

2017 Library (020) Budget Highlights & Considerations

) Library **revenue** is projected to increase 1.7% over the “now looks” 2016 actual. This includes a 4% funding increase from both the state and county for 2017. **Municipality donations** are expected to equal 2016 levels.

- o The **annual appeal** amount is forecast at \$30,000 for 2017 considering that the 2016 appeal letter has been mailed to over 16,000 households in December.
- o Another successful Bayard Taylor **Home & Garden tour** is forecast for 2017 with revenue forecasted at \$45,000 netting \$35,000 for the campaign (15% of the net will transfer to ALP).

) Overall **library expenses** (net of capital outlay) are forecast to be 5% below 2016.

- o With 2016 changes in the employee population and makeup, personal services are forecast to decrease approximately 10%, or approximately \$47,000, versus 2016. The new library director salary plus the possibility of relocation assistance has been factored into the budget.
- o **Library materials** are forecast to decrease 20%. Expenses in 2016 were considerably higher than budget at 16.2% of expenses. The library staff participated in this year’s budget exercise by providing their budget recommendations for 2017.
- o The remaining 50% of the consultant fee (\$12,500) for the **New Garden Tax Referendum** Project has been factored into the budget. In addition, \$15,000 has been added for printing and postage/miscellaneous costs associated with this project as well.
- o The library staff also participated with their recommendation for **programming** expenses. Considering that this is one of the library’s strong points, your treasurer actually increased the staff recommendation at 22% above what we anticipate spending in 2016.
- o Other 2017 expense totals are within the 2016 ballpark.

) **The net of “Revenue Excess over Expense” is forecast to be (\$20,000).** In 2016 the budget deficit was \$75,000 so this represents a considerable improvement. Keep in mind that \$27,500 of expenses have been factored into this budget solely for the **New Garden** project. I believe this budget is achievable especially considering that the library staff is now engaged with the process of not only creating a major portion of this budget but has accepted the role of monitoring expenses against budget next year.

2017 Budget Summary		
Revenue	\$	%
Governmental revenue	\$576,301	80.9%
Library revenue	31,560	4.4%
Donations/Grants	104,750	14.7%
Transfer from investment	-	0.0%
Total	\$712,611	100.0%
Expense		
Personnel	\$435,594	60.0%
Materials	97,747	13.5%
Facilities	66,720	9.2%
Programming	33,500	4.6%
Supplies	13,950	1.9%
Transfer to other funds	-	0.0%
All other	78,850	10.9%
Total	\$726,361	100.0%
Net	(\$20,000)	

What Is Not in the 2017 Library Budget?

No transfers from the investment account are included. As of the end of November, there was \$70,000 in cash in the library checking account and this may be sufficient to carry the library into 2017. Approximately \$120,000 in state and county “donations” will be received in early January which should carry the library well into February if not March 2017. However, one area of concern is the **ALP** cash position (see ALP discussion on the next page) and it may be necessary in 2017 for the library transfer cash in.

There is no budget for the **Capital Reserve Fund**. This fund covers expenses for a new building and any expenses incurred during 2017 will be covered by the investment portfolio.

Adult Literacy Program (023)

ALP revenue is entirely dependent on donations. Currently the United Way of Southern Chester County funds 57% of this program's revenue. This is expected to decrease slightly in 2017 due to difficulty UWSCC is having in raising funds. The remaining 43% is composed of donations, annual giving, and grants. The estimates for 2017 for these items are reasonable and in line with 2016 projections.

90% of the program expenses are personnel costs composed of a manager and administrative assistant and five teachers (one day time, 4 evening). The remaining expenses are minor and mostly composed of books for the evening and daytime classes.

One significant part of this program is the one on one tutoring performed by approximately 100 tutors at this point. There is actually very little cost involved with the tutor segment except for replacement of tutor manuals that are provided to each of the tutors (but then returned if the tutor stops assisting the program).

No attempt was made to inflate the donation and grant estimates to balance this budget. It is best to view upfront what the problem is and obviously, much effort will be needed in 2017 to convince the community of the value of this program offers. We hope that all board members will share in this effort. Short of success in raising extra funds, it will be necessary to transfer money from the investment account when cash is required.

2017 Budget Summary-ALP		
Revenue	\$	%
Donations/Grants	\$ 59,811	100.0%
Transfer from invest:	-	0.0%
Total	\$59,811	100.0%
Expense		
Personnel	\$ 90,082	90.0%
Materials	5,000	5.0%
Facilities	2,200	2.2%
Programming	700	0.7%
Supplies	350	0.3%
All other	1,750	1.7%
Total	\$100,082	100.0%
Net	(\$40,271)	

2017 Budget

Month: 12

Kennett Library

	2017 Budget	2016 Proj Act	Change from 2016 Proj	
			%	\$
Revenue				
State aid	\$ 102,440	\$ 98,512	4.0%	\$ 3,928
County	80,261	77,167	4.0%	\$ 3,094
Pocopson	8,000	8,000	0.0%	\$ -
East Marlborough	130,000	121,908	6.6%	\$ 8,092
Kennett Township	154,000	155,000	-0.6%	\$ (1,000)
Kennett Square	37,100	37,100	0.0%	\$ -
New Garden	15,500	15,500	0.0%	\$ -
Newlin	10,500	10,500	0.0%	\$ -
Pennsbury	35,000	35,500	-1.4%	\$ (500)
West Marlborough	3,500	3,500	0.0%	\$ -
Total governmental	\$ 576,301	\$ 562,687	2.4%	\$ 13,614
Charges	\$ 14,500	\$ 14,513	-0.1%	\$ (13)
Fines & overdue books	17,000	17,822	-4.6%	\$ (822)
Interest	60	39	53.6%	\$ 21
Donations + Memorial	15,000	41,448	-63.8%	\$ (26,448)
Funds-Grant	20,000	18,683	7.0%	\$ 1,317
Spring Fundraising Events	39,750	35,357	12.4%	\$ 4,393
Annual giving	30,000	20,030	49.8%	\$ 9,970
Miscellaneous revenue	-	14	-100.0%	\$ (14)
Total Library Revenue	136,310	147,907	-7.8%	\$ (11,597)
Transfer from/to other funds	-	\$ (10,163)	-100.0%	\$ 10,163
Total revenue	712,611	700,431	1.7%	\$ 12,180
Expense				
Personnel services				
Wages-local part-time	333,296	\$ 361,216	-7.7%	\$ (27,919)
Fringe benefits	25,497	47,081	-45.8%	\$ (21,583)
Medical benefits	46,000	44,880	2.5%	\$ 1,120
Unemployment insurance	5,200	4,922	5.7%	\$ 278
Workmen's Compensation	5,000	4,821	3.7%	\$ 179
Retirement	16,800	15,849	6.0%	\$ 951
Life & disability insurance	3,800	3,558	6.8%	\$ 242
Personnel services	435,594	482,325	-9.7%	\$ (46,731)
Library Materials				
Books -non fiction		\$ 157	-100.0%	\$ (157)
Books-fiction		91	-100.0%	\$ (91)
Books-adult	30,000	39,911	-24.8%	\$ (9,911)
Books-children	22,000	29,829	-26.2%	\$ (7,829)
Books-young adult	2,000	679	194.4%	\$ 1,321

Kennett Library	2017	2016	Change from 2016 Proj	
	Budget	Proj Act	%	\$
Books- Gr Novels	2,000	613	226.1%	\$ 1,387
Books-reference	600	666	-9.9%	\$ (66)
Books-electronic	7,000	8,886	-21.2%	\$ (1,886)
Books-literacy	300	166	80.3%	\$ 134
Periodicals	7,347	7,787	-5.7%	\$ (440)
Digital video (Adults & Children)	6,000	7,850	-23.6%	\$ (1,850)
Audiobooks-adult	6,000	14,290	-58.0%	\$ (8,290)
Downloadable e-books	10,000	8,044	24.3%	\$ 1,956
Library supplies-Processing	3,500	4,317	-18.9%	\$ (817)
Library materials	97,747	123,286	-20.7%	\$ (25,539)
Library Materials as % of Expenses	13.46%	16.1%		
Professional fees				
Professional Services	12,500	\$ 10,978	13.9%	\$ 1,522
Legal fees	3,500	5,089	-31.2%	\$ (1,589)
Audit fees	6,000	5,750	4.3%	\$ 250
Administrative services	-	137	-100.0%	\$ (137)
Professional fees	22,000	21,954	0.2%	\$ 46
T&E and Employee Related				
Travel & mileage	1,000	\$ 2,308	-56.7%	\$ (1,308)
Training & workshops		33	-100.0%	\$ (33)
Training-professional	1,000	338	195.9%	\$ 662
Dues & membership	1,000	706	41.7%	\$ 294
Staff recognition	500	375	33.3%	\$ 125
T&E and Employee Related	3,500	3,760	-6.9%	\$ (260)
Marketing & PR				
Postage	12,500	\$ 5,773	116.5%	\$ 6,727
Advertising	5,000	1,105	352.5%	\$ 3,895
Printing	15,000	6,476	131.6%	\$ 8,524
Website maintenance	1,000	840	19.0%	\$ 160
Marketing & PR	33,500	14,194	136.0%	\$ 19,306
Programming				
Programming		\$ 5,604	-100.0%	\$ (5,604)
Programming-Adult	\$ 5,000	1,351	270.2%	\$ 3,649
Programming-children	\$ 13,000	12,116	7.3%	\$ 884
Programming-young adult	\$ 8,000	2,864	179.3%	\$ 5,136
Programming-spring events	\$ 7,500	5,471	37.1%	\$ 2,029
Programming	33,500	27,406	22.2%	\$ 6,094
Facilities & maintenance				
Maintenance-building & grounds	23,000	\$ 20,077	14.6%	\$ 2,923
Signage		2,349	-100.0%	\$ (2,349)
Insurance	12,250	12,155	0.8%	\$ 95
Telephone Service	6,000	6,428	-6.7%	\$ (428)
Telecommunications charges	2,000	2,171	-7.9%	\$ (171)

Kennett Library	2017	2016	Change from 2016 Proj	
	Budget	Proj Act	%	\$
Electric	15,000	14,665	2.3%	\$ 335
Water/sewer	2,220	2,315	-4.1%	\$ (95)
Heating	5,250	3,263	60.9%	\$ 1,987
Trash/recycling	1,000	825	21.2%	\$ 175
Facilities & maintenance	66,720	64,247	3.8%	\$ 2,473
Fundraising				
Fundraising expenses	10,000	\$ 7,086	41.1%	\$ 2,914
Fundraising	10,000	7,086	41.1%	\$ 2,914
Supplies				
Equipment lease-postage meter	550	501	9.8%	\$ 49
Equipment lease-copier-public	4,000	4,121	-2.9%	\$ (121)
Supplies-office	5,000	6,117	-18.3%	\$ (1,117)
Supplies-copier	500	621	-19.5%	\$ (121)
Supplies-computer	1,000	1,725	-42.0%	\$ (725)
Supplies-maintenance	2,000	2,181	-8.3%	\$ (181)
Supplies-public relations		525	-100.0%	\$ (525)
Watercooler/coffee machine	900	683	31.7%	\$ 217
Supplies	13,950	16,475	-15.3%	\$ (2,525)
Miscellaneous				
Miscellaneous expense	8,000	\$ 2,968	169.5%	\$ 5,032
Trustee Account	-	1,250	-100.0%	\$ (1,250)
Credit card fees	300	105	186.8%	\$ 195
Bank charges	750	852	-12.0%	\$ (102)
Background check fees	500	213	134.5%	\$ 287
Permits	300	253	18.4%	\$ 47
Miscellaneous	9,850	5,641	74.6%	\$ 4,209
Transfers & Reimbursements				
Transfer to other funds	-	-		
Expenses before Capital Expenses	726,361	766,374	-5.2%	\$ (40,014)
Net, before capital expenditures	(13,750)	(65,943)	-79.1%	\$ 52,194
Capital outlay				
Capital outlay-office furniture	500	\$ 725	-31.0%	\$ (225)
Capital outlay-computer equipment	5,000	6,333	-21.0%	\$ (1,333)
Capital outlay-computer software	750	626	19.8%	\$ 124
Capital outlay-renovation		2,181	-100.0%	\$ (2,181)
Capital outlay, other	6,250	9,865	-36.6%	\$ (3,615)
Total Expense (with CapEx)	732,611	776,239	-5.6%	\$ (43,629)
Excess of Revenue over Expense	(20,000)	(75,808)	-73.6%	\$ 55,809

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	2017 Budget	2016 Proj Act	Change from 2016 Proj	
			%	\$
Revenue				
Interest	\$ 3	\$ 3	7.9%	\$ 0
Donations	10,000	7,397	35.2%	\$ 2,603
Donations-United Way	300	307	-2.3%	\$ (7)
Donations-United Way-Southern Cl	34,008	36,357	-6.5%	\$ (2,349)
Donations-United fund-DE	500	742	-32.6%	\$ (242)
Funds-Grant	15,000	17,250	-13.0%	\$ (2,250)
Spring fundraising event	5,250	5,599	-6.2%	\$ (349)
Annual giving	5,000	3,774	32.5%	\$ 1,226
ALP Revenue	\$ 59,811	\$ 62,056	-3.6%	\$ (2,245)
Funds transferred in				
Total revenue	\$ 59,811	\$ 62,056	-3.6%	\$ (2,245)
Expense				
Wages-local part-time	\$ 82,426	\$ 63,711	29.4%	\$ 18,715
Fringe benefits	6,306	4,874	29.4%	\$ 1,432
Unemployment insurance	1,350	1,174	15.0%	\$ 176
Library Materials	5,000	6,286	-20.5%	\$ (1,286)
Postage	100	94	6.4%	\$ 6
Printing	500	984	-49.2%	\$ (484)
Website maintenance	150	96	56.1%	\$ 54
Programming	700	651	7.6%	\$ 49
Rent	2,200	2,078	5.9%	\$ 123
Supplies	350	343	2.0%	\$ 7
Miscellaneous	250	250	-0.2%	\$ (0)
	\$ 100,082	\$ 80,547	24.3%	\$ 19,535
Excess of Revenue over Expenses	\$ (40,271)	\$ (18,491)	117.8%	\$ (21,779)