



LIBRARY FUNDING

Troy City Council Meeting
June 22, 2020

Agenda

- Current Funding
- Needs & Wants
- Millage Rate
- Millage Term
- Next Steps



The background image shows a modern library building with a light-colored facade and large glass windows. The building is surrounded by lush green landscaping, including trees and bushes. A paved walkway leads to the entrance. The text 'TPL' is visible on the building's facade above the entrance. A large white title 'CURRENT FUNDING' is overlaid on the left side of the image, with 'Library Funding' in a smaller font below it. The entire image has a warm, orange-brown tint.

TPL

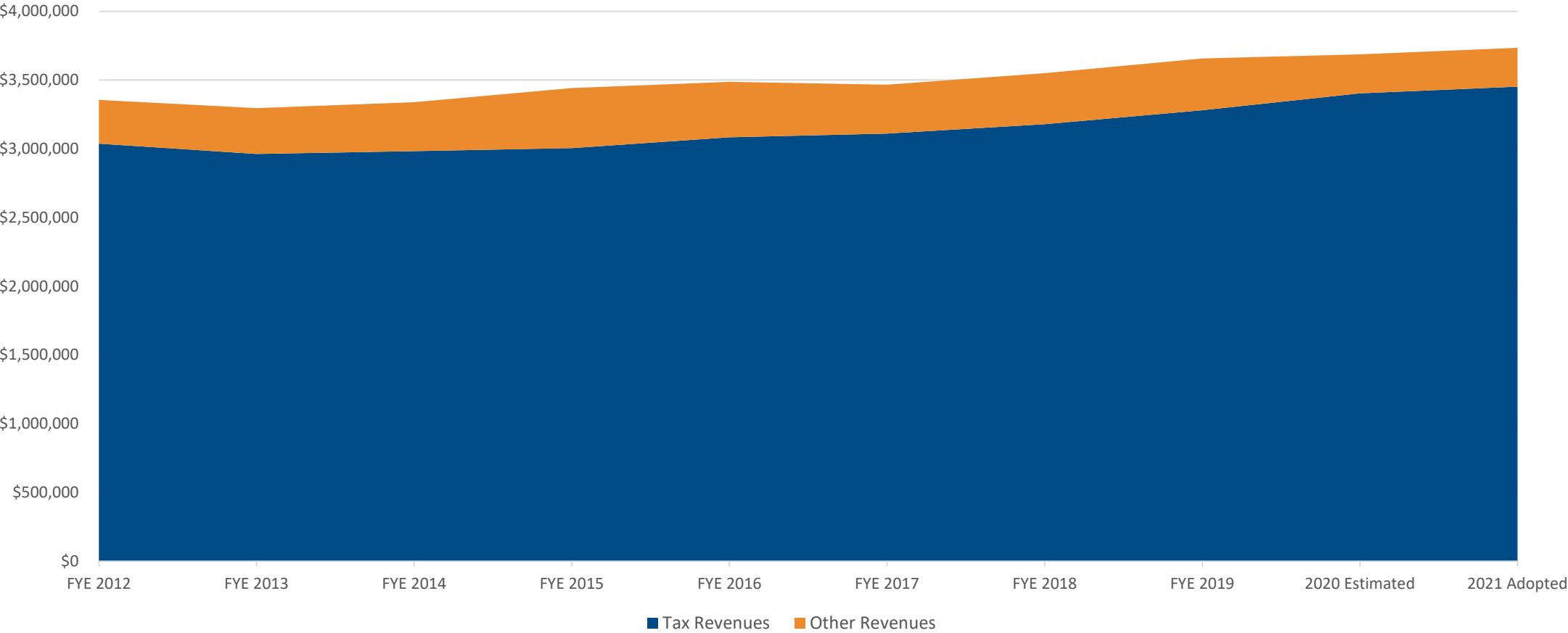
CURRENT FUNDING

Library Funding

CURRENT FUNDING

- More than 90% of current 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.
- Penal fines and state aid will likely be reduced due to state budget cuts.
- Overdue fines are decreasing because of automatic renewals and the popularity of eBooks (reduces fine accrual; no fines).
- Reliance on this revenue makes the Library vulnerable to future service reductions when costs increase and/or revenues decrease.
- It's the icing, not the cake.

CURRENT FUNDING



CURRENT FUNDING

Operations

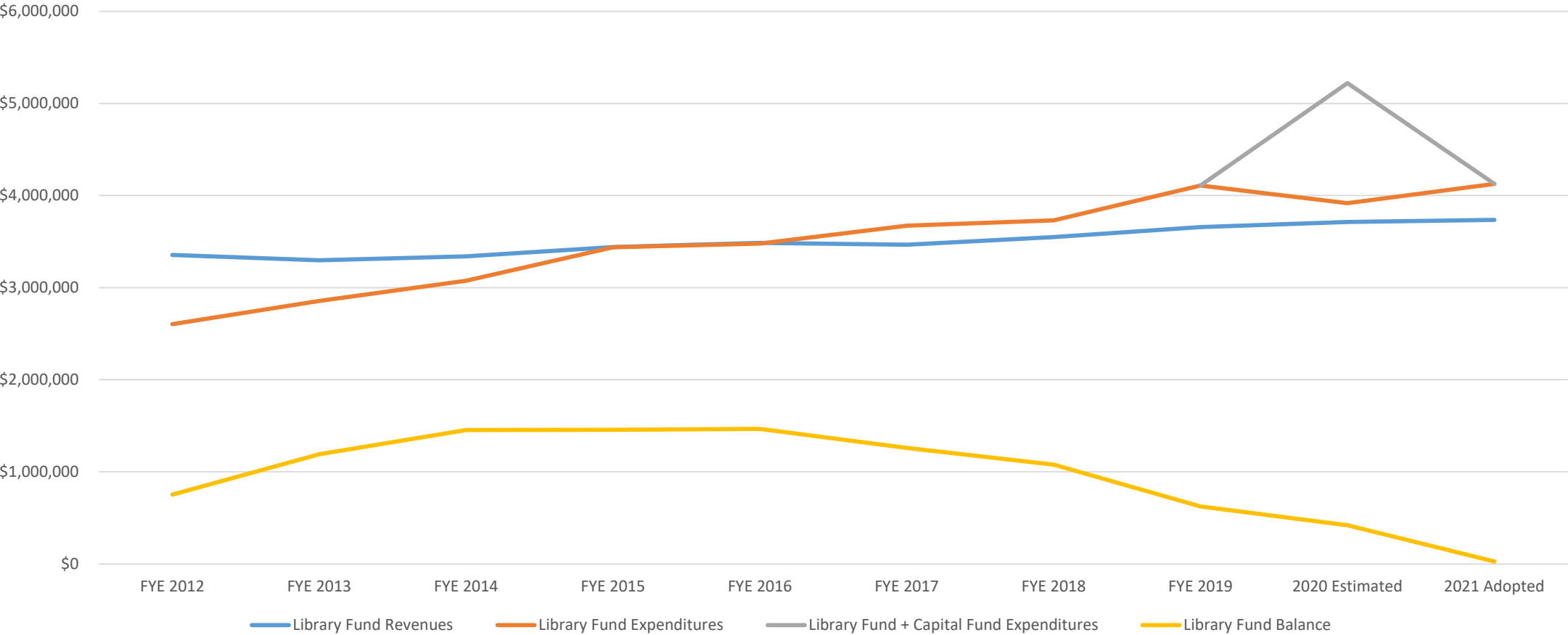
- The current library millage (0.6805 mills in 2020) will not cover the full cost of operating the Library 55 hours six days a week in fiscal year 2020-2021.
- Fiscal year 2020-2021 budgeted expenditures are \$4.128 million.
- \$4.128 million is equivalent to approximately 0.8000 mill
- Library property taxes (\$3.452 million) are budgeted for 83.6% of expenditures.
- Library Fund Balance (\$393,000) is budgeted for 9.5% of expenditures.
- Other Library Fund revenue (\$283,000) are budgeted for 6.9% of expenditures.

CURRENT FUNDING

Maintenance

- The current library millage does not cover the full cost of maintaining the Library.
- The City has invested approximately \$2.8 million in building maintenance and upgrades since the library millage began in fiscal year 2011-2012 (about \$300,000 annually on average).
- The Capital Projects Fund, not the Library Fund, funded approximately \$1.2 million for renovations and roof replacement in fiscal year 2019-2020.
- The fiscal year 2020-2021 budget includes only \$48,000 for maintenance and repairs.
- Another \$228,000 of maintenance was deferred due to lack of funds.

CURRENT FUNDING





NEEDS & WANTS

Library Funding

NEEDS

Collection

- The Library needs approximately \$600,000 annually (0.12 mill) for materials.

Fund Balance

- Restoring the Library Fund balance will help reduce the Library's vulnerability to future service reductions when costs increase and/or revenues decrease (rainy days).

Building Maintenance

- The current Troy Public Library opened in 1971 and expanded in 1984.
- A facility of this age requires significant annual reinvestment.
- The Library has ongoing capital and non-capital maintenance needs and the library millage must fund those needs to prevent competition with other priorities.

WANTS

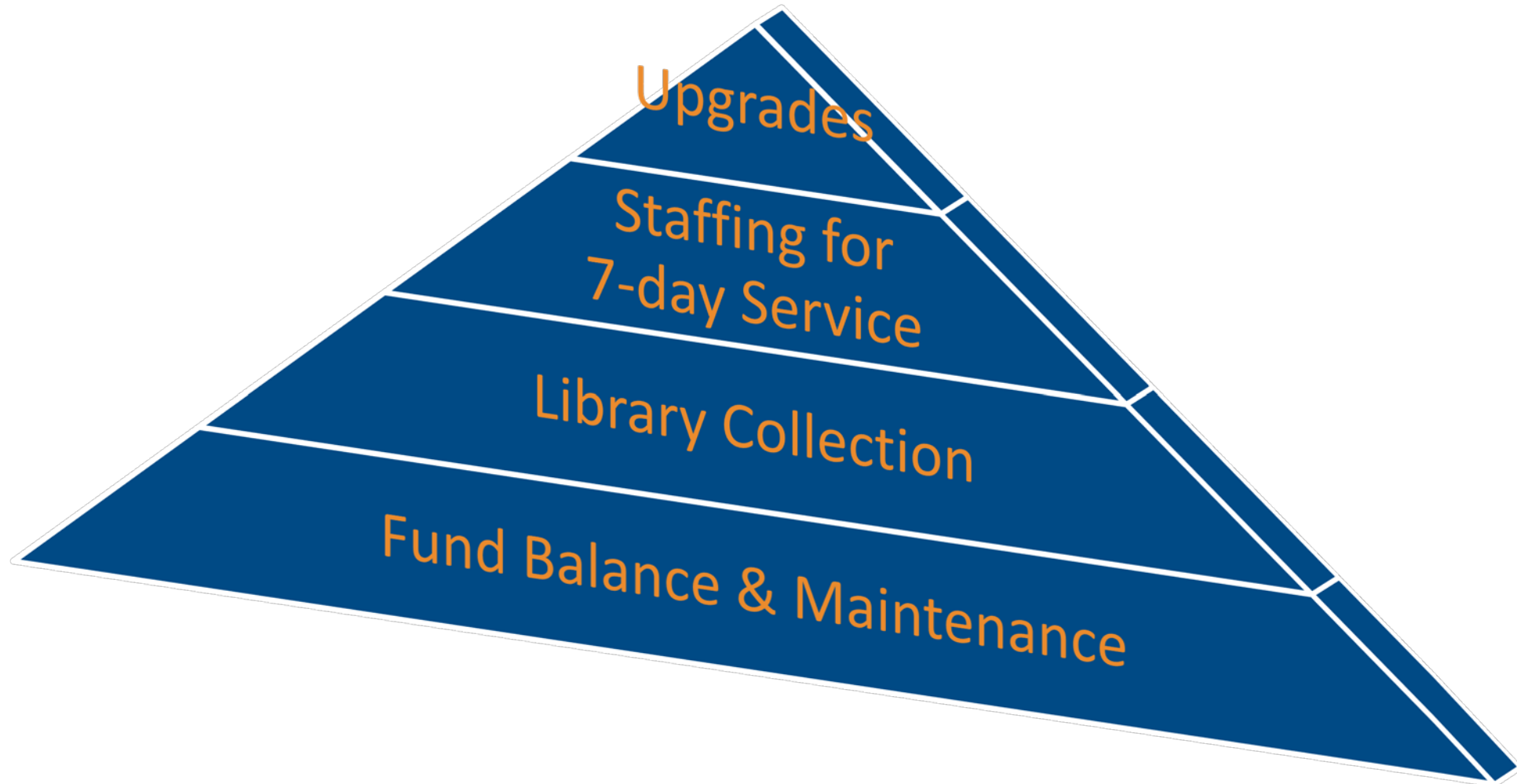
Hours

- 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.

Upgrades

- Additional funding may be considered for updates and new amenities.

NEEDS & WANTS





The background image shows a well-lit library interior. In the foreground, there are several wooden bookshelves filled with books. A prominent sign in the center reads "MILLAGE RATE Library Funding". To the right, there is a service desk and a stack of blue folders. The ceiling has recessed lighting. In the background, there are more bookshelves and a sign that reads "Mystery & Suspense Books". A banner across the top of the bookshelves features several quotes: "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, and "For one who reads, there is no time." - J.K. Rowling.

MILLAGE RATE

Library Funding

MILLAGE RATE

Considerations

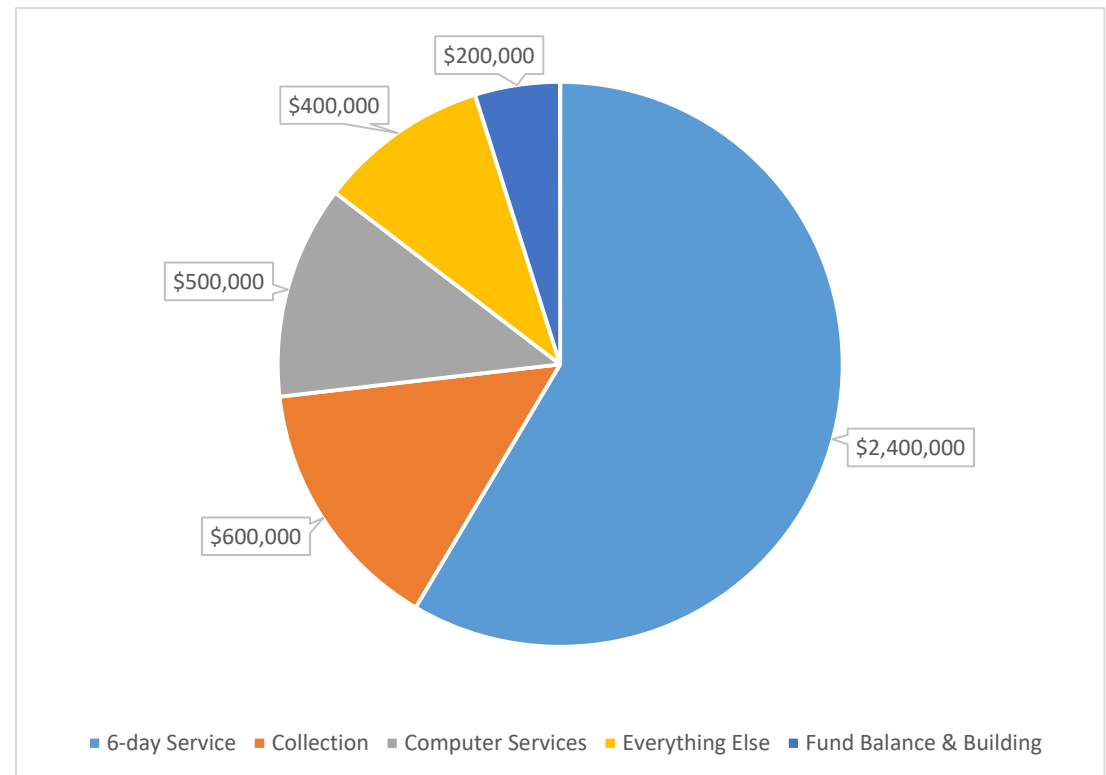
- The current millage rate is not sustainable and must increase to prevent service reductions.
- The millage rate must provide for the Library's needs.
- The millage rate may provide for the Library's wants.
- City Council may levy less than the maximum millage rate approved by voters.
- The millage rate will be rolled back in the future when property values increase faster than inflation.

MILLAGE RATE

Baseline

- Roughly equivalent to fiscal year 2020-2021 expenditures.
- Does not adequately provide for the Library's needs.
- This is not sustainable.

0.8000 mills \$4.1 million



MILLAGE RATE

Option A (0.9000 mill)

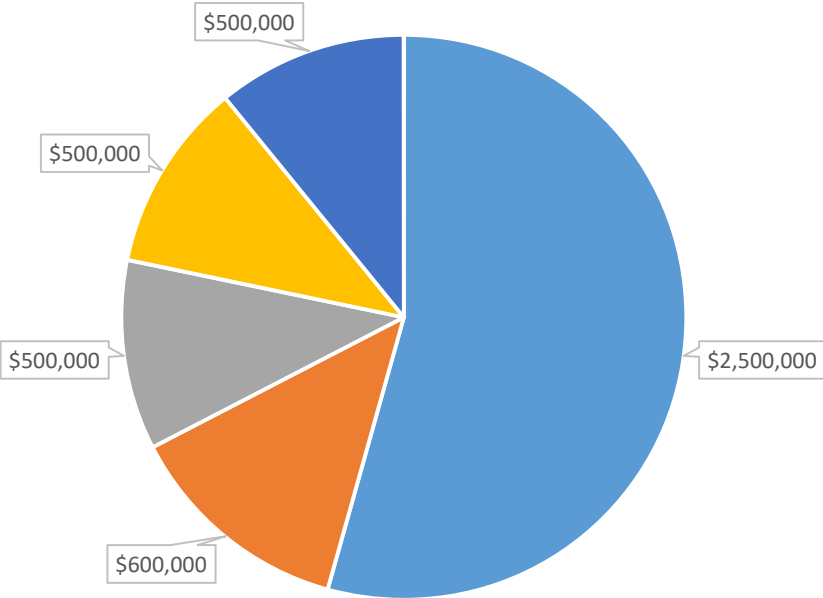
- Provides for the Library's needs.

Option B (1.0000 mill)

- Provides for the Library's needs and wants.

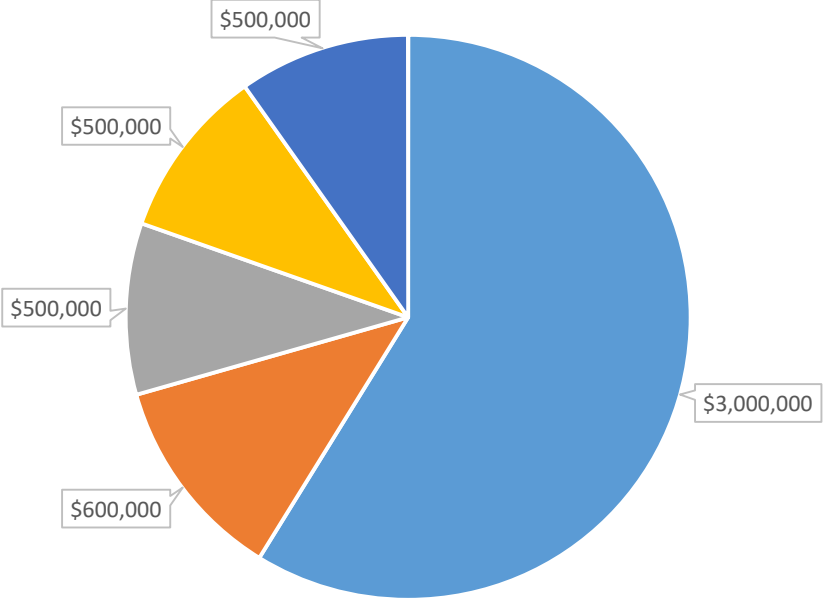
MILLAGE RATE

Option A (0.9000 mill \$4.6 million)



■ 6-day Service ■ Collection ■ Computer Services ■ Everything Else ■ Fund Balance & Building

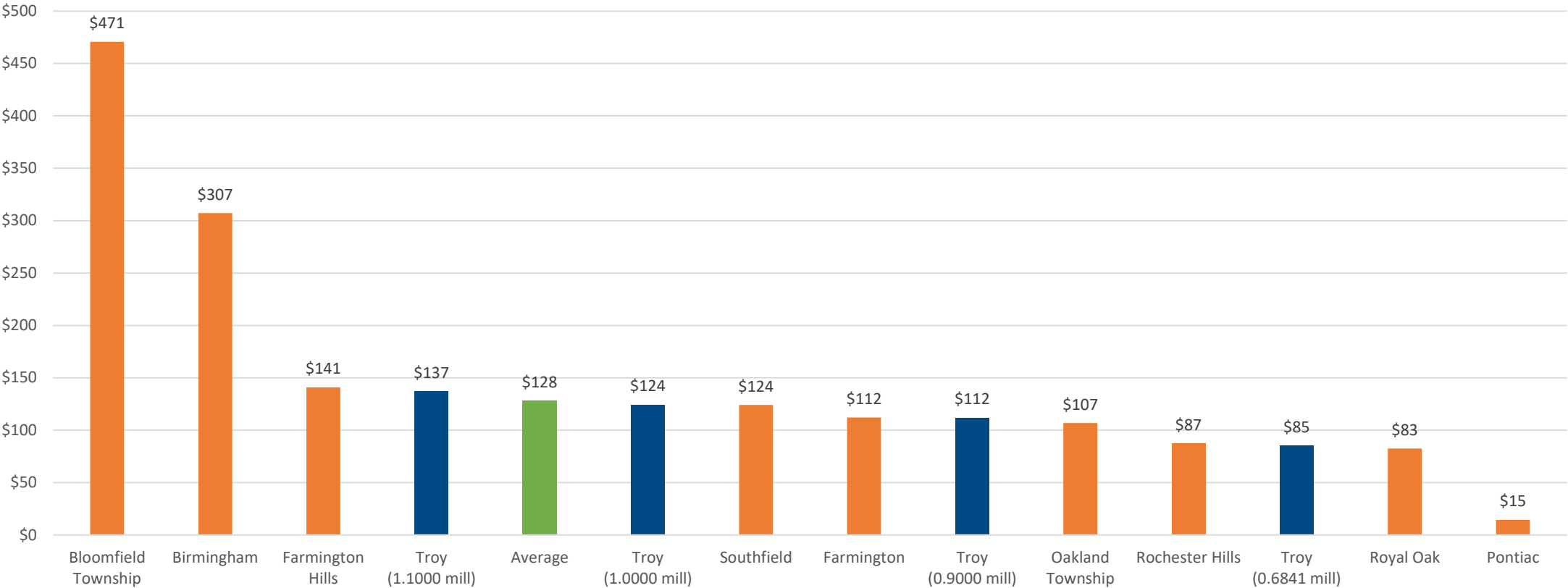
Option B (1.0000 mill \$5.1 million)



■ 7-day Service ■ Collection ■ Computer Services ■ Everything Else ■ Fund Balance & Building

MILLAGE RATE

Average Residential Library Taxes (Select Class 5 and 6 Libraries in Oakland County, 2019)



MILLAGE DURATION

Library Funding

MILLAGE DURATION

- 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
Average		8.7



e who wander are lost."
— Proverbs 10:17
"No act of kindness,
no matter how small, is ever wasted."
— Aesop, The Lion and the Mouse

NEXT STEPS

Library Funding

NEXT STEPS

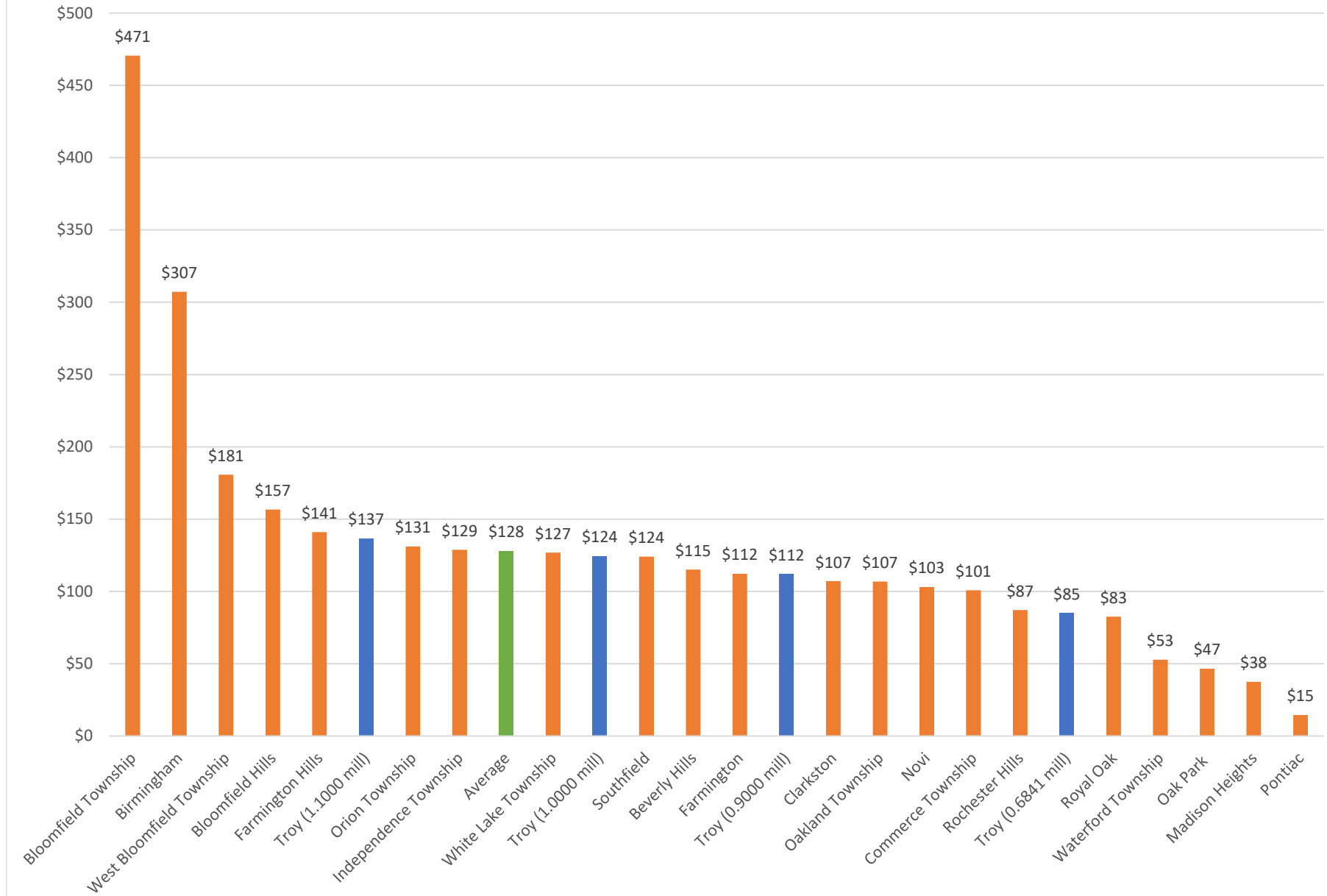
Public Engagement

- Survey
- Virtual focus group(s)
- Virtual town hall meeting(s)

City Council

- Choose the library millage rate to be presented at the November general election.
- Choose the library millage duration to be presented at the November general election.
- Approve ballot wording before Tuesday, August 11, 2020.

Average Residential Library Taxes (All Class 5 and 6 Libraries in Oakland County, 2019)



Average Residential Library Taxes (Select Class 5 and 6 Libraries in Oakland County, 2019)

