

Lake Forest Library
Budget FY 2018

Approved March 7, 2017

Lake Forest Library

FY 2018 Budget Introduction

The FY2018 budget reflects a small increase in revenues from the City of Lake Forest tax levy based on a .7% CPI increase and an estimated growth of .56%. Together these provide a revenue increase of \$46,775. The budget anticipates a slight increase in interest revenue given the market shift and the reserve balance of \$1,100,000 (\$500,000 capital equipment, \$300,000 capital improvements, and \$300,000 technology improvements). It is anticipated that the interest will offset other decreases.

The budget maintains a robust materials budget and a healthy building maintenance and improvements account. All other expenses were evaluated on a line item basis and reductions made where necessary.

The budget anticipates merit increases of up to 2.0%. This is less than similarly situated libraries and less than the 2.5% that the City of Lake Forest will award its employees. This increase is possible due careful budgeting, the elimination of one position, and the anticipated restructuring of other positions in FY2018.

The programming budgets remain *de minimis* as the 2018 calendar year programming is being underwritten by the Friends of Lake Forest Library. Going forward it will be prudent to start to budget for these expenses, approximately \$63,000 in 2018, out of operating funds.

Recent strategic planning meetings stressed the growing importance of public-private partnerships to support budgets. Going forward, the Library will investigate opportunities that support and advance the Library's mission.

This is a fiscally responsible budget that focuses on providing the best library resources, programming, and services for our patrons.

Lake Forest Library
Summary of Revenues and Expenditures by Major Object
FY 2018

	FY15 Audited	FY16 Budget	FY 16 Audited	FY 17 Budget	FY18 Budget	% Change
Funds on Hand 5/1	\$1,395,132	\$1,395,134	\$1,831,118	\$1,336,963	\$1,136,963	
Current Revenue						
Tax-Based	\$3,828,758	\$3,904,470	\$3,898,557	\$3,938,764	\$3,965,539	1
TIF Surplus	\$0	\$0	\$0	\$0	\$0	
Non Tax-Based	\$99,837	\$60,800	\$118,734	\$81,600	\$75,500	(7)
Gifts	\$166,268	\$5,000	\$26,400	\$5,000	\$10,000	100
Total Revenues	\$4,094,863	\$3,970,270	\$4,043,691	\$4,025,364	\$4,051,039	1
Total Funds Available	\$5,489,995	\$5,365,404	\$5,874,809	\$5,362,327	\$5,188,002	(3)
Operating Expenditures						
Personnel Services	\$2,425,262	\$2,653,561	\$2,516,111	\$2,731,784	\$2,624,153	(4)
Print, A/V & Electronic Media	\$546,466	\$545,000	\$474,950	\$575,000	\$580,000	1
Other Objects of Expenditure	\$353,787	\$412,900	\$389,921	\$434,700	\$481,886	11
Building Maintenance	\$126,924	\$167,000	\$139,674	\$181,000	\$185,000	2
Total Operating Expenditures	\$3,452,439	\$3,778,461	\$3,520,656	\$3,922,484	\$3,871,039	(1)
Capital Equipment	\$93,698	\$150,000	\$66,918	\$100,000	\$80,000	(20)
Capital Improvements	\$112,739	\$75,000	\$50,272	\$125,000	\$100,000	(20)
Total Other	\$206,437	\$225,000	\$117,190	\$225,000	\$180,000	(20)
Grand Total Expenditures	\$3,658,876	\$4,003,461	\$3,637,846	\$4,147,484	\$4,051,039	(2)
Differences in Revenues and Expenditures	\$435,987	(\$33,191)	\$405,845	(\$122,120)	\$0	(100)
Funds on Hand (inc. reserves)	\$1,831,119	\$1,361,943	\$2,236,963	\$1,708,999	\$2,236,963	0

**Lake Forest Library
Revenue and Income
FY 2018**

	FY15 Audited	FY 16 Audited	FY17 Budget	FY18 Budget	% Change	\$ Change
Property Tax	\$3,793,925	\$3,871,122	\$3,938,764	\$3,965,539	1	\$26,775
Illinois Municipal Retirement Fund	\$0	\$0	\$0	\$0	0	\$0
Tax Replacement	\$34,833	\$27,435	\$20,000	\$15,000	(25)	(\$5,000)
TIF Surplus	\$0	\$0	\$0	\$0	0	\$0
Photocopy	\$8,344	\$7,646	\$8,000	\$7,500	(6)	(\$500)
Book Rental/Book Ba	\$387	\$299	\$300	\$250	(17)	(\$50)
Charge plate/cards	\$412	\$380	\$300	\$250	(17)	(\$50)
Library fines	\$42,364	\$38,626	\$38,000	\$32,000	(16)	(\$6,000)
Interest earned	\$10,076	\$15,717	\$10,000	\$12,500	25	\$2,500
Other revenues	(\$32)	\$35,124	\$0	\$0	0	\$0
Per Capita Grant	\$24,219	\$0	\$0	\$0	0	\$0
Gifts	\$168,142	\$26,400	\$5,000	\$10,000	100	\$5,000
Impact Fee	\$12,193	\$20,942	\$25,000	\$8,000	(68)	(\$17,000)
TOTAL	\$4,094,863	\$4,043,691	\$4,045,364	\$4,051,039	0	\$5,675

REVENUE and INCOME FY2018

Explanatory Notes

Estimated total revenue from the 2016 levy for FY18 is \$3,965,539 (\$3,551,165 Operating; \$394,724 Sites; and \$19,650 Growth). Results in an 1.26% increase in library revenues (\$46,775) resulting from a .7% increase in CPI and .56% growth. Includes property tax, IMRF, and Social Security levies.

Personal Property Tax Replacement: declining revenue line reflects a 25% reduction based on FY17 estimated actual.

Photocopy: reduced 6% based on FY16 actual and FY17 estimated actual.

Book rental/Charge Plate, Cards: reduced based on FY16 actual and FY17 estimated actual.

Library Fines: reduced 16% based on FY16 actual and FY17 estimated actual. Conservative due to possible increase in lending periods and use of auto renewals; and ongoing greater use of email notification of due dates and online renew feature.

Interest: increased 20% based on FY16 actual and FY17 estimated actual.

Other Revenue: None, LIMRiCC D & O insurance refund; final payout FY16: \$21,059.

Per Capita Grant: FY 2016 grant of \$14,935 was approved by Illinois State Library and paid in FY2017. Grant application was submitted in November 2016; no guarantee of funding given State of Illinois financial situation.

Gifts: based on FY16 actual and FY17 estimated actual.

Impact fee: implemented in October 1994; based on FY16 actual and FY17 estimated actual. City's growth estimate for FY18 is .56%; up from .2% in FY 17; but overall market remains slow. As of January 2017, the FY2017 receipts are \$19,000 under the budgeted \$25,000.

**Lake Forest Library
Operating and Capital Expenditures
FY2018**

Category	FY15 Actual	FY16 Actual	FY17 Budget	FY18 Budget	% Change	\$ Change
Salaries/Wages	\$1,780,957	\$1,858,651	\$2,060,284	\$1,848,323	(10)	(\$211,961)
Fringes	\$644,305	\$657,460	\$671,500	\$769,290	15	\$97,790
Print, Audiovisual and Electronic Media	\$546,466	\$474,950	\$575,000	\$580,000	1	\$5,000
Other Objects of Expenditure	\$353,787	\$389,921	\$434,700	\$481,886	11	\$47,186
Building Maintenance	\$126,924	\$139,674	\$181,000	\$185,000	2	\$4,000
Sub-Total	\$3,452,439	\$3,520,656	\$3,922,484	\$3,864,499	(1)	(\$57,985)
Capital Expenditures						
Capital Equipment	\$93,698	\$66,918	\$100,000	\$80,000	(20)	(\$20,000)
Capital Improvement	\$112,739	\$50,272	\$125,000	\$100,000	(20)	(\$25,000)
Reserves	\$0	\$0	\$0	\$0		\$0
Sub-Total	\$206,437	\$117,190	\$225,000	\$180,000	(20)	(\$45,000)
Total	\$3,658,876	\$3,637,846	\$4,147,484	\$4,044,499	(2)	(\$102,985)

**Lake Forest Library
Compensation Package
FY2018**

Current Employees	FY15 Audited	FY16 Budget	FY16 Audited	FY17 Budget	FY18 Budget	% Increase	\$ Increase
Full Time Equivalent	30.00	30.00	30.00	30.00	30.00		
Salaries & Wages	\$1,765,968	\$1,982,399	\$1,841,643	\$2,045,284	\$1,830,323	(11)	(\$214,961)
Longevity	\$14,989	\$13,000	\$17,007	\$15,000	\$18,000	20	\$3,000
Sub-Total	\$1,780,957	\$1,995,399	\$1,858,650	\$2,060,284	\$1,848,323	(10)	\$201,634
Fringe Benefits							
ERI Liability	\$0	\$0	\$0	\$0	\$0	0	\$0
IMRF (retirement)	\$188,972	\$192,366	\$193,348	\$192,000	\$240,282	25	\$48,282
Social Security	\$130,667	\$130,921	\$138,133	\$131,000	\$141,397	8	\$10,397
Worker's Comp	\$16,080	\$18,000	\$10,747	\$16,000	\$15,000	(6)	(\$1,000)
Insurance, Life	\$1,928	\$2,500	\$1,888	\$2,500	\$2,625	5	\$125
Insurance, Medical	\$292,495	\$300,000	\$300,612	\$315,000	\$361,260	15	\$46,260
Insurance, Dental	\$10,256	\$10,275	\$10,534	\$11,000	\$12,266	12	\$1,266
Flexi-Benefits	\$3,907	\$4,100	\$1,195	\$4,000	\$3,000	(25)	(\$1,000)
Sub-Total	\$644,305	\$658,162	\$656,457	\$671,500	\$775,830	16	\$104,330
GRAND TOTAL	\$2,425,262	\$2,653,561	\$2,515,107	\$2,731,784	\$2,624,153	(4)	(\$107,631)

COMPENSATION PACKAGE

Explanatory Notes

Salaries & Wages

Salary FY17: (estimated actual)	\$1,798,915
Salary Adjustments (2.0 average):	\$31,408
New Staff	<u>0</u>
SUB-TOTAL	\$1,830,323
Longevity	<u>\$18,000</u>
TOTAL	\$1,848,323

Based on current staffing, reflects reduction due to restructuring of one position and managed use of overtime in FY2017. Merit increases of 0-2.0% on average which is less than similarly situated libraries. City of Lake Forest employees are budgeted to receive a 2.5% increase.

Longevity: length of service award, paid annually in December, same as City of Lake Forest.

IMRF Retirement: based on City of Lake Forest Finance Director's estimate 13% on eligible salary with final number to come in April 2018.

Social Security: direct relationship to payroll; 7.65% per \$100 in salary.

Unemployment Compensation: based on FY16 actual and FY17 estimated actual.

Worker's Compensation: a direct relationship to payroll and state mandated costs based on FY17 estimated actual.

Insurance, Life: based on FY16 actual and FY17 estimated actual with advice from City of Lake Forest Finance Director.

Insurance, Medical: estimated 8% increase per City of Lake Forest.

Insurance, Dental: estimated 2.1% increase per City of Lake Forest.

Flex-Benefits: direct relationship to payroll; \$150 each full time employee; includes an administrative service charge. Based on FY17 estimated actual.

**Lake Forest Library
Print and NonPrint Materials
FY2018**

Item	FY15 Audited	FY16 Audited	FY17 Budget	FY 18 Budget	% Change	\$ Change
Print	\$255,003	\$219,491	\$260,000	\$245,000	(6)	(\$15,000)
Nonprint	\$194,416	\$177,317	\$200,000	\$220,000	10	\$20,000
Audiovisual	\$97,047	\$78,142	\$115,000	\$115,000		\$0
Total	\$546,466	\$474,950	\$575,000	\$580,000	1	\$5,000

MATERIALS: PRINT, NONPRINT, and AUDIOVISUAL

Explanatory Notes

Total increase: 1% increase keep expenditures for access/materials at recommended 12% of operating budget (Illinois Library Standard); reflects increasing cost of materials, especially ebooks (print and audio) and access to downloadable music, magazines, and video/film.

Print: books, newspapers, and periodicals; ongoing evaluation of overall print collection with newspaper and periodical collection reevaluated in Summer 2016 and titles deleted and new titles added.

Non-print Materials: Staff recommends increase apply to electronic online services and materials. A full review of subscription databases occurred in fourth quarter 2016 to evaluate usage versus costs.

Audiovisual: cds, DVD's, video games; no increase.

**Lake Forest Library
Other Objects of Expenditure
FY 2018**

Item	FY15 Actual	FY16 Actual	FY17 Budget	FY18 Budget	% Change	\$ Change
Administrative Services	\$12,600	\$23,508	\$23,000	\$23,575	3	\$575
Adult Programs	(\$164)	\$336	\$5,000	\$5,000	0	\$0
Art Work	\$0	\$1,723	\$1,000	\$200	(80)	(\$800)
Audit	\$6,898	\$7,430	\$8,000	\$7,000	(13)	(\$1,000)
Auto Allowance	\$826	\$1,003	\$1,500	\$1,500	0	\$0
Binding	\$4,607	\$3,770	\$5,000	\$3,500	(30)	(\$1,500)
Contractual Services	\$225,081	\$232,856	\$251,000	\$260,000	4	\$9,000
Expense Allowance	\$1,633	\$5,797	\$7,000	\$8,000	14	\$1,000
Insurance, Liability	\$2,435	\$1,564	\$2,700	\$3,100	15	\$400
Juvenile Programs	(\$1,144)	(\$4,524)	\$5,000	\$5,000	0	\$0
Maintenance of Equip	\$1,530	\$1,775	\$3,000	\$3,000	0	\$0
Membership Dues	\$9,244	\$6,484	\$9,500	\$9,500	0	\$0
Office Supplies	\$31,186	\$28,352	\$39,000	\$40,000	3	\$1,000
Personnel Recruitment	\$0	\$14,475	\$1,000	\$1,000	0	\$0
Postage	\$6,488	\$8,971	\$9,000	\$10,500	17	\$1,500
Printing	\$13,310	\$15,601	\$16,000	\$17,000	6	\$1,000
Promotion	\$9,956	\$12,895	\$16,000	\$17,500	9	\$1,500
Special Projects	\$0	\$0	\$0	\$40,000	100	\$40,000
Telephone	\$18,644	\$13,291	\$13,000	\$7,511	(42)	(\$5,489)
Training	\$3,409	\$7,957	\$10,000	\$10,000	0	\$0
Vending	\$7,248	\$7,659	\$9,000	\$9,000	0	\$0
Total	\$353,787	\$390,924	\$434,700	\$481,886	11	\$47,186

**Lake Forest Library
Contractual Services Detail
FY2018**

Item	FY15 Audited	FY16 Audited	FY17 Budget	FY18 Budget
OCLC/RAILS/ISL	\$8,729	\$9,412	\$10,000	\$10,000
Online/Internet	\$6,700	\$8,140	\$10,000	\$10,000
CCS	\$67,935	\$66,524	\$75,000	\$79,000
LAN	\$64,433	\$77,004	\$70,000	\$70,000
Other: equipment, misc.	\$37,735	\$39,600	\$45,000	\$45,000
Computer Equipment Lease	\$39,549	\$32,176	\$41,000	\$46,000
Total	\$225,081	\$232,856	\$251,000	\$260,000

OCLC: Online Computer Library Center

RAILS Reaching Across Illinois System

ISL: Illinois State Library

Online: (website hosting and related online database expenses)

CCS: Cooperative Computer Services increase for personnel searches and ILS RFP/migration work

LAN: Local Area Network: based on FY16 actual; Computer View manages LAN and wireless

Other: based on FY16 actual and FY17 estimated actual; software upgrades; Mac for graphic design
Media Lab upgrades

Computer Equipment Lease (CIT Finance): new (3 year) lease in FY16

OTHER OBJECTS OF EXPENDITURE

Explanatory Notes

Administrative Services: charged by City for services, mainly payroll and billing, snow removal. Fee will increase by 2.5% in FY2018.

Art Work: copyrighted graphic design images for promotional efforts.

Audit: \$6500 fee already bid for FY2018 by City of Lake Forest.

Contractual Services: see line item detail, page 11.

Expense Allowance: cost of meetings, meals; based on FY16 audit and FY17 estimated actual. Staff attend ALA, PLA, and ILA conferences.

Insurance, Liability: based on increased cost in FY17 for D&O insurance.

Maintenance of Equipment: varies from year to year; based on FY16 audit and FY17 estimated actual.

Membership Dues: American Library Association, IL Library Association, local non-profits; based on FY16 audit and FY17 estimated actual.

Office Supplies: based on FY16 audit and FY17 estimated actual.

Phone: No longer part of City of Lake Forest service. Based on FY17 estimated actual.

Postage: based on FY17 estimate and anticipated mailing of notice for expiring library cards.

Printing: based on based on FY16 audit and FY17 estimated actual.

Programs (Adult and Juvenile): The Friends of Lake Forest Library provide funds for programming. In the calendar year 2017, this amount is \$66,300.

Promotion: based on FY16 audit and FY17 estimated actual.

Training: continuing education, use of webinars and online training to manage costs.

Vending: coffee, tea, supplies; based on FY16 audit and FY17 estimated actual. Reduced costs in supplies in FY17 by switching to environmentally friendly reusable materials.

**Lake Forest Library
Building Maintenance
FY2018**

Item	FY15 Audited	FY16 Audited	FY17 Budget	FY18 Budget	% Change	\$ Change
Janitor Supplies	\$20,946	\$18,638	\$25,000	\$25,000	0	\$0
Contractual Services	\$12,045	\$11,335	\$15,000	\$17,000	13	\$2,000
Insurance	\$24,297	\$27,219	\$30,000	\$30,000	0	\$0
Building Maintenance	\$5,007	\$23,728	\$35,000	\$35,000	0	\$0
Equipment Maintenance	\$17,130	\$14,194	\$25,000	\$25,000	0	\$0
Grounds Maintenance	\$41,960	\$38,894	\$45,000	\$45,000	0	\$0
Water	\$5,539	\$5,667	\$6,000	\$8,000	33	\$2,000
Total	\$126,924	\$139,674	\$181,000	\$185,000	2	\$4,000

BUILDING MAINTENANCE

Explanatory Notes

Janitor Supplies: FY16 actual and estimated FY17.

Contractual Services: for elevator maintenance, HVAC service contracts.

Insurance: based on FY16 actual and estimated FY17.

Building Maintenance: varies from year to year depending on needs. An older building requires continued maintenance and upgrades to lighting and other features.

Equipment Maintenance: FY16 actual and estimated FY17.

Grounds Maintenance: based on FY16 actual and estimated FY17. Added cost for winter protection of plants to avoid high cost of replacing salt damaged plants and new work on gardens near south sidewalk.

Water: based on FY16 actual and estimated FY17. Increase for FY18 due to new surcharge on usage.

CAPITAL EXPENDITURES - EQUIPMENT & IMPROVEMENT

Explanatory Notes

Capital Expenditures for FY16:

- | | |
|--|-----------|
| 1. Equipment: Technology upgrades, HVAC, Telephone System Replacement, CCTV Upgrades | \$150,000 |
| 2. Improvements: Paint, Carpet mezzanine stairs, ADA compliance | \$75,000 |

Capital Expenditures for FY17:

- | | |
|--|-----------|
| 1. Equipment: Technology upgrades; HVAC | \$100,000 |
| 2. Improvements: Carpet in Children's Library; Fire inspection work, lighting retrofits and upgrades, Security system on back entrance, ADA compliance | \$125,000 |

Capital Expenditures for FY18*:

- | | |
|--|-----------|
| 1. Equipment: Technology upgrades; HVAC | \$80,000 |
| 2. Improvements: lighting, carpeting, adult program room, ADA compliance | \$100,000 |

*Reduced due to reserves

From Long Range Plan