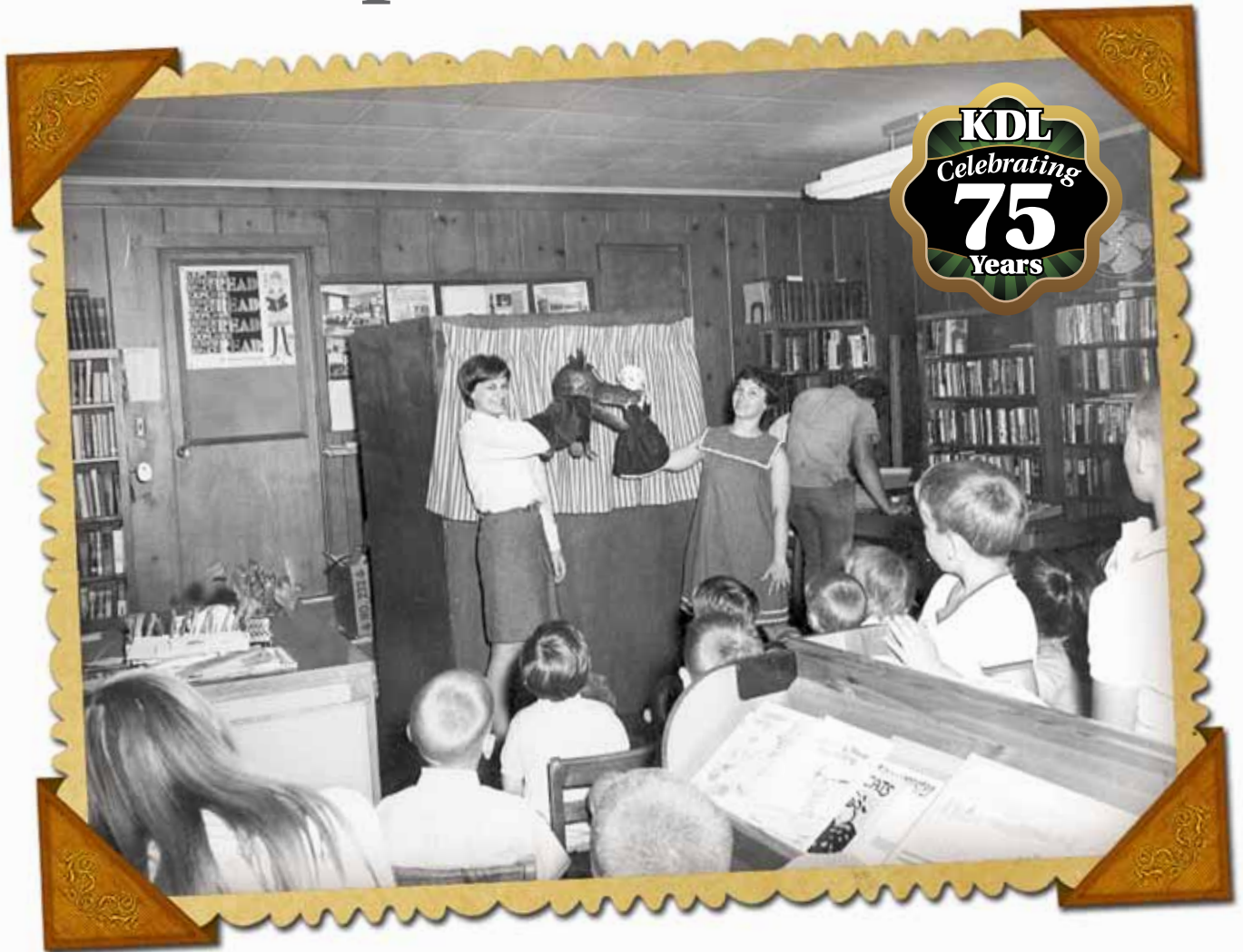

Kent District Library

Strategic Plan

2012 Update



KDL Information.
Kent District Library Ideas.
Excitement!

www.kdl.org

Kent District Library

KDL Service Center

814 West River Center Drive
Comstock Park, MI 49321-8955
Ph: 616-784-2007
Fax: 616-647-3828

Kent District Library is a millage-supported system encompassing 18 branch libraries in 26 governmental units throughout Kent County, Michigan. KDL serves 395,489 people in all areas of Kent County except the Cities of Grand Rapids and Cedar Springs, Village of Sparta, and Solon and Sparta Townships.

Table of Contents

Strategic Plan 2012 Update

I. Introduction	2
II. Goals, Objectives, and Activities	8
III. Organizational Competencies and Initiatives	15

Budget

IV. 2012 Budget	21
V. Financial Overview 2005-2014	33

Strategic Plan

2012 Update

I. INTRODUCTION

In 2011, KDL celebrated its 75th Anniversary. This significant milestone presents a great opportunity to look back at KDL's past as well as look forward to our future.



From our inception in 1936, KDL has had a special focus on services to children and families. We have proudly continued to champion this focus to the present day and anticipate a future committed to educating families and supporting early literacy. The 1940s and 1950s saw what was then a volunteer organization become an official public library—the Kent County Library System (KCLS). In the 1960s and 1970s, KCLS expanded and partnered with cities and townships in Kent



County to build permanent library facilities after years of “making do” in storefronts, converted government buildings, and bookmobiles. These invaluable partnerships with cities and townships continue to this day. During the 1980s and 1990s, technology caused a tidal wave of change in libraries throughout the nation. Patrons started to visit libraries to access the Internet and began searching for books and other materials on computerized, rather than card, catalogs.

KCLS remained a department of Kent County until 1994 when the Kent District Library was formed. During the last seventeen years, KDL has focused on adapting premier technologies like RFID and self check-in, establishing a vibrant readers advisory service, and building a robust popular materials collection. By directing our efforts and resources toward these ends, Kent District Library has become one of the busiest libraries in the state.

The economic downturn of 2008 hit Michigan residents especially hard. At that time, KDL experienced a surge of use as patrons turned to us for computer training, free high-speed Internet access, and affordable entertainment in the form of books, movies, and music. In 2010, the digital revolution crested on library shores with patrons looking for materials in new formats like the eBook. As we have over the last 75 years, KDL has stepped up to meet this latest demand by committing significant resources to the development of a premier digital materials collection.

What the next 75 years will bring to public library service is open for speculation. We at KDL predict a digital future where our 19th branch, the KDL website, becomes the most popular destination for our patrons. Whatever comes next, KDL remains committed to innovation, responsiveness to customer demand, and offering the highest quality library service. To that end, we present this 2012 update of our current strategic plan.

BUDGET CONSIDERATIONS

Balancing KDL's strong vision for patron-centered service with the reality of declining revenue remains our greatest challenge as we head toward the end of our current millage period in 2014. KDL's millage will provide approximately 88% of our total revenue in 2012. Property taxes in Kent County continue to decline resulting in a loss of \$380,655 in tax revenue for KDL in 2012; this represents a 2.8% decline over last year. Total revenue for KDL in 2012 is expected to be down approximately 3.1% (\$486,095) over 2011.

While state funding for libraries has eroded significantly over the last decade, KDL will continue to receive State Aid and penal fine funds in 2012 because of strong advocacy efforts; however, the future of State Aid and penal fines remains tenuous. In light of these realities, KDL must remain vigilant in its effort to maintain a conservative fiscal-mindedness. In this vein, we advance in the second half of this Strategic Plan Update, a 2012 budget that remains committed to high quality service and a strong materials collection. In order to present a balanced budget and still succeed in meeting our strategic plan objectives, we recommend the following actions:

HUMAN RESOURCES:

Maximizing Staff Talents and Abilities.

One of KDL's greatest assets is our talented and creative staff. Many of our successful past and current initiatives have been the result of staff promoting innovative ideas. We look to leverage this talent even further in 2012 with the continuation of our digital materials services, development of more peer-to-peer training opportunities, and furthering initiatives begun by our Leadership Institute graduates. Doing so will continue KDL's commitment to building library leaders and increase staff camaraderie. Utilization of peer-to-peer training will also allow KDL to reduce our training budget by 15.9% in 2012. Additionally, KDL looks to save on labor costs in 2012 by leveraging attrition and creatively reassigning staff to priority initiatives.



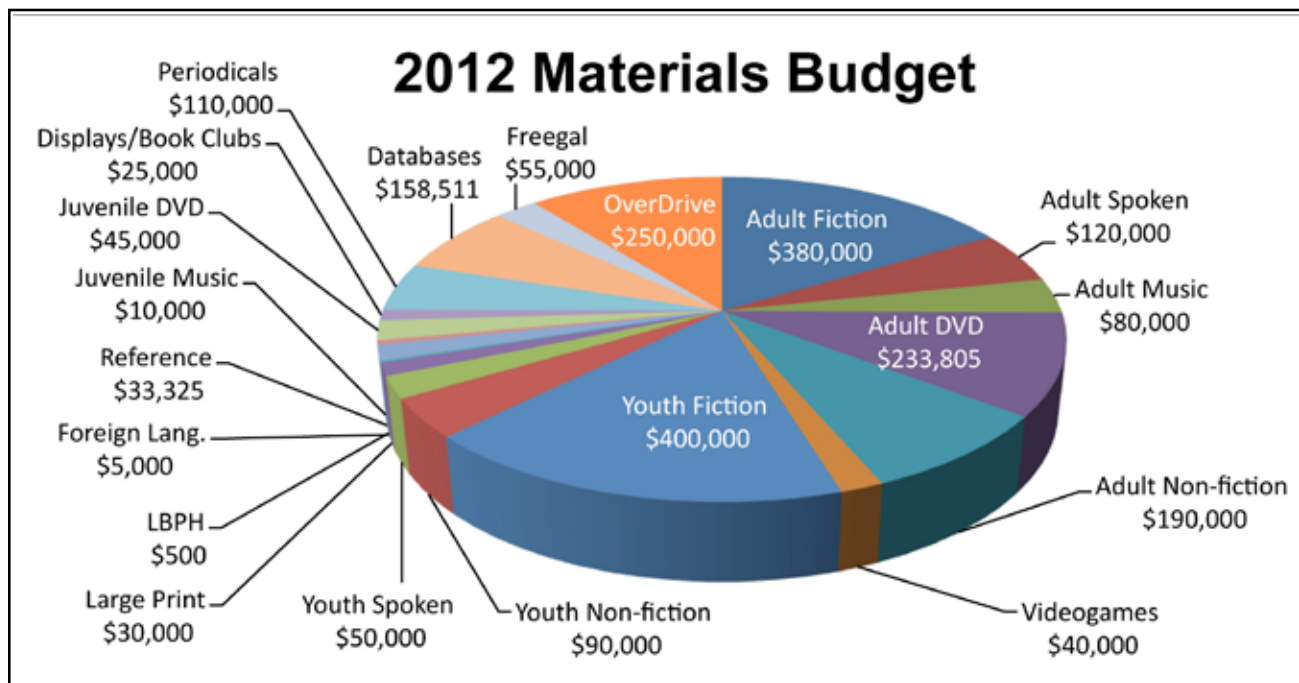
TECHNOLOGY: Upgrading to Achieve Success.

On KDL's docket for 2012 is a plan to upgrade our aging equipment in order to stay ahead of the technology curve and meet the ever-increasing public demand for more bandwidth. Major projects for the year include:

- replacing all public computers as well as updating routers at the Service Center (\$225,000);
- increasing bandwidth at several of our smaller branches to improve computer response time (\$64,160); and
- adding one laptop lab at the Wyoming branch to expand our adult computer confidence class offerings (\$7,100).

COLLECTION: Embracing the Digital Future.

After decreases to last year's collection budget, we are committed to no further reductions to this budget line in 2012. The proposed \$2,268,142 collection budget represents 15% of KDL's total 2012 operating budget. While the print collection budget will remain static, we are recommending an additional \$250,000 for the digital materials collection to meet the growing demand for this format. Of the total collection budget, 79.6% (or \$1,804,631) is for print materials while 20.4% (or \$463,511) is for digital materials (including databases, eBooks, downloadable music, etc.).



To aid in patron browsing of KDL's collection, we plan to extend our Dewey-Free labeling project to the Byron Township, Comstock Park, East Grand Rapids, Englehardt, and Gaines Township branches. There are no major weeding projects scheduled for 2012 aside from the normal maintenance plan currently in place.

KDL will continue marketing our collection through displays, blog posts, and bookmarks. A new marketing initiative in 2012 will utilize QR (Quick Response) codes on bookmarks, signs, and shelf clips to link patrons to readalikes and short video book talks.



FACILITIES: Making Branches Even Easier to Use.



The 2012 operating budget contains funding for way-finding signs (\$7,179) and marketing displays (\$2,000). For additional facility improvements in 2012, KDL will need outside funding support from grants, Friends groups, or other local funds. If external money is available, we would like to focus on improving teen spaces and purchasing wi-fi friendly furniture. One initiative that we hope will attract outside support is the creation of more “KDLville Outdoor Learning Spaces” similar to the children’s garden at the Caledonia Township branch.

PROGRAMS AND SERVICES: Meeting our Patrons Where They’re at.

KDL is excited to offer programs for the entire family from young children through adults. Many fun, informational, and educational programs are on tap for 2012 and, by making small cuts across all age groups, we are proud to report that we decreased the programming budget by only 5.2% (\$6,460). Listed below is information about some of the programming planned for next year.



Young Children:

By the end of 2012, the remaining four branches (Comstock Park, Gaines Township, Sand Lake/Nelson Township, and Tyrone Township) will unveil their interactive early literacy KDLville spaces. Also in 2012, KDL will incorporate the American Library Association's



Every Child Ready to Read (2nd edition) toolkit into our current early literacy practices. Additionally, we plan to increase the number of Early Childhood Essentials educational workshops we offer to parents, families, caregivers, and childcare professionals.

School Age Children:

The summer months remain a great time to reach school-age children with tons of great books, programs, and events. In 2012, the children's Summer Reading Club theme is "Dream Big – Read." We plan on increasing our business sponsorships for the Summer Reading Club in 2012 to help fund this important program.

Teens:

Statistics about the reading levels of boys and young men are grim. For example, the U.S. Department of Education reading tests for the last 30 years show boys scoring worse than girls in every age group, every year. KDL looks to address this issue head-on in 2012 by adopting a "Guys Read" initiative targeting boys ages 0 to 20. Based on author Jon Scieszka's popular "Guys Read Project," KDL's new initiative will involve a web-based readers advisory service for boys, Guy's Read book clubs, and other exciting projects.

Adults:

Building on the success of KDL's inaugural Adult Summer Reading Club in 2011, a newly-formed Adult Program Task Force will create genre-based thematic programs for adults in 2012. These programs will replace KDL's traditional Let It Snow Program for Adults, which has experienced declining participation over the last several years.



We will primarily seek grants, local funding, and support from Friends to develop these new quarterly programs. Another program that we look to expand in 2012 is our computer confidence classes for adults. We plan to add additional courses and purchase a new laptop lab for the Wyoming branch.

COMMUNICATIONS AND MARKETING:

Spreading the Word.

In 2012, the KDL Communications Department will focus primarily on leveraging internal resources to promote KDL's services. We will focus on creating community partnerships

to maximize our marketing efforts and will take advantage of opportunities to speak to community groups through our KDL Speaker's Bureau. We will also utilize social media (e.g., Facebook and Twitter) as an effective, low-cost promotional tool. By employing the marketing strategies described above, we were able to reduce the marketing budget by 33.1% in 2012; the bulk of the savings (\$39,000) was achieved by eliminating the seasonal Library Ledger insert in the Advance Newspapers.

SUMMARY

During our 75 year history, Kent District Library has remained committed to our patrons by embracing change, innovation, and best practices to enhance the services we provide. In 2012, we will continue this tradition, while remaining fiscally responsible, so that KDL will thrive for the next 75 years.



II. STRATEGIC PLAN 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.

Note: For 2012, some objectives have been modified to reflect operational changes and to establish more realistic targets. Please see page 14 for additional details.

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 Each year, 95% of adults will say that they receive the materials they put on hold in a timely manner.
- 1.2 Each year, 95% 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.
- 1.3 By December 31, 2012, the circulation of adult fiction will increase 5%, from 931,000 (FY 2008) to 975,000.
- 1.4 By December 31, 2012, the circulation of adult media (DVDs, music CDs, audiobooks, and downloadable media) will increase 47%, from 1.5 million (FY 2008) to 2.2 million.



2012 Activities:

- By June 1, 2012, analyze and refine components of the Adult Summer Reading Club and establish benchmarks.
- By December 31, 2012, transition the non-fiction collections of at least five more branches (Byron Township, Comstock Park, East Grand Rapids, Englehardt, and Gaines Township) to the "Dewey-Free" organizational model.

- By December 31, 2012, plan, implement, and evaluate quarterly adult programs and book discussions based on seasonal themes as follows:
 - *KDL's History Mysteries* (history, historical fiction, mysteries, and genealogy) [winter];
 - *KDL Celebrates the Mitten* (Michigan and Great Lakes fiction and non-fiction, Michigan Notable Author Tour, and Michigan Reads) [spring];
 - *Between the Covers* (Romance and Other Things We Love) [summer]; and
 - *KDL's Creature Feature* (horror, vampires, ghosts, and zombies) [fall].
- By December 31, 2012, expand the *Book Club in a Bag* service by developing at least 10 new bags, using donations from Friends book discussion groups when possible.
- By December 31, 2012, include QR (Quick Response) codes on printed materials and signs to assist in providing materials advisory information for patrons such as pertinent website links, booklists, and promotional videos.
- By December 31, 2012, continue to develop and market the digital collection.

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 12%, from 890,000 (FY 2008) to 1 million.
- 2.3 By December 31, 2012, the circulation of children's media will increase 39%, from 61,000 (FY 2008) to 85,000.



2012 Activities:

- By February 1, 2012 create *Guys Read* webpage on KDL website. The webpage will include interactive book reviews, online surveys, materials advisory information, and program promotion specifically targeted toward boys and young men ages 0-20.
- By September 30, 2012, plan, implement, and evaluate the Summer Reading Club for school age children.

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, 90% 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.



2012 Activities:

- By March 31, 2012, expand *KDL Personalized Picks* service to include teen materials advisory.
- By June 1, 2012, update décor in teen areas using local/Friends money.
- By September 30, 2012, plan implement, and evaluate the Summer Reading Club for teens.
- By December 31, 2012 offer at least one *Guys Read* book group per region to attract at least ten or more regular attendees.
- By December 31, 2012, focus on high-attendance programs for teens.

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, 2012, the number of young children who participate in the library's summer reading program will increase 100%, from 3,000 (est. FY 2008) to 6,000.
- 4.2 In 2012, KDL will reach 5,000 parents or caregivers through workshops and events on early literacy skills sponsored, co-sponsored, or presented by the library.
- 4.3 Each year, 95% 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, 2012, the circulation of picture books will increase 12%, from 536,250 (FY 2008) to 600,000.



2012 Activities:

- By June 1, 2012, install at least one KDLville outdoor learning space with funding provided by donations, grants, and/or local funds.
- By June 1, 2012, revise all existing early literacy materials and training to reflect the American Library Association's new version of *Every Child Ready to Read*.
- By September 30, 2012, plan, implement, and evaluate the Summer Reading Club for young children ages 0-5.
- By December 31, 2012, open KDLville spaces in remaining four branches (Comstock Park, Gaines Township, Sand Lake/Nelson Township, and Tyrone Township) and complete associated staff training. Evaluate through peer shopping as well as public and staff surveys.
- By December 31, 2012, purchase additional and replacement early literacy items to keep current KDLville spaces fresh.
- By December 31, 2012, offer at least one Early Childhood Essentials series of workshops for parents and caregivers 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 5% of all KDL programming will provide opportunities for cross-cultural growth and understanding.
- 5.2 Each year, sponsor or co-sponsor 100 exhibits and displays that highlight the cultures in the communities served by KDL.



2012 Activity:

- By December 31, 2012, offer at least one cultural program in each region.

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

Objectives:

- 6.1 Annually, on average, no more than one person 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 161% from 67,000 (FY 2008) to 175,000.



2012 Activity:

- By March 30, 2012, improve network connections to increase speed of access to the Internet.

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, 2012, at least 50,000 people will receive the help they need to take full advantage of the wide array of electronic resources available.
- 7.2 Each year, 95% 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.



2012 Activities:

- By February 1, 2012, add one laptop lab at the Wyoming Branch.
- By December 31, 2012, develop at least four new computer class offerings focusing on high demand/high interest topics.
- By December 31, 2012, create ten short online tutorials on relevant computer-related topics and post to the KDL website.

KDL System - Strategic Plan Goal Tracking Sheet

2012 Recommended Strategic Plan Targets		2010	Annualized 2011	Current KDL System Targets for Strategic Plan	Recommended KDL System Targets for 2012 Strategic Plan	Notes
GOAL 1 - Stimulate Imagination for Adults						
Obj. 1.1: Circ. Express-Books	297,673	206,904	260,000	n/a		Initiative abandoned due to reduction in Express book budget and growing popularity of "new release" eBooks.
Obj. 1.1: Timely Holds (%)	96%	98%	85%	95%		Increase as KDL already exceeded target.
Obj. 1.2: Adult Survey (%)	95%	96%	85%	95%		Increase as KDL already exceeded target.
Obj. 1.3: Circ. Fiction	975,315	979,476	1,000,000	975,000		Decrease reflects impact of eBook circulation on physical collection.
Obj. 1.4: Circ. Media*	2,030,728	2,334,410	1,800,000	2,200,000		Increase reflects growing popularity of the eCollection.
GOAL 2 - Stimulate Imagination for Children (ages 6-10)						
Obj. 2.1: SRC Participation	10,844	11,272	12,000	12,000		No change.
Obj. 2.2: Circ. Books	974,912	1,111,916	1,100,000	1,000,000		Decrease reflects a more realistic target as children's eBooks grow in popularity.
Obj. 2.3: Circ. Media	85,732	87,960	67,500	85,000		Increase as KDL already exceeded target.
GOAL 3 - Stimulate Imagination for Teens (ages 11-16)						
Obj. 3.1: SRC Participation	4,233	4,649	4,500	4,500		No change.
Obj. 3.2: Circ. Pop. Mfrs	367,426	368,800	370,000	370,000		No change.
Obj. 3.3: Teen Survey (%)	94%	96%	70%	90%		Increase as KDL already exceeded target.
GOAL 4 - Early Literacy						
Obj. 4.1: SRC Participation	5,654	6,400	4,000	6,000		Increase as KDL already exceeded target.
Obj. 4.2: Early Lit. Attendance	5,434	2,272	20,000	5,000		Decrease as original target was based on numbers from the year 2008 when KDL participated in a large, non-recurring early literacy event.
Obj. 4.3: Child Dev. Skill (%)	100%	100%	75%	95%		Increase as KDL already exceeded target.
Obj. 4.4: Circ. Picture Bks.	590,438	638,294	645,000	600,000		Decrease reflects a more realistic target.
GOAL 5 - Cultural Awareness						
Obj. 5.1: Programming (%)	3%	5%	20%	5%		Decrease reflects a more realistic target.
Obj. 5.2: Exhibits/Displays	24	138	18	100		Increase to reflect new initiatives and tracking methods developed by the Cultural Workgroup.
GOAL 6 - Public Internet Access						
Obj. 6.1: Computer Wait	0.26	0.17	≤2	≤1		Reflects impact of wireless use and decreased use of library computers.
Obj. 6.2: User Satisfaction (%)	89%	91%	90%	90%		No change.
Obj. 6.3: Wireless Users	99,141	211,132	87,000	175,000		Increase as KDL already exceeded target.
GOAL 7 - Information Fluency						
Obj. 7.1: Received Help	24,659	46,148	65,000	50,000		Decrease reflects a more realistic target.
Obj. 7.2: Found Help (%)	98%	95%	90%	95%		Increase as KDL already exceeded target.

*Objective 1,4 includes circulation of electronic media such as eBooks, eAudiobooks, and Freesgal downloadable music.



KEY
 increased target
 decreased target
 unchanged target

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.

Note: For a list of all completed and discontinued initiatives, please see page 18.

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:* Annually, maintain a comprehensive and accurate list of organizations and agencies with which the library has formal or informal partnerships. **[IN PROGRESS 2011]**

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 and the data needed to monitor progress toward achieving the targets in the strategic plan objectives.

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 3.2:* 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. **[IN PROGRESS 2011]**
- *Initiative 3.15:* By February 28, 2011, investigate employee scheduling software options to improve the ease and efficiency of staff scheduling. **[IN PROGRESS 2011]**

- *Initiative 3.16:* By March 31, 2011, identify and implement Information Services best practices for readers’ advisory, collection maintenance, and customer service. **[IN PROGRESS 2011]**
- *Initiative 3.17:* By March 31, 2011, develop a collection maintenance plan that identifies areas of focus for selection and weeding. **[IN PROGRESS 2011]**
- *Initiative 3.19:* By December 31, 2011, update the Disaster Manual. **[IN PROGRESS 2011]**
- *Initiative 3.20:* By May 15, 2012, offer a “Read Off Your Fines” amnesty campaign for children and teens during *Children’s Book Week*. **[NEW 2012]**

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 at least \$65,000. **[REVISED IN 2012]**

5. SUSTAINABILITY

The Kent District Library will be environmentally responsible.

- *Initiative 5.1:* By December 31, 2012, develop and implement “green” practices and procedures to ensure that the library’s operations are eco-friendly. **[IN PROGRESS 2011]**
- *Initiative 5.2:* By December 31, 2012, LEED-certified branches will work towards aligning their operations with their green building. Initiatives will be shared and practices will be promoted system-wide. **[IN PROGRESS 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 6.2:* By December 31, 2011, utilize a variety of delivery models for staff development and document training outcomes using assessments. **[IN PROGRESS 2011]**
- *Initiative 6.3:* By December 31, 2012, complete a staff survey to assess satisfaction with the quality, appropriateness, and availability of staff development offerings.
- *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. **[IN PROGRESS 2011]**

- *Initiative 6.7:* By December 31, 2012, develop pre-employment and job simulation testing to improve the hiring process. **[NEW 2012]**
- *Initiative 6.8:* By December 31, 2012, develop a training plan to improve staff knowledge of and proficiency with digital materials, materials advisory, and library advocacy. **[NEW 2012]**

7. TECHNOLOGY

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

- *Initiative 7.1:* By December 31, 2012, replace public computers. **[IN PROGRESS 2011]**
- *Initiative 7.7:* By December 31, 2012, transition to Windows 7 software. **[NEW 2012]**

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 8.3:* 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. **[IN PROGRESS 2011]**
- *Initiative 8.6:* By August 31, 2011, implement KDL signage guidelines in all branches. **[IN PROGRESS 2011]**

9. MARKETING AND COMMUNICATIONS

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. **[IN PROGRESS 2011]**
- *Initiative 9.4:* By December 31, 2012, develop library value statements and a communication plan in preparation for the upcoming millage campaign. **[IN PROGRESS 2011]**

10. ADVOCACY [NEW 2012]

The Kent District Library will develop staff advocacy skills and identify advocacy partners to raise awareness of libraries and to increase public funds to help ensure that KDL has the resources it needs to remain relevant.

- *Initiative 10.1:* By August 30, 2012, each branch manager will develop and implement a municipal communication plan to strengthen ties with local government units.
- *Initiative 10.2:* By December 31, 2012, all managers will complete the Public Library Association's *Turning the Page 2.0* advocacy training.

COMPLETED OR DISCONTINUED INITIATIVES

- *Initiative 1.2:* By June 30, 2012, develop criteria and the process to be used when assessing existing or potential partnerships. [COMPLETED IN 2011]
- *Initiative 1.3:* By December 31, 2012, complete staff training on the library's partnership policy. [COMPLETED IN 2011]
- *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. [ABANDONED IN 2011]
- *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 IN 2010]
- *Initiative 3.3:* By January 15, 2010, implement a plan to centralize the selection of reference materials. [COMPLETED IN 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 IN 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 Business Plan. [COMPLETED IN 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 IN 2010]
- *Initiative 3.8:* By October 30, 2010, computer classes will be offered at three regional computer labs. [COMPLETED IN 2010]

- *Initiative 3.9:* By December 31, 2010, public transactions will increase by 100% from 114,000 in 2009 to over 228,000 in 2010 through the implementation of scheduled walkabout reference. [**TARGET NOT MET**]
- *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 IN 2010**]
- *Initiative 3.11:* By December 31, 2010, eliminate VHS and books-on-cassette formats from the collection. [**COMPLETED IN 2011**]
- *Initiative 3.12:* By January 2, 2011, coordinate open hours across the system to achieve consistency and improve customer accessibility. [**POSTPONED UNTIL 2015**]
- *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. [**COMPLETED IN 2011**]
- *Initiative 3.14:* By January 31, 2011, develop staffing template to ensure equitable staffing at all size branches. [**POSTPONED UNTIL 2015**]
- Initiative 3.18: By May 31, 2011, purchase inventory equipment to improve shelving and check-in accuracy rates. [**ABANDONED IN 2011**]
- *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 IN 2010**]
- *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. [**REPLACED BY INITIATIVE 6.8**]
- *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. [**REPLACED BY INITIATIVE 6.8**]
- *Initiative 7.2:* By December 31, 2010, provide technology for new facilities in Kentwood and Caledonia Township. [**COMPLETED IN 2011**]
- *Initiative 7.3:* By December 31, 2010, KDL and LLC will renegotiate the contract for the wide area network. [**COMPLETED IN 2010**]
- *Initiative 7.4:* By December 31, 2010, develop an automated method of selling access to the *What's Next* database. [**COMPLETED IN 2010**]
- *Initiative 7.5:* By December 31, 2010, research options for providing youth software games on public computers. [**COMPLETED IN 2010**]

- *Initiative 7.6:* By May 31, 2011, add self check-in equipment in at least 3 more branches and evaluate the impact on staff workloads and productivity. **[COMPLETED IN 2011]**
- *Initiative 8.1:* By April 30, 2010, in collaboration with the Caledonia Building committee, complete the design of the new Caledonia Branch in preparation for the township completing the bid process for the construction work. **[COMPLETED IN 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. **[COMPLETED IN 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 IN 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. **[COMPLETED IN 2011]**
- *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. **[COMPLETED IN 2011]**

Budget

IV. 2012 BUDGET

KENT DISTRICT LIBRARY 2012 OPERATING BUDGET

NOTE	REVENUES:	2011 BUDGET 0.8800 Mill	\$ INCREASE/ (DECREASE)	% of Increase/ (Decrease)	2012 BUDGET 0.8800 Mill	% of 2012 Total
1	Tax Revenue	13,743,369	(380,655)	-2.8%	13,362,714	88.18%
	State Sources	788,752	3,379	0.4%	792,131	5.23%
2	Charges for Services	143,180	(5,604)	-3.9%	137,576	0.91%
3	Fines and Forfeitures	739,460	(57,467)	-7.8%	681,993	4.50%
4	Interest and Rentals	85,528	(40,171)	-47.0%	45,357	0.30%
5	Other Revenue	139,576	(5,576)	-4.0%	134,000	0.88%
	TOTAL REVENUES	15,639,865	(486,095)	-3.1%	15,153,770	100.00%

EXPENDITURES:

6	Salaries and Wages	8,340,503	(180,110)	-2.2%	8,160,393	53.06%
7	Employee Benefits	2,331,286	(255,973)	-11.0%	2,075,313	13.49%
8	Supplies	376,585	(32,506)	-8.6%	344,079	2.24%
9	Professional & Contractual Services	611,794	21,565	3.5%	633,359	4.12%
	Other Services / Charges	1,537,627	6,861	0.4%	1,544,488	10.04%
10	Collection Expense	342,513	230,998	67.4%	573,511	3.73%
	Capital - Collection	1,699,639	(5,008)	-0.3%	1,694,631	11.02%
11	Capital - Technology	245,546	43,836	17.9%	289,382	1.88%
12	Capital - Office Equip & Furniture	154,373	(90,758)	-58.8%	63,615	0.41%
	Transfers Out (Capital Fund)	0	0	0.0%	0	0.00%
	TOTAL EXPENDITURES	15,639,865	(261,095)	-1.7%	15,378,770	100.00%
13	EXCESS OVER / UNDER	0	(225,000)		(225,000)	-1.5%

2012 Materials Budget \$	2,268,142
as a % of 2012 Total Revenues	15.0%
2011 Materials Budget \$	2,042,152
as a % of 2011 Total Revenues	13.1%
2012 Staff Budget \$	10,235,706
as a % of 2012 Total Revenues	67.5%
2011 Staff Budget \$	10,671,789
as a % of 2011 Total Revenues	68.2%

% of 2012 Oper.
Expenditures

KENT DISTRICT LIBRARY
2012 OPERATING BUDGET - Supplemental Information

	2011 BUDGET 0.8800 Mill	\$ INCREASE/ (DECREASE)	% of Increase/ (Decrease)	2012 BUDGET 0.8800 Mill	% of 2012 Total
REVENUES:					
Property Taxes - Current Taxes	13,809,838	(380,624)	-2.8%	13,429,214	88.62%
Payment In Lieu of Taxes	8,532	(32)	-0.4%	8,500	0.06%
State Prop Tax Reimb - Ren Zone	20,000	(20,000)	-100.0%	-	0.00%
State Grants	160,053	23,379	14.6%	183,432	1.21%
Other Grants	-	0	0.0%	-	0.00%
Universal Service Fund - eRate	135,576	(5,576)	-4.1%	130,000	0.86%
Facsimile Fees	604	(604)	-100.0%	-	0.00%
Printing/Copier Fees	92,576	7,000	7.6%	99,576	0.66%
Replacement Fees - Materials	50,000	(12,000)	-24.0%	38,000	0.25%
Penal Fines	608,698	0	0.0%	608,698	4.02%
Overdue Fines	739,460	(57,467)	-7.8%	681,993	4.50%
Interest Earned - Investments	84,528	(40,171)	-47.5%	44,357	0.29%
Interest Earned - Operating	-	0	0.0%	-	0.00%
Rent Leased Space	-	0	0.0%	-	0.00%
Lease-What's Next Database	1,000	0	0.0%	1,000	0.01%
Donations	-	0	0.0%	-	0.00%
Miscellaneous Income	4,000	0	0.0%	4,000	0.03%
Property Tax Refunds	(75,000)	0	0.0%	(75,000)	-0.49%
TOTAL REVENUES	15,639,865	(486,095)	-3.1%	15,153,770	100.00%

EXPENDITURES:

Meeting Compensation	6,000	0	0.0%	6,000	0.04%
Salaries & Wages	8,340,503	(180,110)	-2.2%	8,160,393	53.06%
FICA	618,019	(7,854)	-1.3%	610,165	3.97%
Health Insurance	888,254	33,650	3.8%	921,905	5.99%
Life Insurance	8,000	0	0.0%	8,000	0.05%
Retirement	789,012	(278,769)	-35.3%	510,243	3.32%
Workers Comp Ins	23,000	(3,000)	-13.0%	20,000	0.13%
Unemployment	5,000	0	0.0%	5,000	0.03%
Printing & Binding	25,000	(5,000)	-20.0%	20,000	0.13%
Postage	28,500	(7,500)	-26.3%	21,000	0.14%
Programming Supplies	0	0	0.0%	0	0.00%
Office Supplies	99,850	(16,550)	-16.6%	83,300	0.54%
Branch Supplies	13,250	1,529	11.5%	14,779	0.10%
Processing Supplies	172,600	0	0.0%	172,600	1.12%
Audio Visual Supplies	32,000	(4,000)	-12.5%	28,000	0.18%
Printing/Graphic Supplies	1,185	15	1.3%	1,200	0.01%
Lighting Supplies	200	0	0.0%	200	0.00%
Janitorial Supplies	4,000	(1,000)	-25.0%	3,000	0.02%
Professional Services - Other	45,850	(6,520)	-14.2%	39,330	0.26%
Professional Services - Consultants	16,000	0	0.0%	16,000	0.10%
Professional Services - Auditing	19,100	955	5.0%	20,055	0.13%

EXPENDITURES (cont.):	2011 BUDGET	INCREASE/	% of Increase/	2012 BUDGET	% of 2012
	0.8800 Mill	(DECREASE)	(Decrease)	0.8800 Mill	Total
Professional Services - Legal	35,000	5,000	14.3%	40,000	0.26%
Professional Services - Banking	14,160	565	4.0%	14,725	0.10%
Membership & Subscriptions	16,180	(2,500)	-15.5%	13,680	0.09%
Meetings & Honorariums	24,990	(2,785)	-11.1%	22,205	0.14%
Service Contracts	134,570	29,020	21.6%	163,590	1.06%
Other Contractual	180,181	2,091	1.2%	182,272	1.19%
Integrated Library System	128,185	(7,738)	-6.0%	120,447	0.78%
OCLC License & Fees	38,748	(1,808)	-4.7%	36,940	0.24%
Voice Telecommunications	35,000	2,000	5.7%	37,000	0.24%
Data Telecommunications	254,800	64,160	25.2%	318,960	2.07%
Mileage Reimbursement	29,516	(9,416)	-31.9%	20,100	0.13%
Gas, Oil, Grease	9,500	(6,000)	-63.2%	3,500	0.02%
Advertising/Promotion	118,050	(39,050)	-33.1%	79,000	0.51%
Employment Advertising	0	0	0.0%	0	0.00%
Utilities	82,500	(462)	-0.6%	82,038	0.53%
Rep & Maint Grounds	15,500	0	0.0%	15,500	0.10%
Rep & Maint Building	20,000	5,000	25.0%	25,000	0.16%
Rep & Maint Equipment	155,375	34,050	21.9%	189,425	1.23%
Rep & Maint Computers	37,500	2,500	6.7%	40,000	0.26%
Printers / Copiers	169,222	(11,086)	-6.6%	158,136	1.03%
Training - KDL Board	7,550	(1,050)	-13.9%	6,500	0.04%
Training - KDL Staff	129,130	(20,540)	-15.9%	108,590	0.71%
Insurance	45,500	(1,500)	-3.3%	44,000	0.29%
Programming	124,810	(6,460)	-5.2%	118,350	0.77%
Branch Maint Fees	256,504	0	0.0%	256,504	1.67%
Technology	146,100	116,800	79.9%	262,900	1.71%
Office Equipment & Furniture	154,373	(90,758)	-58.8%	63,615	0.41%
<i>Materials Budget:</i>					
Collection Development	1,699,639	(5,008)	-0.3%	1,694,631	11.02%
Subscriptions	110,000	0	0.0%	110,000	0.72%
Electronic Resources	232,513	230,998	99.3%	463,511	3.01%
Capital Lease Interest Expense	4,781	(2,170)	-45.4%	2,611	0.02%
Capital Lease Principal	94,665	(70,794)	-74.8%	23,871	0.16%
Transfers Out (Capital Fund)	0	0	0.0%	0	0.00%
TOTAL EXPENDITURES	15,639,865	(261,095)	-1.7%	15,378,770	100.00%
EXCESS OVER / UNDER		(225,000)		(225,000)	-1.5%

2012 Materials Budget	\$ 2,268,142
as a % of 2012 Total Revenues	15.0%
2011 Materials Budget	\$ 2,042,152
as a % of 2011 Total Revenues	13.1%
2012 Staff Budget	\$ 10,235,706
as a % of 2012 Total Revenues	67.5%
2011 Staff Budget	\$ 10,671,789
as a % of 2011 Total Revenues	68.2%

% of 2012 Oper Expenditures

KENT DISTRICT LIBRARY JUSTIFICATIONS FOR 2012 OPERATING BUDGET

This narrative explains the changes in the 2012 budget compared to 2011. If line items have negligible differences or remain the same from 2011 to 2012, no explanation is provided.

REVENUES

1. **Tax Revenue** – Decrease by \$380,655, 2.8%. 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 in Kent County declined by 2.4% from 2010 to 2011. The Kent District Library received voter approval for a millage rate of 0.8800 Mill on August 3, 2004. 2012 is the eighth year of a ten-year millage. The 2011 tax request will be collected and recorded as revenue in 2012 and is not reduced by the millage rollback fraction. The amounts budgeted for Payment In Lieu of Taxes and Property Tax Refunds has not changed from 2011 to 2012.
2. **Charges for Services** – Decrease by \$5,604, 3.9%. This category includes Facsimile, Printing and Book Replacement Fees. Facsimile fees, \$604 have been eliminated due to decreasing popularity. Printing Fees were increased by \$7,000 to reflect expected revenues from the branches and Service Center. Book Replacement Fees, (payments for lost books), has been decreased by \$12,000 due to eCommerce web payments and Point of Sale cash registers (POS) combining book replacement fees with overdue fines.
3. **Fines and Forfeitures** – Decrease by \$57,467, 7.8%. This decrease is due to the increasing circulation of eMaterials. Usage of eMaterials is expected to increase dramatically in September of 2011 when KDL's new and exclusive OverDrive site launches. This circulation increase is expected to continue through 2012. Unlike printed materials, eMaterials do not generate overdue fines or book replacement fees since they simply disappear when they are due.
4. **Interest and Rentals** – Decrease by \$40,171, 47.0%. 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 2010, interest rates were 0.915%; by June of 2011 they had dropped to 0.812%. Compounding the drop in interest rates is the drop in revenue which reduces the opportunity to earn interest.

5. **Other Revenue** – Decrease by \$5,576, 4.0%. This category includes Other Grants, Universal Service Funds (eRate), Donations and Miscellaneous Income. There is not any revenue projected for Donations as they are directed to the KDL Endowment or Annual Giving Funds. Miscellaneous Income and Other Grants are expected to remain the same. Universal Service Funds, also known as eRate funds, is a federal program that offers discounts to schools and libraries for internet access. Revenue from eRate funds is expected to decrease by \$5,000, countering the \$5,000 increase in last year’s budget.

EXPENDITURES

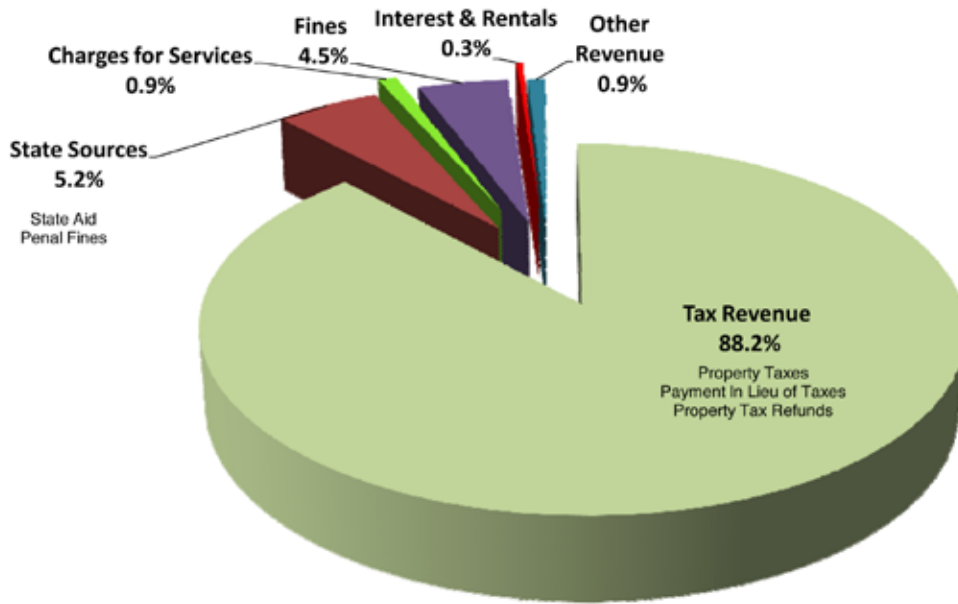
6. **Salaries and Wages** – Decrease by \$180,110, 2.2%. The projected decrease is due to expected retirements and attrition.
7. **Employee Benefits** – Decrease by \$255,973, 11.0%. This category includes the payroll tax - FICA, Health Insurance, Life Insurance, Retirement, Workers Compensation and Unemployment. FICA and Retirement show a decrease of \$286,623 partially due to the retirements and attrition listed in Salaries and Wages. It is also due to a reduction, 1.39%, in the employer pension rate (2011 - 7.75%, 2012 – 6.36%). The majority of the reduction is due to the elimination of the company match for 457b contributions for staff who have Defined Benefit plans. Health insurance shows an increase of \$33,650, (3.8%), due to projected premium increases. The effect of the premium increase is reduced by the elimination of a flex incentive to staff who do not carry KDL insurance. Workers Compensation is decreased by \$3,000 due to our experience rating. Life Insurance and Unemployment is projected to remain the same.
8. **Supplies** – Decrease by \$32,506, 8.6%. 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 remain the same. Printing and Binding has been reduced by \$5,000 to reflect expected expenditures. Branch Supplies have been increased by \$1,529 due to expected sign purchases. Postage has been reduced by \$7,500 to reflect the transfer of fund development costs to the Annual Fund, as well as, a change to Email notification for overdue fines. Audio-Visual Supplies have been reduced by \$4,000 reflecting the purchase of pre-processed materials. Janitorial Supplies have been reduced by \$1,000 because we are making and using more environmentally safe cleaning products. Office supplies have been reduced by \$16,550 reflecting the need to reduce expenses. Printing and Graphic supplies have increased by \$15 for a Flickr account.
9. **Professional & Contractual Services** – Increase by \$21,565, 3.5%. 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 \$6,520 because fund development costs have been transferred to the Annual Fund. The budget for Professional Services-

Consultants remains the same. Professional Services – Auditing has increased \$955 to insure compliance with the new GASB (Government Accounting Standards Board) Statement #54. Professional Services-Legal has been increased by \$5,000 reflecting the upcoming union contract negotiations. Professional Services-Banking has increased by \$565 reflecting an increase in credit card usage at the branches. The Integrated Library System has been reduced by \$7,738. The Lakeland Library Cooperative (LLC) reduced their Administration and Technology fees. The OCLC fees as budgeted by LLC indicate a reduction of \$1,808. Other Contractual has increased by \$2,091 due to increased costs from both LLC and KDL's in house delivery services offset by decreases in MelCat Delivery and Unique Management (collection agency). Service Contracts increased by \$29,020 reflecting costs for VMware VDI and Virtual service contracts, as well as, costs to align contracts on a calendar year basis.

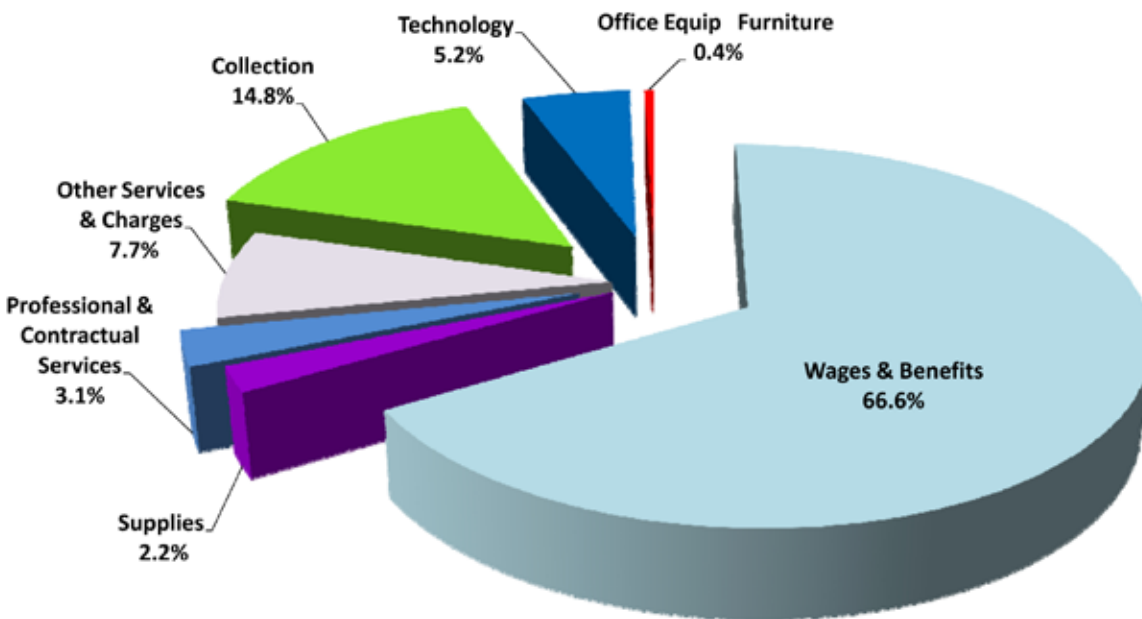
10. Collection Expense – Increase by \$230,998, 67.4%. This category is comprised of Subscriptions and Electronic Resources. No changes were made to the Subscription budget. The Electronic Resources budget increased by \$230,998 to accommodate the expected increase in demand for eMaterials.
11. Capital - Technology – Increase by \$43,836, 17.9%. The increase reflects, in part, the project to replace the public PCs, a capital initiative. The monies funding this project will reduce the Fund Balance – Committed – Capital Projects by \$225,000. It will not affect the Operating budget. The operating portion of this line is comprised of Technology, Interest Expense (Capital Lease) and Principal (Capital Lease). The operating portion has been reduced by \$181,164. The change for the Capital Lease (Interest and Principal) is \$72,964 and reflects the completion of two RFID equipment contracts in 2011. The technology line has been reduced by \$108,200. The current technology budget includes wireless hardware, a laptop lab and the replacement of a main router.
12. Capital - Office Equipment & Furniture – Decrease by \$90,758, 58.8%. The decrease reflects the difference between the costs to purchase RFID equipment from two contracts completed in 2011 and projected 2012 purchases. The 2012 budget includes the Cisco Phone IPA (Initial Purchase Agreement) at \$23,115, a completed RFID contract at a cost of \$39,500 and \$1,000 to purchase video equipment.
13. Excess Revenues Over Expenditures – The 2012 Budget presents expenditures over revenues by \$225,000. The \$225,000 is for a capital project and will reduce the Committed – Capital Project Fund Balance. The current Committed Fund Balance is \$290,300. After completion of the public PC replacement project it will be \$65,300. The Committed for ILS Fund Balance remains at \$100,000.

The cash-on-hand at the end of 2012 is projected to be \$2,744,498. The Unassigned Fund Balance is projected to be \$2,641,330. This represents approximately 62 days of operating expenditures. The percentage of the Unassigned Fund Balance to expenditures is 17.2%. This falls within the guidelines specified by the Kent District Library Board.

Kent District Library 2012 Operating Budget based on .8800 Mill Levy



REVENUES



EXPENDITURES

**Kent District Library
2012 Operating Budget**

KDL Board Targeted Fund (Cash-on-Hand) Balance = 15-20%	Fund Balance	
		%
2012 EOY Target for 15-20% Range	2,306,816	15.0%
	3,075,754	20.0%

EOY Cash Balance Projection-Operating Budget

2012 Budget

Cash & Investments as of 12/31/11 <i>projected</i>	2,969,498	
 Budget 2012		
Anticipated Revenues 1/1-12/31/12	15,153,770	
Anticipated Expenditures 1/1-12/31/12	(15,378,770)	
Projected EOY 2012 Cash Balance	<u>2,744,498</u>	17.8%

EOY Fund Balance Projection-Operating Budget

2011 Budget

Cash & Investments as of 7/31/11	10,098,385	
Accounts Payable as of 7/31/11	(503,774)	
Local Funds as of 7/31/11	(57,048)	
<u>Adjusted Cash & Investments as of 7/31/11</u>	<u>9,537,563</u>	
 Prepaid as of 7/31/2011	 58,132	
Accounts Receivable as of 7/31/2011	-	
<u>Fund Balance as of 7/31/11</u>	<u>9,595,695</u>	
 Anticipated Operating Revenues 8/01-12/31/11	 619,293	
Anticipated Operating Expenditures 8/01-12/31/11	(7,183,357)	
 Fund Balance Committed - Capital Projects	 (290,300)	
Fund Balance Committed for ILS	(100,000)	
<u>Projected Unassigned Fund Balance Year End 2011</u>	<u>2,641,330</u>	16.5%
 Projected Revenues 2012	 15,153,770	
Projected Expenditures 2012	(15,153,770)	
<u>Projected EOY 2012 Unassigned Fund Balance</u>	<u>2,641,330</u>	17.2%
 Fund Balance Committed - Capital Projects Expenditures	 290,300	
Projected Expenditures 2012	(225,000)	
<u>Projected EOY 2012 Committed - Capital Projects</u>	<u>65,300</u>	
<u>Projected EOY 2012 Committed for ILS</u>	<u>100,000</u>	

**KENT DISTRICT LIBRARY
2012 ANNUAL GIVING FUND BUDGET**

		2011 BUDGET	\$ Increase / Decrease	% Increase / Decrease	2012 BUDGET	% of 2012 Total
Note	REVENUES:					
	Other Grants	0	0	0.0%		0.00%
	Interest Earned - Investments	42	0	0.0%	42	0.05%
1	Donations	75,000	7,393	9.9%	82,393	99.95%
	Miscellaneous Income	0	0	0.0%		0.00%
	TOTAL REVENUES	75,042	7,393	9.9%	82,435	100.0%
EXPENDITURES:						
2	Salaries & Wages	0	38,472	100.0%	38,472	46.7%
3	FICA	0	2,943	100.0%	2,943	3.6%
	Health Insurance	0	0	0.0%		0.0%
	Life Insurance	0	0	0.0%		0.0%
4	Retirement	0	2,982	100.0%	2,982	3.6%
	Printing & Binding	0	0	0.0%		0.00%
5	Postage	0	1,700	100.0%	1,700	2.06%
6	Office Supplies	0	200	100.0%	200	0.24%
	Professional Services - Other	0	0	100.0%		0.00%
	Professional Services - Banking	216	0	0.0%	216	0.26%
	Membership & Subscriptions	0	0	0.0%		0.00%
7	Meetings & Honorariums	0	700	100.0%	700	0.85%
8	Service Contracts	0	480	100.0%	480	0.58%
	Voice Telecommunications	0	0	0.0%		0.00%
	Data Telecommunications	0	0	0.0%		0.00%
9	Mileage Reimbursement	0	700	100.0%	700	0.85%
10	Advertising/Promotion	0	7,400	100.0%	7,400	8.98%
11	Training - KDL Staff	0	100	100.0%	100	0.12%
12	Programming	48,306	(35,764)	-74.0%	12,542	15.21%
13	Technology	11,200	(11,200)	-100.0%		0.00%
14	Office Equipment & Furniture	15,320	(1,320)	-8.6%	14,000	16.98%
	Collection Development	0	0	0.0%		0.00%
	TOTAL EXPENDITURES	75,042	7,393	9.9%	82,435	100.0%
15	EXCESS OVER / UNDER	0	0	0.0%	0	0.0%

2012 EOY Annual Giving Fund Balance Projection

2011 Budget

Cash & Investments as of 7/31/11	23,268
Anticipated Revenues 8/01-12/31/11	62,027
Anticipated Expenditures 8/01-12/31/11	(43,167)

Projected Fund Balance Year End 2011 **42,127**

Proposed Revenues 2012	82,435
Proposed Expenditures 2012	(82,435)

Projected EOY 2012 Fund Balance **42,127**

**KENT DISTRICT LIBRARY
JUSTIFICATIONS FOR
2012 ANNUAL GIVING FUND BUDGET**

This narrative explains the changes in the 2012 budget compared to 2011. If line items have negligible differences or remain the same from 2011 to 2012, no explanation is provided.

REVENUES

1. Donations – Increase by \$7,393. The increase reflects anticipated revenues from a larger, more established donor base. This category reflects projected donations to the Annual Fund. Donations to the Endowment Fund are not reflected in this budget.

EXPENDITURES

2. Salaries & Wages – Increase by \$38,472. This reflects the transfer of the costs of the Fund Development Coordinator, from the Operating Fund to the Annual Fund.
3. FICA – Increase \$2,943 to reflect employment taxes for the Fund Development Coordinator (transfer of costs).
4. Retirement – Increase \$2,982 to reflect pension costs for the Fund Development Coordinator (transfer of costs).
5. Postage – Increase \$1,700 reflecting the cost to mail promotional materials (transfer of costs).
6. Office Supplies – Increase by \$200 reflecting the cost of supplies (transfer of costs).
7. Meetings & Honorariums – Increase by \$700 reflecting meeting refreshment costs as well as other miscellaneous meeting costs (transfer of costs).
8. Service Contracts – Increase by \$480, the annual maintenance cost for Giftworks donor tracking software (transfer of costs).
9. Mileage Reimbursement – Increase by \$700 to reflect the cost of traveling to meetings and other promotional opportunities (transfer of costs).
10. Advertising and Promotion – Increase by \$7,400 to reflect the cost of printing and disbursing promotional brochures (transfer of costs).

11. Training - KDL Staff – Increase by \$100 to attend a training conference on fund raising (transfer of costs).
12. Programming – Decrease by \$35,764 reflecting a reduction in the monies available for programming. Activities planned for 2012 include the Play Grow Read to Your Baby community outreach program and programming supplies for the Imagination Stations.
13. Technology – Decrease by \$11,200. The Early Literacy Computer Station project was completed in 2011.
14. Office Equipment & Furniture – Decrease by \$1,320 due to the anticipated purchase of one less Imagination station. Seven (7) Imagination Stations purchases are planned for 2012; eight stations were purchased in 2011.
15. Excess Revenues Over Expenditures – The 2012 Budget presents a balanced budget with expenditures equaling revenues. The fund balance is projected to be \$42,127 at year end. The percentage of the fund balance to 2012 expenditures is 51.1%.

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 Budget Actual
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 % to Expenditures	2,636,899 18.6%	3,053,006 21.2%	3,069,496 20.0%	2,879,577 17.8%	2,692,826 16.6%

Account	2010 Budget Actual	2011 Budget thru Bud Adj #2	2012 Approved 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 *	14,309,957 85.6%	13,744,769 86.8%	13,362,714 89.2%	12,959,838 89.6%	12,569,047 89.9%
All Other Revenue	2,408,863 14.4%	2,098,524 13.2%	1,791,056 11.8%	1,505,325 10.4%	1,418,371 10.1%
TOTAL REVENUES	16,718,820 100.0%	15,843,293 100.0%	15,153,770 100.0%	14,465,163 100.0%	13,987,418 100.0%
EXPENDITURES					
Salaries/Wages & Benefits	10,595,531 65.5%	10,668,370 66.5%	10,235,706 66.6%	10,365,284 69.0%	10,609,070 69.6%
Materials Budget **	2,428,182 15.0%	2,439,580 15.2%	2,268,142 14.7%	1,880,471 12.5%	1,818,364 11.9%
Operating Expenses	2,487,760 15.4%	2,314,742 14.4%	2,069,193 13.5%	2,054,249 13.7%	2,089,803 13.7%
Technology (Includes ILS & Data lines)	660,818 4.1%	620,602 3.9%	805,729 5.2%	711,616 4.7%	714,879 4.7%
Total Expenditures	16,172,291 100.0%	16,043,293 100.0%	15,378,770 100.0%	15,011,621 100.0%	15,232,117 100.0%
Excess/(Shortage) as a % of Revenue	546,529 3.3%	(200,000) -1.3%	(225,000) -1.5%	(546,458) -3.8%	(1,244,699) -8.9%
Total Fund Balance	3,239,355	3,039,355	2,814,355	2,267,897	1,023,198
Committed Fund Balances	290,300.11	390,300.11	165,300.11	165,300.11	100,000.00
Unassigned Fund Balance as a % of Expenditure	2,949,054.77 18.2%	2,649,054.77 16.5%	2,649,054.77 17.2%	2,102,596.83 14.0%	923,198.39 6.1%

* Property Taxes = Property Tax plus Payment In Lieu of Taxes (DNR land) minus Michigan Tribunal Awards (Property Tax refunds)
 ** Materials Budget as a percentage of revenue is: 2012 - 15% 2013 - 13% 2014 - 13%

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 the millage period, the past, the present and the future. 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 plans 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 2012 is: 2005 = 4.89%, 2006 = 5.71%, 2007 = 6.20%, 2008 = 5.45%, 2009 = 2.01%, 2010 = 0.34%, 2011 = (3.8%), 2012 = (2.4%) [Levy pending approval]. The taxable value has declined significantly in the last few years. It is projected to be negative for the remainder of the millage period. Kent County's SEV (State Equalized Value), like Taxable value, had experienced year over year growth until 2008 when it fell to (0.17%), dropping to (5.18%) in 2010 and improving in 2011 to (3.73%). The negative SEV in 2011 equated to a drop in the value of all property in the county by \$843 million. 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 revenues until the end of the millage is a decrease: 2012 for **2013 = (3.0%)** and 2013 for **2014 = (2.0%)**. The projections for the future years have not been reduced by the Headlee Amendment because the reduction factor is not known. The projections do consider the costs of DDA (Downtown Development Authority), LDFA (Local Development Finance Authority), CIA (Corridor Improvement Authority) and Brownfield Redevelopment Authority. Michigan Tribunal refunds are assumed to remain the same at \$75,000 per year. In 2012, property taxes will provide 88.2% of KDL's revenues. Senate Bill 34, the elimination of Personal Property Taxes (should it become law), would adversely affect the Library. The Library would lose approximately \$1 million dollars a year forcing a re-evaluation of budget projections.

2. **Other Revenues** – Other Revenues make up 11.8% of the library's income in 2012. They include: State Aid, Other Grants, Book Replacement 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 State Property Tax Reimbursement for Renaissance Zones. Over the past eight years, State Aid has been reduced by 50% due to the State of Michigan budget constraints. Projections for 2013 through 2014 do not include revenue from State Aid and Other Grants, as they are unknown. Penal Fines projections remain the same for the remainder of the millage period. Book Replacement Fees, Interest, Rent-Leased Space, Lease – What's Next, Universal Service Funds – eRate, Miscellaneous Income are all projected to remain level through 2014. Printing Fees are projected to increase 1% a year. Overdue

fines are projected to decrease 15% each year due to the increased circulation of eMaterials which do not have to be checked in and simply disappear when due.

EXPENDITURES

3. **Salaries & Wages** – Salary and Wage projections include market increases, as well as increases in Health Insurance, Life Insurance, Workers Compensation, Unemployment Insurance, employer contribution to FICA, employer contribution to the Defined Benefit, and 401 plans. The average for the period from 2005 to 2012 is 66.8% of total expenditures. The average for 2013 and 2014 is projected to be 69.3% 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. Projected materials expenditures for 2012 are 15% of revenue. In 2013 and 2014 they are projected to be 13%, meeting the criteria for Michigan Library Association’s QSAC (Quality Service Audit Checklist) requirements.

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 10.06% in 2012 and 0.08% in 2013. Increasing 1.8% in 2014 reflecting probable changes in the cost of services and goods.

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, Capital Leases and Interest for RFID equipment and Technology. The change in this line relates to changes in Service and Contractual costs, as well as Technology and Maintenance needs. In 2011, the Technology budget was 3.9% of expenditures. In 2012, it is 5.2% due to increasing the bandwidth at the branches and a capital initiative to replace the public PCs. In 2013 and 2014, Technology is forecasted to be 4.7% of expenditures.

Excess Revenues Over Expenditures – The Library is eight years through a 10 year millage. In the first four years the Library experienced a growth in revenues of 12.6%. The fifth year saw a decline in revenues of 0.4%. Revenues rebounded in year six with a 2.8% increase which was followed by a decline in year seven of 5.3%. Year eight is projected to decline another 4.4%. In the two remaining years of the current millage, revenues are projected to decline an additional 7.7%. 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 2014 will be critical in determining how the Library will thrive in the future.

OTHER FINANCING SOURCES

7. Transfers to the Capital Fund – Funds transferred into the Capital Fund are in support of specific capital initiatives. In 2010, the Capital Fund was eliminated due to GASB 54. The monies were transferred to the Operating Fund and can be found in Operating Balance Sheet under Fund Balances – Committed – Capital Projects.

KDL
Kent District Library
www.kdl.org