

The Five-Year Financial Plan addresses Board priorities that require significant financial commitment. The Plan is to be included with the annual budget packet submitted to the Mayor and City Council to apprise them of library long-term goals. For FY 2013/2014 – FY 2017/2018, the Board has determined the following priorities.

In spring 2013, the library developed a new *Strategic Plan for Services*, with the assistance of a community committee representing a wide variety of constituencies and neighborhoods. The library service responses, in priority order, are: physical space, material collections, early childhood literacy, technology, creative content programming for teens and adults, and local history and genealogy. These service priorities are addressed in the financial priorities below.

GENERAL FUND OPERATING EXPENSES

➤ Implement the 2008 wage and benefit survey.

FY 2014 and continuing. Request additional annual appropriation for a phased implementation until library wages and benefits reach parity with city wages and benefits.

Library wages were budgeted at \$2,201,269 in FY2013. Each pay grade increase, if applied to all positions at once, would require an additional three percent in wages or \$66,038.

Background

In early 2008, the library contracted for a job audit to assess employee wages. The last major assessment of the library pay scale was fifteen years earlier in 1993. At the same time, job descriptions for six sample positions were forwarded to Vacellia Clark, City of Urbana Human Resources Manager, to determine the most comparable city positions. The Board also reviewed benefits and found that library staff lacked important benefits available to city employees.

To spread the financial impact, the intent was to implement a phased approach that would allow for some increased funding each year until library wages and benefits had reached parity with city wages and benefits. Due to the recession in the fall of 2008 and the continuing tight economic climate, funding for implementation of the wage and benefit parity has been delayed for the past five years.

Based on that initial comparison to city positions, it was estimated that library clerical wages may be as much as five pay grades, or fifteen percent, below city wages. Note that positions will vary in their relationship to city positions; some will require more and some less change.

Progress

Some progress has been made on wage and benefit implementation, but thus far most of the change has been accomplished within the annual budget guidelines provided to all City departments and without extra appropriation.

- FY 2009: To provide for easy comparison, library positions were assigned to the city pay grades closest to their existing salaries. Longevity vacation was increased for clerical staff. A health savings (RHS) plan was offered as a new benefit. Funding for the RHS annual benefit was included as new money in the library budget. RHS separation payments are covered by a designated fund balance accumulated from money unspent in the health coverage line.
- FY 2010: Clerical staff in the lowest paid positions and two clerical supervisors received one pay grade increase.
- FY 2011: Health coverage waiver and reimbursement plan was offered as a new benefit. The benefit is managed as an alternative within the existing budget for health coverage.
- FY 2012 mid-year: Library payroll method was changed from 1/26 of the annual salary to pay-per-hour (City method). Library positions were re-matched to the city pay grades closest to their existing per-hour wages.
- FY 2012 mid-year, and FY 2013: Some duties were moved from professionals to paraprofessionals. Savings was reallocated to provide paraprofessionals with one pay grade increase mid-year FY 2012 and another pay grade increase FY 2013.

Steps to Completion

- Review positions with library department directors to recheck for internal consistency.
- Work with Vacellia Clark to match all library positions to comparable city positions.
- Based on comparable city positions, create target pay grades for each library position.
- Estimate the cost to reach target pay grades for the entire library.
- Develop a phased implementation for wage parity.
- Review remaining city benefits not currently offered to library employees. Estimate cost to implement new benefits.

➤ Increase materials expenditures as percent of budget.

FY 2014 and continuing. Provide a materials increase of 8% annually until materials expenditures return to 12% to 15% of the overall library budget.

Library materials expenditures were budgeted at \$384,003 in FY 2013. An eight-percent increase would require an additional \$30,720 in the coming fiscal year.

Background

Library materials collections were ranked as the second highest priority recommended by the Community Strategic Planning Committee.

Library materials include the books, magazines, audio, video, and electronic resources provided for library users. The minimum and recommended percentages for materials expenditure as a percent of budget are 12% and 15% respectively.

Materials expenditure fell from 14.1% of budget in FY 1991 to a low of 10.3% by FY 2005 due to space constraints. After the 2005 expansion, annual materials increases of eight percent started to reverse the downward trend. The materials budget has been frozen since FY 2010, putting materials as a percent of budget into decline again.

While an increased budget for new materials is needed to meet the high demand in our community, the expanding popularity of downloadable electronic materials is placing further strain on library budgets.

Increased material money has space implications and may require staffing and supply increases as well to handle the cataloging and processing of additional materials.

Progress

- From FY 2006 through FY 2010, the City allocated at least annual eight percent increases for the library's materials expenditures. This resulted in a rebound of materials as a percent of budget, from 10.32% in FY 2005 to 11.33% in FY 2010.
- From FY 2007 through FY 2010, the library also received increases for the related supply and staffing costs inherent in additional materials acquisitions.
- Materials budgets have been frozen from FY 2011 through FY 2013, resulting in a drop again to 10.93% of budget.
- In FY 2013, the library moved money from various centralized cost lines to provide additional funds for downloadable e-books.

Steps to Completion

- Resume an eight percent increase in the materials budget until the library's materials expenditure reaches 12 to 15 percent of the operating budget. Thereafter, provide for an inflationary increase for materials expenditures.
- Focus on downloadable electronic materials and extra copies of popular items to minimize the impact on space and to minimize the related supply and staffing costs.

- Continue to withdraw older, lesser-used titles to create space both for newer titles and for public seating.

➤ **Provide direct budget support for programming.**

FY 2014. Look for ways to accomplish this within the existing budget. Continue move from print promotion to electronic promotion, and shift printing budget to programming budget.

Background

Historically, the library has focused its programming primarily on young children. Increased programming, including adult programming, was mentioned as a public priority in The *Urbana Free Library Patron Survey*, conducted in 2008 by the Center for Informatics Research in Science and Scholarship at the University of Illinois Graduate School of Library and Information Science. In addition, the burgeoning after-school use of the library by teens in recent years is driving the need for an increase in program activities for this age group.

There is very little budget directly allocated to staffing for programming, and there is almost no budget for hiring outside programmers (often more cost-effective) or for program supplies and promotion costs. The library's two monthly music series, *UFLive* and *Prairie Breezes Mini Concerts for Children*, are funded by the Foundation or library donors. The enormously popular *Fairy Tale Ball*, which draws 1,000 to 1,500 attendees each spring, also is funded by private donors. Much of the library programming is accomplished by partnerships with local agencies that supply both the presenters and associated supplies.

Increased programming was discussed again recently when the library briefly considered continuance of the Urbana Adult Education community courses that ended this spring after 47 years. The nature of the community courses seemed to be a good fit for the library's role within the community, but the lack of staff capacity quickly eclipsed any consideration of the inherent opportunities.

Given other pressing financial needs, the Board and staff have thus far sought to handle the need for increased programming with existing resources.

Progress

- When the library contracted with Latté Da for cafe service in 2007, the primary purpose was to provide a public amenity while keeping open the Race Street entrance without staffing costs to the library. However, the contract specified a small percentage of net profits that would be payable to the library, beginning with the second year of service. The library had intended to use this money for programming. The library received small payments for a few months, but the cafe never made a profit after the recession in fall 2008. Latté Da left its contract with the library in summer 2011. The library assumed operation of the cafe, which to date has been unable to break even.

- Both the Library Foundation and Library Friends have been approached for increased program funds. Although the Foundation has continued funding the music series, the Foundation Board would like to turn its attention to fundraising for property acquisition and future expansion. The Friends prefer to continue using book sales profits to support the library's book collections and the summer reading programs.
- In the December 2012 budget revision, the Board moved money from the combined program and PR printing lines to establish separate budget lines for adult programs, teen programs, children's programs, and archives programs. Although the dollar amounts are small—from \$500 to \$2,000—the separation allows departments the ability to plan accordingly and to make decisions irrespective of activities being planned by other areas of the library.

Steps to Completion

- In FY 2014, the library will move towards an electronic newsletter and eliminate or reduce the frequency of printed newsletters. Savings from the PR printing line item will be reallocated to departmental program lines.
- Ultimately, a budget allocation that is realistically matched to the level of programming assures the continuance of quality community offerings. The level of priority placed on programming will be shaped by the library's Strategic Planning process being completed in spring 2013.

➤ **Increase teen and early childhood outreach, using the half-time position cut during FY 2011.**

FY 2014, or whenever funding is restored to other city departments for their frozen positions.

Paraprofessionals will assume cataloging tasks from both Adult and Children's Services, freeing librarians for teen and early childhood outreach. The restored half-time position will be assigned to paraprofessional staffing in Acquisitions, at a cost of \$18,862 in FY 2014. The half-time equivalent position eliminated in the FY 2011 budget was a mixture of professional and clerical staffing, at a FY 2011 cost of \$19,922.

Background

Early childhood literacy was ranked as the third highest priority recommended by the Community Strategic Planning Committee. Technology services ranked fourth, and creative content programming focused on teens ranked fifth.

Consistent with requests to other city departments, the library was asked to reduce staffing costs by one half-time position for the FY 2011 budget. To minimize the impact on public service, the library accomplished this with hourly reductions spread across three

departments: Adult Services, Circulation, and Archives. Adult Services sustained the greatest loss in hours and is the department currently experiencing the greatest public service pressure. Technology and teen services are the most pressing needs.

In recent years, the library has been moving tasks from professionals to paraprofessionals to reduce long-term staffing costs.

Progress

- None.

Steps to Completion

- Secure funding. Allocate wages to paraprofessionals and transfer duties, freeing librarians to focus on outreach services.
- Assign twelve hours per week to Adult Services, to provide a librarian for after school teen services from 3:00 p.m. to 6:00 p.m., Monday through Thursday.
- Assign eight hours per week to Children's Services, to increase early childhood literacy efforts in coordination with other area agencies.

CAPITAL OR NON-RECURRING EXPENSES

➤ Implement RFID for checkout, inventory, and security control of collection.

FY 2013 or FY 2014. Conduct retrospective RFID tagging of the existing collection in spring 2013, using library FY 2013 general fund budget or existing library fund balance for staffing and tag costs. Use library set-aside in the city VEF for replacing security gates and equipment.

The estimated cost for retro conversion tags is \$50,000. The estimated staffing cost for retro conversion could be \$10,000 to \$20,000. The estimated cost for gates and equipment is dependent upon the quantity and type of equipment chosen; estimate \$100,000.

Background

RFID (radio frequency identification) is a tagging system long used for inventory and security control in retail operations. In libraries, the same tag that handles inventory and security also identifies the items at checkout. The library's current system is a two-step process, a barcode to identify the item at checkout and a magnetic strip to handle security through the gates. RFID also allows for faster checkout and checkin of materials, easier and faster inventory, self-service stations, and the possibility of apps that provide greater convenience for library users.

RFID was considered briefly for the library's 2005 expansion. Champaign Public Library installed RFID during its expansion in 2008. Tag standards were finalized this year, removing some of the proprietary characteristics that hampered earlier systems. The library's magnetic tape security system is aging. The Race Street set of gates has been in operation since 1990. The handheld magnetizing equipment is no longer available, and the library has been purchasing refurbished handheld units whenever they can be located.

Progress

- In 2012, staff researched the major RFID vendors, identifying those with good compatibility with the library's new Polaris automation system, and solicited preliminary information in order to project costs and a timeline for implementation.
- To minimize the retrospective tagging cost of the existing collection, staff have undertaken a thorough weeding of the library collections, withdrawing lesser-used materials.
- A request for proposal for an RFID system was sent out in early March, with responses due by April 5, 2013.
- In FY 2012, the library planned to use \$126,000 of the set-aside in the VEF for migration to a new automation system. By year-end, the library was able to handle the expense from a combination of operating budget and fund balance, and subsequently returned the money to the city VEF. Per notes from Ron Eldridge, after the return of the unused VEF, the library set-aside at the end of FY 2012 was \$160,500. In FY 2013 or FY 2014, the library will use funds from the VEF for RFID technology.

Steps to Completion

- Evaluate proposals. Select a vendor. Finalize equipment purchases and costs.
- Purchase tags, and begin tagging the existing collection. Fund tags from the library's supply budget, supplemented by money from other line items or the fund balance as needed. The estimated tag cost is \$50,000. Attempt to absorb staff costs from within the existing library staffing budget. Estimated labor is 1,000 to 2,000 hours, depending upon the ability to use volunteers.
- Purchase and install new gates, staff equipment, and a few self-check stations. Fund the gates and equipment from the library set-aside in the city VEF. The cost depends upon the quantity and type of equipment chosen, estimate \$100,000. Equipment installation will be scheduled as the retrospective tagging nears completion.

- Note that there currently are no plans to include an automated materials handling (AMH) system for checkin of materials. The cost of AMH equipment and the required space is not feasible at this time.

➤ **Plan for replacement of major building components.**

Request that the City schedule replacement. Among major projects remaining at the library, replacement of the 1975 boiler and the 1975 air handler are critical. Both components are long past life expectancy, and both are necessary for the library HVAC system to heat and cool the expanded building.

The estimated cost to replace the 1975 boiler is \$70,000. The estimated cost to replace the 1975 the air handler is \$225,000.

Background

The library's annual budget appropriation covers only the current year's operating costs and has never included an appropriation for a set-aside for large, capital expenses. During Charlie Smyth's first term on the library Board, he encouraged the establishment of library set-aside funds to plan for long-term replacement costs of major building components and equipment. The city's preference was to set aside money for the library within the city VERF to handle major library equipment projects and to continue handling of major library building expenses as they occur.

Progress

- Most building components were installed new or replaced during the 2002-2005 expansion. These include the HVAC in the new addition, the elevators, plus the roof and carpeting for the entire expanded building. Most building components have a life expectancy of 20 to 30 years. Building components that were not replaced are listed below with their age and estimated cost.

Steps to Completion

- 1975 air handler. Estimated replacement cost is \$225,000. This equipment is long past its 20-year life expectancy and is critical to the HVAC functioning. Its failure would leave the library's HVAC system unable to heat or cool the older portions of the building. This replacement must be scheduled in spring or fall. Since an air handle may take four to six weeks to arrive, temporary cooling may be required depending upon the weather.
- 1975 boiler. Estimated replacement cost is \$70,000. This equipment is long past its 20-year life expectancy and is critical to the HVAC functioning. At temperatures below 30 degrees, its failure would leave the library's HVAC system unable to heat the older portions of the library. This replacement could be scheduled in spring, summer, or fall. Replacement would contribute to greater energy efficiency.

- 2005 boiler. Estimated replacement cost is \$70,000. This boiler, installed new during the expansion, has since been discovered to have a faulty design. The library spent \$12,000 in FY 2012 to replace a corroded flue that resulted from the faulty design. The library is considering a low temperature valve modification at a cost of \$8,000 to compensate for the defect.
- 1918 windows. The twelve arched windows in the original 1918 building were not replaced during the expansion due to objections by the Illinois Historic Preservation Agency. The windows are single-pane glass and drafty; their replacement would contribute to energy efficiency. Estimated costs include \$9,000 to rework the engineering specifications to meet IHPA approval and \$85,000 for replacement.
- Race Street porch. The original 1918 porch is in need of structural repair. During the 2005 expansion, the steps were disassembled and reset, but the remainder of the porch was untouched. Another repair was done to the balustrades when they shifted further during the minor earthquake in 2008. Estimated cost at the time of the expansion (2005) was \$250,000.

➤ **Plan for property acquisition and future expansion.**

An update of the *Library Master Plan* is in progress. The Urbana Free Library Foundation is preparing for a future capital campaign. The Foundation may require City support or loans as property opportunities arise.

Background

The physical library space—including seating/gathering areas, meeting rooms, and study rooms—was ranked as the highest priority recommended by the Community Strategic Planning Committee.

The library's first addition in 1975 expanded the library to 25,000 square feet; the addition was intended to serve the community for twenty years. Planning began in late 1980s to prepare for an expansion by 1995, but this next expansion was not completed until 2005. The delay to thirty years created a decade of extreme overcrowding with diminished collections and cramped public space.

The 1991 programmatic design for the expansion demonstrated a need for 90,000 square feet to serve the community for the next twenty-five years. Due to budget constraints, the plan was scaled back twice to its final design of 50,000 square feet. Plans from the last expansion indicated that a review and new planning should occur again after ten years. The library is nearing the midway mark on this last twenty-year expansion.

Progress

- In fall 2011, the Foundation approached the Library Board to discuss the *Master Plan for the Library Block* and to seek consensus on moving toward fundraising again.
- The *Master Plan for the Library Block* was passed by the Library Board, the Library Foundation, and the Urbana City Council in 2004. Its stated intent was to guide direction for the library for twenty years and to undergo review at approximate five-year intervals.
- In September 2012, an ad hoc committee was formed to update the *Library Master Plan*. The committee includes library, city, and foundation representatives. The committee has been meeting monthly and should have a draft document available for review by May or June 2013.
- The Library Foundation hired consultant Gerri Kirchner to prepare a presentation for the November 2012 Foundation meeting. Gerri was the capital campaign manager during the Foundation's fundraising for the 2005 expansion. Her presentation covered the role of the Foundation Board and the history of its past campaign.
- The Foundation also has agreed to hire Gerri Kirchner to lead them in a strategic planning process in 2013. The process will help them establish goals to direct their next fundraising efforts.
- The Library Board hired Sandra Nelson, a consultant for the Public Library Association, to facilitate a community strategic planning process for the library during February through April 2013. While the *Library Master Plan* gives direction for the library's eventual site development, the *Library Strategic Plan* focuses on the community priorities for library services. Identified service priorities will have an impact on the future building design.
- At the recommendation of the ad hoc Library Master Plan committee, the Library Board contracted with the Regional Planning Commission to complete a comprehensive traffic study at the library. The study should be completed in April 2013.

Steps to Completion

- Complete the update of the *Library Master Plan* to be re-approved by the Library, the Foundation, and the City.
- Purchase surrounding properties as they become available. Property opportunities may require funds or loans from the City.
- Continue with preparations for a Foundation capital fundraising campaign.