

2018 Budget Presentation

Your Indianapolis Public
Library

Jackie Nytes, CEO

Strategic Plan for 2015-2020

Our Goals

1. Enrich Indianapolis' desire for personal growth and learning
2. Strengthen Indianapolis neighborhoods and businesses
3. Act as agents of innovation in the Indianapolis community
4. Maximize accessibility to the Library and its services

Progress on Strategic Plan

- Library card campaigns provided 20,379 students at Warren and Decatur with their first library card. Pike, Beech Grove, and Franklin in process.
- Automated the proof of residency process required to obtain a library card and now offers an online library account with full unrestricted access so the user never has to travel to a library location if desired.
- Itty Bitty SUV bookmobiles made 1,500 stops at child care centers in 2016 leaving books for 15,673 children to enjoy.
- Public computer classes are increasingly in demand to teach critical skills for the unemployed and underemployed. In 2016, the Library provided over 1,000 classes to 9,000 people.

Progress on Strategic Plan

- Nearly 5,000 story times were shared with 100,000 babies, toddlers, preschools, and daycares in 2016 where children were exposed to the joys of reading through books and technology.
- The Library significantly increased the acquisition of world language materials: Chinese, French, German, Polish and Spanish. Materials for the new Center for Black Literature and Culture to be located at Central Library were also targeted purchases.

Progress on Strategic Plan

- Central Library is celebrating its 100th birthday this year! To keep the collection energized and relevant, Central Library resources have been reorganized and spaces reimaged. A key change is a new Center for Black Literature and Culture to celebrate the literary contribution and provide space for the valuable work of the global Black community.



Comparison of 2018 and 2017 Budgets

| Library Funds | 2018 | 2017 | Change |
|----------------------|-------------------|-------------------|------------------|
| Operating | 44,709,820 | 43,501,386 | 1,208,434 |
| Debt Service | 12,699,646 | 11,715,639 | 984,007 |
| Rainy Day | 2,548,000 | 1,000,000 | 1,548,000 |
| Library Improvement | 400,000 | 600,000 | (200,000) |
| Total | 60,357,466 | 56,817,025 | 3,540,441 |

Other Funds for 2018

- **Rainy Day Fund - \$2,548,000**

- Purchase land for the construction of expanded branches
- Consulting fees and legal fees associated with land purchases
- Improvements
- Construction expenses

- **Bond & Interest Redemption Fund - \$12,699,646**

- Includes all current debt service payments for 2018.
- Includes proposed bond for Eagle Branch being sold in 2017

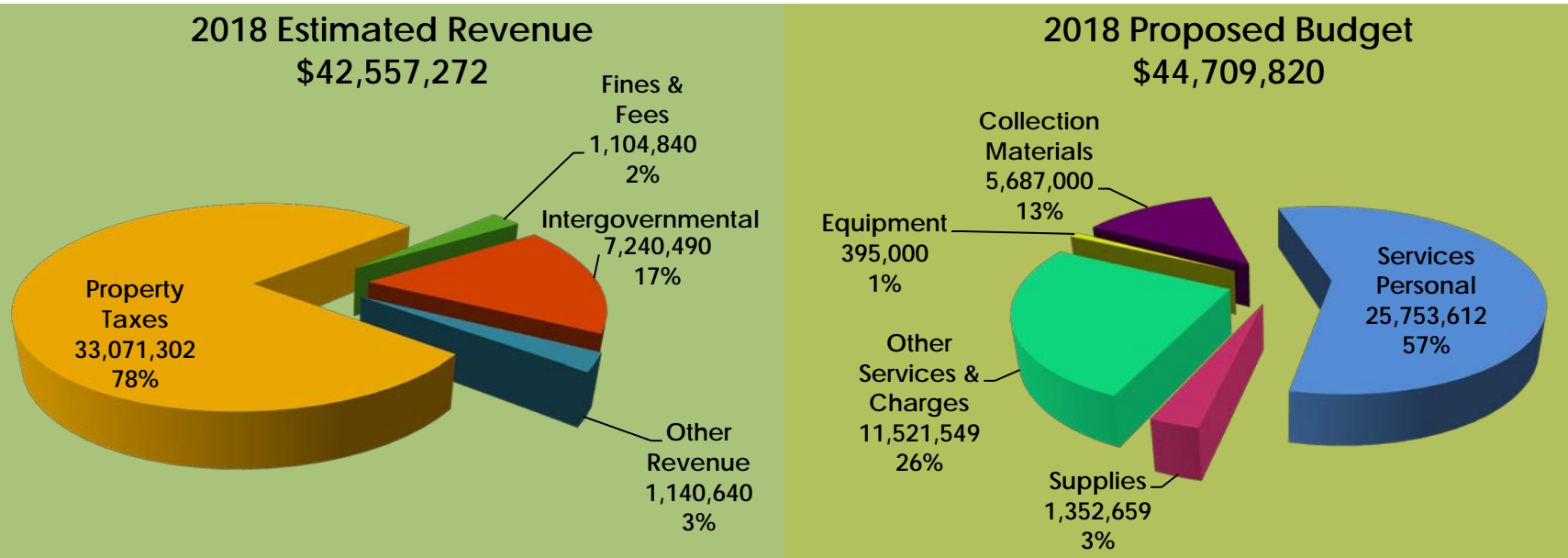
- **Library Improvement Reserve Fund- \$400,000**

- Replace panels at Nora Branch
- Upgrade sound system in Atrium at Central Library

Operating Fund

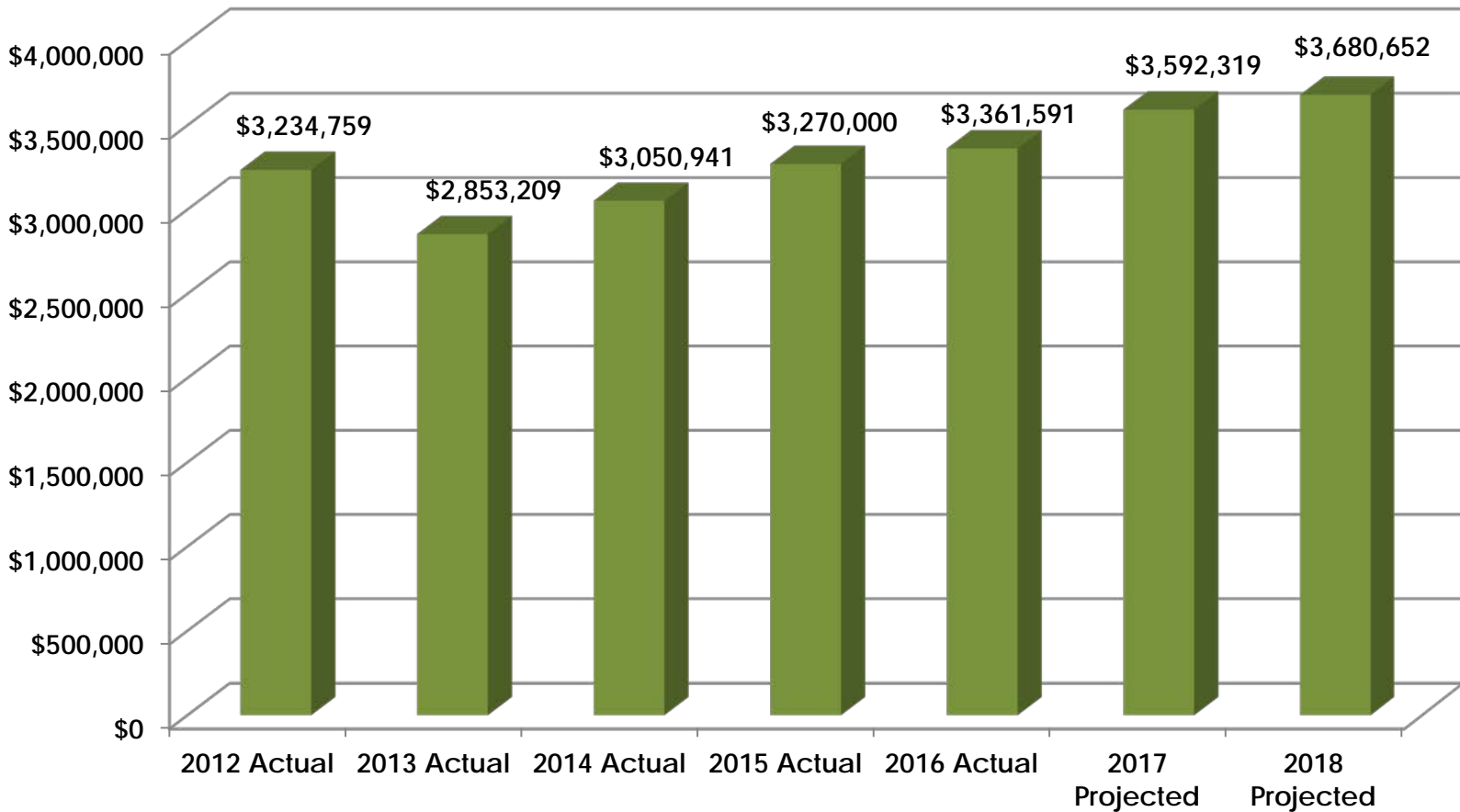
- **Character 1 Personal Services - \$25,753,612**
 - Set aside funds for merit base pay
 - Plans to phase-in over three years a base salary increase to \$13.00 per hour for employees currently below this level including full time and part time, except for pages who shelve books
 - PERF remains at 14.2% - Employer/Employee Share paid
- **Character 2 Supplies - \$1,352,659**
 - Includes items previously included in the Library's Capital Project Fund which was eliminated in 2017 – decrease of \$106,950
- **Character 3 Other Services and Charges - \$13,521,549**
 - Includes increases in utilities, repairs/maintenance and liability insurance. Also includes items previously funded in the Library's Capital Project Fund – decrease of \$48,795
- **Character 4 Capital Outlay - \$4,082,000**
 - Tangible collection materials – books, CDs, DVDs. Includes equipment previously funded in the Library's Capital Project Fund.

Operating Fund



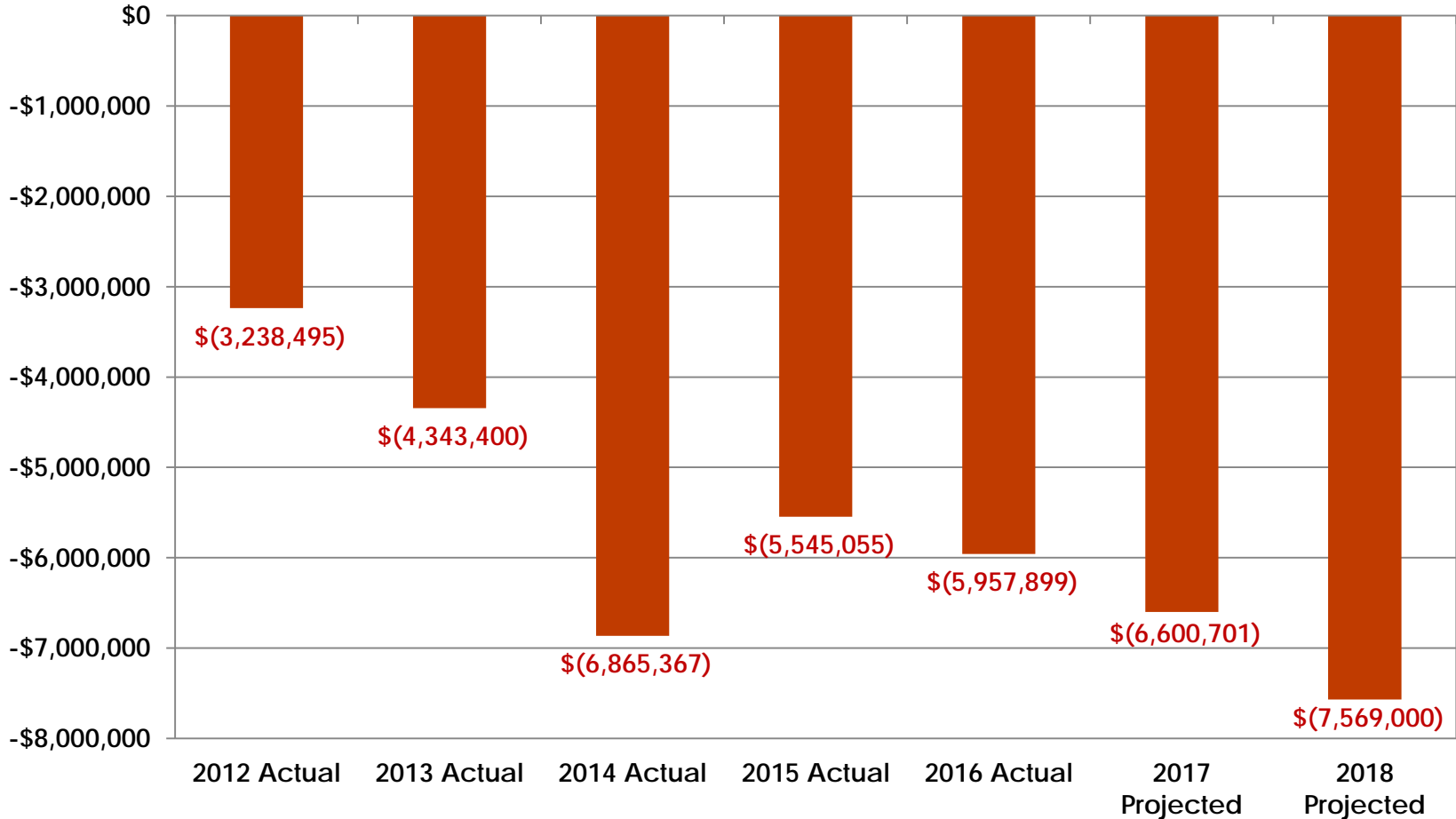
- The Library's fund balance is being used to cover the difference between the Projected Budget and Estimated Revenue - **\$2,152,548**
- This structural deficit is less than last year and the Library continues to work on closing this gap.

Changes In Property Tax Replacement Funds - LOIT



When enacted the Library was guaranteed \$3,765,434 for property tax replacement.

Reduction in Revenue Due to Increases in Property Tax Caps



Property Tax Cap Illustration

| | |
|--|-------------------------------------|
| • Medium home value in Indianapolis | \$ 138,100.00 |
| • Property Tax Caps | 1% |
| • Maximum Tax Payment | \$ 1,381.00 |
| • 2017 Marion County Tax Rate | 2.6127 District 101 - Center |
| • Calculation of Taxes | |
| • Gross Assessed Value | \$138,100.00 |
| • Less Homestead Credit | (45,000.00) |
| • Less Supplemental Homestead Credit | (32,585.00) |
| • Less Mortgage Credit | <u>(3,000.00)</u> |
| • Net Assess Value (NAV) | \$ 57,515.00 |
| • Tax Rate per \$100 of NAV | <u>2.6127</u> |
| • Total Taxes Due | \$ 1,502.69 |
| • Less Maximum Payment | <u>(1,381.00)</u> |
| • Amount of taxes not paid by homeowner | \$ 121.69 |

Impact on Library

| | |
|---|--------------------|
| • Amount not paid by homeowner | <u>\$121.69</u> |
| • Library's tax rate per \$100 of NAV(Net Assessed Value) | 0.1367 |
| • Percentage of total tax rate (2.6127) | 5.23% |
| • Library's loss on this one home | \$ 6.37 |
| • Cumulative Loss for Library 2017 | \$6,600,701 |
| • Percentage of Levy | 13% |

Note: Does not take into account any referendum tax rate for other units

2017 Budget Data for Large Indiana Library Districts

| | COIT - Certified Shares Distribution | General Fund Property Tax Levy | General Fund Budget | % of General Fund Budget funded by COIT |
|---|--------------------------------------|--------------------------------|---------------------|---|
| Carmel- Clay Public Library | 3,757,175 | 3,664,107 | 7,054,275 | 53% |
| Hamilton East Public Library | 4,164,212 | 3,717,272 | 8,000,000 | 52% |
| Allen County Public Library | 4,146,078 | 22,435,583 | 29,182,101 | 14% |
| St. Joseph County Public Library | 1,731,077 | 13,742,177 | 18,695,564 | 9% |
| Monroe County Public Library | 2,198,787 | 5,798,147 | 8,836,800 | 25% |
| Indianapolis-Marion County Public Library | 202,211 | 39,215,710 | 43,501,386 | 0% |

Replacing Lost Revenues

- What the Library is doing to fill gap from lost tax revenue:
 - Tapping Rainy Day Fund and Library Improvement Reserve Fund
 - Establishing endowments for staff positions
 - Licensing parking spaces to local businesses
 - Seeking more grants
 - Increasing paid use of space during after hours
 - Foundation is increasing support of Library programs
 - Implemented a PTO plan for new employees resulting in a reduction of future long-term accruals

2018 Proposed Tax Rate based on Current Assessed Value

| | 2018 | 2017 | Increase Decrease |
|-------------------|--------|--------|----------------------|
| IndyPL- Operating | 0.1108 | 0.1060 | 0.0048 |
| IndyPL - Debt | 0.0272 | 0.0296 | (0.0024) |
| IndyPL – Debt #2 | 0.0060 | 0.0011 | 0.0049 |
| Total - IndyPL | 0.1440 | 0.1367 | 0.0073 |

Value of Public Spending

- Access to 1.8 million items in the collection valued at \$5.6 million
- Public PCs – cost to use a PC at copy shop is 35 cents per minute - \$21.00 per hour
- Access to free internet – at \$14.95 per month (low end)
- Children’s programs – 9,241 conducted – value at \$50.00 per class
- On a home assessed at \$100,000 the estimated tax rate after the homestead credit is approximately \$79.20 – the cost of approximately 4 hardback books purchased from your local bookstore

2018

- The Library invested in new financial and human capital management software to improve the functionality & efficiency of the Library's accounting and human resources operations. In 2016, a RFP produced competitive bids and the company with the best product and reputation was selected. 2017 is being spent building, testing and training with launch dates in 2018.
- Materials Handling Project – expanding to our regional branch locations in 2018
- The new Michigan Road Branch is scheduled to open the last quarter of 2018.
- Eagle will break ground in 2018.

Long Term

- Replacing current Integrated Library System – cost is estimated at \$1,500,000 - 2019

THANK YOU!

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