



SAINT PAUL PUBLIC LIBRARY AGENCY
KIT HADLEY, DIRECTOR

2014 ADOPTED BUDGET

Cover Photo

Activities out in the community at a Saint Paul Public Library Bookmobile stop.

Prepared by:



Office of Financial Services
700 City Hall
15 West Kellogg Boulevard
Saint Paul, MN 55102-1658
(651) 266-8797

Website: www.ci.stpaul.mn.us

Todd Hurley, Director
John McCarthy, Senior Budget Analyst



Saint Paul Public Library Agency
Business Office
90 West 4th Street
Saint Paul, MN 55102-1658
(651) 266-7073
Website: www.sppl.org

Kit Hadley, Director
Susan Cantu, Accounting Tech.

Saint Paul Library Agency
2014 Adopted Budget

Table of Contents

	Page
Board of Commissioners.....	2
Budget Process.....	3
City and Library Agency Composite Summary	4
Library Overview	6
Financial Summary.....	13
Appendices	
Glossary	15

Saint Paul Public Library Agency

Board of Commissioners

	Term of Office	
	From	To
<hr/>		
<u>Commissioners</u>		
Amy Brendmoen	January 1, 2012	December 31, 2015
Daniel Bostrom	January 1, 2012	December 31, 2015
Kathy Lantry	January 1, 2012	December 31, 2015
Russ Stark	January 1, 2012	December 31, 2015
Dai Thao	November 21, 2013	December 31, 2015
Dave Thune	January 1, 2012	December 31, 2015
Chris Tolbert	January 1, 2012	December 31, 2015

Officers

Chairperson – Chris Tolbert

Secretary – Dai Thao

Treasurer – Russ Stark

Budget Process

The budget process is designed to conform with Minnesota law, the City charter, and the legislative code. The process to develop the budget commences in February.

January - March

The budget for following year is finalized during this time. This includes preparing, printing and distributing books reflecting the adopted budget. The accounting section of the Office of Financial Services prepares the annual financial report for the previous year. During this time, the “base budget” for the upcoming year is identified.

April - June

The Library Director presents a needs and resource assessment to the Library Board with priorities, no later than April 1st. Forms, instructions, printouts and the Mayor’s guidelines are distributed. These tools are used to plan for and develop the operating budget. The department management and staff identify objectives, performance indicators and the resources needed to accomplish goals. Services are reviewed to determine purpose, need and cost-saving ideas.

The department request for the following year’s budget is submitted to the Office of Financial Services in June. After that, the department’s budget is analyzed by the OFS budget staff. The Mayor meets with the Director to discuss needs, and to ensure the budget meets the service level and taxing objectives that have been established for the City.

July - September

The budget staff finalizes the Mayor’s recommendation and the Mayor’s proposed budget is produced. The Mayor then presents the recommended budget to the Library Board within one week of the deadline for the City budget presentation, as required by the city charter.

In August, the Library Board begins reviewing the Mayor’s proposed budget. The Board will hold meetings with the Director, management and staff to obtain a clear understanding of the department’s goals, service priorities and objectives that are represented in the proposed budget. As required by state law, the Library Board sets the *maximum* property tax levy in September. Governmental units can adjust budgets, resulting in property taxes that are less than, but not more than, the maximum levy.

October - December

The Library Board holds public hearings on the budget. Ramsey County mails property tax statements to property owners indicating the *maximum* amount of property taxes that the owner will be required to pay. These statements also indicate when the budget and property tax public hearings will be held. State law requires a meeting be held to give residents the opportunity to comment on the information in their notices.

This meeting is held in early December. The Library Board then adopts a recommended budget and tax levy for the Library Agency. The adopted budget represents changes made by the Library Board to the Mayor’s proposed budget. The Mayor has veto authority over the Library Board-adopted budget.

Overview of Combined City, Library Agency and Debt Service Budgets

**Property Tax Levy and State Aid: City, Library Agency and Port Authority Combined
2013 Adopted vs. 2014 Adopted**

Property Tax Levy*

	<u>2013 Adopted</u>	<u>2014 Adopted**</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct of City 13 Total</u>	<u>Pct of City 14 Total</u>
City of Saint Paul						
General Fund	72,077,597	71,329,211	(748,386)	-1.0%	72.5%	71.8%
General Debt Service	10,050,902	11,949,160	1,898,258	18.9%	10.1%	12.0%
Saint Paul Public Library Agency	17,267,653	16,117,781	(1,149,872)	-6.7%	17.4%	16.2%
Total (City and Library combined)	99,396,152	99,396,152	-	0.0%	100.0%	100.0%
Port Authority	1,811,700	1,811,700	-	0.0%		
Overall Levy (City, Library & Port)	101,207,852	101,207,852	-	0.0%		

* This is the total property tax levy used to determine tax rates. Actual financing available to support the budget is less, due to a 2% "shrinkage" allowance for delinquent taxes.

**Library Agency debt is now housed within the City's debt service fund for better management and administration

Local Government Aid Financing

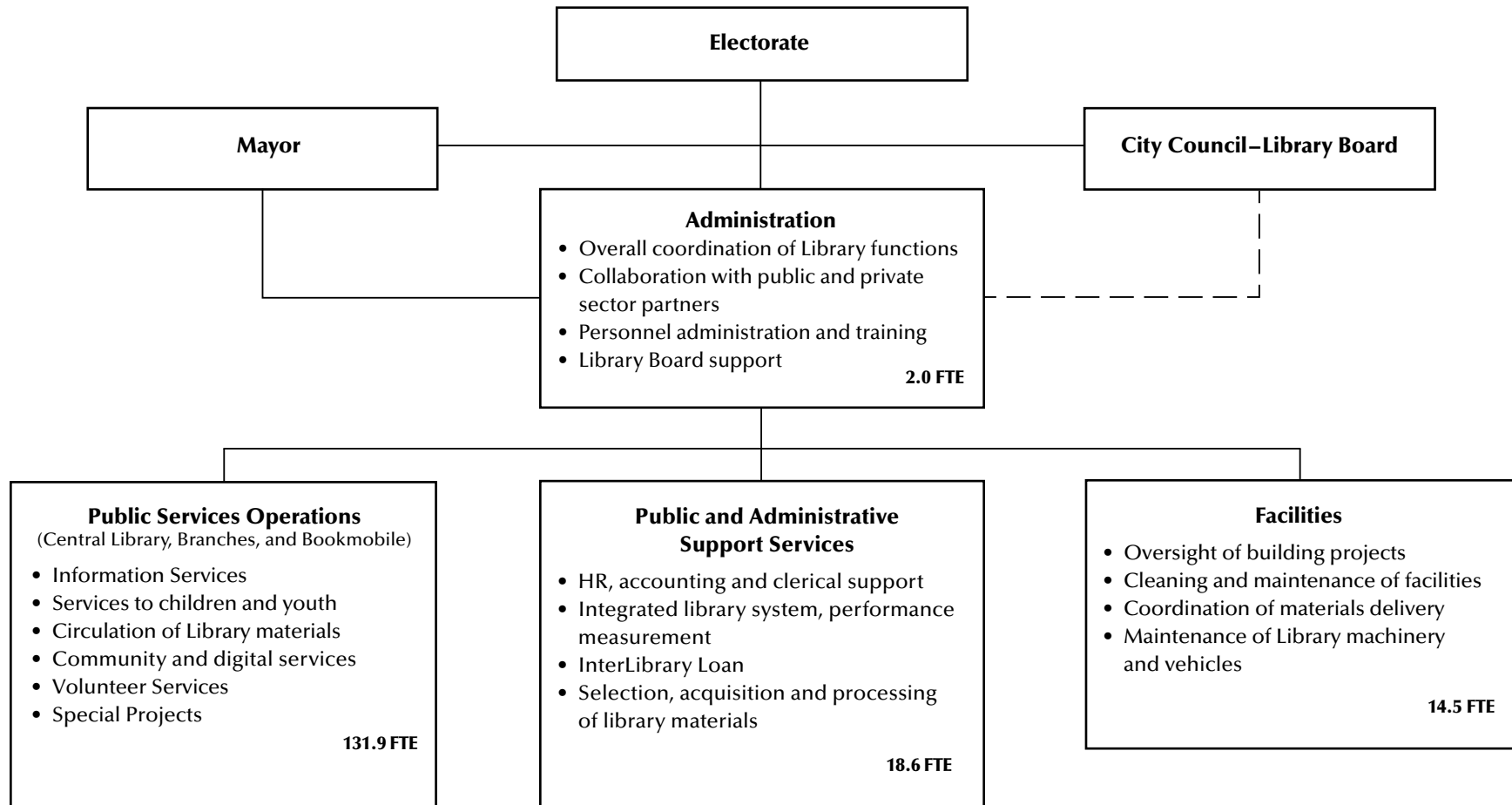
	<u>2013 Adopted</u>	<u>2014 Adopted</u>	<u>Amount Change</u>	<u>Pct. Change</u>	<u>Pct. of 13 Total</u>	<u>Pct. of 14 Total</u>
City of Saint Paul						
General Fund	50,320,488	60,422,233	10,101,745	20.1%	100.0%	100.0%
General Debt Service	-	-	-	N.A.	0.0%	0.0%
Saint Paul Public Library Agency*	-	-	-	N.A.	0.0%	0.0%
Total (City and Library combined)	50,320,488	60,422,233	10,101,745	20.1%	100.0%	100.0%

* As of 2010, no LGA is allocated as a revenue source to the Saint Paul Public Library Agency.

Library Agency Overview

Saint Paul Public Library Agency

The mission of the Saint Paul Public Library Agency is to anticipate and respond to the community's need for information; to facilitate lifelong learning; to stimulate and nurture a desire to read in young people; to provide reading materials to meet the interest of all ages; and to enrich the quality of life in the community.



(Total 167.0 FTE)

8/02/13

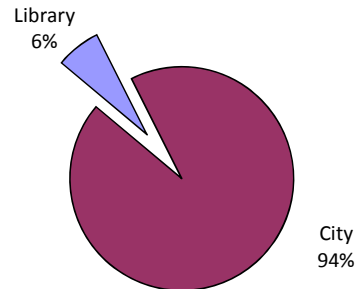
2014 Adopted Budget

Public Library Agency

Department Description:

We connect people in Saint Paul with the imperative and the joy of learning through a lifetime. We are the cornerstone of a thriving city: welcoming people of all ages and cultures, strengthening neighborhoods and learning networks, and inspiring all with the world of ideas. The third largest library system in the state, Saint Paul delivers service on-line, in the community, and in 13 libraries and a Bookmobile. In 2012, Saint Paul had 2.3 million visits to bricks and mortar libraries and another 1.5 million to the digital library.

Library Agency's Portion of total General Fund Spending



Department Facts

- Total General Fund Budget: \$15,989,838
- Total Special Fund Budget: \$1,830,622
- Total FTEs: 167.00

Department Goals

- Sound stewardship of public and private funds
- Every child ready to read
- All youth ready to succeed in school and work
- All residents able to contribute to family and community prosperity
- Active centers for community and civic engagement

Recent Accomplishments

- World language story times in seven languages are successful at community sites and libraries.
- Createch labs for teens take place weekly at Hayden Heights, Rondo, Rice Street Teen Zone, and Arlington Hills. Activities for teens also include Library After Dark, Anime Club and Minecraft the Library.
- eBook/eReader clinics, Tech Petting Zoos and Booked in St. Paul were launched
- An "Our Neighborhood" section has been added to each library's webpage.
- Riverview Library completed an early learning immersion environment, inside and outside the library, featuring the Monarch butterfly and its annual migration from Mexico to the Midwest.
- The first Maker Fair was held at Sun Ray Library and Conway Rec Center.
- Brainchild, a public awareness campaign for early learning, was launched.
- The Urban Libraries Council recognized SPPL as a top innovator for the Northstar Digital Literacy Project, an initiative of the Library and the St. Paul Community Literacy Consortium.
- LSE Architects has started the design process for Highland Park and Sun Ray Libraries.
- The Bremer Community Room was completed at Central Library with a capital campaign contribution from the Otto Bremer Foundation.

2014 Adopted Budget

Library Agency

Fiscal Summary

	<u>2012 Actual</u>	<u>2013 Adopted</u>	<u>2014 Adopted</u>	<u>Change</u>	<u>% Change</u>	<u>2013 Adopted FTE</u>	<u>2014 Adopted FTE</u>
Spending							
2150: Library Agency	15,640,595	15,802,961	15,989,838	186,877	1.2%	164.70	166.00
2500: Library Grants	1,768,247	1,931,902	1,830,622	(101,280)	-5.2%	1.30	1.00
3200: Library Debt	895,050	1,350,800	-	(1,350,800)	-100.0%	-	-
Total	18,303,892	19,085,663	17,820,460	(1,265,203)	-6.6%	166.00	167.00
Financing							
2150: Library Agency	15,794,706	15,802,961	15,989,838	186,877	1.2%		
2500: Library Grants	1,395,397	1,931,902	1,830,622	(101,280)	-5.2%		
3200: Library Debt	1,007,389	1,350,800	-	(1,350,800)	-100.0%		
Total	18,197,492	19,085,663	17,820,460	(1,265,203)	-6.6%		

Budget Changes Summary

The 2014 Library Agency budget contains staff adjustments, including additional staffing needs for the new Payne-Maryland library and recreation center, as well as a small capital investment and a one-time materials investment for start-up collections at the newly renovated Sun-Ray and Highland libraries. The temporary closing of Sun Ray and Highland libraries for renovations provides an opportunity for the library to expand services without adding hours or staff by engaging in mobile programming through redeploying staff to Hillcrest and Conway recreation centers, as well as other community settings. The budget also includes a one-time capital investment in book lockers for holds pick-ups to be installed at three locations. Other staffing adjustments are due to the centralization of the City's payroll system in Human Resources and the completion of the Institute of Museum and Library Services grant in 2013.

The removal of the Library Debt fund budget is due to changes in the City's accounting structure associated with the COMET project. Beginning in 2014, all Library debt will be budgeted in the General Debt fund. This change will have no impact on services.

		Change from 2013 Adopted		
		Spending	Financing	FTE
<u>Current Service Level Adjustments</u>		84,862	84,862	0.30
	Subtotal:	84,862	84,862	0.30
<u>Mayor's Proposed Changes</u>				
Mobile Programming				
The Library Agency will engage in mobile programming by redeploying staff from the temporarily closed Sun Ray and Highland libraries to Conway rec center, and other possible community spaces, which will be funded within existing resources. Expanded library services are also proposed with a one-time capital equipment investment in book lockers for holds pick-ups.				
Capital costs		65,000	65,000	-
	Subtotal:	65,000	65,000	-
Payroll Centralization				
The rollout of the Time Tracking and Attendance Scheduling Solution (TASS) component of the COMET project has allowed for a more centralized approach to the City's payroll function. As a result, the 2014 budget shifts payroll personnel out of operating departments and into the Human Resources budget. This change consolidates payroll staff into one department, redeploys some existing resources, and results in net savings to the City. The impact of payroll centralization on the Library is reflected here.				
Staff adjustment		(72,702)	(72,702)	(0.80)
	Subtotal:	(72,702)	(72,702)	(0.80)
Payne - Maryland Library/Rec Center				
The new Payne-Maryland library/rec center will open in 2014. The adopted budget includes additional staffing costs for this new facility.				
Staff adjustment		109,717	109,717	1.80
	Subtotal:	109,717	109,717	1.80
Fund 2150 Budget Changes Total		186,877	186,877	1.30

2500: Library Grants**Library Agency**

Budget for grants and contributions from outside agencies, such as the Friends of the Saint Paul Public Library; also includes all fine revenue.

	Change from 2013 Adopted		
	<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Current Service Level Adjustments</u>			
In the 2013 budget, one-time resources were used to supplement the Library's collection budget. Current service level changes for 2014 include the removal of this one-time budget adjustment. In addition, the Institute of Museum and Library Services grant will be completed in 2013. The 2014 budget reflects this loss of revenue with a decrease of 0.3 FTE.			
Remove one-time increase in Library collections	(257,200)	(257,200)	-
End of grant and other current service level changes	(394,080)	(394,080)	(0.30)
Subtotal:	(651,280)	(651,280)	(0.30)
<u>Adopted Changes</u>			
Additional Materials and Start-up Collection for Sun Ray and Highland Branches			
In 2014, the Library Agency will have an additional \$250,000 to supplement the system's collections budget. \$50,000 of this funding comes from one-time resources in the 2014 budget, and \$200,000 comes from encumbered 2013 Library budget savings. The budget also includes a \$500,000 one-time investment in materials for start-up collections at the newly renovated Sun Ray and Highland branches, which are expected to reopen in 2014. Revenue for the supplemental collections budget comes from additional MELSA and Cultural STAR funding, as well as proceeds from the sale of the former Lexington Library.			
Additional Library system materials	50,000	50,000	-
Sun Ray and Highland branch start-up collections	500,000	500,000	-
Subtotal:	550,000	550,000	-
Fund 2500 Budget Changes Total	(101,280)	(101,280)	(0.30)

3200: Library Debt**Library Agency**

Library Agency debt budget.

		Change from 2013 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Mayor's Proposed Changes</u>				
Transferring Library Debt to General Debt				
Beginning in 2014, all Library Debt will be budgeted in the General Debt fund due to changes in the City's accounting structure associated with the COMET project. This will result in no changes to service levels.				
Library debt shift to General Debt fund		(1,350,800)	(1,350,800)	-
Subtotal:		<u>(1,350,800)</u>	<u>(1,350,800)</u>	<u>-</u>
Fund 3200 Budget Changes Total		<u><u>(1,350,800)</u></u>	<u><u>(1,350,800)</u></u>	<u><u>-</u></u>

Financial Summary

CITY OF SAINT PAUL
Department Budget Summary
(Spending and Financing)

Department: PUBLIC LIBRARY AGENCY

Budget Year: 2014

		2011 Actuals	2012 Actuals	2013 Adopted	2014 Adopted	Change From 2013 Adopted
<u>Spending by Fund</u>						
2150	LIBRARY AGENCY	16,176,144	15,640,595	15,802,962	15,989,838	186,876
2500	LIBRARY AGENCY GRANTS	1,154,492	1,768,247	1,931,902	1,830,622	(101,280)
3200	LIBRARY AGENCY DEBT	705,050	895,050	1,350,800		(1,350,800)
TOTAL SPENDING BY FUND		18,035,686	18,303,891	19,085,664	17,820,460	(1,265,204)
<u>Spending by Major Account</u>						
EMPLOYEE EXPENSE		10,834,692	10,981,344	11,267,632	11,637,587	369,955
SERVICES		2,492,611	2,685,244	3,261,677	2,942,686	(318,991)
MATERIALS AND SUPPLIES		2,367,569	2,464,304	2,362,537	2,696,710	334,173
CAPITAL OUTLAY		110,168	292,053	292,800	360,000	67,200
DEBT SERVICE		705,050	895,050	1,350,800		(1,350,800)
TRANSFER OUT AND OTHER SPEND		1,525,596	985,897	550,218	183,477	(366,741)
TOTAL SPENDING BY MAJOR ACCOUNT		18,035,686	18,303,891	19,085,664	17,820,460	(1,265,204)
<u>Financing by Major Account</u>						
GENERAL FUND REVENUES						
SPECIAL FUND REVENUES						
BUDGET ADJUSTMENTS				76,645	150,902	74,257
TAXES		17,032,199	16,757,790	16,935,962	15,814,838	(1,121,124)
INTERGOVERNMENTAL REVENUE		305,025	195,253	363,705	188,010	(175,695)
FEES SALES AND SERVICES		84,124	102,205	108,750	108,750	
FINE AND FORFEITURE		286,131	274,676	317,350	317,350	
INTEREST EARNINGS		31,033	25,891	20,016	20,016	
DEBT FINANCING				300,000		(300,000)
TRANSFERS IN OTHER FINANCING		838,176	841,678	963,236	1,220,594	257,358
TOTAL FINANCING BY MAJOR ACCOUNT		18,576,687	18,197,492	19,085,664	17,820,460	(1,265,204)

Glossary

Account Code. A five-digit code assigned to a specific type of receipt or expenditure. A major account code is a grouping of expenditures or receipts on the basis of the types of goods or services purchased or rendered. For example, personal services, materials, supplies, and equipment are major account codes.

Accounting Unit (AU): An accounting unit is a subunit of a fund. Each fund contains one or more activities, a specific and distinguishable budgetary unit of work or service. Activities are detailed levels of budget spending authority created to accomplish the approved objectives of the fund.

Accounting Unit Number: A seven (7)-digit number which uniquely identifies the accounting unit. The first digit indicates the fund type, while the second digit indicates the department.

ALA: The American Library Association is a national organization for library staff.

Allocation: A portion of a lump-sum appropriation which is designated for expenditure by specific organizational units or for special purposes. See *Appropriation*.

Appropriation: An expenditure authorized by the city council for a specified amount and time.

Assessed Valuation: The value that is established for real estate or other property by a government for use as a basis for levying property taxes.

Bond: A written promise to pay a specific sum of money (called the principal amount or face value) at a specified future date (called the maturity date) along with periodic interest at a specified rate.

Budget Document: The written record of the comprehensive financial plan the mayor presents to the city council for review, revision if deemed appropriate, and adoption.

Capital Allocation: Assignment of available capital (dollars) to specific uses.

Capital Expenditure: Actual spending of capital (dollars) for capital improvement projects.

Capital Improvement: The purchase or construction of durable/fixed assets. Examples include streets, bridges, parks or buildings.

Capital Outlay: Equipment, machinery, vehicles or furniture items included in the operating budget. See *Capital Improvement Budget*.

Capital Projects Fund: A fund established to account for all financial resources used for the construction or acquisition of major capital facilities, except those financed by special assessment, proprietary or fiduciary funds.

Debt Service Fund: A fund established to account for the financial resources used for the payment of long-term general obligation debt principal, interest, and related costs.

Division: An organizational subunit of a department. Each department has one or more divisions, which are responsible for one or more activities.

Encumbrances: Legal commitment of appropriated funds (in the form of purchase orders or contracts) to purchase goods or services to be delivered or performed at a future date. They cease to be encumbrances when paid or when the actual liability is created.

Expenditures: Total charges incurred, whether paid or unpaid, including the provision for retirement of debt not reported as a liability of the fund from which it will be retired, and capital outlays (for governmental funds and fiduciary funds, except non-expendable trust funds) .

Expenses. Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which benefit the current fiscal period (for proprietary funds and non-expendable trust funds). See *Expenditures*.

Financing Plan: Identifies sources of revenues that support the spending plan.

Full Time Equivalent (FTE): A personnel position which is financed for the equivalent of 80 hours per pay period, for 26.1 pay periods (a typical year), or 2,088 hours in a year. This is roughly equivalent to 40 hours per week for 52 weeks. For example, a .5 FTE would represent 20 hours per week for 52 weeks, or 40 hours per week for 26 weeks. A 1.0 FTE is a general reference to a position normally working for a year.

Fund (Company): Each individual fund is a separate accounting entity having its own assets, liabilities, revenues and expenditures or expenses. City financial resources are allocated to, and accounted for, in individual funds based on legal, donor, or administrative restrictions or requirements. In the City's new ERP software, the system term "Company" is used. For the purposes of the City of Saint Paul, "Company" is equivalent to Fund.

Fund Balance: An equity account reflecting the excess of accumulated assets over accumulated liabilities and reserves (monies set aside for specific purposes).

Fund Manager: Fund managers are accountable to and receive authority from their department director and division manager, and ultimately from the mayor, the city council, and city residents/taxpayers. Each fund manager is responsible for correctly preparing and submitting the portion of the city's financial plan that is provided by their fund. This includes a properly completed budget request consisting of performance, spending and financing plans. Fund managers are responsible for monitoring the collection of receipts, authorizing spending payments, cash flow planning, and service delivery in accordance with the adopted plan. Fund managers are also responsible for forecasting significant performance, spending or financing variances, determining their cause, creating a solution, and reporting such information to their department director and the director of the office of financial services. See *Performance Plan*, *Spending Plan*, and *Financing Plan*.

Fund (Company) Number: A four-digit number which uniquely identifies the fund. For example, the general fund is fund number 2150. See *Activity Number*.

Glossary – Continued

Fund Type: A classification of funds by similar purpose. The fund types are: governmental (general, special revenue, debt service, capital project, special assessment), proprietary (enterprise, internal service), and fiduciary (trust and agency funds). Although the city hall annex operating fund and the public works engineering fund are separate funds, they are the same fund type (internal service). See each fund type for its definition. Also see *Fund*.

General Fund: The fund used to account for all financial resources not specifically earmarked for other purposes. The general fund is the primary operating fund for the Public Library Agency.

IMLS: The Institute of Museum and Library Services is a federal grant-making agency supporting the nation's museums and libraries. It was created by the Museum and Library Services Act of 1996.

LGA: Acronym for local government aid. See *State Aids*.

LSTA: Library Services and Technology Act of 1996, a section of the federal Museum and Library Services Act, promotes access to library services for people of all ages. The funds are distributed to State Library Agencies according to a formula based on population. The state agencies may further distribute the funds to individual libraries through a series of sub-grants.

MELSA: The Metropolitan Library Services Agency, serving the nine public library systems in the metropolitan area, is one of twelve Regional Public Library Systems in Minnesota. The Regional Public Library Systems are multi-county public library service agencies that provide free access to all residents of the region without discrimination and are organized under the provisions of Minnesota Statutes 134.317 or 471.59.

MINITEX: The MINITEX Library Information Network is a publicly supported network of academic, public, state government, and special libraries working cooperatively to improve library service for their users. The MINITEX program is funded by the Minnesota Legislature through the Minnesota Higher Education Services Office (MHESO). Programs for Minnesota public libraries are funded through a contract with the Minnesota Office of Library Development and Services.

MLS: The Master of Library Science is the primary professional degree for librarians.

Operating Budget: The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

Operating Transfer In/Out: Interfund transfers are legally authorized transfers between a fund receiving revenue and a fund where resources are expended.

PJ: Perrie Jones, a former Saint Public Library director, made a bequest of her estate to the Library to be used for staff training and development and outreach

services. The fund is administered through the Friends of the Saint Paul Public Library and the Perrie Jones Library Fund Advisory Board.

Special Revenue Fund: A fund established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, and capital projects) that are legally restricted to expenditures for specified functions or activities.

Spending Plan: Provides a unit or subunit of an organization with spending authority to pay for the resources required to effectively accomplish the performance plan.

State Aids: The following are the major types of intergovernmental revenues received by the City of Saint Paul from the State of Minnesota:

Local Government Aid (LGA): Begun in 1971, this program was designed to provide indirect property tax relief through the redistribution of income tax and sales tax revenues collected at the state level to local units of government. The amount of funding received by local units of government is based on a distribution formula determined by the Minnesota State Legislature. The distribution formula is based on "need" as well as "capacity". The 2001 State Legislature rolled the Homestead and Agricultural Credit Aid into Local Government Aid.

Municipal State Aids (MSA). This program is financed by motor vehicle related taxes collected at the state level. The state gasoline tax is the largest revenue source and the dollars collected are constitutionally dedicated for expenses related to MSA routes. The revenues are redistributed back to municipalities of 5,000 or more residents to be used for construction and maintenance of their MSA designated routes.

VISTA: Volunteers in Service to America are college age individuals who work for a nominal salary in public service locations.