

MEMORANDUM

DATE: May 24, 2013

TO: Mayor Mike Dever and the Lawrence City Commission

FROM: Brad Allen, Executive Director, Lawrence Public Library

RE: 2014 Budget Request

2014 will be an historic year of transformation for the Lawrence Public Library. It also will be a year with many unknowns. While we have a general timeline, we do not yet know precisely when we will officially move to the new building. While we have projected estimates, we do not yet know the exact costs of running that building. In preparing this budget, we have done our best to anticipate needs and be prepared for the unexpected yet work not to overwhelm the budget with contingency.

We are requesting an overall budget amount from the City of Lawrence of \$3,416,888, an increase of \$173,628 or 5.3%.

Personnel

Perhaps the largest contributor to the increase in our 2014 budget are considerable increases in benefits and taxes. Our library's KPERS contribution will increase from 7.94% to 8.84%, an 11% increase. We also anticipate an increase in health insurance costs from Blue Cross Blue Shield of about 12% for 2013-2014 health insurance costs.

The library also is currently working with Springsted, Inc., on a staffing analysis and compensation study. While we anticipate that Springsted will recommend increases in salaries to be more competitive in the employment market and to improve employee retention, we intend to remain as close to revenue neutral as possible with a major staff reorganization.

Our 2014 budget accounts for the hiring of two part time custodial staff sometime in mid-2014 in anticipation of increased need keeping our new building spotless. Additionally, as we

reorganize for our return to the renovated library, we intend to create two new full time positions. The idea is to have a new full time staff member in charge of the book stacks and another full time person dedicated to working with the increased technology housed in the renovated library. Overall staff FTE will not increase, but we will incur additional employer taxes and benefit expenses.

The Library Foundation Executive Director currently is employed by the Foundation itself. In 2014, we intend to begin the transition of the Library Foundation Executive Director becoming a library employee. We believe both the library and its foundation will benefit financially from this position becoming a library employee. We see this as a two year process. We have allocated \$25,000 in the salary budget for 2014 to begin this transition.

One last thing worth noting, to better serve the public in our new building the library had intended to create an additional two full time positions--a Marketing and Communications Manager and a Technology Librarian. The considerable increases to the benefits and taxes lines have made this untenable without a significant increase to our budget, so we are not able to add those positions in 2014 without finding savings in other areas of our salary budget.

Materials

We plan on keeping the materials budget line flat.

Operations

Most of our operations budget remains stable. We have increased the building supplies and utilities lines. We hope to realize savings on utilities in a new LEED certified building, but we have decided to be conservative until we see actual numbers. We have been not spending as much on postage, so we have decreased that line by 20%.

LAWRENCE PUBLIC LIBRARY - 2014 BUDGET PROPOSAL DRAFT 5-17-2013

EXPENSES						
	2011	2012	2013	Proposed 2014	Notes	
PERSONNEL						
Full Time Salaries	1,355,000	1,385,000	1,398,850	\$1,445,000		
Part Time Salaries	490,000	495,000	500,000	\$515,000		
Employee Benefits	216,000	250,000	295,000	\$325,000	BCBS inc 12%	
Employee Taxes	220,000	240,000	283,000	\$342,000	KPERS goes to 8.84%	
	2,281,000	2,370,000	2,476,850	\$2,627,000		
MATERIALS						
Books and Non-Print Materials	500,000	510,000	512,000	\$512,000		
Periodicals	30,000	30,000	28,000	\$28,000		
	530,000	540,000	540,000	\$540,000		
OPERATIONS						
Library Supplies	95,000	95,000	95,000	\$95,000		
Building Supplies	14,000	14,000	14,000	\$16,800	20% increase	
Repairs and Maintenance	75,000	75,000	75,000	\$75,000		
Equipment and Technology Upgrades	31,000	31,000	21,000	\$21,000		
Capital Improvements	5,000	0	0	\$0		
Utilities	105,000	100,000	100,000	\$110,000		
Insurance	15,000	15,000	15,000	\$16,000		
Postage	44,000	44,000	40,000	\$32,000	On state UPS contract	
Professional Fees and Contractual Services	67,000	67,000	67,000	\$70,000		
Website and OPAC Content Services	11,000	11,000	14,000	\$14,000		
Contingency	1,000	1,000	5,000	\$5,000		
Travel and Continuing Education	18,000	28,000	29,000	\$29,000		
Advertising and Marketing	12,000	12,000	12,000	\$15,000		
Photocopy	8,000	8,000	8,000	\$8,000		
Programming	10,000	20,000	20,000	\$20,000		
	511,000	521,000	515,000	\$526,800		
TOTAL EXPENSES	\$3,322,000	\$3,431,000	\$3,531,850	\$3,693,800		
INCOME						
	2011	2012	2013	Proposed 2014		
Tax Funds	3,060,000	3,136,000	3,243,260	\$3,416,888		
Anticipated Interest Income	3,000	2,000	250	\$250		
Anticipated State Aid	41,000	38,000	35,000	\$31,500		
Anticipated NEKLS Grant	56,000	56,000	60,740	\$62,562		
Anticipated Photocopier and Printer Income	12,000	19,000	12,600	\$12,600		
Anticipated Overdues Income	150,000	180,000	180,000	\$170,000		
TOTAL INCOME	\$3,322,000	\$3,431,000	\$3,531,850	\$3,693,800		
Library Capital Improvement Fund: \$562,349.93 (balance as of April 30, 2013)						
(by Kansas statute, public libraries are permitted to transfer up to 10% of operating funds each year to a Capital Improvement Fund)						