
your library

**Parmly Billings
Library
Business Plan**

FY 2010

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PREFACE

This Business Plan has been prepared by the Library's Management Team and meets the assignment given by the City Administrator to each City Department to prepare a Five-Year Business Plan to assist the City Council in developing both the FY2011 City Budget and a longer-term City Strategic Plan.

In the case of the Library, the Business Plan is also a preview of a more comprehensive, community-based 5-Year Services Plan and 25-Year Facilities Plan that a Strategic Planning Committee appointed by the Library Board of Trustees is in the process of developing. Council Member Ulladalen is serving on the Strategic Planning Committee, as he did on the most recent previous Library Strategic Planning Committee. This Library Strategic Plan, the preparation of which is being facilitated by City-County Planning Director Candi Beaudry, is scheduled to be available for presentation to the City Council in January 2010.

Among themes that have already emerged from Focus Groups held as part of the Library Strategic Planning Process, as well as the City's recent Community Conversations, which will be addressed in more detail in the Strategic Plan, are a consensus around the need for an improved downtown Library facility, eventual branches in the West End and Heights and/or other smaller service points throughout the community, and a strong desire for cooperation with other City Departments, School District #2, and other public and private partners to improve Library services effectively and efficiently, but also creatively, using existing facilities and resources wherever possible.

Bill Cochran
Director

EXECUTIVE SUMMARY

This Business Plan documents that:

The Library is significantly below the average of Montana's larger communities in terms of per capita funding, staffing, collection size, number of facilities, square footage, seating, and internet stations, but is projected to be able to maintain these current service levels with anticipated revenue.

- **Current Library service levels are projected to be sustainable FY 2010- 2014**

In spite of the below-average resources available to provide service, the Library is significantly above the average of Montana's larger communities in terms of circulation per capita, circulation per FTE employee, most importantly for the Business Plan, cost per circulation.

- **The Library is outperforming state peers, including in the critical measure of cost per circulation.**

Projected unobligated cash reserves for the Library Fund are expected to grow during FY2010 to FY2014 from \$1,709,084 to \$2,367,805. This is almost wholly attributable to the fact that the Library's services delivery system is significantly undersized. The unobligated cash reserves currently serve three important purposes:

1. They are a source of funding for the Library to maintain service levels in the event of a deficit between revenues and expenditures for current service levels in any given fiscal year.
 2. They are a source of funding for anticipated or emergency expenditures which are above and beyond operational budget levels, e.g. the code improvements to the building required by the Fire Marshal in 2005, and roof repairs and front door replacement completed within the past year.
 3. They are a source of funding for architectural/engineering fees, construction, furnishings, equipment or other improvements to the existing or another downtown building, branches, or other service expansions or enhancements in the future.
- **Library unobligated cash reserves are expected to grow FY 2010-2014, permitting maintenance of current service levels, funding of unanticipated costs, and future capital improvement.**

Mission

Parmly Billings Library provides access to the world of social and cultural ideas by offering a wide variety of materials in multiple formats, information and programs.

The Library ignites a passion for reading, lifelong learning, intellectual pursuits, and community involvement to improve and maintain quality of life for patrons of all ages.

About the Library

Parmly Billings Library is one of the oldest City departments, established in 1901. The library services Billings and Yellowstone County. The library is named for Parmly Billings, eldest son of Frederick Billings, the City's founder and namesake. The Billings family donated the first library to the young town in memory of Parmly, the only family member to ever live in the City.

Parmly Billings Library service hours are:

Monday - Thursday	10:00 am - 9:00 pm
Friday	10:00 am - 6:00 pm
Saturday	10:00 am - 5:00 pm
Sunday*	1:00 pm - 5:00 pm

*The library is closed Sundays from Memorial Day to Labor Day.

Legal Authority

The Library operates under an interlocal agreement between the Billings City Council and the Yellowstone County Commission. The interlocal agreement was originally approved in 1975, amended in 1977, and renegotiated in 2005.

A dedicated Library Mill Levy of 5 mills was approved by the voters April 5, 1994. Voters approved the mill levy by a 3 to 1 margin. The City Council (as required by MCA) adopted a resolution finding "current funding of public library service is not adequate" in order to place the mill levy before the voters.

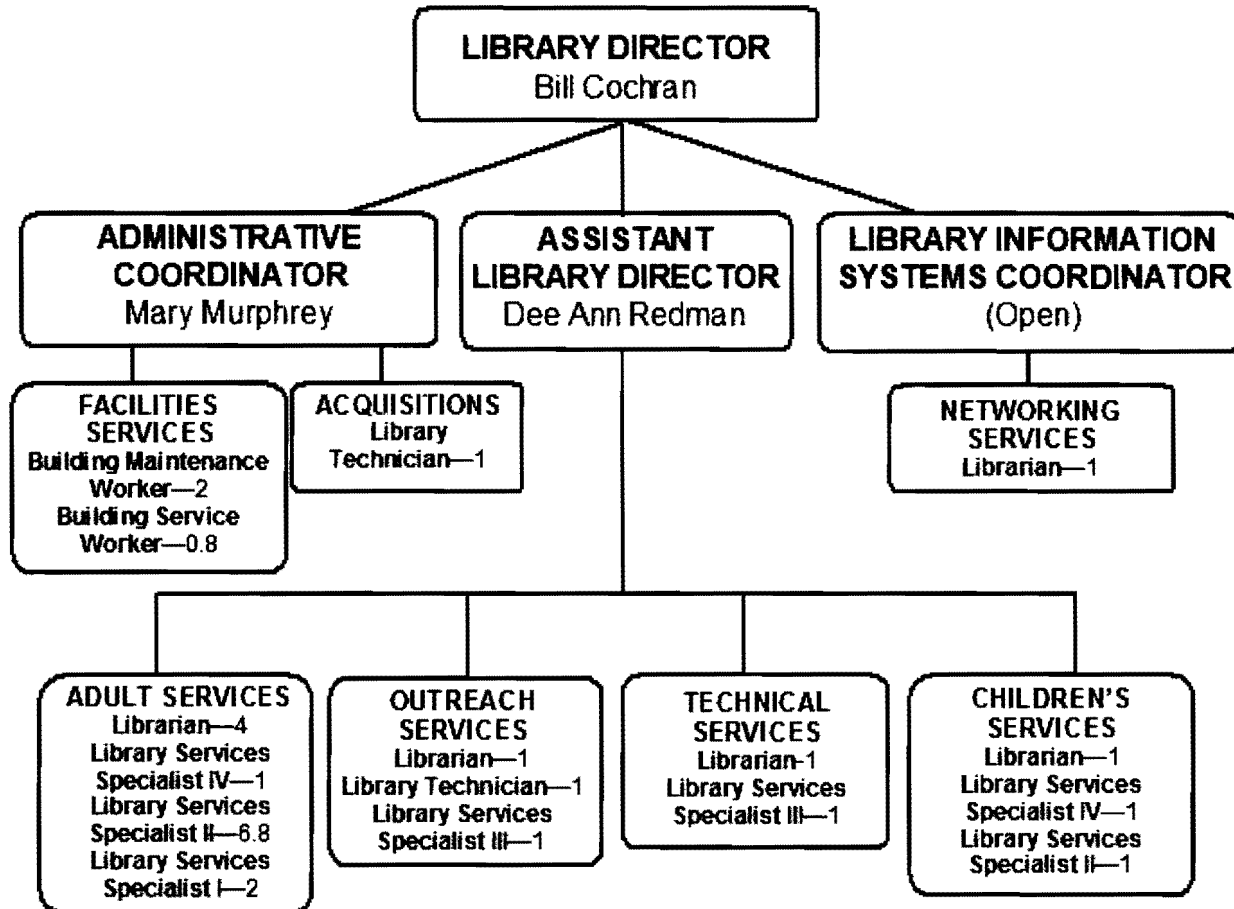
Voters approved the new, dedicated 5 mills predicated on the belief that existing City funding of the Library, including the then 4.5 mill transfer from the General Fund, was inadequate.

If the Council determines that its contributions to the Library fund are more than adequate it may reduce the new dedicated mills that it put to the voters to address the shortfall, but these may not be reallocated to another City fund.

The 4.5 mill transfer from the General Fund to the Library Fund cannot be reallocated to another fund until the Council has discontinued levying the entire Dedicated Library Mill Levy. The City-County Library Interlocal Agreement of 2005 requires that the City support the Library budget in an amount no less than 9.5 mills.

Organizational Structure

Parmly Billings Library Organizational Chart



Number indicates assigned FTEs

Updated: October 2009

Major Services

- Public Services
 - Adult Services
 - Circulation
 - Items circulated – 979,928
 - Reference
 - Questions answered
 - Adult – 25,689
 - Children – 32,645
 - Total – 53,334
 - Children's Services
 - Children's Circulation
 - Print – 218,109*
 - AV - 120,596*
 - Total – 338,705*
 - Outreach Services
 - Bookmobile
 - Bookmobile Circulation – 23,306*
 - Homebound
 - Homebound Circulation – 32,282*
 - 543 programs and story times with 15,487 attendees
- * These circulation subtotals are included in the total Library circulation.*
- Support Services
 - Technical Services
 - Materials Acquisition and Cataloging
 - Items acquired and cataloged - 20,872
 - Items discarded – 15,769
 - Networking Services
 - Public computer usage – there were 53,876 internet/computer sessions
 - Home page hits
 - Website – 102,304
 - Logins to online catalog – 142,708
 - Database and other online services – 130,987 sessions
 - Administrative Services
 - Manages \$3 million budget and 30.6 FTE
 - Facilities Services
 - Manages building of 110,000 square feet

Library Challenges

- Facilities
 - Aging
 - Equipment needs
 - Growth needs
- Financial
- Technological
 - Migration to digital resources
 - Rapidly evolving media formats
 - Increasing demand for access
- Increasing demand for services
 - Natural growth and demand as community grows
 - Significant additional demand during times of economic downturns

Current & Future Opportunities

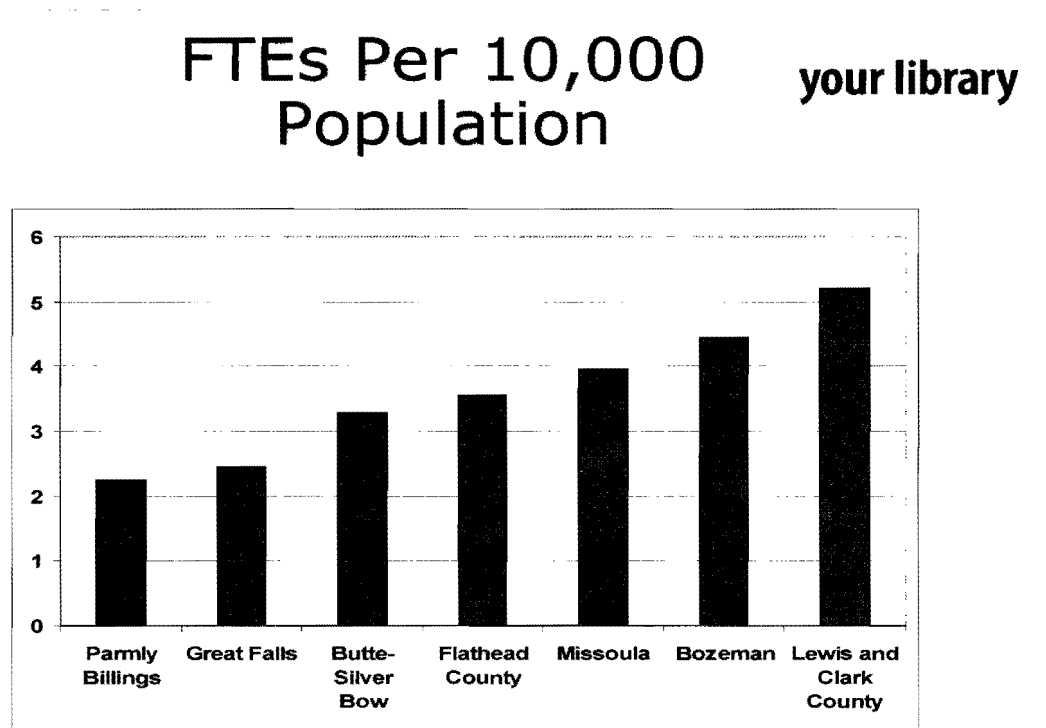
- Partnerships with other public and private entities for facilities and/or services

- Revenue development and/or enhancement
 - Potential for Library District
 - Private support
 - Bond issues / Mill levy

- Cost containment
 - Reduce materials budget
 - Potential decrease in cost per use of physical media through digital access

Current Resources

Before reviewing budget scenarios, it's important that you understand our current resource situation relative to other MONTANA libraries. We have some data for our peer communities throughout the country as well.



FTEs per 10,000 population

The Library has 30 full time equivalent employees, of whom 27.1 are providing library services, the remainder providing building maintenance. It ranks it last in staff per capita among the public libraries serving the seven largest communities in Montana; ***to match the average would require an additional 17 full time staff providing library services.***

To match the highest staffing level in the state, at the Lewis & Clark County Library, would require an additional 36.9 FTE for a total of 64 FTE providing library services.

Current staffing permits operating 63 hours/week; 60 hours/week is required to meet Montana state standards and receive state assistance.

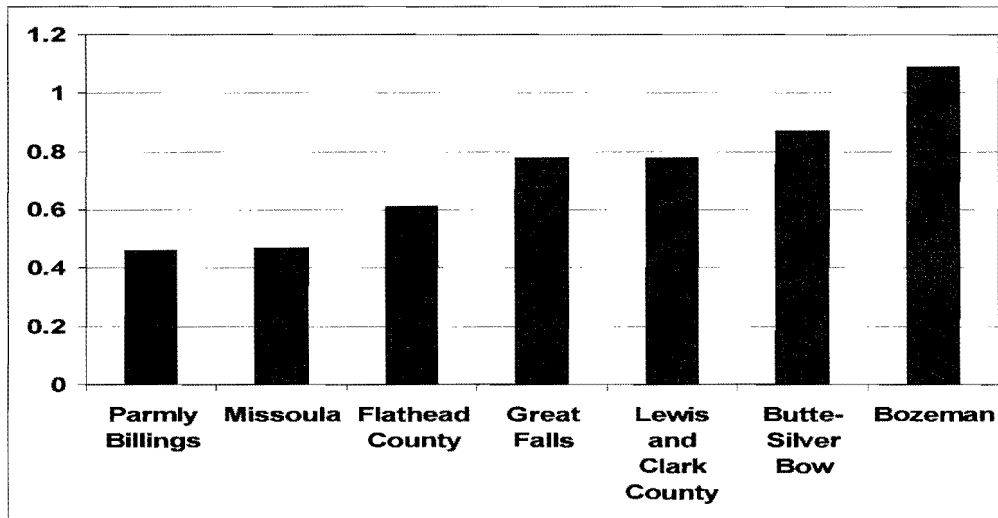
(Source – Montana State Library Public Library Statistics)

http://msl.state.mt.us/For_Librarians/For_Public_Librarians/Statistics/data/2007.xls

Building maintenance staff was not included in these calculations in order to make equivalent comparisons with other libraries.

Square Feet per Capita

your library



Square Feet per Capita:

The Library's currently usable space of 57,160 square feet rank last in space per capita among the public libraries serving the seven largest communities in Montana; **to match the average would require an additional 31,672 square feet.**

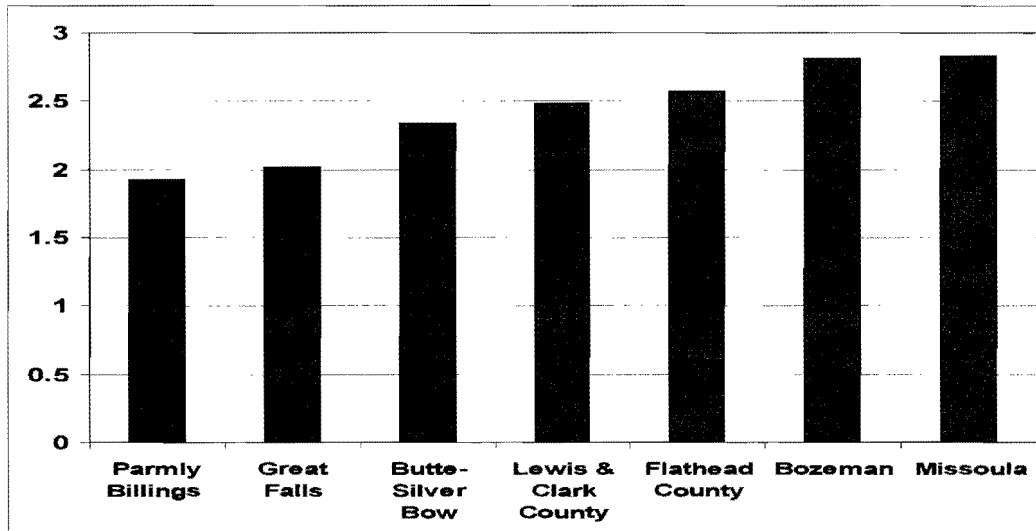
To match the highest level in the state, at the Bozeman Public Library, would require an additional 77,512 square feet to total 134,672 sf. This amount is 24,672 sf more than if we used every square foot in the current four-story building.

Library	Facility Square Feet per Capita
Parmly Billings Library	0.46
Missoula Public Library	0.47
Flathead County Library	0.61
Great Falls Public Library	0.78
Lewis & Clark County Library	0.78
Butte-Silver Bow Library	0.87
Bozeman Public Library	1.09

(Source – Montana State Library Public Library Statistics)

http://msl.state.mt.us/For_Librarians/For_Public_Librarians/Statistics/data/2007.xls

Per Capita Holdings your library



Service Population /Items /Items per Capita

Library	Service Population	Total Items	Items Per Capita
Parmly Billings Library	123,097	237,231	1.93
Great Falls Public Library	77,128	156,070	2.02
Butte-Silver Bow Library	34,606	80,958	2.34
Lewis & Clark County Library	55,716	138,954	2.49
Flathead County Library	74,471	191,431	2.57
Bozeman Public Library	47,805	134,963	2.82
Missoula Public Library	95,802	270,877	2.83

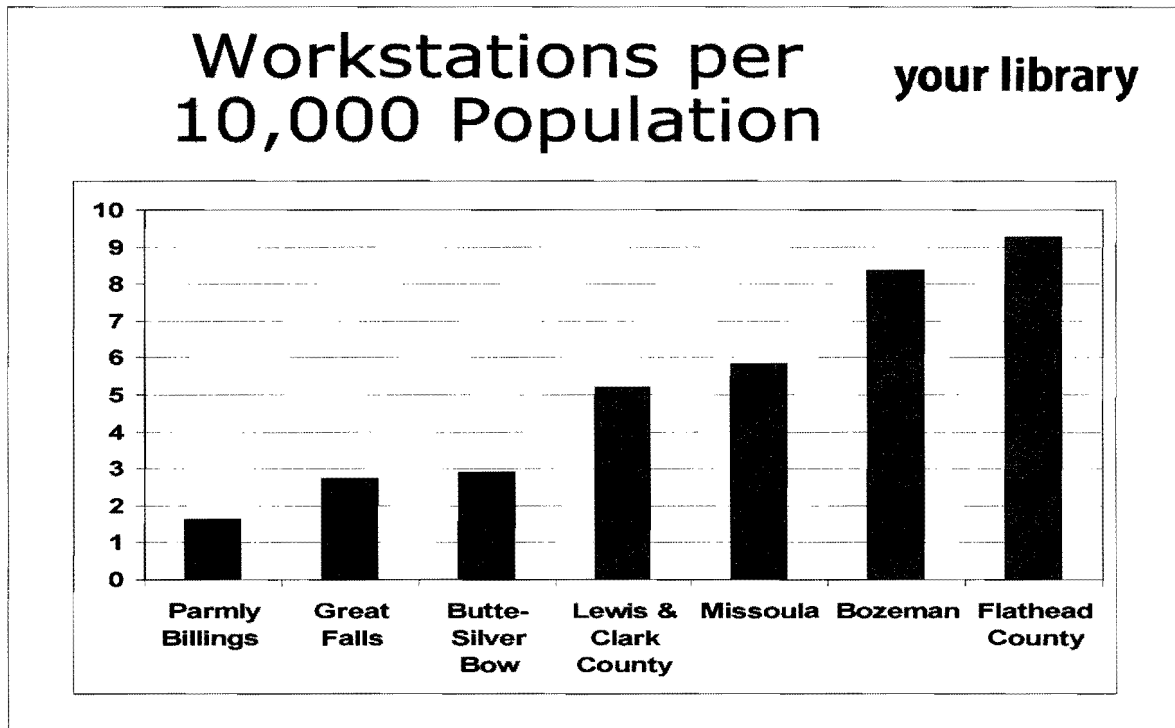
The Library's collections of 237,231 books, audiobooks and other items rank last in number of items per capita among the public libraries serving the seven largest communities in Montana; ***to match the average would require an additional 61,812 items in the collection.***

To match the highest level in the state, at the Missoula Public Library, would require an additional 110,822 items. This amount is equivalent to another whole floor full of materials.

(Source – Montana State Library Public Library Statistics)

http://msl.state.mt.us/For_Librarians/For_Public_Librarians/Statistics/data/2007.xls

15 years ago, we would have been the only community on this graph; they've grown, we don't have room to in current building, without major renovation & more staff; or branches & more staff

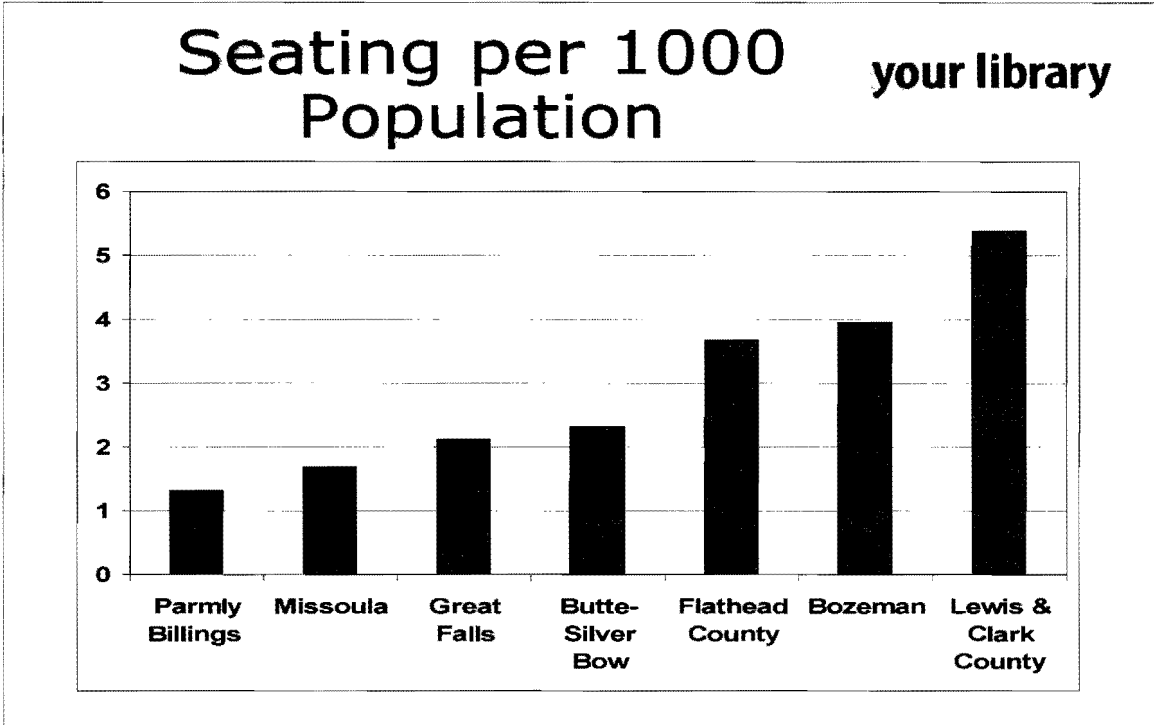


Library	Service Population	Workstations	Workstations Per Capita
Parmly Billings Library	123,097	20	1.62
Great Falls Public Library	77,128	21	2.72
Butte-Silver Bow Library	34,606	10	2.89
Lewis & Clark County Library	55,716	29	5.20
Missoula Public Library	95,802	56	5.85
Bozeman Public Library	47,805	40	8.37
Flathead County Library	74,471	69	9.27

The Library's per capita number of workstations available for public use rank last in among the public libraries serving the seven largest communities in Montana; **to match the average would require an additional 15 workstations.**

To match the highest level in the state, at the Flathead County Library, would require 94 added workstations, a total almost six times as many as are currently available.

(Source – Montana State Library Public Library Statistics)
http://msl.state.mt.us/For_Librarians/For_Public_Librarians/Statistics/data/2007.xls



This seating survey refers to general seating in the Library - places to sit down, read, use our wi-fi, study, and so on. None of the seating totals include seating affiliated with computer workstations.

Library	Service Population	Seating	Seating Per Capita
Parmly Billings Library	123,097	161	1.31
Missoula Public Library	95,802	161	1.68
Great Falls Public Library	77,128	163	2.11
Butte-Silver Bow Library	34,606	80	2.31
Flathead County Library	74,471	274	3.68
Bozeman Public Library	47,805	189	3.95
Lewis & Clark County Library	55,716	300	5.38

The Library's per capita seating available for general use ranks last in among the public libraries serving the seven largest communities in Montana; **to match the average would require an additional 129 seats.**

To match the highest level in the state, at the Lewis & Clark County Library, would require 502 added seats, more than quadruple the currently available number.

(Source – Direct query to libraries)

Budget Scenarios

- Scenario 1

Parmly Billings Library

Cash Flow Projection FY10 - FY14

Cash Summary	6/30/2010 (Budget)	6/30/2011 (Estimate)	6/30/2012 (Estimate)	6/30/2013 (Estimate)	6/30/2014 (Estimate)
Revenues	\$ 3,089,307	\$ 3,133,789	\$ 3,207,983	\$ 3,301,678	\$ 3,399,400
Expenditures	2,897,702	2,986,866	3,046,604	3,107,536	3,169,687
Difference	191,605	146,922	161,379	194,142	229,714
Capital/Supplemental (CIP)	362,205				
Fund Balance	\$ 2,789,791	\$ 2,936,713	\$ 3,098,092	\$ 3,292,233	\$ 3,521,947
Cash Reserve (obligated operational cash reserve)					
27% of current year expenditures	\$ 782,380	\$ 806,454	\$ 822,583	\$ 839,035	\$ 855,815
Reserves Designated	298,327	298,327	298,327	298,327	298,327
Cash (unobligated)	\$ 1,709,084	\$ 1,831,932	\$ 1,977,182	\$ 2,154,872	\$ 2,367,805

Assumptions:

Property taxes were estimated to increase 2% in FY 2011 and 2012; and 3% in FY 2013 and 2014.
 Personnel costs were estimated to increase 5% per year.
 Inter-Dept charges were estimated to increase 3.5% per year.
 Utilities/Insurance costs were estimated with a 3% increase per year.
 Other operating costs were estimated with a 2% increase per year or based on a 3 year average.

Note that these are the actual projections.

The Library Fund not only is expected to be okay, but unobligated reserves are expected to grow through 2014.

Budget Scenarios

- Scenario 2A

Parmly Billings Library

Cash Flow Projection FY10 - FY14 With 5% Deficit Starting FY11 through FY14

Cash Summary	6/30/2010 (Budget)	6/30/2011 (Estimate)	6/30/2012 (Estimate)	6/30/2013 (Estimate)	6/30/2014 (Estimate)
Revenues	\$ 3,089,307	\$ 2,837,522	\$ 2,894,273	\$ 2,952,159	\$ 3,011,203
Expenditures	2,897,702	2,986,866	3,046,604	3,107,536	3,169,687
Difference	191,605	(149,344)	(152,331)	(155,377)	(158,484)
Capital/Supplemental (CIP)	362,205	-			
Fund Balance	\$ 2,789,791	\$ 2,640,447	\$ 2,488,116	\$ 2,332,739	\$ 2,174,255
Cash Reserve (obligated operational cash reserve)					
27% of current year expenditures	\$ 782,380	\$ 806,454	\$ 822,583	\$ 839,035	\$ 855,815
Reserves Designated	298,327	298,327	298,327	298,327	298,327
Cash (unobligated)	\$ 1,709,084	\$ 1,535,666	\$ 1,367,206	\$ 1,195,377	\$ 1,020,113

2A assumes we're off by 5% on revenue, but that we can spend from unobligated reserves to maintain current services

The Library will be okay and will still have over \$1 million unobligated reserves in 2014

Budget Scenarios

- Scenario 2B

Parmly Billings Library

Cash Flow Projection FY10 - FY14 With 5% Deficit Starting FY11- through FY14

Cash Summary	6/30/2010 (Budget)	6/30/2011 (Estimate)	6/30/2012 (Estimate)	6/30/2013 (Estimate)	6/30/2014 (Estimate)
Revenues	\$ 3,089,307	\$ 2,837,522	\$ 2,897,273	\$ 2,952,159	\$ 3,011,203
Expenditures	2,897,702	2,837,522	2,897,273	2,952,159	3,011,203
Difference	191,605	-	-	-	-
Capital/Supplemental (CIP)	362,205	-	-	-	-
Fund Balance	\$ 2,789,791	\$ 2,789,791	\$ 2,789,791	\$ 2,789,791	\$ 2,789,791
Cash Reserve (obligated operational cash reserve)					
27% of current year expenditures	\$ 782,380	\$ 766,131	\$ 782,264	\$ 797,083	\$ 813,025
Reserves Designated	298,327	298,327	298,327	298,327	298,327
Cash (unobligated)	\$ 1,709,084	\$ 1,725,333	\$ 1,709,200	\$ 1,694,381	\$ 1,678,439

2B assumes a 5% deficit, but also a City Council policy decision to prohibit use of unobligated reserves to maintain current services. Library Staff do not recommend this decision.

The Library is not prepared to identify any cuts to reflect the potential 5% deficit at this time, except that the materials budget would be the obvious starting point.

Reserves

Projected unobligated cash reserves for the Library Fund are expected to grow during FY2010 to FY2014 from \$1,709,084 to \$2,367,805. This is almost wholly attributable to the fact that the Library's services delivery system is significantly undersized. The unobligated cash reserves currently serve three important purposes:

1. They are a source of funding for the Library to maintain service levels in the event of a deficit between revenues and expenditures for current service levels in any given fiscal year.
 2. They are a source of funding for anticipated or emergency expenditures which are above and beyond operational budget levels, e.g. the code improvements to the building required by the Fire Marshal in 2005, and roof repairs and front door replacement completed within the past year.
 3. They are a source of funding for architectural/engineering fees, construction, furnishings, equipment or other improvements to the existing or another downtown building, branches, or other service expansions or enhancements in the future.
- **Library unobligated cash reserves are expected to grow FY 2010-2014, permitting maintenance of current service levels, funding of unanticipated costs, and future capital improvement.**

Unit Costs

- Rollup of Public Service Units costs
 - Adult Services \$821,709
 - Children's Services \$228,810

- Cost per Public Service Units (includes allocated costs for Materials, Circulation, Administration, Facilities, Technical Processing, Systems and Library Board)
 - Adult Services \$1,669,089
 - Children's Services \$ 897,853

- Cost per Circulation
 - Adult Services \$2.26 per circulation
 - Children's Services \$2.27 per circulation

Source: FY2009 Budget, FY2009 Parmlly Billings Library Statistics.

Outreach Services

- Unit cost rollup \$ 216,225
 - Cost per circulation \$ 3.89
- This represents the actual expenses of the unit, not allocating any additional costs from the operation of the Library.

Comprehensive Strategic Plan

- Includes:
 - Gainan's Study
 - Community Library study
 - Heights site evaluation study

- Will also include ranges of service levels

PUBLIC LIBRARY CERTIFICATION

This certifies that our library

PARMLY BILLINGS LIBRARY

(library name)

qualifies as a "public library"
formed under either Title 7 or
MCA § 22-1-303 through 22-1-317

Attached is the legal documentation
establishing our library under the above.

Charles F. Tooley
MAYOR, CITY OF BILLINGS

Bill Cochran
Library Director

NOVEMBER 4, 1997

Date

CONTRACT FOR LIBRARY SERVICES

THIS IS AN AGREEMENT entered into as of July 1, 2006 between the **BOARD OF TRUSTEES OF THE PARMLY BILLINGS LIBRARY**, Billings, Montana (Billings) and the **GOLDEN VALLEY COUNTY COMMISSIONERS**, Ryegate, Montana.

RECITALS

- A. Section MCA 22-1-309 (3) provides that the Board of Trustees of every public library shall have the power to contract with other libraries, to give and receive library service, and to pay out or receive funds to pay the costs of such contracts.
- B. Golden Valley County Commissioners and Billings desire to enter into such a contract, pursuant to the foregoing statute, whereby Billings will provide library service to the residents of Golden Valley County on the terms and conditions contained herein.
- C. In consideration of the mutual covenant herein contained, the parties agree as follows:

AGREEMENT

- 1. The terms of the contract shall commence on July 1, 2006 and terminate on June 30, 2007.
- 2. The consideration for this contract shall be \$4,962.30 detailed as follows:
 - 1-ea Walk-in Service: (2,919 circulations x \$1.70)
- 3. In consideration for this contract an amount shall be payable from Golden Valley County to Billings according to the following Schedule:

September 15, 2006	\$4,962.30
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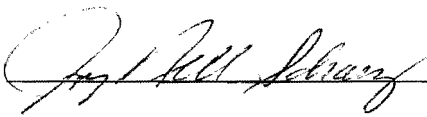
In the event any payment required is late by more than fifteen (15) days, a carrying charge of one percent (1%) per month shall be attached and be made with the payment.

- 4. The books and other printed materials made available to Golden Valley County residents through the Billings Library, pursuant to this contract shall at all times remain and be the property of the lending library, and shall be returned immediately to said library if this contract is not renewed.
- 5. If there is no renewal contract negotiated by July 31, 2007, the library in Billings is authorized to begin such measures so as to insure the return of all books and other library materials to the lending libraries.


6. If either party fails, refuses, or neglects to perform any of the terms or conditions of this contract then, if such failure, refusal, or neglect is not cured within thirty (30) days after written notice, the other party may immediately terminate this contract. If this contract is terminated as provided in this paragraph, Golden Valley County Commission shall pay Billings for only those services rendered prior to such termination.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written.

GOLDEN VALLEY COUNTY COMMISSION

By: 
Chairperson


ATTEST:



Library Director

Library Board Chair

IN WITNESS WHEREOF, the said City Council of Billings has caused this Agreement to be executed and signed by its Mayor this 14th day of August 2006.


Mayor, City of Billings

ATTEST:

Marita Herold

City Clerk, City of Billings

APPROVED AS TO FORM

Brent Brooks

City Attorney



PO Box 201800 • Helena, Montana 59620-1800 • 406-444-3115
FAX: 406-444-0266 • <http://msl.state.mt.us>

December 21, 2006

County Commissioners
Golden Valley Courthouse
PO Box 10
Ryegate MT 59074

Dear County Commissioners:

Under 22-1-327 MCA, public libraries in Montana may receive general fund support (state aid) on a per capita/per square mile basis.

Attached is a copy of the administrative rule, which states in part:

"In each county which has no public libraries, the state library will contact the county commission indicating that the county will qualify for per capita and per square mile state aid if the county commission establishes county-wide library service as provided for in state statute, or if the county commission contracts for library services with another county or municipal library as provided for in state statute. If such means are not established within a six-month period following written notice received from the state library, the state aid which would have gone to the county will be allotted to the federation headquarters library in whose area this county is located for use in federation activities."

I've attached the additional pages of the administrative rule. The Golden Valley state aid to public libraries payment for fiscal year 2007 will be issued upon receipt of a copy of the Contract of Library Services with the Parmly Billings Library, or with another library qualified to offer such services.

Thank you for your prompt response.

Sincerely,

A handwritten signature in cursive script that reads "Darlene M. Staffeldt".

Darlene Staffeldt
State Librarian

Cc: Bill Cochran, Parmly Billings Library Director
Bridgett Johnson, South Central Federation Coordinator