



# LIBRARY FUNDING

Troy City Council Special Meeting  
June 8, 2020



# AGENDA

- Current Library Funding
- Future Needs
- Funding Options
- Next Steps







# CURRENT FUNDING

Library Funding

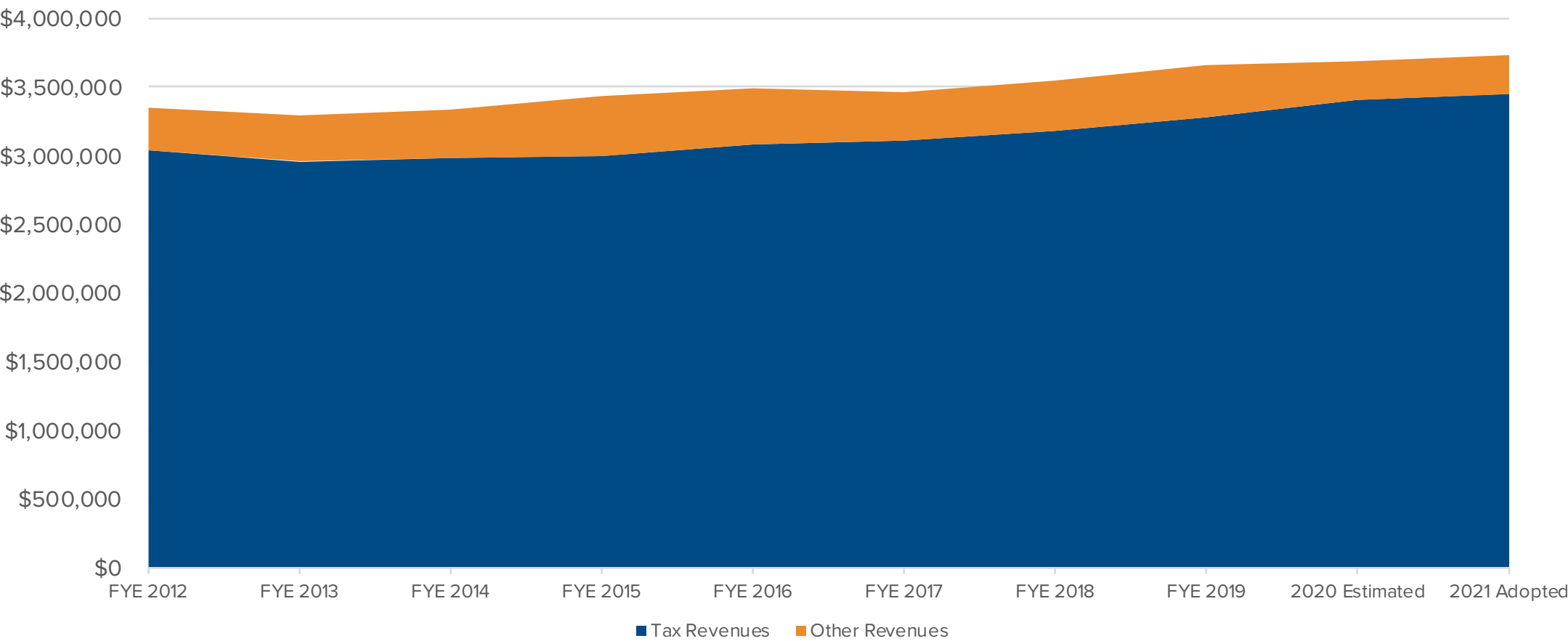


## CURRENT LIBRARY FUNDING

- Section 2.2 of the Troy City Charter was amended on April 1, 1963 to permit the establishment and maintenance of a public library.
- The Library was funded through the City's operating millage until the Great Recession.
- Voters approved a five-year, 0.7 mills dedicated library millage on August 2, 2011 and again on November 3, 2015.
- This allowed the City to continue to operate the Library while relieving the strain on the City's 6.5000 mills operating millage.
- More than 90% of current library funding comes from the library millage.
- All other revenue sources (penal fines, overdue fines, state aid, etc.) account for less than 10% of current library funding.



# CURRENT LIBRARY FUNDING



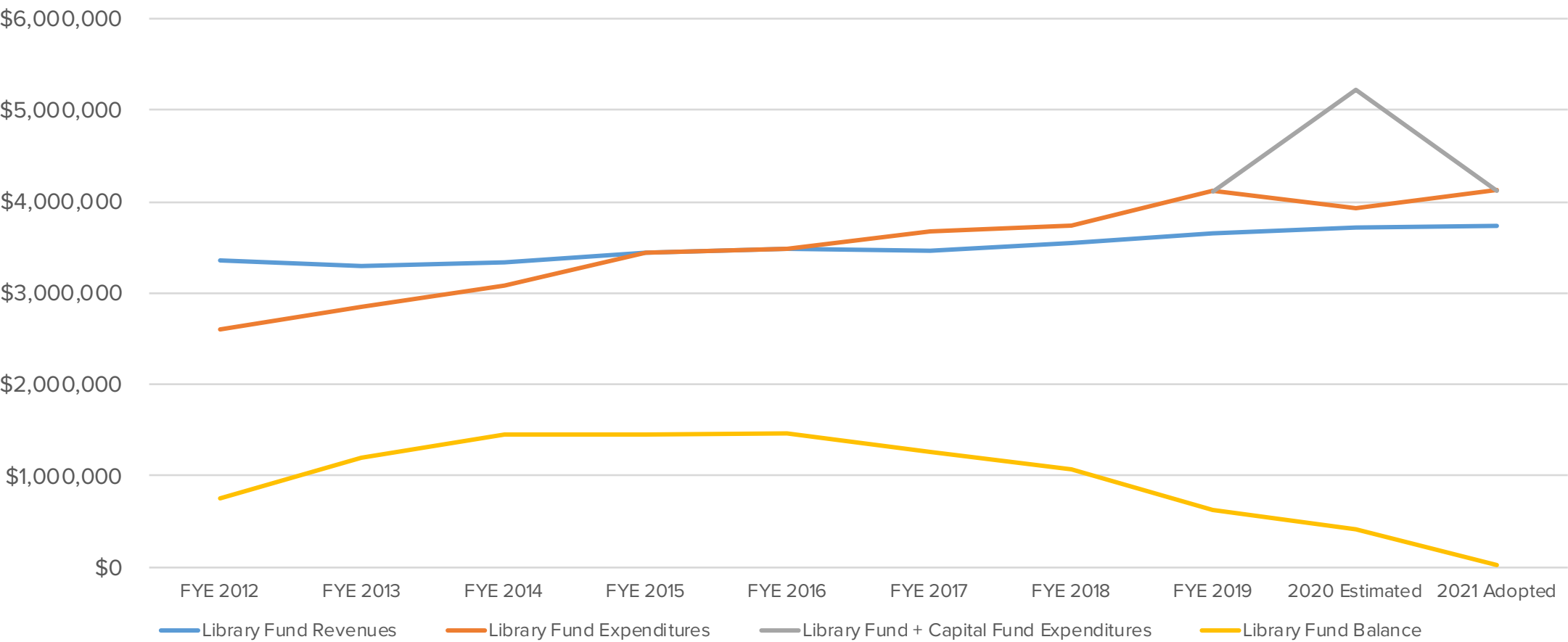


## CURRENT LIBRARY FUNDING

- The current library millage does not cover the full cost of operating and maintaining the Library.
- The Capital Projects Fund funded renovations (\$104,000) and a new roof (\$1.2 million) in fiscal year 2019-2020.
- Fiscal year 2020-2021 budgeted expenditures are \$4.127 million = 0.8024 mills
- Library Fund revenue will only cover 90% of fiscal year 2020-2021 budgeted expenditures.
- The remaining 10% will come from Library Fund balance.



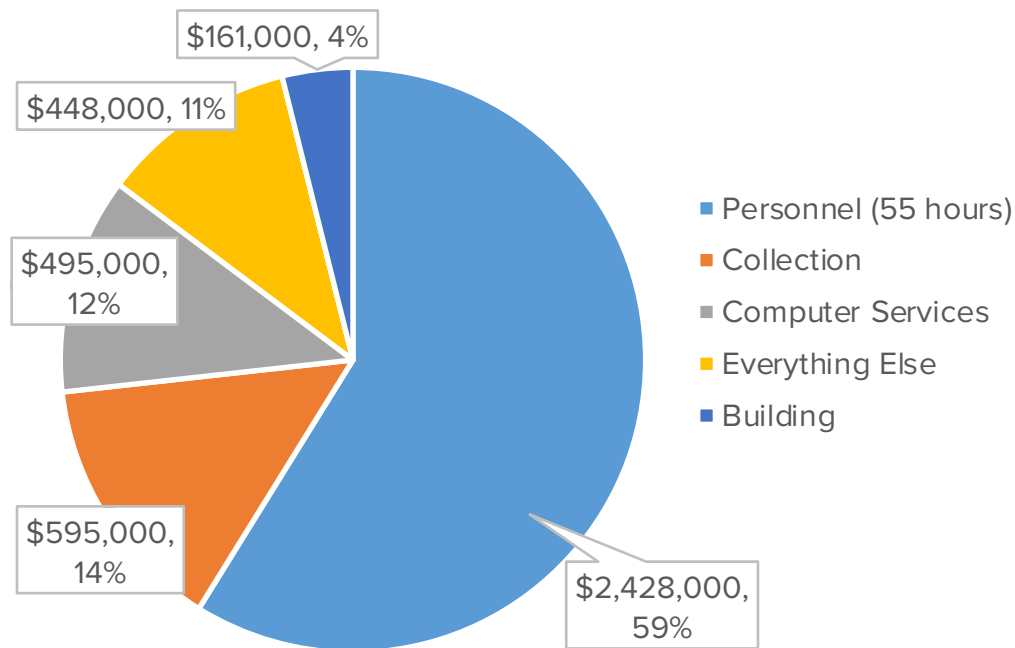
# CURRENT LIBRARY FUNDING



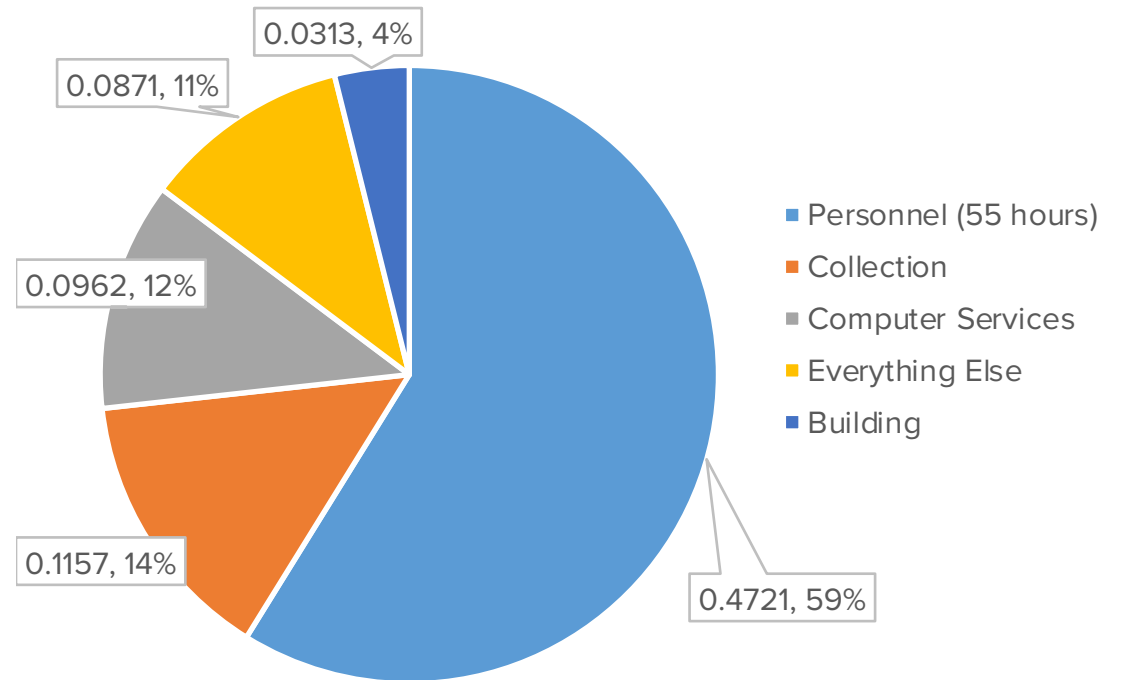


# CURRENT LIBRARY FUNDING (FYE 2021)

## Dollars



## Mills (\$5.143 B Net Taxable Value)





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# FUTURE NEEDS

Library Funding

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# FUTURE NEEDS

## Personnel

- Service was reduced from seven to six days a week in July 2010.
- The Library was open 65 hours before the Great Recession and 55 hours weekly before the pandemic.
- Comparable libraries were recently open between 58 and 74 hours weekly.
- The average of comparable libraries was 68 hours weekly.

## Building Maintenance

- The Troy Public Library opened in 1971 and expanded in 1984.
- A facility of this age requires significant annual reinvestment.
- Additional funding should be considered for updates and amenities.
- No building, no library.

# FUTURE NEEDS

## Troy Public Library Hours

| Day          | Pre-recession Hours | Pre-pandemic Hours |
|--------------|---------------------|--------------------|
| Monday       | 11                  | 11                 |
| Tuesday      | 11                  | 11                 |
| Wednesday    | 11                  | 11                 |
| Thursday     | 11                  | 11                 |
| Friday       | 8                   | 0                  |
| Saturday     | 8                   | 7                  |
| Sunday       | 5                   | 4                  |
| <b>Total</b> | <b>65</b>           | <b>55</b>          |

## Comparable Library Hours

| Library                            | Hours       |
|------------------------------------|-------------|
| Warren Public Library              | 58.0        |
| Sterling Heights Public Library    | 61.5        |
| Novi Public Library                | 66.0        |
| Baldwin Public Library             | 67.0        |
| Farmington Community Library       | 68.0        |
| Bloomfield Township Public Library | 68.5        |
| Grosse Pointe Public Library       | 69.0        |
| Rochester Hills Public Library     | 70.0        |
| Canton Public Library              | 72.0        |
| West Bloomfield Public Library     | 74.0        |
| <b>Average</b>                     | <b>67.4</b> |



## FUTURE NEEDS

| Description                        | Current Hours<br>(weekly) | Proposed Hours<br>(weekly) | Additional<br>Hours (weekly) | Estimated Cost <sup>1</sup><br>(annually) | Net Taxable<br>Value | Estimated<br>Millage Rate <sup>2</sup> |
|------------------------------------|---------------------------|----------------------------|------------------------------|---|----------------------|--|
| Current hours                      | 55.0                      | 55.0                       | 0.0                          | \$2,428,000                               | \$5,143,000,000      | 0.4721                                 |
| Comparable library 7-day minimum   | 55.0                      | 58.0                       | 3.0                          | \$2,560,000                               | \$5,143,000,000      | 0.4978                                 |
| Current hours + 7 hours on Fridays | 55.0                      | 62.0                       | 7.0                          | \$2,736,000                               | \$5,143,000,000      | 0.5320                                 |
| Pre-recession hours                | 55.0                      | 65.0                       | 10.0                         | \$2,868,000                               | \$5,143,000,000      | 0.5577                                 |
| Comparable library average         | 55.0                      | 68.0                       | 13.0                         | \$3,000,000                               | \$5,143,000,000      | 0.5833                                 |
| Comparable library maximum         | 55.0                      | 74.0                       | 19.0                         | \$3,264,000                               | \$5,143,000,000      | 0.6346                                 |
|                                    |                           |                            |                              |   |                      |  |

1 Estimated personnel costs only; does not include other costs.

2 Estimated millage rate for personnel costs only; does not include other costs.

# FUTURE NEEDS

## Collection Development

- Library collection development is the process of building a robust collection of library materials to meet the needs of the community.
- The Library invests approximately \$600,000 in the collection annually.
- No collection, no library.

## Computer Services

- Suburban Library Cooperative
- Information Technology Internal Service Fund

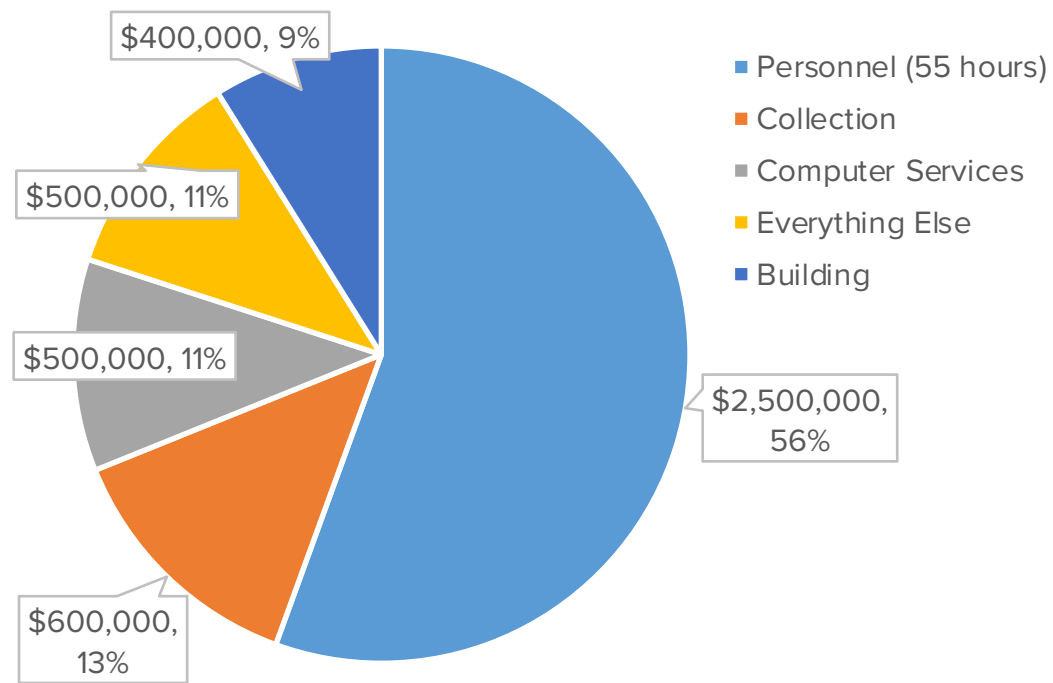
## Everything Else

- Custodial Contractor (\$113,000)
- Utilities (\$114,000)

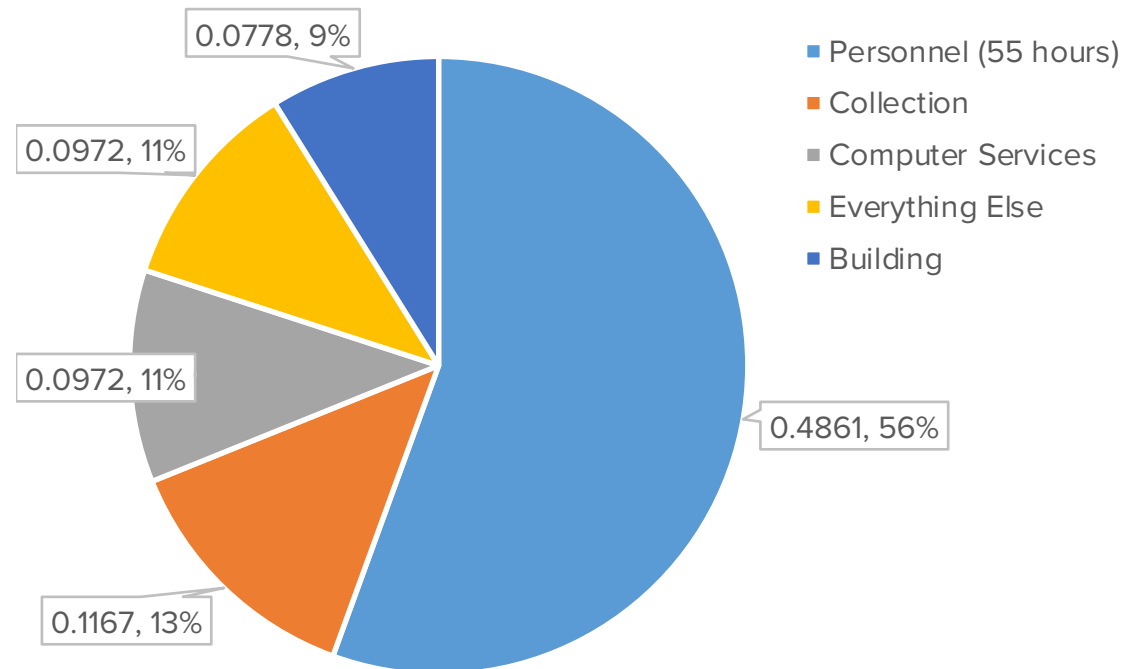


# FUTURE NEEDS (\$4.5 M = 0.8750 mills)

## Dollars

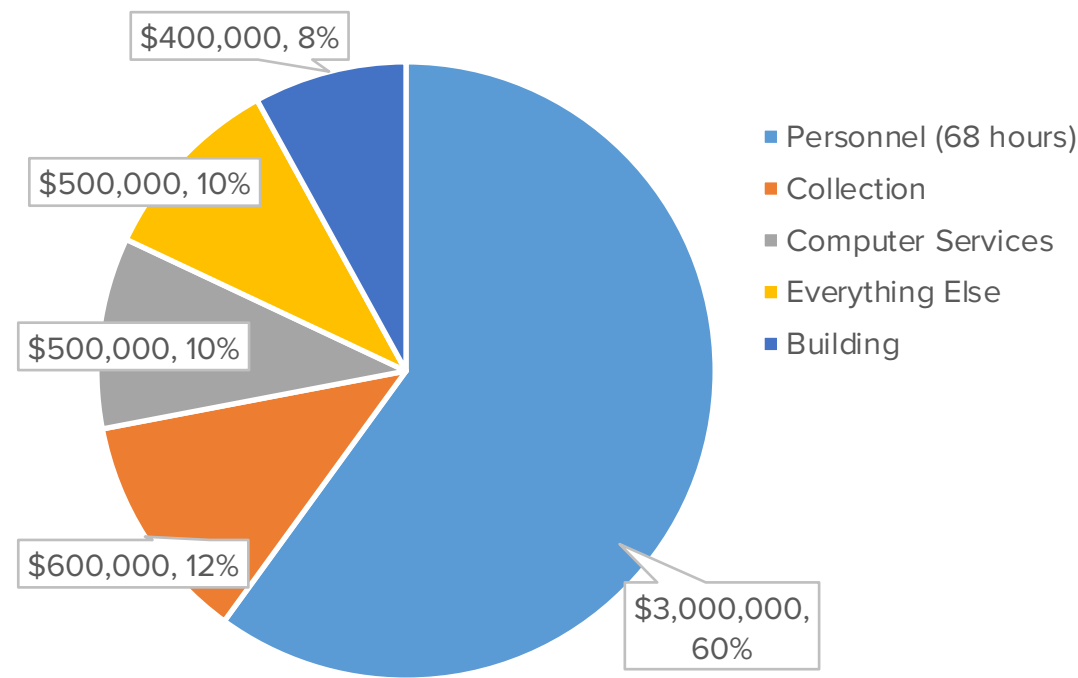


## Mills (\$5.143 B Net Taxable Value)

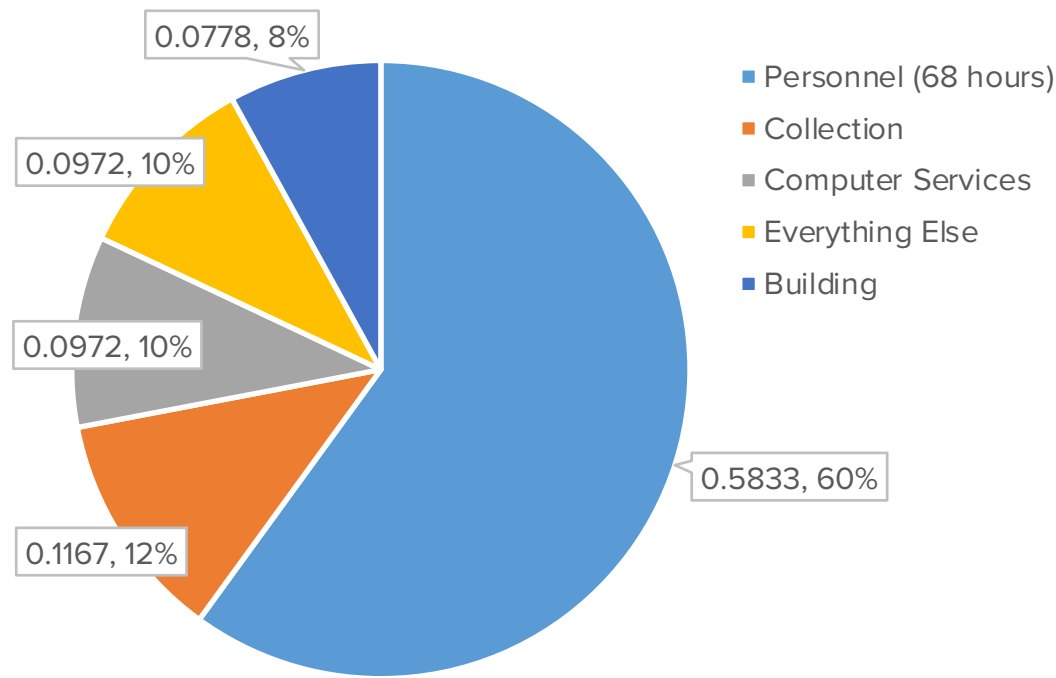


# FUTURE NEEDS (\$5.0 M = 0.9722 mills)

Dollars



Mills (\$5.143 B Net Taxable Value)







*"Not alone." – C.S. Lewis* *"Not all those who wander are lost." – J.R.R. Tolkien* *"The whole of science is nothing more than a refinement of everyday thinking." – Albert Einstein* *"Find something you're passionate about and keep tremendously interested in it." – Julia Child* *"For one who reads, there is no time." – C.S. Lewis* *"Teens"* *"er of li"*

# FUNDING OPTIONS

## Library Funding



## FUNDING OPTIONS

The way a library is funded depends on how it was established.

Generally speaking, libraries similar to the Troy Public Library are established through one of the following enabling statutes:

- Home Rule Cities Act, Act 279 of 1909 (MCL 117.4 (e))
- City, Village, and Township Libraries Act, Act 164 of 1877 (MCL 397.201 et. seq.)
- District Library Establishment Act, Act 24 of 1989 (MCL 397.171 et. seq.)



# FUNDING OPTIONS

## Home Rule Cities Act, Act 279 of 1909

- The Troy Public Library was established this way.
- The Home Rule Cities Act is the enabling legislation for cities.
- The Act permits city charters to provide for libraries but does not provide a tax rate.
- Instead, it requires each city charter to provide for the levy and collection of taxes within certain limits.
- Local examples include:
  - Dearborn Public Library
  - Novi Public Library
  - Warren Public Library
- Most libraries established this way are funded by a dedicated millage.

# FUNDING OPTIONS

## City, Village, and Township Libraries, Act 164 of 1877

- The city council may levy one (1) mill without voter approval.
- The city council may levy one (1) additional mill with voter approval.
- Libraries established under this act are governed by an elected six-member board, often called a board of trustees.
- The governing board, not the city council, has exclusive control of the expenditure of all money collected to the credit of the library fund.

# FUNDING OPTIONS

## City, Village, and Township Libraries, Act 164 of 1877

- These libraries are funded by one or more dedicated millage.
- Local examples include:
  - Baldwin Public Library
  - Bloomfield Township Public Library
  - Canton Public Library
  - Rochester Hills Public Library
  - West Bloomfield Township Public Library
- Reestablishing the library under this Act is not recommended at this time as it is infeasible in time to replace current library funding in fiscal year 2021-2022.



# FUNDING OPTIONS

## District Library Establishment Act, Act 24 of 1989

- Allows two or more municipalities to form a district library.
- Local examples include:
  - Clinton-Macomb Public Library
  - Farmington Community Library
  - Grosse Pointe Public Library
  - Plymouth District Library
- Reestablishing the library under this Act is not an option at this time as it is not possible in time to replace current library funding in fiscal year 2021-2022.



e who wander are lost."  
- J.R.R. Tolkien, The Fellowship of the Ring

"No act of kindness,  
- Aesop, The Lion and the Mouse

"Learning is  
no matter how small, is never wasted."

# NEXT STEPS

## Library Funding



## NEXT STEPS

- Choose a funding option:
  - Stick with current funding and governance model provided by the Home Rule Cities Act (Act 279 of 1909).
  - Attempt to reestablish the Library under the CVT Library Act (Act 164 of 1877) with an independent board of directors before fiscal year 2021-2022.
- Determine library millage rate and duration.
- Approve ballot wording before Tuesday, August 11, 2020.



## NEXT STEPS

### Millage Rate

- The rate must increase to prevent future service reductions.
- City Council may levy less than the maximum approved by voters.
- The rate will be rolled back in the future when property values increase faster than inflation.

## NEXT STEPS

### Millage Rate

- Oakland County voters have approved terms ranging from four years to twenty years.
- Ten years is common.
- Five years is exceptionally short compared to others.

| Date           | Library Name                        | Term (years) |
|----------------|-------------------------------------|--------------|
| 08/07/12       | Brandon Township                    | perpetuity   |
| 08/05/14       | Walled Lake City Library            | 10.0         |
| 08/05/14       | Clarkston                           | 8.0          |
| 08/05/14       | White Lake                          | 8.0          |
| 08/05/14       | Baldwin Public                      | 6.0          |
| 11/04/14       | Addison Township                    | 10.0         |
| 11/04/14       | Bloomfield Township Public          | 10.0         |
| 08/02/16       | Ferndale Area District Library      | 10.0         |
| 08/02/16       | Hazel Park District Library         | 10.0         |
| 08/02/16       | Pontiac Public Library              | 10.0         |
| 08/02/16       | Wixom Public Library                | 10.0         |
| 08/02/16       | Commerce Township Community Library | 6.0          |
| 08/02/16       | Holly Township Library              | 5.0          |
| 05/02/17       | Lyon Township Public Library        | 10.0         |
| 08/07/18       | Highland Township Public Library    | 10.0         |
| 08/07/18       | White Lake Township Library         | 8.0          |
| <b>Average</b> |                                     | <b>8.7</b>   |

## NEXT STEPS

- Monday, June 22, 2020: Regular City Council Meeting
- Monday, July 13, 2020: Regular City Council Meeting
- Monday, July 27, 2020: Regular City Council Meeting
- Monday, August 10, 2020: Regular City Council Meeting
- Tuesday, August 11, 2020: Ballot wording of county and local proposals to be presented at the November general election certified to county and local clerks; local clerks receiving ballot wording forward to county clerk within two days. (MCL 168.646a)