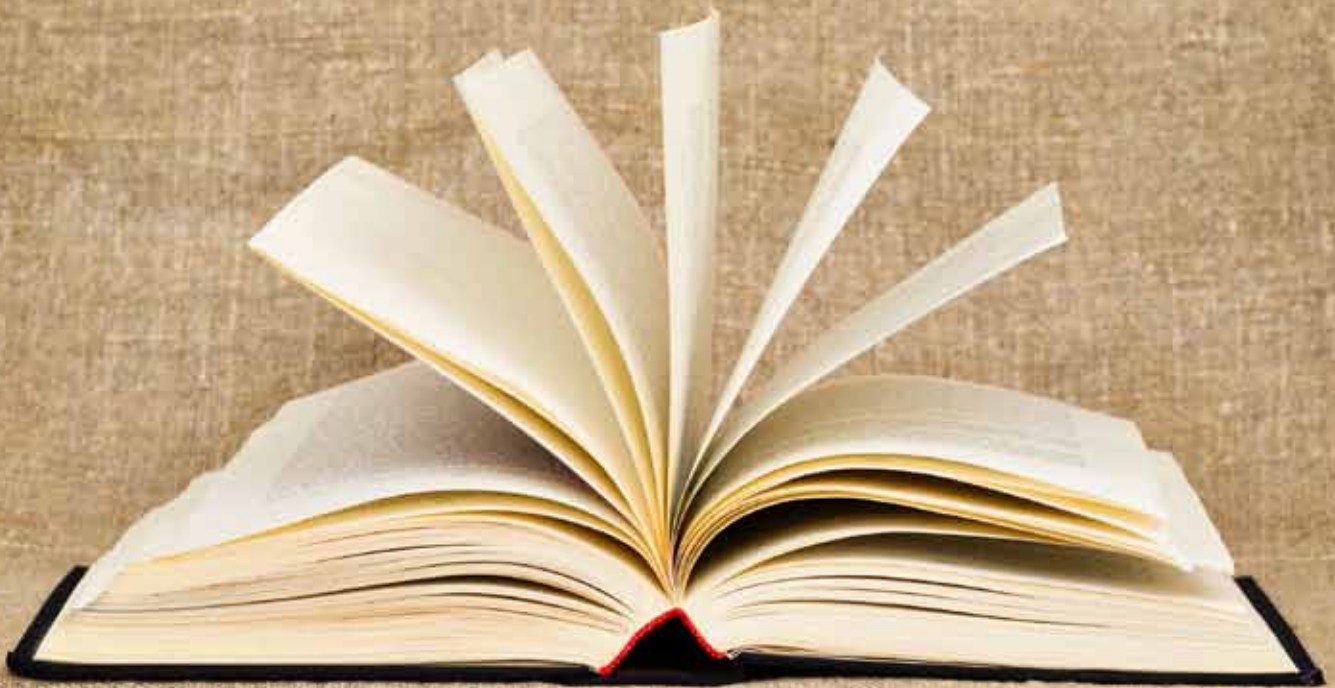


Kent District Library

Strategic Plan

2011 Update



KDL

Kent District Library
www.kdl.org

Kent District Library

KDL Service Center

814 West River Center Drive
Comstock Park, MI 49321-8955
Ph: 616-784-2007
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Kent District Library is a millage-supported system encompassing 18 branch libraries in 26 governmental units throughout Kent County, Michigan. KDL serves 365,669 people in all areas of Kent County except the Cities of Grand Rapids and Cedar Springs, Village of Sparta, and Solon and Sparta Townships.

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*An obstacle is often an
unrecognized opportunity.*

-Unknown

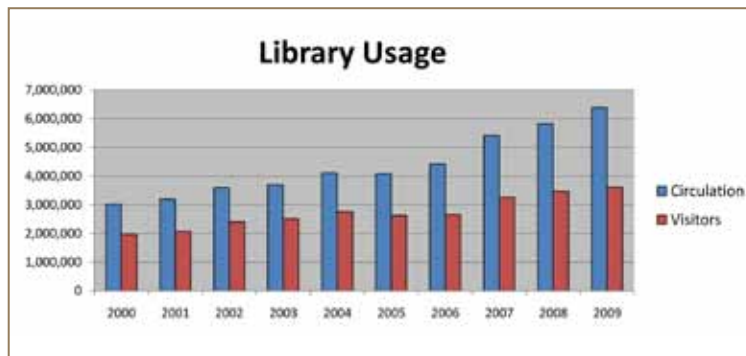
Strategic Plan

2011 Update

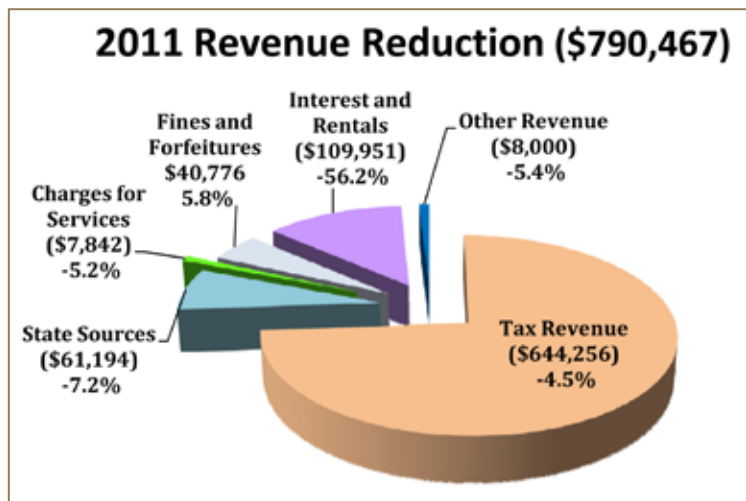
I. INTRODUCTION

The Strategic Plan 2011 Update is designed to support the 2010-2012 Kent District Library Strategic Plan and continue KDL's tradition of excellence in library service. A significant challenge for KDL in 2011, and into the foreseeable future, will be to balance our patrons' increasing desire and expectation for the best available resources with the need to remain fiscally responsible to the KDL taxpayers during these difficult economic times.

Like public libraries throughout the nation, Kent District Library is experiencing an upswing in usage due to the current recession. Rather than buying books, DVDs, or CDs, more people are turning to the library to borrow these items. Job seekers have discovered that libraries offer access to a high-speed internet connection for online applications and networking. Families are especially appreciative of the library's free, high-quality, literacy-based program opportunities for their children. As a result, KDL continues to rank as one of the busiest libraries in the nation for our population bracket.



While usage continues to increase, KDL faces escalating costs and shrinking financial resources. The Kent District Library millage, based on property taxes, provides 88% of the library's total revenue. From 2009 to 2010, property taxes in Kent County dropped resulting in a loss of \$644,256. KDL's other revenue sources declined by \$146,211 for a total revenue reduction of \$790,467, or 4.8%. Due to these fiscal realities, Kent District Library must scale back operations and reduce our 2011 expenditures.



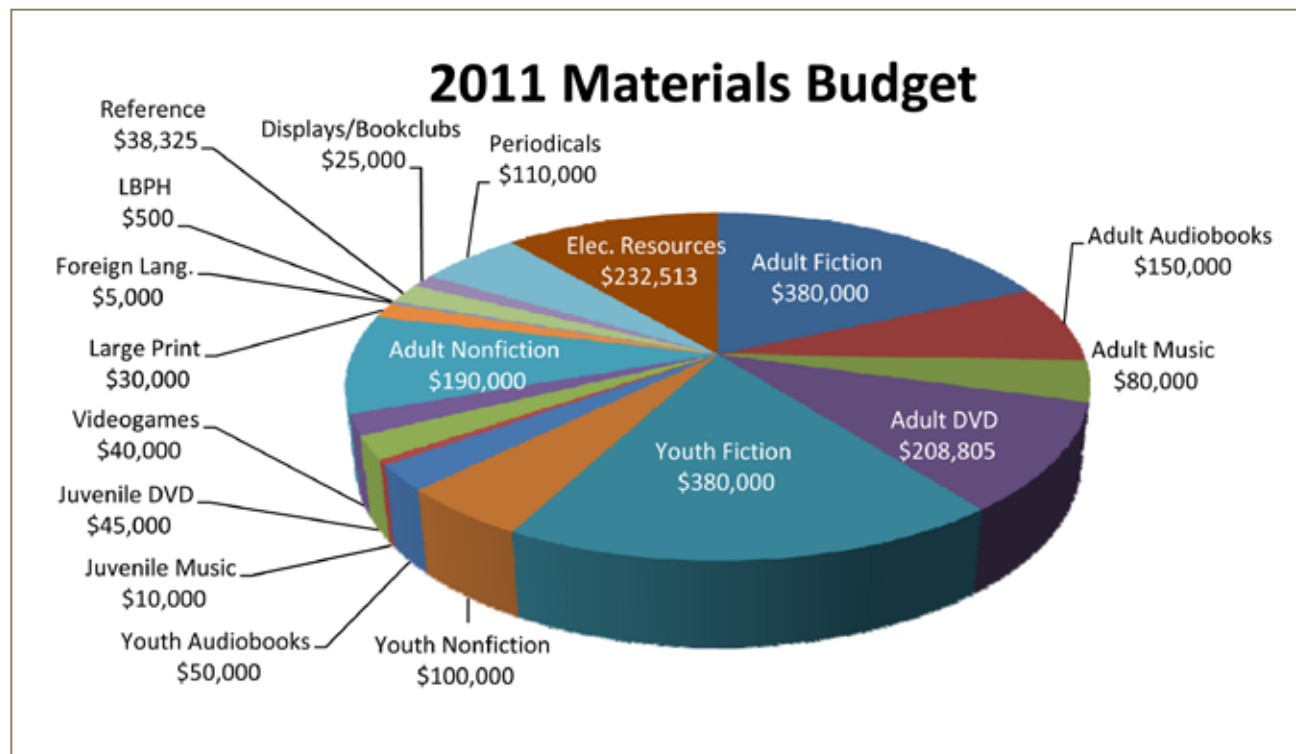
In order to achieve a balanced budget and succeed in reaching our strategic plan objectives, we recommend the following for 2011:

COLLECTION:

Focus materials collection on high demand items.

The 2011 budget calls for a 14.8% reduction in materials spending in all format areas (total reduction of \$353,235). Even with this decrease, the amount allocated for materials still represents 13% of the total 2011 operating budget. For libraries wishing to achieve the top rating of “Excellent,” the Michigan QSAC guidelines require at least 12% of a library’s operating expenses to be spent on materials.

Due to the Lakeland Library Cooperative’s decision in 2010 to eliminate sharing of audio-visual materials and new books, KDL can now purchase less copies of these materials and still maintain a low holds ratio for KDL cardholders. In 2011, KDL will focus spending on high demand topics and purchase fewer print reference books as many of these resources are now available online. Additionally, with a number of magazine publications going out of print, we will reassess our periodical orders. KDL will also continue to invest in virtual resources such as *Freegal* downloadable music thereby freeing up shelf space and providing more options for patrons.



COMMUNICATIONS AND MARKETING: Tell the KDL Story.

Communicating the value of Kent District Library will be increasingly important as the next millage vote approaches in 2013. In 2011, we will endeavor to spread the story of KDL's positive impact in the community through our publications as well as via important online tools such as our website, blog, and Twitter and Facebook pages.



We have also tightened our focus on the most effective communications strategies in 2011, which resulted in trimming our television advertising budget and eliminating our monthly advertisement in the Grand Rapids Family Magazine. These changes will reduce our advertising and promotions budget by 15.9%. With regard to our branding emphasis in 2011, we will focus on creating a consistent look for KDL publications using the current KDL logo.

FACILITIES: Make branches welcoming and easy to use.

Kent District Library strives to offer welcoming buildings that encourage learning, inspiration, and community. Way-finding signage and marketing displays are ways to improve patrons' ability to easily navigate the library and locate what they are looking for. In 2011, KDL is allocating \$15,000 for interior and exterior way-finding signs and \$5,300 for wifi-friendly furniture.

Additionally, some libraries in the nation have successfully adopted a "bookstore style" shelving arrangement for their non-fiction collection by grouping similar topics in broad patron-friendly categories such as "gardening" or "weddings" rather than in Dewey Decimal order. KDL will adopt this idea as a pilot project in the new Caledonia Township branch scheduled to open in early 2011.

HUMAN RESOURCES: Hold staffing costs steady.

Like most service industries, staffing costs are the largest segment of KDL's expenses (68.2% of the total 2011 budget). While KDL's item circulation has risen by 18% over the last three years, we have been able to maintain approximately the same level of FTEs by eliminating management positions through attrition, implementing self-service options (e.g., self check-out and holds self-pickup areas), combining service points, and adding enhancements to the KDL website. In the 2011 budget, the only new staff position being proposed is that of a 24-hour adult paraprofessional for the Caledonia Township branch. Additionally, to reduce training costs in 2011, the KDL staff training plan will rely more heavily on KDL's own subject matter experts to promote learning across the system.

PROGRAMS AND SERVICES: Focus on Strategic Plan Goals.

Kent District Library takes great pride in offering quality programs and services for our customers. In 2011, we intend to maintain a similar number and variety of programs as offered in 2010, but at a reduced cost. We will do so by eliminating non-essential items from existing children's programs (e.g., some craft supplies and prizes) as well as reducing the prize budget for the Let It Snow Adult Reading Club. Additionally, some programs, such as author visits, will need to be funded through donations, grants, or partnerships. With these changes, KDL will trim \$20,799, or 13.4%, from the program budget.

In 2011, an increased emphasis will be placed on developing cultural programs (Strategic Plan Goal #5) in partnership with community groups. We have budgeted \$7,000 to jumpstart these initiatives. Early literacy (Goal #4) will now be promoted through KDLville spaces and programs. KDLville spaces are branded, interactive early literacy learning centers created by enhancing current KDL youth areas. KDLville locations will provide developmentally appropriate books and activities carefully selected to help parents and caregivers prepare their young children to enter school ready to learn to read, write, and listen. Beginning with three branches in 2010, the KDLville project will be expanded to at least six more branches in 2011.



For adults (Goal #1), KDL will expand and market the online readers advisory service to promote awareness of great authors and titles. Plans are in place to expand this service to older children and teens in 2012.



Finally, in order to offer another Novel Experience event in 2011, the KDL Fund Development Board will seek corporate sponsorships and donations to underwrite the total cost of this event thereby reducing KDL's program budget by \$10,000. Other funds raised through the KDL Annual Fund will be used to continue the support of early literacy projects such as the Imagination Stations, early literacy computers, and the Play, Grow, Read to your Baby kits.

TECHNOLOGY:

Maximize efficiencies and improve service through technology.

The primary projects for 2011 are to install at least three automated self check-in modules and to purchase wireless inventory control devices. This technology will help improve staff workflow through the electronic check-in of items upon return and by offering the ability to electronically scan shelves for hold items and mis-shelved materials.

Additional technology expenses in 2011 will include installation of self check-out units and security gates at the new Caledonia Township Branch (\$30,700) and increased bandwidth at the Kentwood and Wyoming Branches (\$4,800). Although originally scheduled for 2011, the plan to replace all 325 public computers will be implemented in 2012. This one year delay will hopefully provide time for advancements in thin client technology to better address digital photography downloads and other functions requested by the public that are not currently available.



SUMMARY

These are challenging times for public libraries. Hard times, however, bring new opportunities, fresh ideas, and innovation. Kent District Library is committed to find creative ways to address challenges, to improve service, and become even stronger in the year to come.



II. GOALS, OBJECTIVES, & ACTIVITIES

The Kent District Library has chosen goals in response to the specific needs of our community and set measurable objectives to track the library's progress toward reaching those goals. Activities were chosen in support of these objectives and will be regularly evaluated and modified as needed to ensure that the objectives are met over the course of the three year strategic plan.

GOAL #1: Adults in the KDL service area will find a variety of popular materials they want to read, listen to, or view to enhance their leisure time.

Objectives:

- 1.1 By December 31, 2012, the circulation of Express books will increase by 21%, from 206,700 (FY 2008) to 250,000.
- 1.2 Each year, 85% of adults will say that they receive the materials they put on hold in a timely manner.
- 1.3 Each year, 85% of adults who come to the library looking for something "good" to read, listen to, or view will say they found what they were looking for.
- 1.4 By December 31, 2012, the circulation of adult fiction will increase 7%, from 931,000 (FY 2008) to 1 million.
- 1.5 By December 31, 2012, the circulation of adult media (DVDs and Express DVDs, audiobooks, downloadable media, and music CDs) will increase 20%, from 1.5 million (FY 2008) to 1.8 million.



2011 Activities:

- By February 1, 2011, pilot a topical (book store) organizational model for shelving non-fiction at the new Caledonia Township branch.
- By March 31, 2011, increase use of the personalized Online Readers Advisory service and improve the staff module for managing this program.
- By April 30, 2011, plan, implement, and evaluate the Let it Snow Adult Reading Club and make recommendations for changes in 2012.

- By June 1, 2011, add an Adult component to the Kids/Teen Summer Reading Club.
- By December 31, 2011, focus purchasing of adult library materials using objective measurement tools such as relative use ratios and turnover rates.
- By December 31, 2011, expand *Book Club in a Bag* by developing at least 10 new kits, using donations from Friends book discussion groups when possible.
- By December 31, 2011, create monthly printable bookmarks with coordinating online booklists to promote the collection.
- By December 31, 2011, evaluate and update existing rotating displays based on feedback from branch staff.

2012 Activities:

- By December 31, 2012, improve way-finding signage.
- By December 31, 2012, organize DVDs by genre at all branches to improve customer browse-ability.

GOAL #2: Children (ages 6-10) in the KDL service area will discover materials and programs that stimulate their imagination, satisfy their curiosity, and foster a love of reading.

Objectives:

- 2.1 Each year, at least 12,000 children will participate in the summer reading program.
- 2.2 By December 31, 2012, the circulation of children's books (juvenile fiction and non-fiction) will increase 24%, from 890,000 (FY 2008) to 1.1 million.
- 2.3 By December 31, 2012, the circulation of children's media will increase 10%, from 61,000 (FY 2008) to 67,500.



2011 Activities:

- Throughout the school year, develop school partnerships and programs.
- Throughout the year, participate in community outreach events to inform parents and caregivers of library programs and services.
- By September 30, 2011, analyze, improve, and refocus activities for LEAP programs.

- By September 30, 2011, plan, implement, and evaluate the Summer Reading Club for school age children.
- By December 31, 2011, focus purchasing of school age library materials using objective measurement tools such as relative use ratios and turnover rates.
- By December 31, 2011, youth staff in each region will plan, implement, and evaluate one program for school-age children featuring a popular topic or character for this age.

2012 Activity:

- By December 31, 2012, install kid-friendly end-cap signage/shelf labels.

GOAL #3: Teens (ages 11-16) in the KDL service area will find materials and activities that support their interest in the ever-changing popular culture.

Objectives:

- 3.1 Each year, at least 4,500 teens will participate in the library's summer reading program.
- 3.2 By December 31, 2012, the circulation of popular teen materials (teen fiction, video games, and graphic novels) will increase 19%, from 310,000 (FY 2008) to 370,000.
- 3.3 Each year, 70% of teens who come to the library looking for something they want to read, listen to, or view will say they found what they were looking for.



2011 Activities:

- By February 28, 2011, update graphics and evaluate activities for the Teen Crew summer volunteer program.
- By September 30, 2011, plan, implement, and evaluate the Summer Reading Club for teens.
- By December 31, 2011, focus on high-attendance programs for teens (e.g., gaming, anime, poetry, and film contests).
- By December 31, 2011, focus purchasing of teen library materials using objective measurement tools such as relative use ratios and turnover rates.

2012 Activity:

- Update décor in teen areas (if local funds are available).

GOAL #4: Young children (ages 0-5) in the KDL service area will have materials and activities that help them to develop the skills they need to be ready to learn to read, write, and listen when they enter school.

Objectives:

- 4.1 By August 31, 2011, the number of young children who participate in the library's summer reading program will increase 33%, from 3,000 (est. FY 2008) to 4,000.
- 4.2 By December 31, 2011, the number of parents or caregivers who attend workshops and events on early literacy skills sponsored, co-sponsored, or presented by the library will increase 33%, from 15,000 (FY 2008) to 20,000.
- 4.3 Each year, 75% of parents and caregivers will say the library helps their children develop the skills they need to be ready to learn to read, write, and listen.
- 4.4 By December 31, 2011, the circulation of picture books will increase 20%, from 536,250 (FY 2008) to 645,000.



2011 Activities:

- By September 30, 2011, plan, implement, and evaluate the Summer Reading Club for children ages 0-5.
- By December 31, 2011, create new *KDLville* spaces in six branches and complete associated staff training. Evaluate through peer shopping as well as public and staff surveys.
- By December 31, 2011, youth staff in each region will plan, implement, and evaluate one program for pre-school children featuring a popular topic or character for this age.
- By December 31, 2011, offer at least one Early Childhood Essentials workshop for adults each quarter in each region.



GOAL #5: Young people and their families in the KDL service area will have opportunities for cross-cultural growth and understanding.

Objectives:

- 5.1 Each year, at least 20% of all KDL programming will provide opportunities for cross-cultural growth and understanding.
- 5.2 Each year, sponsor or co-sponsor 18 exhibits and displays that highlight the cultures in the communities served by KDL.

2011 Activities:

- By January 31, 2011, create a Cultural Awareness Workgroup to plan, implement, and evaluate activities and develop community connections that support the cultural awareness goal.
- By May 31, 2011, plan, implement, and evaluate a system-wide *El Dia de Los Ninos* program.
- By August 31, 2011, maximize the use of the 2011 Collaborative Summer Library Program (CSLP) theme of “World Culture/World Travel” to increase cross-cultural growth and awareness through paid performers and staff programs.
- By December 31, 2011, each branch will develop and implement at least one display of books/materials that highlight another culture.
- By December 31, 2011, offer Storytime Ambassador programs in at least three branches using bilingual community volunteers.
- By December 31, 2011, invite at least three ethnic groups to provide exhibits for display cases.
- By December 31, 2011, each region will collaborate with community groups to plan, implement, and evaluate one cultural program.



GOAL #6: Everyone in the KDL service area will have access to the Internet.

Objectives:

- 6.1 Annually, on average, no more than two people per hour will wait for a computer station.
- 6.2 Each year, 90% of library users will report that they are satisfied with Internet services provided by the library.
- 6.3 By December 31, 2012, the number of people who use the library's wireless network to connect to the Internet will increase 30% from 67,000 (FY 2008) to 87,000.



2011 Activity:

- By May 31, 2011, create or improve “wireless-friendly” spaces in at least three branches.

GOAL #7: Adults in the KDL service area will have the skills they need to find, evaluate, and use electronic information.

Objectives:

- 7.1 By December 31, 2010, at least 199,000 people will receive the help they need to take full advantage of the wide array of electronic resources available.
- 7.2 Each year, 90% of library users will say that when they asked for help finding, evaluating, or using electronic information, KDL staff members were helpful or very helpful.



2011 Activities:

- Throughout the year, post at least three blog entries per month to increase awareness of KDL's technology and electronic resources.
- By December 31, 2011, evaluate the Reference Resources section of the website and make suggestions for improved content and access.
- By December 31, 2011, develop at least three new computer class offerings focusing on high demand/high interest topics.

III. ORGANIZATIONAL COMPETENCIES & INITIATIVES

Organizational competencies are institutional capacities or efficiencies that are necessary to enable the library to achieve the goals and objectives in its strategic plan. While service goals focus on effectiveness and identify direct benefit to community residents, organizational competencies describe the operational changes the library will have to make to ensure that library operations are efficient.

1. EXTERNAL PARTNERSHIPS

The Kent District Library will actively seek partnerships with organizations and institutions to enable the library to better serve its customers and achieve its service goals.

- *Initiative 1.1:* By December 31, 2010, develop a comprehensive and accurate list of organizations and agencies with which the library has formal or informal partnerships. **[COMPLETED 2010]**
- *Initiative 1.2:* By June 30, 2012, develop criteria and the process to be used when assessing existing or potential partnerships.
- *Initiative 1.3:* By December 31, 2012, complete staff training on the library's partnership policy.

2. MEASUREMENT AND EVALUATION

The Kent District Library will collect the data needed to make informed management decisions.

- *Initiative 2.1:* Annually in January, review the process by which library use data is collected, compiled, and distributed, and revise the process as necessary to collect relevant management data as needed to monitor progress toward achieving the targets in the strategic plan objectives. **[COMPLETED 2010]**
- *Initiative 2.2:* By May 31, 2012, assess service quality to ensure staff is providing prompt, friendly, and accurate service and that facilities are clean, welcoming, and inviting environments. **[NEW 2011]**

3. ORGANIZATIONAL EFFICIENCIES

The Kent District Library will utilize technologies and processes that improve access to information, enhance customer service, and maximize efficient service delivery. Additionally, the Kent District Library will strengthen regional collaboration to achieve equitable staffing and increase access for customers to information, materials, programs, and service.

- *Initiative 3.1:* By December 31, 2010, work with circulation staff and shelvers to identify best practices and revise current library procedures and practices accordingly. **[COMPLETED 2010]**
- *Initiative 3.2:* By December 31, 2011, review and revise the procedures for handling returned materials to ensure that materials are available to the public in a timely manner. **[COMPLETED 2010]**
- *Initiative 3.3:* By January 15, 2010, implement a plan to centralize the selection of reference materials. **[COMPLETED 2010]**
- *Initiative 3.4:* By December 31, 2010, review and revise the procedures for handling telephone calls in the Patron Services Department to ensure that calls will be answered by staff at least 80% of the time. **[COMPLETED 2010]**
- *Initiative 3.5:* By June 30, 2010, research success of alternate fine structures at other comparable libraries and make a recommendation for the 2011 Strategic Plan. **[IN PROGRESS 2010]**
- *Initiative 3.6:* By June 30, 2010, research implications of offering an amnesty week. **[DISCONTINUED DUE TO BUDGET CONCERNS]**
- *Initiative 3.7:* By January 30, 2010, implement regional youth program planning, scheduling, and budgeting. **[COMPLETED 2010]**
- *Initiative 3.8:* By October 30, 2010, computer classes will be offered at three regional computer labs. **[COMPLETED 2010]**
- *Initiative 3.9:* By December 31, 2010, public transactions will increase by 100% from 114,000 (2009) to over 228,000 through the implementation of scheduled walkabout reference. **[IN PROGRESS 2010]**
- *Initiative 3.10:* By March 31, 2010, non-fiction collections will be weeded based on an 18-month last activity date criteria. Popular materials will be moved as needed to more accessible collection areas. **[COMPLETED 2010]**
- *Initiative 3.11:* By December 31, 2010, eliminate VHS and books-on-cassette formats from the collection. **[IN PROGRESS 2010]**
- *Initiative 3.12:* By January 2, 2011, coordinate open hours across the system to achieve consistency and improve customer accessibility. **[NEW 2011]**

- *Initiative 3.13:* By January 2, 2011, secure audiobook processing service (labeling and packaging) to expedite item availability for customers and to reduce staff workload. **[NEW 2011]**
- *Initiative 3.14:* By January 31, 2011, develop staffing template to ensure equitable staffing at all size branches. **[NEW 2011]**
- *Initiative 3.15:* By February 28, 2011, investigate employee scheduling software options to improve the ease and efficiency of staff scheduling. **[NEW 2011]**
- *Initiative 3.16:* By March 31, 2011, identify and implement Information Services best practices for readers' advisory, collection maintenance, and customer service. **[NEW 2011]**
- *Initiative 3.17:* By March 31, 2011, develop a collection maintenance plan that identifies areas of focus for selection and weeding. **[NEW 2011]**
- *Initiative 3.18:* By May 31, 2011, purchase inventory equipment to improve shelving and check-in accuracy rates. **[NEW 2011]**
- *Initiative 3.19:* By December 31, 2011, update the Disaster Manual. **[NEW 2011]**

4. FUND RAISING

The Kent District Library will work through the Friends of the Library and the KDL Annual and Endowment Funds to solicit private funds to support and enhance library services.

- *Initiative 4.1:* Annually, develop a fundraising plan that identifies opportunities and strategies for private funding from sources such as grants, fundraising, and gifts.
- *Initiative 4.2:* Annually, raise \$100,000.

5. SUSTAINABILITY

The Kent District Library will be environmentally responsible.

- *Initiative 5.1:* By December 31, 2011, branch and Service Center "green champions" will be identified to continue seeking out sustainable practices which will be promoted system wide.
- *Initiative 5.2:* By December 31, 2011, LEED-certified branches will work towards aligning their operations with their green building. Initiatives will be shared and practices will be promoted system wide. **[NEW 2011]**

6. TRAINING AND STAFF DEVELOPMENT

The Kent District Library will recruit, train, and deploy staff who provide and support quality customer service for all library users.

- *Initiative 6.1:* By January 15, 2010, produce a Staff Development Plan that identifies the training necessary as a result of revised job descriptions reflective of the strategic plan. **[COMPLETED 2010]**
- *Initiative 6.2:* By December 31, 2011, utilize a variety of delivery models for staff development and document training outcomes.
- *Initiative 6.3:* By December 31, 2011, complete a staff survey to assess satisfaction with the quality, appropriateness, and availability of staff development offerings.
- *Initiative 6.4:* By December 31, 2011, every KDL staff person will have had the opportunity to complete 60% of the requirements identified in the Staff Development Plan for his/her position. **[NEW 2011]**
- *Initiative 6.5:* By December 31, 2012, every KDL staff person will have had the opportunity to complete 100% of the requirements identified in the Staff Development Plan for his/her position. **[NEW 2011]**
- *Initiative 6.6:* By December 31, 2012, have the necessary technology and training to generate, deliver, and evaluate e-learning opportunities for staff via KDLU's Learning Management System. **[NEW 2011]**

7. TECHNOLOGY

The Kent District Library will create efficiencies through technology as well as offer current and emerging technologies to meet customer needs.

- *Initiative 7.1:* By December 31, 2012, replace public computers.
- *Initiative 7.2:* By December 31, 2010, provide technology for new facilities in Kentwood and Caledonia Township. **[IN PROGRESS 2010]**
- *Initiative 7.3:* By December 31, 2010, KDL and LLC will renegotiate the contract for wide area network. **[COMPLETED 2010]**
- *Initiative 7.4:* By December 31, 2010, develop an automated method of selling access to the *What's Next* database. **[IN PROGRESS 2010]**
- *Initiative 7.5:* By December 31, 2010, research options for providing youth software games on public computers. **[COMPLETED 2010]**
- *Initiative 7.6:* By May 31, 2011, add self check-in equipment in at least 3 more branches and evaluate impact on staff workload and productivity. **[NEW 2011]**

8. FACILITIES

The Kent District Library will be a destination for all ages featuring attractive and inviting facilities with an easy to navigate, flexible marketplace environment designed to adapt to a variety of uses.

- *Initiative 8.1:* By April 30, 2010, in collaboration with the Caledonia Building committee, complete the design of the new Caledonia Township Branch in preparation for the township completing the bid process for the construction work. **[COMPLETED 2010]**
- *Initiative 8.2:* By October 31, 2010, work with the city of Kentwood to complete the building project and open the new Kentwood Branch. **[IN PROGRESS 2010]**
- *Initiative 8.3:* Ongoing, KDL will consult with communities as needed to assist with space needs assessment and managers will be trained to understand the application of standard library industry space planning tools. **[COMPLETED 2010]**
- *Initiative 8.4:* By June 30, 2010, managers will collaborate regionally to repurpose branch space and develop the best use of existing space to achieve the goals of the strategic plan. **[COMPLETED 2010]**
- *Initiative 8.5:* By February 28, 2011, work with the Caledonia Building Committee and branch staff to complete the building project and open the new Caledonia Township Branch. **[NEW 2011]**
- *Initiative 8.6:* By August 31, 2011, implement KDL signage guidelines in all branches. **[NEW 2011]**

9. MARKETING AND COMMUNICATIONS **[NEW 2011]**

The Kent District Library will continually communicate a positive image of the library and promote the availability of the library's resources, services, and programs by utilizing a variety of public relations and marketing tools.

- *Initiative 9.1:* Annually, develop a Marketing Plan to increase public awareness of KDL programs and services.
- *Initiative 9.2:* By June 30, 2011, conduct a publication audit of printed materials and signage to support and ensure brand consistency and create a KDL template and style guide.
- *Initiative 9.3:* By December 31, 2011, increase the number of KDL e-newsletter subscribers by 25%, from 6,400 (June 2010) to 8,000.
- *Initiative 9.4:* By December 31, 2012, develop library value statements and a communication plan in preparation for the 2013 millage campaign.

Budget

IV. 2011 BUDGET

KENT DISTRICT LIBRARY 2011 OPERATING BUDGET

NOTE	REVENUES:	2010 BUDGET 0.8800 Mill	INCREASE/ (DECREASE)	% of Increase/ (Decrease)	2011 BUDGET 0.8800 Mill	% of 2011 Total
1	Tax Revenue	14,387,625	(644,256)	-4.5%	13,743,369	87.87%
2	State Sources	849,946	(61,194)	-7.2%	788,752	5.04%
3	Charges for Services	151,022	(7,842)	-5.2%	143,180	0.92%
4	Fines and Forfeitures	698,684	40,776	5.8%	739,460	4.73%
5	Interest and Rentals	195,479	(109,951)	-56.2%	85,528	0.55%
6	Other Revenue	147,576	(8,000)	-5.4%	139,576	0.89%
	TOTAL REVENUES	16,430,333	(790,467)	-4.8%	15,639,865	100.00%

EXPENDITURES:

7	Salaries and Wages	8,356,944	(16,441)	-0.2%	8,340,503	53.33%
8	Employee Benefits	2,566,256	(234,970)	-9.2%	2,331,286	14.91%
9	Supplies	403,662	(27,077)	-6.7%	376,585	2.41%
10	Professional & Contractual Services	698,124	(86,329)	-12.4%	611,794	3.91%
11	Other Services / Charges	1,574,568	(36,941)	-2.3%	1,537,627	9.83%
12	Collection Expense	356,813	(14,300)	-4.0%	342,513	2.19%
13	Capital - Collection	2,038,574	(338,935)	-16.6%	1,699,639	10.87%
14	Capital - Technology	420,392	(174,846)	-41.6%	245,546	1.57%
15	Capital - Office Equip & Furniture	15,000	139,373	929.2%	154,373	0.99%
	Transfers Out (Capital Fund)	200,000	(200,000)	-100.0%	0	0.00%
	TOTAL EXPENDITURES	16,630,333	(990,467)	-6.0%	15,639,865	100.00%
16	EXCESS OVER / UNDER	(200,000)			0	0.0%

% of 2011 Oper.
Expenditures

2011 Materials Budget \$	2,042,152
as a % of 2011 Total Revenues	13.1%
2010 Materials Budget \$	2,395,387
as a % of 2010 Total Revenues	14.6%
2011 Staff Budget \$	10,671,789
as a % of 2011 Total Revenues	68.2%
2010 Staff Budget \$	10,923,200
as a % of 2010 Total Revenues	66.5%

KENT DISTRICT LIBRARY
2011 OPERATING BUDGET - Supplemental Information

	2010 BUDGET 0.8800 Mill	INCREASE/ (DECREASE)	% of Increase/ (Decrease)	2011 BUDGET 0.8800 Mill	% of 2011 Total
REVENUES:					
Property Taxes - Current Taxes	14,454,940	(645,102)	-4.5%	13,809,838	88.30%
Payment In Lieu of Taxes	7,686	846	11.0%	8,532	0.05%
State Prop Tax Reimb - Ren Zone	45,000	(25,000)	-55.6%	20,000	0.13%
State Grants	196,247	(36,194)	-18.4%	160,053	1.02%
Other Grants	5,000	(5,000)	100.0%	-	0.00%
Universal Service Fund - eRate	130,576	5,000	100.0%	135,576	0.87%
Facsimile Fees	181	422	233.0%	604	0.00%
Printing/Copier Fees	100,841	(8,265)	-8.2%	92,576	0.59%
Replacement Fees - Materials	50,000	0	0.0%	50,000	0.32%
Penal Fines	608,698	0	0.0%	608,698	3.89%
Overdue Fines	698,684	40,776	5.8%	739,460	4.73%
Interest Earned - Investments	169,649	(85,121)	-50.2%	84,528	0.54%
Interest Earned - Operating	830	(830)	-100.0%	-	0.00%
Rent Leased Space	0	0	0.0%	-	0.00%
Lease-What's Next Database	25,000	(24,000)	100.0%	1,000	0.01%
Donations	0	0	0.0%	-	0.00%
Miscellaneous Income	12,000	(8,000)	-66.7%	4,000	0.03%
Property Tax Refunds	(75,000)	0	0.0%	(75,000)	-0.48%
TOTAL REVENUES	16,430,333	(790,467)	-4.8%	15,639,865	100.00%

EXPENDITURES:

Meeting Compensation	6,000	0	0.0%	6,000	0.04%
Salaries & Wages	8,356,944	(16,441)	-0.2%	8,340,503	53.33%
FICA	617,442	577	0.1%	618,019	3.95%
Health Insurance	980,000	(91,746)	-9.4%	888,254	5.68%
Life Insurance	8,000	0	0.0%	8,000	0.05%
Retirement	936,813	(147,801)	-15.8%	789,012	5.04%
Workers Comp Ins	23,000	0	0.0%	23,000	0.15%
Unemployment	1,000	4,000	400.0%	5,000	0.03%
Printing & Binding	35,000	(10,000)	-28.6%	25,000	0.16%
Postage	29,000	(500)	-1.7%	28,500	0.18%
Programming Supplies	0	0	0.0%	0	0.00%
Office Supplies	93,315	6,535	7.0%	99,850	0.64%
Branch Supplies	16,100	(2,850)	100.0%	13,250	0.08%
Processing Supplies	189,497	(16,897)	-8.9%	172,600	1.10%
Audio Visual Supplies	35,000	(3,000)	-8.6%	32,000	0.20%
Printing/Graphic Supplies	1,000	185	18.5%	1,185	0.01%
Lighting Supplies	750	(550)	-73.3%	200	0.00%
Janitorial Supplies	4,000	0	0.0%	4,000	0.03%
Professional Services - Other	55,268	(9,418)	-17.0%	45,850	0.29%
Professional Services - Consultants	45,000	(29,000)	-64.4%	16,000	0.10%
Professional Services - Auditing	19,030	70	0.4%	19,100	0.12%

EXPENDITURES (cont.):	2010 BUDGET 0.8800 Mill	INCREASE/ (DECREASE)	% of Increase/ (Decrease)	2011 BUDGET 0.8800 Mill	% of 2011 Total
Professional Services - Legal	40,000	(5,000)	-12.5%	35,000	0.22%
Professional Services - Banking	11,025	3,135	28.4%	14,160	0.09%
Membership & Subscriptions	15,130	1,050	6.9%	16,180	0.10%
Meetings & Honorariums	36,720	(11,730)	-31.9%	24,990	0.16%
Service Contracts	181,708	(47,138)	-25.9%	134,570	0.86%
Other Contractual	121,350	58,831	48.5%	180,181	1.15%
Integrated Library System	185,000	(56,815)	-30.7%	128,185	0.82%
OCLC License & Fees	39,742	(994)	-2.5%	38,748	0.25%
Voice Telecommunications	76,368	(41,368)	-54.2%	35,000	0.22%
Data Telecommunications	271,000	(16,200)	-6.0%	254,800	1.63%
Mileage Reimbursement	29,466	50	0.2%	29,516	0.19%
Gas, Oil, Grease	9,500	0	0.0%	9,500	0.06%
Advertising/Promotion	140,450	(22,400)	-15.9%	118,050	0.75%
Employment Advertising	2,700	(2,700)	-100.0%	0	0.00%
Utilities	78,650	3,850	4.9%	82,500	0.53%
Rep & Maint Grounds	15,500	0	0.0%	15,500	0.10%
Rep & Maint Building	17,000	3,000	17.6%	20,000	0.13%
Rep & Maint Equipment	105,924	49,451	46.7%	155,375	0.99%
Rep & Maint Computers	37,500	0	0.0%	37,500	0.24%
Printers / Copiers	166,176	3,046	1.8%	169,222	1.08%
Training - KDL Board	4,000	3,550	88.8%	7,550	0.05%
Training - KDL Staff	136,745	(7,615)	-5.6%	129,130	0.83%
Insurance	45,868	(368)	-0.8%	45,500	0.29%
Programming	90,410	34,400	38.0%	124,810	0.80%
Programming - Regions	65,199	(65,199)	100.0%	0	0.00%
Branch Maint Fees	224,263	32,241	14.4%	256,504	1.64%
Technology	158,126	(12,026)	-7.6%	146,100	0.93%
Office Equipment & Furniture	15,000	139,373	929.2%	154,373	0.99%
<i>Materials Budget:</i>					
Collection Development	2,038,574	(338,935)	-16.6%	1,699,639	10.87%
Subscriptions	120,300	(10,300)	-8.6%	110,000	0.70%
Electronic Resources	236,513	(4,000)	-1.7%	232,513	1.49%
Capital Lease Interest Expense	17,041	(12,260)	100.0%	4,781	0.03%
Capital Lease Principal	245,225	(150,560)	100.0%	94,665	0.61%
Transfers Out (Capital Fund)	200,000	(200,000)	-100.0%	0	0.00%
TOTAL EXPENDITURES	16,630,333	(990,467)	-6.0%	15,639,865	100.00%
EXCESS OVER / UNDER	(200,000)			0	0.0%

2011 Materials Budget	\$ 2,042,152
as a % of 2011 Total Revenues	13.1%
2010 Materials Budget	\$ 2,395,387
as a % of 2010 Total Revenues	14.6%
2011 Staff Budget	\$ 10,671,789
as a % of 2011 Total Revenues	68.2%
2010 Staff Budget	\$ 10,923,200
as a % of 2010 Total Revenues	66.5%

% of 2011 Oper. Expenditures

KENT DISTRICT LIBRARY JUSTIFICATIONS FOR 2011 OPERATING BUDGET

This narrative explains the changes in the 2011 budget compared to 2010. If line items have negligible differences or remain the same from 2010 to 2011, no explanation is provided.

REVENUES

1. **Tax Revenue** – Decrease by \$644,256, (4.5%). This category is comprised of Property Tax Revenue, Payment In Lieu of Taxes and Property Tax refunds awarded by the Michigan Tax Tribunal. The Taxable Value declined by 3.8% from 2009 to 2010. The Kent District Library received voter approval for a millage rate of 0.8800 Mill on August 3, 2004. 2011 is the seventh year of a ten-year millage. The 2010 tax request will be collected and recorded as revenue in 2011 and is not reduced by the millage rollback fraction. Payment In Lieu of Taxes increased by 11.0%. The amount budgeted for Property Tax Refunds has not changed from 2010 to 2011.

2. **State Sources** – Decrease by \$61,194, (7.2%). This category is comprised of State Grants, Penal Fines and State Property Tax Reimbursement – Renaissance Zones. State Aid and State Property Tax Reimbursement – Renaissance Zones have been reduced by 18.4% and 55.6%, respectively based on available information on the State’s economic circumstances. The amount budgeted for Penal fines remains the same in 2011 as in 2010.

3. **Charges for Services** – Decrease by \$7,842, (5.2%). This category includes Facsimile, Printing and Book Replacement Fees. Facsimile fees have been increased by \$422 based on past use. Printing Fees were reduced by \$8,265 to reflect the withdrawal of *What’s Next* as a printed publication. Book Replacement Fees, (payments for lost books), is projected to remain the same.

4. **Fines and Forfeitures** – Increase by \$40,776, 5.8%. This increase meets the expected Fine revenue for 2010 which is projected to exceed the 2010 budget. Fine revenue is not expected to grow in 2011 because of a change in lending policies which will impact circulation.

5. **Interest and Rentals** – Decrease by \$109,951, (56.2%). This category includes Investment, Operating and Property Tax Interest, Rent proceeds from property and the lease of the *What’s Next* Database. Property Tax interest results from the payment of delinquent taxes. In what amount and when delinquent taxes will be paid is unknown. The proceeds from Property Tax interest will appear as a budget adjustment. Revenue from Operating and Investment interest has been

reduced because of the volatility of interest rates. In December of 2009, interest rates were 1.424%; by June of 2010 they had dropped to 1.12%. Compounding the drop in interest rates is the drop in revenue which reduces the opportunity to earn interest. The rental of the *What's Next* database refers to the altering of the Library's current free access database to a paid subscription database. This was not practical and resulted in a \$24,000 reduction in revenue. Concurrent with the subscription database was an enterprise with *Bookletters*. The revenue stream from this enterprise is unknown.

6. **Other Revenue** – Decrease by \$8,000, (5.4%). This category includes Other Grants, Universal Service Funds (eRate), Donations and Miscellaneous Income. No revenue is projected for Donations as they are directed to the KDL Endowment or Annual Giving Funds. Miscellaneous Income is projected to drop by 66.7% due to a reduction in the amount of revenue expected from weeded books processed by B-Logistics. Other Grants has been reduced by \$5,000. Universal Service Funds, also known as eRate funds is a federal program that offers discounts to schools and libraries for internet access, are expected to increase by \$5,000.

EXPENDITURES

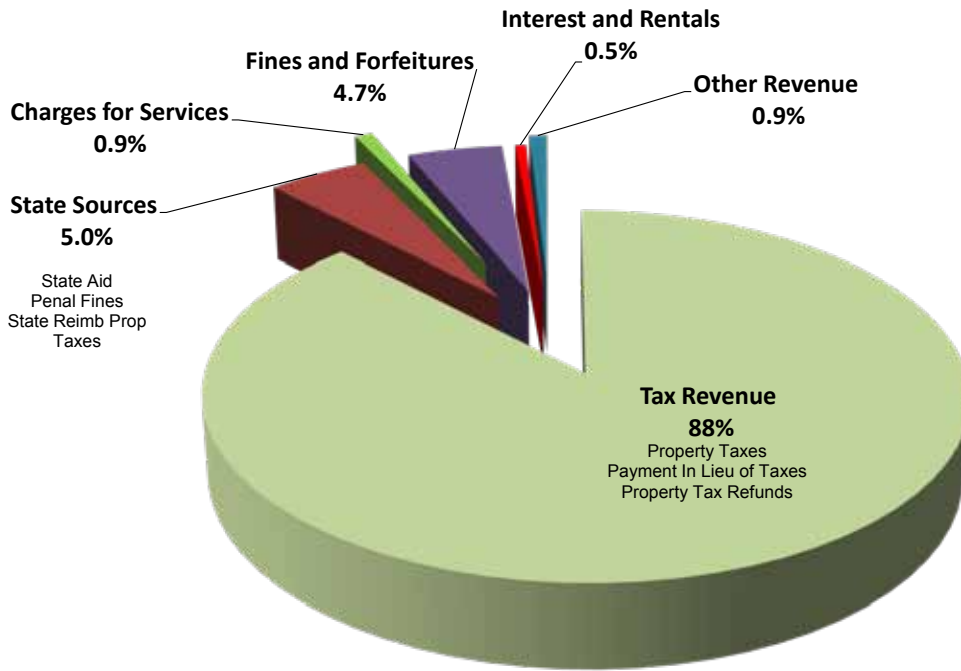
7. **Employee Benefits** – Decrease by \$234,970, (9.2%). This category includes the payroll tax - FICA, Health Insurance, Life Insurance, Retirement, Workers Compensation and Unemployment. Health insurance shows a decrease of \$91,746, (9.4%), due to a change of health insurance provider. Retirement expenses are reduced by \$147,801, (15.8%), due to a reduction in the employer pension rate.
8. **Supplies** – Decrease by \$27,077 (6.7%). This category is comprised of Printing and Binding, Postage, Office Supplies, Branch Supplies, Processing Supplies, Audio-Visual Supplies, Printing Supplies, Lighting Supplies and Janitorial Supplies. The largest component of this category is Processing Supplies at 50%. These supplies are used to process collection materials and are projected to decrease by \$16,897 due a reduction in the Collection budget. The elimination of the *What's Next* publication, as well as the reduction of printed forms in favor of online forms, has resulted in a reduction of the Printing and Binding budget of \$10,000, (28.6%).
9. **Professional & Contractual Services** – Decrease by \$86,329, (12.4%). This category includes Professional Services-Other, Consultants, Auditing, Legal, Banking, Service Contracts, Other Contractual, Integrated Library System and OCLC License and Fees. Professional Services-Other has decreased by \$9,418 due to a reduction in the cost of eTime, a web based timesheet, and reclassification of mailing services used by Fund Development.

Professional Services-Consultants has been reduced by \$29,000 due to one-time consultant services in 2010 for a mobile website, *What's Next* upgrade and business intelligence. These have been replaced in 2011 by a Reader's Advisory database. Professional Services-Legal has been reduced by \$5,000 to reflect expected expenditures. Professional Services-Banking has increased by \$3,135. This does not reflect a bank service increase. It reflects an increase in credit card processing by Merchant Services billed through the bank. The Integrated Library System has been reduced by \$56,815. The reduction is due in part to Lakeland Cooperative applying 50% of the State Aid received on our behalf to ILS costs. Additionally, the 2010 budget included a one-time purchase for Airpak.

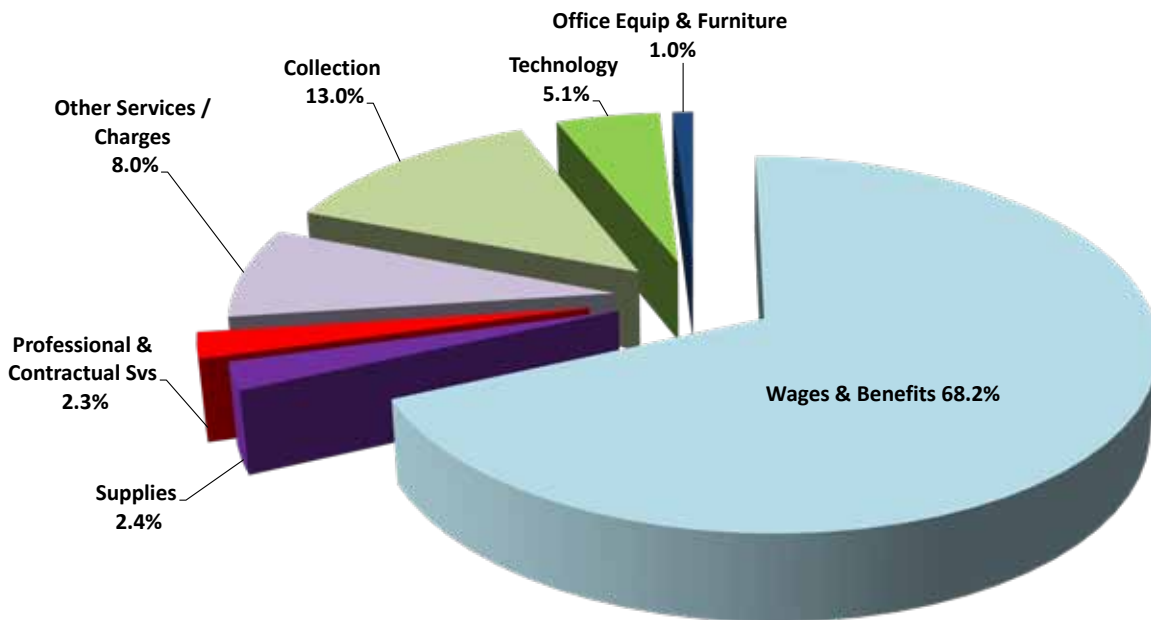
10. Other Services / Charges – Decrease by \$36,941, (2.3%). This category is comprised of Meeting Compensation, Membership and Subscriptions, Meetings and Honorariums, Voice and Data Communications, Mileage Reimbursement, Travel-Gas, Oil and Grease, Advertising and Promotion, Employment Advertising, Utilities, Repairs and Maintenance – Grounds, Building, Equipment and Computers, Rentals/Operating Leases and Maintenance, Training – Board and Staff, Insurance, Programming and Branch Maintenance Fees. Voice and Data Communications decreased by 54.2% and 6% respectively, reflecting new contracts for voice and data. Both the Advertising / Promotion and the Training-Staff budgets decreased to accommodate the decline in revenues, \$22,400 and \$7,615, respectively. The Utilities budget increased by 4.9% reflecting anticipated increases in cost. The Repair and Maintenance-Building increased by \$3,000, to accommodate repairs for the aging building and mechanical. The Repair and Maintenance – Equipment line increased \$49,451 reflecting the maintenance portion of RFID leases previously recorded in the Service Contract line. The \$32,241 increase in Branch Maintenance fees is due to the additional square footage of the new Caledonia Township and Kentwood Branches. The Training-KDL Board budget increased by \$3,550 to allow additional board members to attend conferences. Employment Advertising was reduced by \$2,700 to reflect web advertising which is free. Programming and the Programming-Regions budgets have been combined to form a single programming budget. The overall Programming budget has been reduced by \$30,799. The reduction is due in part to transferring the cost of the Novel Experience event to the KDL Annual Fund which raises funds from the event. The budget was also reduced by \$20,799 in response to the revenue decline.
11. Collection Expense – Decrease by \$14,300, (4.0%). This category is comprised of Subscriptions and Electronic Resources. Both budgets were reduced in response to the decline in revenues.
12. Capital - Collection – Decrease by \$338,935, (16.6%). The collection budget was reduced in response to the decline in revenues.

13. Capital - Technology – Decrease by \$174,846, (41.6%). The decrease reflects the completion of RFID leases. It also reflects a response to the decline in revenues limiting the purchase of computer peripherals and initiation of projects.
14. Capital - Office Equipment & Furniture – Increase by \$139,373, 929.2%. The increase reflects the cost to purchase off lease RFID equipment at a reduced rate of \$133,073. Additionally, \$5,300 has been budgeted for the purchase of branch furniture accommodating laptops and other wireless devices.
15. Transfers Out – Decrease by \$200,000, (100%). No capital projects have been designated for 2011 eliminating the need for funding from the Operating account.
16. Excess Revenues Over Expenditures – The 2011 Budget presents a balanced budget with expenditures equaling revenues. The cash-on-hand at the end of 2011 is projected to be \$2,462,957. The fund balance is projected to be \$2,492,826. This represents approximately 58 days of operating expenditures. The percentage of the fund balance to expenditures is 15.9%.

Kent District Library 2011 Operating Budget based on .8800 Mill Levy



REVENUES



EXPENDITURES

Kent District Library 2011 Operating Budget

KDL Board Targeted Fund (Cash-on-Hand) Balance = 15-20%	Fund Balance %
2011 EOY Target for 15-20% Range	2,345,980 15.0%
	3,127,973 20.0%

EOY Cash Balance Projection-Operating Budget

2011 Budget

Cash & Investments as of 12/31/10 <i>projected</i>	2,462,957	
Budget 2011		
Anticipated Revenues 1/1-12/31/11	15,639,865	
Anticipated Expenditures 1/1-12/31/11	(15,639,865)	
Transfer to Capital Fund	-	
Projected EOY 2011 Cash Balance	<u>2,462,957</u>	15.7%

EOY Fund Balance Projection-Operating Budget

2010 Budget

Cash & Investments as of 7/31/10	9,605,034	
Accounts Payable as of 7/31/10	(337,849)	
Local Funds as of 7/31/10	(58,639)	
<i>Adjusted Cash & Investments as of 7/31/10</i>	<i>9,208,546</i>	
Prepaid as of 7/31/2010	29,868	
Accounts Receivable as of 7/31/2010	-	
<u>Fund Balance as of 7/31/10</u>	<u>9,238,414</u>	
Anticipated Operating Revenues 8/01-12/31/10	570,776	
Anticipated Operating Expenditures 8/01-12/31/10	(7,116,364)	
Transfer to Capital Fund	(200,000)	
<u>Projected Fund Balance Year End 2010</u>	<u>2,492,826</u>	15.0%
Projected Revenues 2011	15,639,865	
Projected Expenditures 2011	(15,639,865)	
Transfer to Capital Fund	-	
<u>Projected EOY 2011 Fund Balance after Transfer</u>	<u>2,492,826</u>	15.9%

**KENT DISTRICT LIBRARY
2011 ANNUAL GIVING FUND BUDGET**

		2010 BUDGET	Increase / Decrease in \$	Increase / Decrease as %	2011 BUDGET	% of 2011 Total	Supplemental Information KDL 2011 Budgeted Expenses for AGF
Note	REVENUES:						
	Other Grants	0	0	0.00%		0.00%	
1	Interest Earned - Investments	0	42	100.0%	42	0.06%	
2	Donations	0	75,000	100.0%	75,000	99.94%	
	Miscellaneous Income	0	0	0.00%		0.00%	
	TOTAL REVENUES	0	75,042	100%	75,042	100.0%	
	EXPENDITURES:						
	Salaries & Wages	0	0	0.00%		0.00%	38,091
	FICA	0	0	0.00%		0.00%	2,914
	Health Insurance	0	0	0.00%		0.00%	
	Life Insurance	0	0	0.00%		0.00%	
	Retirement	0	0	0.00%		0.00%	2,952
	Printing & Binding	0	0	0.00%		0.00%	
	Postage	0	0	0.00%		0.00%	2,500
	Office Supplies	0	0	0.00%		0.00%	200
	Professional Services - Other	0	0	0.00%		0.00%	6,600
3	Professional Services - Banking	0	216	100.0%	216	0.29%	
	Membership & Subscriptions	0	0	0.00%		0.00%	500
	Meetings & Honorariums	0	0	0.00%		0.00%	2,200
	Service Contracts	0	0	0.00%		0.00%	680
	Voice Telecommunications	0	0	0.00%		0.00%	
	Data Telecommunications	0	0	0.00%		0.00%	
	Mileage Reimbursement	0	0	0.00%		0.00%	500
	Advertising/Promotion	0	0	0.00%		0.00%	4,500
	Training - KDL Staff	0	0	0.00%		0.00%	400
4	Programming	0	48,306	100.0%	48,306	64.37%	
5	Technology	0	11,200	100.0%	11,200	14.92%	
6	Office Equipment & Furniture	0	15,320	100.0%	15,320	20.42%	
	Collection Development	0	0	0.00%		0.00%	
	TOTAL EXPENDITURES		75,042	100.0%	75,042	100.0%	62,037
7	EXCESS OVER / UNDER	0	0	0.0%	0	0.0%	

2011 EOY Annual Giving Fund Balance Projection

2010 Budget

Cash & Investments as of 7/31/10	19,344
Accounts Payable as of 7/31/10	(2,089)
Anticipated Revenues 8/01-12/31/10	-
Anticipated Expenditures 8/01-12/31/10	-

Projected Fund Balance Year End 2010 **17,255**

Proposed Revenues 2011	75,042
Proposed Expenditures 2011	(75,042)

Projected EOY 2011 Fund Balance **17,255**

23.0%

*Note: The Endowment Fund Budget for Donations is \$25,000.

**KENT DISTRICT LIBRARY
JUSTIFICATIONS FOR
2011 ANNUAL GIVING FUND BUDGET**

This narrative explains the changes in the 2011 budget compared to 2010. This is the first time a formal budget has been presented for this fund.

REVENUES

1. Interest Earned – Investments – Increase by \$42. This category reflects the interest earned on investments taking interest rates into consideration.
2. Donations – Increase by \$75,000. This category reflects projected donations to the Annual Fund. Donations to the Endowment Fund are not reflected in this budget.

EXPENDITURES

3. Professional Services Banking – Increase by \$216. The Annual Giving Fund is not billed for banking services, but is billed for the cost of processing credit card donations through Merchant Services.
4. Programming – Increase by \$48,306. This reflects the cost associated with the Novel Experience fundraising event (\$25,000), the Play Grow Read to Your Baby community outreach program (\$13,126) and programming supplies for the imagination stations (\$10,180).
5. Technology – Increase by \$11,200. This amount reflects the purchase of four (4) Early Literacy Computer Stations.
6. Office Equipment & Furniture – Increase by \$15,320. This amount reflects the purchase of eight (8) Imagination Stations.
7. Excess Revenues Over Expenditures – The 2011 Budget presents a balanced budget with expenditures equaling revenues. The fund balance is projected to be \$17,255 at year end. The percentage of the fund balance to 2011 expenditures is 23%.

V. FINANCIAL OVERVIEW 2005-2014

KENT DISTRICT LIBRARY Financial Overview 2005 - 2014

Account	2005 Budget Actual	2006 Budget Actual	2007 Budget Actual	2008 Budget Actual	2009 Approved Budget
REVENUE	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>
Property Taxes	11,925,616 82.2%	12,604,250 84.1%	13,455,843 85.6%	14,007,854 85.8%	14,364,483 88.3%
All Other Revenue	2,577,331 17.8%	2,391,218 15.9%	2,268,705 14.4%	2,314,850 14.2%	1,901,396 11.7%
Total Revenues	14,502,947 100.0%	14,995,468 100.0%	15,724,548 100.0%	16,322,704 100.0%	16,265,879 100.0%
EXPENDITURES					
Salaries/Wages & Benefits	9,512,397 67.2%	9,548,817 66.4%	10,214,839 66.6%	10,888,210 67.2%	11,047,605 68.0%
Materials Budget	1,961,955 13.9%	2,088,152 14.5%	2,304,350 15.0%	2,433,247 15.0%	2,424,603 14.9%
Operating Expenses	1,402,290 9.9%	1,428,190 9.9%	1,707,840 11.1%	1,923,635 11.9%	1,808,934 11.1%
Technology (Includes ILS & Data lines)	1,274,033 9.0%	1,314,202 9.1%	1,112,606 7.3%	954,287 5.9%	971,488 6.0%
Total Expenditures	14,150,676 100.0%	14,379,362 100.0%	15,339,635 100.0%	16,199,378 100.0%	16,252,630 100.0%
Excess/(Shortage) as a % of Revenue	352,271 2.4%	616,107 4.1%	384,913 2.4%	123,325 0.8%	13,249 0.0%
OTHER FINANCING SOURCES					
Transfers to Capital Fund		(200,000)	(368,423)	(313,244)	(200,000)
Fund Balance Yr End	2,636,899	3,053,006	3,069,496	2,879,577	2,692,826
% to Expenditures	18.6%	21.2%	20.0%	17.8%	16.6%

Account	2010 Approved Budget	2011 Approved Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget
REVENUE	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>	<i>0.8800 Mill</i>
Property Taxes	14,454,940 88.0%	13,743,369 87.9%	13,398,123 87.8%	13,175,957 87.8%	13,010,427 87.7%
All Other Revenue	1,975,393 12.0%	1,896,496 12.1%	1,858,011 12.2%	1,838,815 12.2%	1,820,982 12.3%
TOTAL REVENUES	16,430,333 100.0%	15,639,865 100.0%	15,256,134 100.0%	15,014,772 100.0%	14,831,409 100.0%
EXPENDITURES					
Salaries/Wages & Benefits	10,923,200 66.5%	10,671,789 68.2%	10,949,768 70.2%	11,128,472 70.7%	11,341,397 70.9%
Materials Budget	2,395,387 14.6%	2,042,152 13.1%	1,861,248 11.9%	1,831,802 11.6%	1,809,432 11.3%
Operating Expenses	2,018,449 12.3%	2,134,013 13.6%	2,052,457 13.2%	2,073,299 13.2%	2,104,514 13.2%
Technology (Includes ILS & Data lines)	1,093,297 6.7%	791,911 5.1%	727,484 4.7%	703,662 4.5%	735,098 4.6%
Total Expenditures	16,430,333 100.0%	15,639,865 100.0%	15,590,956 100.0%	15,737,235 100.0%	15,990,440 100.0%
Excess/(Shortage) as a % of Revenue	(0) 0.0%	0 0.0%	(334,823) -2.2%	(722,463) -4.8%	(1,159,031) -7.8%
OTHER FINANCING SOURCES					
Transfers to Capital Fund	(200,000)	-	(100,000)	(150,000)	
Fund Balance Yr End	2,492,826	2,492,826	2,058,003	1,185,541	26,510
% to Expenditures	15.2%	15.9%	13.2%	7.5%	0.2%

* Property Taxes = Property Tax plus Payment In Lieu of Taxes (DNR land) minus Michigan Tribunal Awards (Property Tax refunds)
Materials Budget for 2012, 2013 & 2014 is 12.2% of the Revenue Budget

KENT DISTRICT LIBRARY

Financial Overview 2005-2014

This overview covers the 10-year millage passed in 2004. The millage spans the years 2004-2013 and is collected and counted as revenue for the years 2005-2014. This report covers past years, as well as the present and contains future projections. Understandably, projections made this far in advance cannot accurately indicate exact Revenues and Expenditures. The intention of this projection is to provide structure and context to the current millage. It allows the Library to make long range projections and see the impact of current decisions on future costs. The Operating Budget projection also aids the Library in projecting the timing of future millage requests.

REVENUES

1. **Property Taxes** – The percent of change in taxable value levied as revenue for the period from 2005 to 2010 is: 2005 = 4.89%, 2006 = 5.71%, 2007 = 6.20%, 2008 = 5.45%, 2009 = 2.01%, 2010 = 0.34%, 2011 = (3.8%) (Levy pending approval). The taxable value has declined significantly. It is projected to be slightly negative for the remainder of the millage period. Kent County's SEV (State Equalized Value), like Taxable value had experienced a year over year growth until 2008 when it fell to (0.17%), dropping to (2.00%) in 2009 and dropping this year to (5.18%). The negative 2010 SEV equated to a drop in the value of all property in the county by \$1.2 billion. It is believed that the drop in market values is driven by foreclosures and devaluation of property. Taking this information into consideration, projection for property tax revenue until the end of the millage is: **2012 = (2.25%)**, 2012 for **2013 = (1.5%)** and 2013 for **2014 = (1.25%)**. The projections for the future years have not been reduced by the Headlee Amendment, DDA (Downtown Development Authority), LDFA (Local Development Finance Authority), CIA (Corridor Improvement Authority) or Brownfield Redevelopment Authority because the reduction factor is not known. Michigan Tribunal refunds are assumed to remain the same at \$75,000 per year. In 2011, property taxes will provide 87.9% of KDL's revenues.

2. **Other Revenues** – Other Revenues make up 12.1% of the library's income in 2011. They include: State Aid, Other Grants, State Reimbursement Property Tax – Renaissance Zone, Book Replacement Fees, Facsimile Fees, Printing/Copier Fees, Penal Fines, Overdue Fines, Rent - Service Center space, Lease – What's Next Database, Miscellaneous Income and Interest Earned on Property Taxes, Investment and Operating cash. Other Revenues have declined to date due to the loss of State Revenue Sharing and the elimination of Video, DVD and CD rentals. In the past seven years State Aid has been reduced by 56% due to the State of Michigan budget constraints. Projections for 2012 through 2014 do not include revenue from Other Grants, as they are unknown. State Aid is projected to fall another 20% in 2012, an additional 10% in 2013 and 2014. Penal Fines projections remain the same for the remainder of the millage period. State Reimbursement Property Tax – Renaissance Zone, Book Replacement Fees, Interest, Rent-Leased Space, Lease – What's Next, Universal Service Funds – eRate, Miscellaneous Income is all projected to remain

level through 2014. Printing Fees and Overdue fines are projected to increase 1% a year.

EXPENDITURES

3. Salaries & Wages – Salary and Wage projections include market increases, as well as Health Insurance, Life Insurance, Workers Compensation, Unemployment Insurance, employer contribution to FICA, employer contribution to the Defined Benefit, 457 and 401 plans. The average for the period from 2005 to 2011 is 67.2% of total expenditures. The average for the period from 2012 to 2014 is projected to be 70.6% of total expenditures.

4. Materials – The materials budget is comprised of books, magazines, CD, DVD, and audio recordings. It also includes online materials such as databases, audio books and eBooks. Materials expenditures are projected to average 12.2% of revenues from 2012 to 2014.

5. Operating Expenses – This category is comprised of the following accounts: Printing and Binding, Postage, Supplies, Professional Services, Membership and Subscriptions, Meetings and Honorariums, Service Contracts, Other Contractual, OCLC License, Voice Communication (Telephone), Mileage, Advertising, Utilities, Repair and Maintenance, Printer/Copiers, Training, Insurance, Programming, Branch Maintenance Fees and Office Equipment & Furniture. These expenses are projected to decrease by 7.4% in 2012 and increasing by 1.0% in 2013 and 1.5% in 2014. The dip in 2012 is primarily due to a \$139,000 reduction in office equipment. A buyout of two RFID leases occurred in 2011.

6. Technology – The items that make up this grouping are: Service and Other Contractual – Technology specific, Integrated Library System, Data Communications, Repair and Maintenance relating to computers, and Technology. The change in this line relates to changes in Service and Contractual costs, as well as Technology and Maintenance needs. It is important to note that significant technology initiatives are listed in the Capital Budget.

7. Excess Revenues Over Expenditures - The Library is seven years through a 10 year millage. The first seven years saw a growth in revenues of 8% and a growth in expenditures of 10.6%. In the remaining three years, a 2.8% reduction in revenues and 2.6% increase in expenditures is projected. The Library will be challenged to contain costs while revenues decline primarily due to reductions in property values. The projection shows that the effort to maintain the same level of quality service to our customers during this period will erode the Library's fund balance. The upcoming millage in 2013 will be critical in determining how the Library will thrive in the future.

OTHER FINANCING SOURCES

8. Transfers to the Capital Fund - Funds transferred into the Capital Fund are in support of specific capital initiatives (refer to the Capital Budget Projection that follows). These funds insure that the library will continue to provide relevant services to the public.

KENT DISTRICT LIBRARY
Capital Budget Projections 2006-2014

Account	2006 Budget Actual	2007 Budget Actual	2008 Budget Actual	2009 Approved Actual	2010 Approved Budget	2011 Approved Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget
REVENUE									
Interest Earned	6,015	7,613	4,119	921	6,000	700	845	500	75
Total Revenues	6,015	7,613	4,119	921	6,000	700	845	500	75
EXPENDITURES									
Technology			238,651	213,408	77,000	-	225,000	191,000	
Other									
Building	106,995	374,195	58,723						
Total Expenditures	106,995	374,195	297,374	213,408	77,000	-	225,000	191,000	-
Excess/(Shortage)	(100,980)	(366,581)	(293,255)	(212,487)	(71,000)	700	(224,155)	(190,500)	75
Beginning Fund Balance									
Transfers from Operations	0	99,020	100,862	120,850	108,363	237,363	238,063	113,908	73,408
Revenues	200,000	368,423	313,244	200,000	200,000		100,000	150,000	
Expenditures	6,015	7,613	4,119	921	6,000	700	845	500	75
	(106,995)	(374,195)	(297,374)	(213,408)	(77,000)	-	(225,000)	(191,000)	-
EOY Fund Balance	99,020	100,862	120,850	108,363	237,363	238,063	113,908	73,408	73,483

Prior and Current Activity

- 1) **2006** - Capital Fund Established
- 2) Buildings - **2006** - Service Center footprint reconfigured for better workflow
- 3) Buildings - **2007** - Service Center expands into the vacant suite owned by KDL
- 4) Buildings - **2007** - Wall Repairs to the Service Center begin
- 5) Technology - **2008** - Server Replacement and Storage Expansion - \$130,000
- 6) Technology - **2008** - Learning Lab renovation - \$50,000
- 7) Buildings - **2008** - Service Center wall repair - \$100,000
- 8) Technology - **2009** - Disaster Recovery Project - \$38,000
- 9) Technology - **2009** - Staff Workstation Replacement - \$167,000

- 10) Technology - **2010** / Wireless Expansion CAL & KWD - \$25,000
- 11) Technology - **2010** / Self Checkins for (3) branches - \$52,000

Budget Request -2011 - none

2012 - 2014 Budget Projections

- 1) Technology - **2012** / Public Workstation Replacement - \$225,000
- 2) Technology - **2013** / Storage Area Network Replacement - \$100,000
- 3) Technology - **2013** / Server Replacement - \$36,000
- 4) Technology - **2013** / Replace wireless access points and upgrade controllers - \$55,000

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