



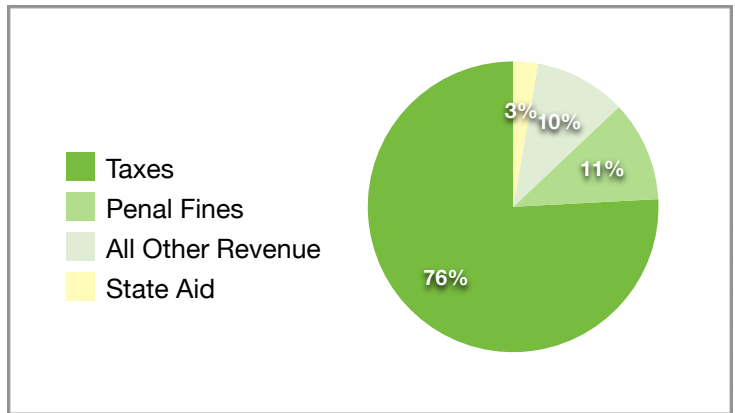
John Rucker
Asst. Director

Did you know that your library is experiencing a rough patch? I hope so, since we've been trying hard to get the word out, though I still hear from people that weren't aware of our situation. It's an odd thing, but even as the economy seems to be starting to improve for many people, here at the library finances are the worst they've been in a decade. The full story is a bit complicated, but I hope you'll bear with me and learn why this is important and how you can help.

How Your Library is Funded

A district library in Michigan, like Branch District Library, is a local taxing authority, similar to a government or school. And like schools, most of the funding the library gets comes from property taxes. In 1991 when our district library system was formed, voters approved a tax rate of 0.7 mills. Over the years a state law known as the Headlee amendment has reduced our approved millage to 0.605. This is among the lowest millage rates in Branch County for government services.

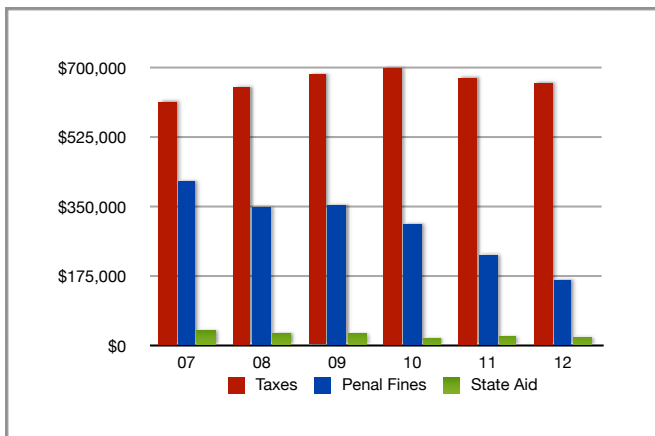
If you compare library millage rates across the state, you'll find that for a library with our service population, our millage is among the lowest in the state. Even more so when you consider that our library system supports services at 6 locations around the county, including the full maintenance and upkeep of our historic headquarters in Coldwater, and employes 31 employees to do so, both full- and part-time.



2013 Projected Revenue Split

As Michigan and the rest of the country suffered an economic decline and property values fell, the library saw a steady fall in tax revenue. Fortunately, for much of the last decade our second largest funding source, penal fines, kept the library afloat. Penal fines are not overdue fines for books; rather they come from our local court system. Receipt of penal fine funds to the library depends upon the number of convictions in the courts, and how successful the courts are in collecting the fines assessed. Revenue from penal fines has been on the decline for BDL since 2007,

and dramatically so in the last three years. The amount of penal fines collected in 2012 is the lowest we've seen since our district library was created in 1991. The chart at left shows the trends of our revenue sources over the past few years.



Major BDL Revenue Sources
2007-2012

The State of Michigan contributes some funding to libraries, but this amount has always been small, ranging from 18 to 44 cents per person per year in Branch County in the last decade (even though the state law requires this aid to be at 50 cents per person). Typically this state aid is about 2%-4% of our annual funding.

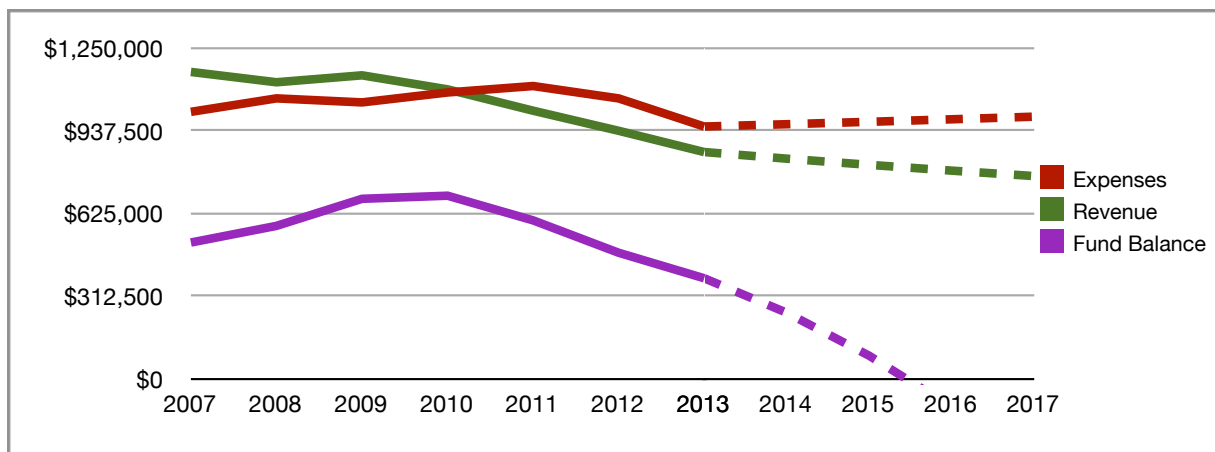
Finally, about 10% of our funding in a given year comes from a variety of small sources lumped together:

donations and gifts, overdue fines, and charges for services like printouts or faxing.

How Your Library Has Responded Up to Now

Over the last several years BDL has done quite a lot of belt tightening. We have left unfilled a sorely-needed full-time professional librarian position. Other formerly full-time positions have been changed to part time. Some part-time positions were consolidated or eliminated through attrition. Our hourly employees have had their pay rates frozen since 2010. We reduced the number of hours that we were open at several branches, including the Coldwater headquarters. Book budgets were reduced and thermostats were lowered in the winter and raised in the summer. And we've cut costs in small ways all over our library system in various areas.

Even after all these cuts, BDL is still in pretty bad shape. Just to maintain even our reduced hours and services, we've had to dip into our emergency fund to cover our costs for 2011 and 2012. That's what the emergency fund is there for, after all. But with a \$93,000 deficit in 2011, even more in 2012, and a projected deficit of \$96,000 for 2013, we've already depleted the fund to the point where it's low enough that we might have insufficient funds available if a major disaster hit. Without any major changes in revenue or expenses we would have no emergency fund left at all in just a few years, as the chart below shows.

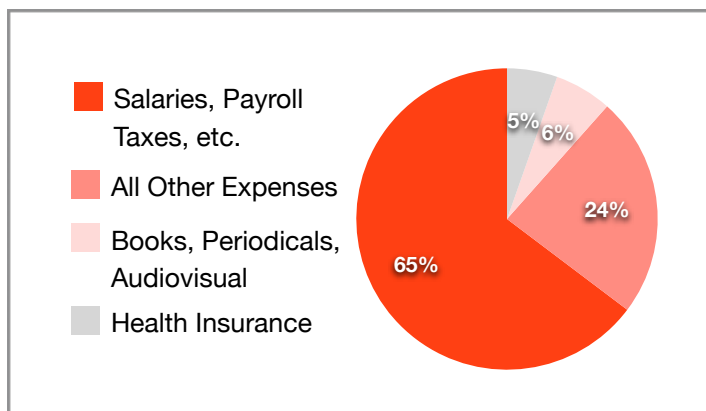


Projecting into the Future

So Now What?

Now we get to the reason you're probably reading this article today: the latest round of budget cuts for 2013. Before we get to the details of the cuts made, have a look at the 2013 budget approved by the BDL Board of Trustees. Notice that even with all the cuts I'm about to detail, we are projecting we'll still be \$96,000 in the hole next year.

Since BDL is a service organization, it's not surprising that our biggest expense is our staff here to serve you. Many small (and not so small) things combined—like utility bills, delivery costs, postage, and more—make up about a quarter of our budget; but there is little, if any, room to make significant cuts there. All the *stuff* we loan out to our patrons ends up being only about 6%-10% of our budget in a given year. So even making deep cuts in book and movie purchases doesn't affect the bottom line much. That leaves us with...us.



2013 Projected Expense Split

Our staffing is the biggest target for savings. The amount of hours we can be open to serve you. It was with great regret that the BDL Board made the following cuts:

- The book budget was cut in half from 2012 levels.
- The budget for CD audiobooks and DVD movies was cut by 43%.
- The Coldwater Branch will be open 6 fewer hours each week.
- The Coldwater Branch will have only 1 clerk at our service desk in the children's department.
- The staffing at the main service desk at our Coldwater Branch will be reduced by 1.
- The Bronson Branch will be open 8 fewer hours each week.
- The Union Twp. Branch will be open 7 fewer hours each week.
- All branches will be closed for 3 unpaid furlough days throughout the year: the Saturdays before Easter, Memorial Day, and Labor Day.
- The 10 holidays throughout the year that the library is traditionally closed on (Christmas, New Year's, etc.) will now be unpaid days off for library staff.
- The 3 personal leave days granted annually to our hourly employees have been discontinued.
- Health insurance benefits have been reduced for the full-time employees who receive them.

If you think that some of the above looks like the Coldwater Branch is being hit extra hard—you're right. Coldwater faces more cuts because of the Plan of Service agreement between BDL and the township and village governments that host our branch locations. When BDL was formed in 1991, the 5 smaller branches were all guaranteed a minimum amount of funding for materials and hours of operation. No such provision was made for the main branch in Coldwater.

Further complicating our finances is the fact that in this Plan of Service the City of Coldwater is not obligated to maintain the library building that it owns, while all the other villages and townships hosting branches must fully maintain the buildings and premises hosting our libraries. That alone has cost BDL *hundreds* of thousands of dollars in just the last 5 years alone. We are now actually out of money to maintain the Coldwater branch and had to resort to loans to pay for repairs this year. Loans which will take 2 years to repay, all the while we still have leaks and building repairs for which there is no money to do anything about.

But What About the New Buildings and All Those Computers?

"Hey now!" you might be saying, "how can the library be having troubles? I see a brand new building in Union City, and the branch in Bronson is expanding. You have lots of computers...what about all that?" That's a great question, and one that confuses a lot of people—even some of us on staff!

Remember what I said earlier, about how the villages and townships (other than Coldwater) that host our library branches are obligated to maintain them? That's partly because the Branch District Library doesn't actually own *any* of our buildings! Under the terms that created the Branch District Library in 1991, the various communities all own the buildings, and BDL owns only what we put inside them for library services.



*The Lucille E. Dearth
Union Twp. Branch Library*

Take that fantastic new library building in Union City, for example: The Lucille E. Dearth Union Township Branch Library. That building was built by, and entirely funded through the efforts of, the Friends of the Union Township Branch Library. Similarly, the Friends of the Bronson Branch Library organized and funded the barrier-free entrance and current expansion of that branch. We at BDL are thrilled at the support and efforts of these independent citizen groups for making growth and improvements like these building projects possible. We literally could not do it without them, and none of your tax dollars went to the construction of these buildings.

What about all those computers? It may surprise you, but to keep up

about 130 computers between the public and our staff, plus printers and other devices, and to maintain a wireless Internet service you can use even when we're closed, all costs about \$20,000 a year. That's barely a blip on our overall budget. That's about a third of the cost of the materials we loan out to you after these deep cuts, even less in a year with better book budgets. In addition, since these costs are for big-ticket, long-term types of purchases, they are paid from a Capital Improvement type of budget, not our Operating Budget that is in such bad shape right now.

Even if the cost of computing came full from our operating budget, odds are we would maintain the level of service we currently offer. Demand is huge for our computing services. In November 2012 there were 4030 individual sessions on our library-provided computers. In November there were 14,051 individual hour sessions of our free wireless Internet access from hundreds of laptops, tablets, and smart phones. There were 331 resumes printed in November by job hunters, free of charge. Every month our statistical reports tell a similar story. Clearly the demand is there by our patrons to use computers and Internet access for communication, to do homework, to look for work, and to relax and have fun, and providing high-quality computing services will remain a priority for the library.



What Can You Do to Help?

That's where things stand now. The immediate future is admittedly a bit bleak. We've made some very painful cuts which we hope are temporary, but honestly we just don't know what the future holds.

But you can help us—right now! And by that I don't mean via donations. (Though we'll gladly accept them). No, you can help us most right now by spreading the word. Tell people how much you love your library. Get your geek on to show your support. Tell people what's happening now with our budget. Follow us on Facebook or Google+ to get our news updates. Even better—print this article and give people copies, or share a link to this page with your friends and family, so they can get the full story for themselves. Here's the address:

www.BranchDistrictLibrary.org/2013

Thousands of people in Branch county need to read this article and be aware of how badly the library is suffering right now, even as we strive to bring you the best service we can. If you're interested in actively supporting the library you should join a Friends of the Library Group. There is information to do so online, or just call your local branch library. Again, these are independent groups that coordinate with the library to help where they can, and their power and effectiveness can be amazing. Three of the Friends Groups are very strong, but the other 3— including the Coldwater Branch Friends group—are especially in need of enthusiastic new supporters.



Dressed Up for a "Fancy Nancy" Party

Together we can work to improve the future of our library. Of your library.

As always, we welcome your feedback either online, by calling our main branch at 517-278-2341, or by regular mail to:

Branch District Library
Attn: Library Director
10 E. Chicago St.
Coldwater MI 49036

Thank you!