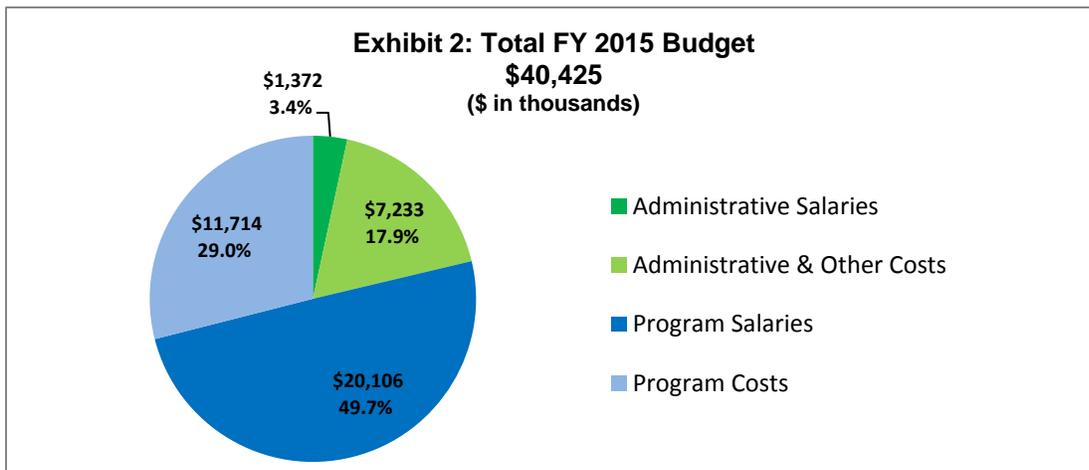
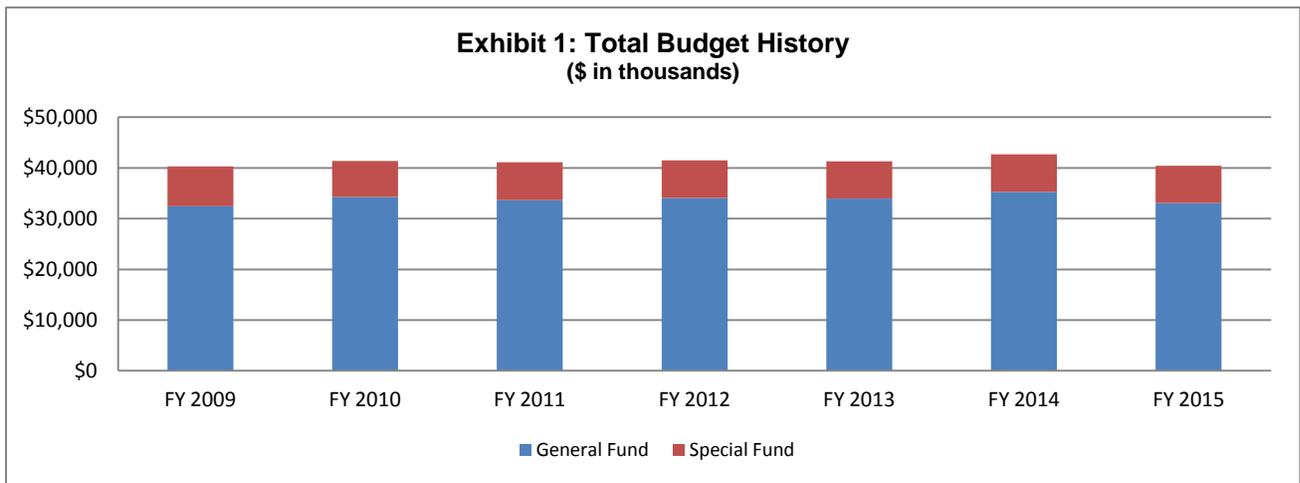


DEPARTMENT OF LIBRARIES (037)

BUDGET SUMMARY:

The proposed FY 2015 budget for the Department of Libraries totals \$40.4 million, a decrease of \$2.2 million, or 5.2%, from the FY 2014 budget. More than \$31.8 million of the proposed budget covers program salaries and costs. The General Fund decrease of \$2.2 million or 6.2% is primarily attributable to the transfer of positions to the Office of Information Technology and the Property Management Division of the Office of Budget and Finance, offset by the 3% bonus. **See Exhibits 1-3 for additional detail.**



DEPARTMENT OF LIBRARIES (037)

Exhibit 3			
FY 2015 Proposed Budget (\$ in 000's)			
How Much it Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Total</u>
2014 Appropriation	\$ 35,264	\$ 7,382	\$ 42,646
2015 Request	<u>33,080</u>	<u>7,345</u>	<u>40,425</u>
\$ Decrease	\$ (2,184)	\$ (37)	\$ (2,221)
% Decrease	-6.2%	-0.5%	-5.2%
Where it Goes:			
Personnel Expenses (excl. transfers to OIT & Property Management below):			\$846
3% Bonus			621
Increments and other salary adjustments			317
Turnover (decrease from 1.6% to 1.2%)			117
Part-time salary reductions due to technology			(209)
Personnel Related Expenses:			442
Other Post Retirement Benefits (OPEB) - General			308
Employee Health Insurance			166
County Retirement System			47
Unemployment			(5)
FICA			(74)
Operating Expenses (excl. transfers to OIT & Property Management)			(493)
Professional Services (marketing and financial services)			136
Library Books			120
Building Service Repairs			(27)
Gas & Electric			(36)
Data Processing Equipment			(39)
Supplies (operational, janitorial, grounds maint.)			(52)
Operational Equipment Maintenance			(73)
Grants			(80)
Telephones			(111)
Facilities rental (discontinued Hereford lease)			(129)
Service Contracts			(133)
Other Changes (mileage, conferences, parking, postage, etc.)			(69)
Transfer of IT functions to OIT:			(1,630)
Personnel Costs (28 positions – see issue # 1):			(1,502)
Operating Costs			(128)
Operational Supplies			(124)
Other Changes			(4)
Transfer of Maintenance functions to Property Management:			(1,386)
Personnel Costs (8 positions – see issue # 1):			(318)
Operating Costs			(1,068)
Motor Pool - Trucks			(35)

DEPARTMENT OF LIBRARIES (037)

Building Services Repairs.....	(68)
Supplies (janitorial, grounds maintenance)	(105)
Operational Equipment Maintenance.....	(215)
Service Contracts	(620)
Other Charges.....	(25)
Total:.....	\$(2,221)

BUDGET RECOMMENDATIONS:

Budget Reductions: \$383,732

A total of \$383,732 in budget reductions is recommended, which represents 1.2% of BCPL's FY 2015 General Fund budget. Since FY 2009, BCPL has expended its entire budgeted funds each fiscal year.

1. Increase Turnover to 3.0% of Salaries (0104) \$383,732

The proposed FY 2015 budget includes turnover savings totaling \$249,429, or 1.2% of salaries totaling \$21.1 million for 478 positions (6 vacant positions with budgeted salaries of \$280,137). However, a 4 year analysis indicates that turnover has been under-budgeted with actual turnover averaging 5.2%. For FY 2014, BCPL projects turnover savings will total 4.9% of salaries. The recommendation increases budgeted turnover to 3.0%, or \$633,161 for FY 2015, resulting in a reduction totaling \$383,732. We believe this recommended level of turnover is generous, in that BCPL has not experienced turnover savings of less than 3.9% of salaries in recent history.

Schedule of Historical Spending - Turnover						
Fiscal Year	Budget/ Request	Turnover %	Actual/ Estimate/ Recommended	Turnover %		Increase (Decrease)/ Reduction
2011	\$447,000	2.0%	\$830,495	3.9%		\$383,495
2012	\$147,210	0.7%	\$1,529,208	7.6%		\$1,381,998
2013	\$284,725	1.3%	\$881,876	4.2%		\$597,151
2014	\$366,117	1.6%	\$1,056,884	4.9%	⁽¹⁾	\$690,767
Average	\$311,263	1.4%	\$1,074,616	5.2%		\$763,353
2015	\$249,429	1.2%	\$633,161	3.0%		\$383,732

Notes:
⁽¹⁾ BCPL's Projection.

DEPARTMENT OF LIBRARIES (037)

SIGNIFICANT PROGRAM/POLICY INITIATIVES AND/OR CHANGES:

1. Transfers to OIT and Property Management (\$3 million)

The proposed FY 2015 budget includes the transfer of \$1.6 million to the Office of Information Technology (OIT) and \$1.4 million to the Property Management Division of the Office of Budget and Finance. The transfer to OIT was the result of a business process analysis (BPA) performed over BCPL's information technology (IT) function, which identified several areas in which BCPL and OIT were duplicating efforts, resources, and contracts. OIT advised that consolidation of IT personnel will provide additional capacity so OIT can reduce a backlog of BCPL IT projects and allow BCPL to deliver improved services at lower costs. In FY 2015, 28 positions (salaries of \$1.5 million) and operating costs (\$127,598 – primarily of \$124,000 in operational supplies) will be transferred. Positions (and salary costs) transferred include:

<u>Title</u>	<u>Number of Positions</u>	<u>Budgeted Salary</u>
Information Systems Office Manager	1	\$47,572
Information Systems - Professional Assistant (part-time)	1	47,717
Information Services Coordinator	1	98,815
Information Specialist II	1	81,304
Information Specialist I	2	110,052
Information Services Assistant	1	36,978
Integrated Library Systems Supervisor	1	55,026
Integrated Library Systems Assistant	1	47,572
Integrated Library Systems - Office Assistant (part-time)	2	21,328
Integrated Library Systems Administrator	1	73,770
Client Services Administrator	1	73,770
Client Services Technician	2	95,144
Client Services Trainer	1	47,572
Help Desk Supervisor	1	55,026

DEPARTMENT OF LIBRARIES (037)

Help Desk-Office Assistant II (part-time)	1	17,969
Staff Help Desk Assistant	2	81,304
Network Operations Administrator	1	73,770
Network Operations Assistant	2	110,052
Webmaster/IT Specialist Technician	1	63,714
Technology Support Coordinator	1	98,815
Systems Development Analyst	1	55,026
Graphic Artist	2	110,052
Total:	28	\$1,502,348

Beginning in April 2014, the Property Management Division assumed responsibility for the maintenance of BCPL locations. In FY 2015, 8 positions (4 Building Maintenance Mechanic I positions, 3 Building Maintenance Mechanic II positions, and 1 Office Coordinator) with salaries totaling \$318,305 and operating costs (\$1.1 million – primarily of \$620,500 in service contracts, \$215,200 in operational equipment maintenance, and \$104,500 in janitorial and grounds maintenance supplies) will be transferred.

As part of the transfer, Property Management will be responsible for all service and maintenance contracts, building repairs, and grounds maintenance for BCPL. Property Management advised that the purpose of this transfer is to consolidate functions and create operational efficiencies in maintenance work for both County staff and contractors; in addition, the transfer will allow Property Management to standardize the work that is performed, which provides quality control.

BCPL should be prepared to discuss:

- ***Whether IT positions were transferred that require library expertise and the potential implications;***
- ***Initial feedback with the recent transfer of maintenance responsibilities to Property Management; and***
- ***Specific efficiencies and anticipated cost savings to be achieved by these consolidations.***

DEPARTMENT OF LIBRARIES (037)

2. Technological Advancements \$1.0 million

In FY 2015, BCPL will implement three new information technology initiatives totaling \$1.0 million that will allow for cost savings and increased efficiency throughout BCPL, as follows:

PC Equipment Refresh (\$948,349 – *Equipment financing fund*) – Replace all workstations at library branches and main office, which will reduce the time and money spent maintaining out-of-warranty equipment. The increased efficiency will allow employees to better support constituents.

VoIP Consolidation (\$33,950 *Enhanced Productivity Thru Technology capital project funding*, \$3,400 *equipment financing fund*) – Evaluate the ability to reduce/eliminate current communication protocols and possibly consolidate the existing BCPL Verizon contract with the County's contract to achieve efficiencies.

Financial System Integration Requirements Gathering (\$28,050 *Enhanced Productivity Thru Technology capital project funding*, \$1,700 *equipment financing fund*) – Initial phase of the process to integrate BCPL's financial system to the County's system.

In addition, BCPL will benefit from the following two technology initiatives that were implemented in FY 2014:

Broadband Fiber (\$61,470 – *Enhanced Productivity Thru Technology capital project funding*) - Countywide initiative that installed a 160-mile fiber optic communication network that was extended to various BCPL locations. The goal of this initiative was to reduce operating costs by eliminating or reducing leased fiber lines and network connection costs, allowing Internet access cost to be shared, and converting standard phone services to Voice-over Internet Protocol (VoIP).

Polaris LEAP (\$22,963 – *General Fund*) – Web-enabled application that brings the functionality of BCPL's integrated library system (Polaris) to mobile devices (e.g., tablets), to enable staff to serve constituents at any place within the library and the community. More

DEPARTMENT OF LIBRARIES (037)

specifically, BCPL has advised that it has an inventory of 71 tablet devices which are used for training customers on how to use BCPL applications (including Polaris), to assist patrons with finding materials, and by the Storytime staff to enhance the program experience for the attendees.

BCPL continues its use of self-checkout, which utilizes Radio Frequency Identification (RFID) technology to allow patrons to check out materials, so the need to use part-time circulation staff can be significantly reduced. BCPL advised that it has a 92% self-checkout rate. The proposed FY 2015 budget reflects a savings of \$209,000 in part-time staffing costs due to the RFID technology.

BCPL should be prepared to discuss the relationship of BCPL and OIT and how future projects will be administered.

OTHER ISSUES:

3. Hours of Operation

The proposed FY 2015 budget includes a full-year's worth of operating costs (security and janitorial) of \$45,000 (an increase of \$7,500 from FY 2014) to have all BCPL branches open year-round on Sundays and for Loch Raven to be a full-time branch.

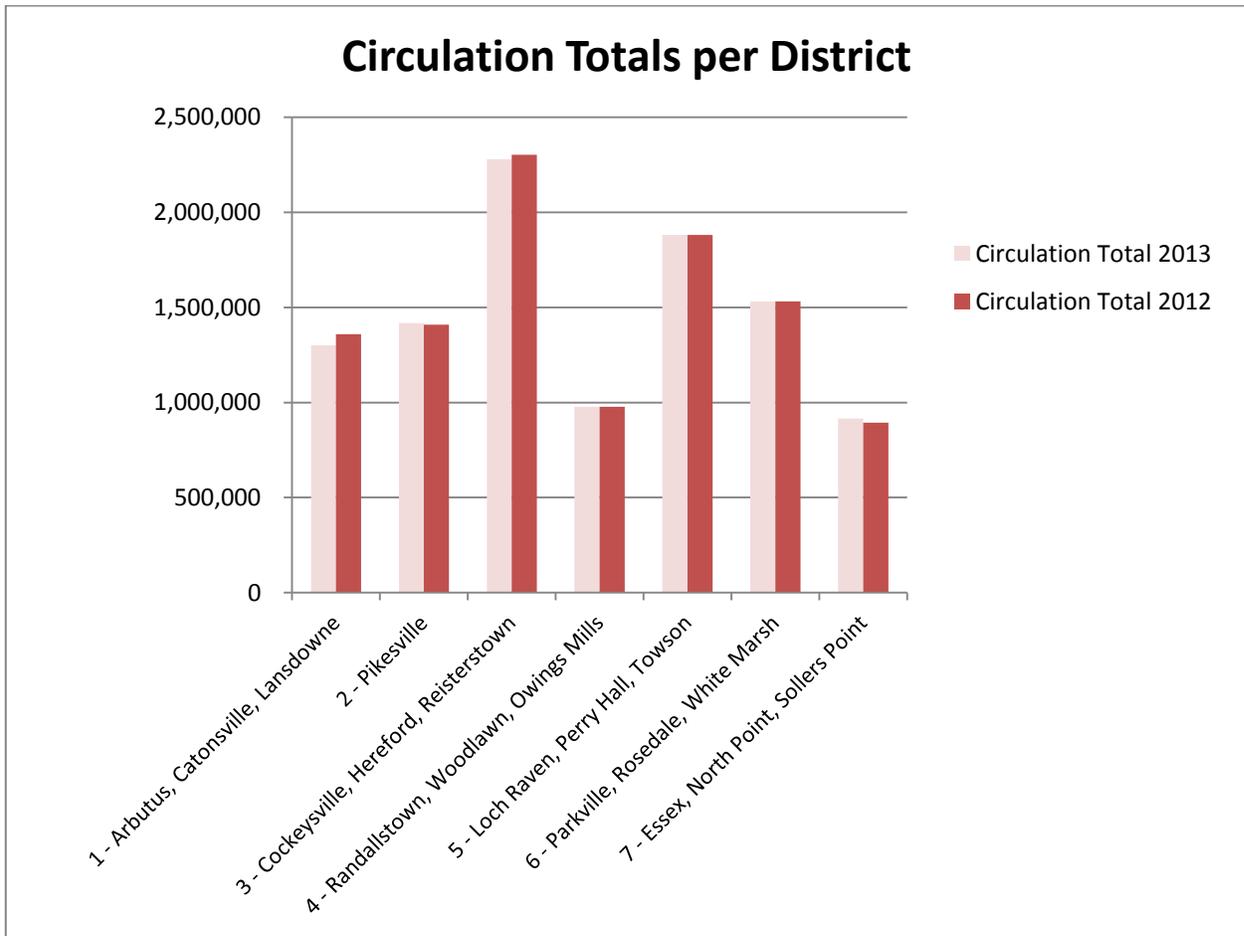
BCPL advised that during FY 2014, it expanded hours at its branches to be open year-round on Sundays primarily by requiring all full-time and part-time staff to work a Sunday rotation (with a day off during the week to ensure the 40-hour work week was not exceeded). BCPL also advised that due to efficiencies related to self-service checkout stations and the implementation of a single-service-desk model at several branches during FY2013, it was able to increase the hours at Loch Raven to be a full-time branch by relocating full and part-time staff to provide the coverage for the additional hours (also no impact to salaries) each week without adding new positions.

BCPL should be prepared to discuss feedback received (from patrons and staff) as a result of expanding branch hours.

DEPARTMENT OF LIBRARIES (037)

4. Fines and Fees

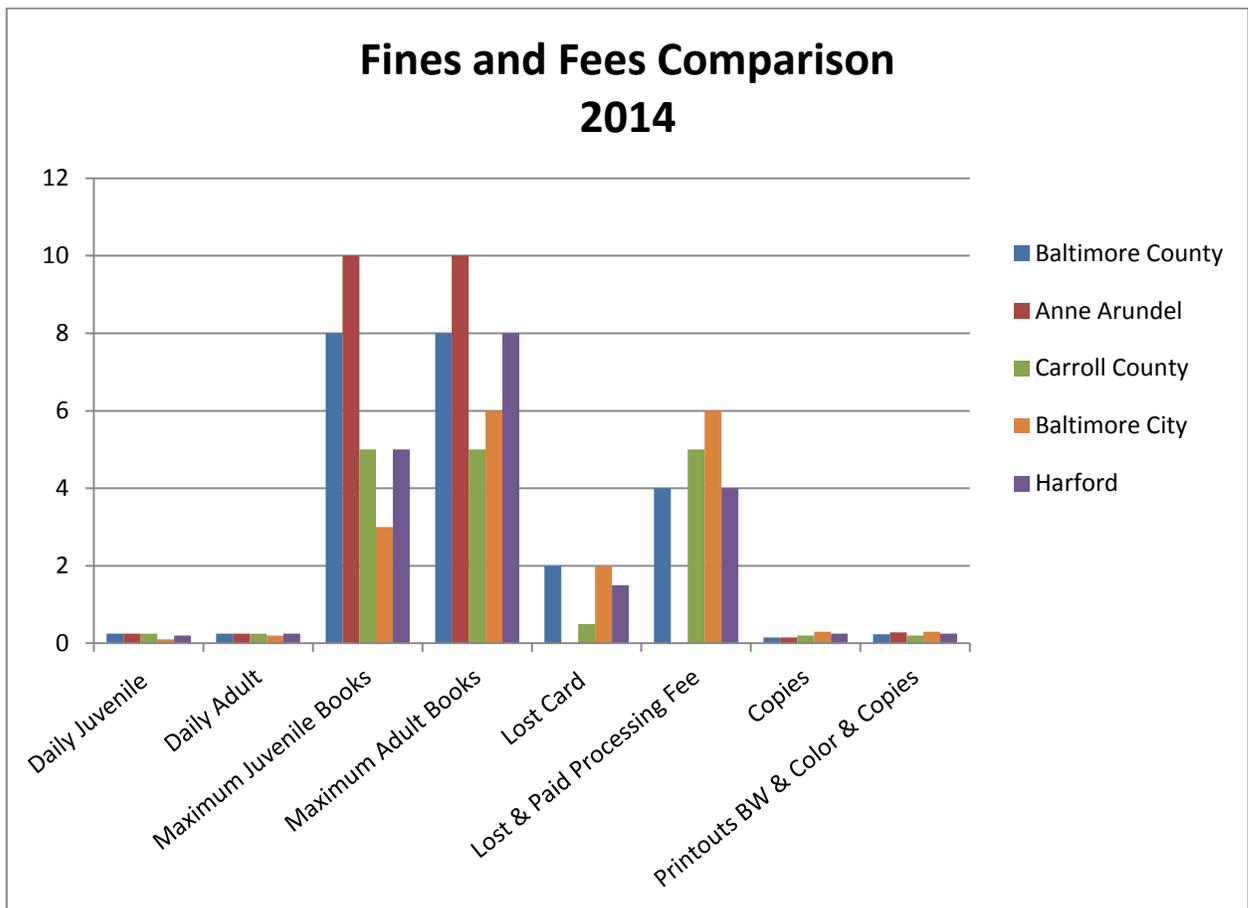
Total circulation for FY 2012 and FY 2013 was 10.3 million (excluding renewals) per BCPL's annual report. The following graph shows circulation by branch:



The proposed FY 2015 budget includes combined fine and fee revenue of \$2.5 million (consistent with FY 2014). BCPL generates a portion of its revenues (approximately 6%) through fines for overdue materials and fees for various services such as late fees, lost card replacement, and copies. During FY 2014, BCPL advised that it discontinued charging for DVD rentals because of a steady decline in usage over the past few years, and it viewed the fee as a potential barrier to usage. DVD rentals will still be subject to extended loan fees, and since the barrier to rent DVDs has been removed, BCPL expects an increase in extended loan fees, which will offset any reduction in DVD rental income.

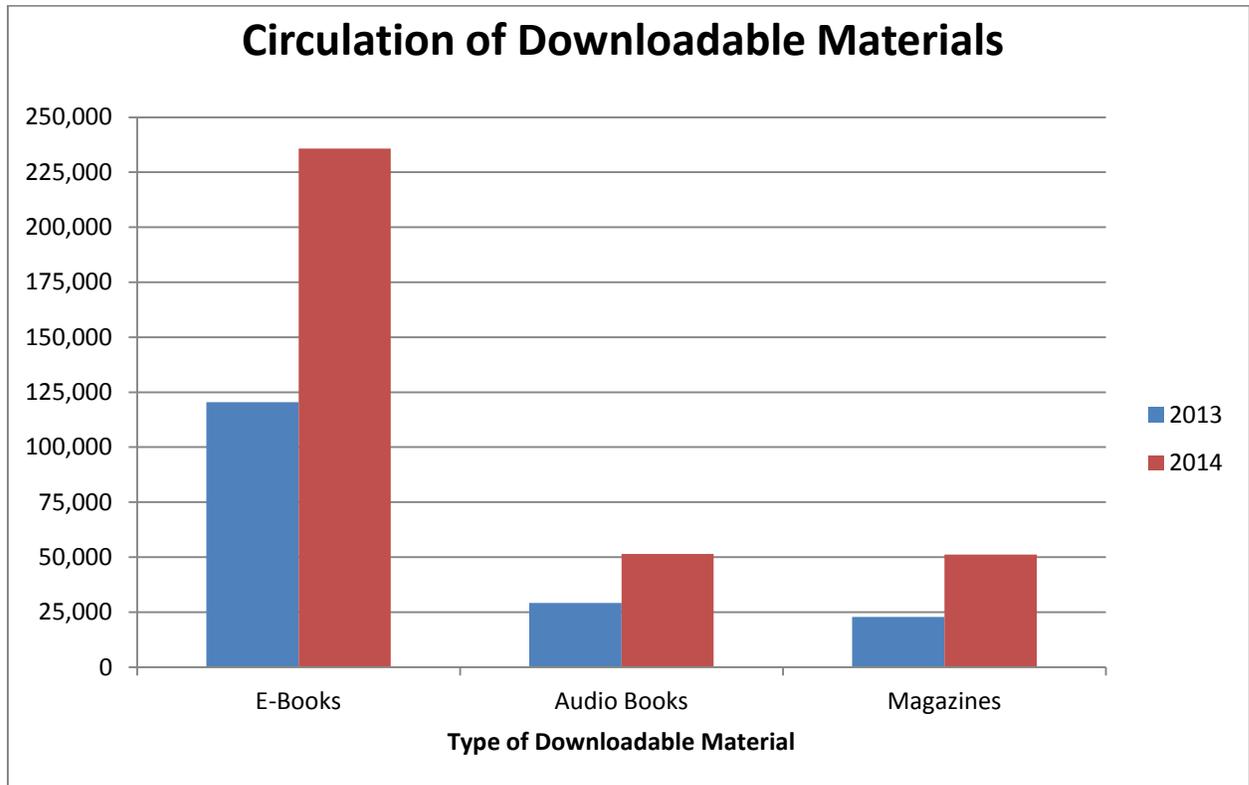
DEPARTMENT OF LIBRARIES (037)

BCPL advised that fines and fees are an incentive for customers to return items on a timelier basis in order to cost-effectively satisfy demand. BCPL further advised that it hasn't increased book fines since July 2009, because one of the more prominent concerns expressed by patrons is the relatively higher rates charged by BCPL compared to other jurisdictions, which could lead to patrons not utilizing services.



While trying to hold the line on book fines, BCPL is faced with a burgeoning demand for downloadable materials, including electronic books, which do not present an opportunity for generating overdue fees, as borrowed material is automatically removed from a patron's device at the end of the borrowing period. BCPL advised that from July 2013 to March 2014, patrons initiated a total of 338,561 downloads (235,826 e-book, 51,497 e-audiobook, and 51,238 magazine), an increase of 166,117 (96%) from 172,444 for the same FY 2014 period.

DEPARTMENT OF LIBRARIES (037)



BCPL advised that even though e-book circulation has risen in the previous year, it is not hampering print circulation, which it cited as being up 5% for fiscal year to date as of March 2014.

BCPL should be prepared to discuss:

- ***Its monitoring of other jurisdictions to evaluate whether to adjust fines and fees; and***
- ***Any new strategies it is considering as the use of downloadable material grows.***

5. Facilities and Equipment

During 2014, the County acquired the property (and adjacent property) for BCPL's Hereford branch for \$1.9 million. The Hereford branch was the last leased BCPL branch. BCPL advised that \$260,900 was incurred during FY 2014 for related architectural services and that the first phase (of a three-phase process) is planned for FY 2015, which will expand and renovate the

DEPARTMENT OF LIBRARIES (037)

location. BCPL further advised that this project is being managed by Property Management.

BCPL also noted that during FY 2014, it has closed the Parkville location to install new carpet and replace shelving. Because of the size of the Parkville location, it had to close the location in order to perform the renovation; most employees of the branch were temporarily relocated to either White Marsh or Perry Hall. BCPL stated that the renovation is on schedule and that the original renovation was estimated to cost \$276,000; however, the revised projected cost totals \$326,000.

In FY 2014, BCPL also implemented a card-swipe security system at the Towson branch, which includes the Administrative Offices. Additionally, it contracted with an outside firm that performed security audits at each branch.

BCPL advised that during FY 2014, 3 new bookmobiles were purchased at a total cost of \$435,000 (\$145,000 each), and that it expects to replace 3 delivery trucks at a total cost of \$150,000 (\$50,000 each) in FY 2015 using equipment financing funding.

BCPL should be prepared to discuss:

- ***The reason for the cost increase for the Parkville renovation; and***
- ***Results of the security audits performed at the branches.***

6. New Director

At the start of FY 2015, BCPL's current director, Mr. Jim Fish, will retire. Mr. Fish has been the BCPL director for 18 years and his notable accomplishments include: significantly expanding public hours, including the expansion in 2013 to have all 19 branches open Sunday afternoons year-round; opening new branch facilities at Perry Hall, Arbutus, Sollers Point, and Owings Mills; overseeing expansions/renovations at Cockeysville, Hereford, Pikesville, and Woodlawn; reopening the Loch Raven and Lansdowne branches; creating the Storyville learning villages at Rosedale and Woodlawn branches; introducing e-books, and leveraging technology (e.g., RFID and self-check) to decrease costs and expand services offered to patrons. During Mr. Fish's tenure as Library director, the County ranked consistently in the top ten libraries nationally and Mr. Fish has inspired his colleagues and patrons with his love for literature and learning.

DEPARTMENT OF LIBRARIES (037)

BCPL has advised that there was a national search for a successor and that a new director has been selected to take over upon Mr. Fish's retirement. The new director will be the 4th since BCPL's founding in 1948.

BCPL should be prepared to discuss its plans to transition to the new director.

BALTIMORE COUNTY
FISCAL YEAR 2015 RECOMMENDED BUDGET

DEPARTMENT OF LIBRARIES (037)

APPROPRIATION DETAIL

	<u>FY 2013 ACTUAL</u>	<u>FY 2014 APPROP</u>	<u>FY 2015 REQUEST</u>	<u>NET CHANGE</u>	
				<u>AMOUNT</u>	<u>%</u>
<u>General Fund</u>					
3701 General Administration					
General Fund	\$ 6,421,530	\$ 6,903,806	\$ 7,209,962	\$ 306,156	4.4%
Special Fund	<u>1,552,002</u>	<u>1,373,237</u>	<u>1,395,377</u>	<u>22,140</u>	<u>1.6%</u>
Total	<u>7,973,532</u>	<u>8,277,043</u>	<u>8,605,339</u>	<u>328,296</u>	<u>4.0%</u>
3702 Circulation/Information Services					
General Fund	13,810,613	14,489,460	15,130,645	641,185	4.4%
Special Fund	<u>3,050,901</u>	<u>3,076,700</u>	<u>3,084,000</u>	<u>7,300</u>	<u>0.2%</u>
Total	<u>16,861,514</u>	<u>17,566,160</u>	<u>18,214,645</u>	<u>648,485</u>	<u>3.7%</u>
3703 Customer Support Services					
General Fund	11,182,090	11,078,144	9,467,478	(1,610,666)	-14.5%
Special Fund	<u>2,265,185</u>	<u>2,342,800</u>	<u>2,528,078</u>	<u>185,278</u>	<u>7.9%</u>
Total	<u>13,447,275</u>	<u>13,420,944</u>	<u>11,995,556</u>	<u>(1,425,388)</u>	<u>-10.6%</u>
3704 Buildings/Vehicle Maintenance & Operation					
General Fund	2,511,116	2,792,200	1,271,538	(1,520,662)	-54.5%
Special Fund	<u>407,443</u>	<u>589,600</u>	<u>337,745</u>	<u>(251,855)</u>	<u>-42.7%</u>
Total	<u>2,918,559</u>	<u>3,381,800</u>	<u>1,609,283</u>	<u>(1,772,517)</u>	<u>-52.4%</u>
Grand Total	<u>\$ 41,200,880</u>	<u>\$ 42,645,947</u>	<u>\$ 40,424,823</u>	<u>\$ (2,221,124)</u>	<u>-5.2%</u>
<u>Funds Recap:</u>					
Total General Fund	\$ 33,925,349	\$ 35,263,610	\$ 33,079,623	\$ (2,183,987)	-6.2%
Total Special Fund	<u>7,275,531</u>	<u>7,382,337</u>	<u>7,345,200</u>	<u>(37,137)</u>	<u>-0.5%</u>
All Funds Total	<u>\$ 41,200,880</u>	<u>\$ 42,645,947</u>	<u>\$ 40,424,823</u>	<u>\$ (2,221,124)</u>	<u>-5.2%</u>

BALTIMORE COUNTY
FISCAL YEAR 2015 RECOMMENDED BUDGET

DEPARTMENT OF LIBRARIES (037)

PERSONNEL DETAIL - FULL-TIME EQUIVALENT POSITIONS				
	<u>FY 2013 ACTUAL</u>	<u>FY 2014 APPROP</u>	<u>FY 2015 RECOMM</u>	<u>NET CHANGE</u>
3701 General Administration	18	18	18	0
3702 Circulation/Information Services	404	404	393	(11)
3703 Customer Support Services	85	85	59	(26)
3704 Buildings/Vehicle Maintenance & Operation	<u>14</u>	<u>14</u>	<u>8</u>	<u>(6)</u>
All Funds Total	<u><u>521</u></u>	<u><u>521</u></u>	<u><u>478</u></u>	<u><u>(43)</u></u>

BALTIMORE COUNTY
FISCAL YEAR 2015 RECOMMENDED BUDGET

DEPARTMENT OF LIBRARIES (037)

MAINTENANCE OF EFFORT (M.O.E.)

		<u>M.O.E.</u>
1 <u>Minimum Library Program</u>		
(a) Baltimore County Population	817,455	
(b) Amount per Capita	\$ 14	
(c) Minimum Library Program (a) x (b)		\$11,444,370
2 <u>Local Share</u>		
(a) Local Wealth for Baltimore County	\$ 55,066,333,803	
(b) Statewide total minimum program	\$ 82,383,882	
(c) Statewide local share percentage	60%	
(d) Statewide local share (b) x (c)	\$ 49,430,329	
(e) Total wealth of all counties	\$ 445,078,466,491	
(f) Multiplier (d)/(e)	0.01111%	
(g) Local Share = Local wealth (a) x multiplier (f)		<u>6,117,870</u>
3 <u>State Share of Minimum Program Contingent Upon Meeting Local Share (1 - 2)</u>		<u>5,326,500</u>
4 <u>Amount Over Local Share</u>		
Proposed FY 2015 General Fund Appropriation		33,079,623
Local Share (2)		<u>6,117,870</u>
Amount Over Local Share		<u>\$26,961,753</u>