

# **Board Meeting**

Charlotte Mecklenburg Library

March 24, 2010



## FY2010 Timeline

- **Feb 4, 2010** – Library receives word of possible 5% reduction from FY2010, approx. \$1.57 million. Library has 4 months to absorb reduction.
- **Feb-March 2010** – Library begins scenario planning for potential reduction; presents Original Planning Scenario to staff (closing at least 4 locations, laying off at least 43 full-time equivalents).
- **Feb 18, 2010** – At annual retreat, Library Board discusses and ranks five priorities for Library service.
  - **Level 1:**
    - Up-to-date collections and technology
    - Personal, exceptional service and activities for all age groups
    - Clean and well-maintained facilities
  - **Level 2:**
    - Convenient hours
  - **Level 3:**
    - Convenient access to locations within 10 minutes of home or work



## FY2010 Timeline Continued

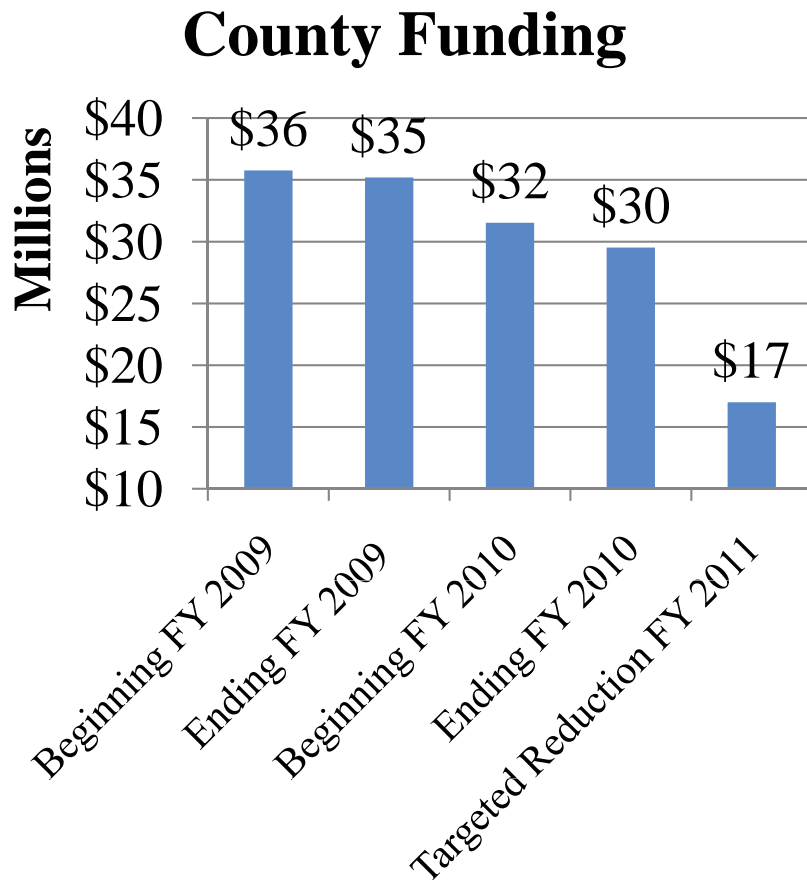
- **March 1, 2010** – at Executive Committee meeting, Library board members outline criteria for branch closings: cost, usage, proximity and size.
- **March 16, 2010** – Library receives confirmation of 6.3% reduction, approx. \$2 million, from Mecklenburg County. Library now only has 3 months to absorb reduction. Library presents early version of Scenario 1 to staff (closing at least 10 locations, laying off at least 140 people). In addition, Library told to plan for 50% targeted reduction in FY2011.
- **March 18, 2010** – Library presents Scenario 1 at Board Meeting; board votes to approve, but with hope that it can be changed. Speakers from the community and Friends of the Library urge the Board to allow time for community support and feedback.



## FY2010 Timeline Continued

- **March 19, 2010** – 148 people receive notification of being laid off, with final day of work being April 3.
- **March 18-March 24** – Community support and advocacy raises awareness of the situation, and donations reach upwards of \$200,000. Feedback from the community says: we want to save our Library in the current model, with 24 locations, with no cuts in staff, services or hours.
- **March 24** – Special Board meeting to discuss additional scenarios.

# Funding Cuts, 2009-Present



## Library absorbed \$4 million in cuts since Jan 2009

- Library staff took a reduction in pay and benefits
- Significant number of vacant positions left unfilled
- Significant cuts made to books and operations budgets



Charlotte Mecklenburg Library

Feb 4 – March 18, 2010

# **ORIGINAL PLANNING SCENARIOS**

# Original Planning Scenario:

**\$1.57 million, 4 months**

**Close at least 4 locations, lay off 43 people**

Method	Reduction
Eliminate Book Budget – means fewer books and materials, longer wait times, fewer new items	\$500,000
Reduce Maintenance Budget – means less frequent cleaning and maintenance, lawns cut less frequently	\$150,000
Reduce IT Budget – means more broken computers, printers, and other equipment	\$100,000
Close at least four locations, lay off at least 43 people, and service reductions	\$826,300
<b>TOTAL</b>	<b>\$1,576,300</b>

# Scenario 1: \$2 million, 3 months

## Close 12 locations, lay off 148 staff

Method	Reduction
Eliminate Book Budget	\$250,000
Reduce Maintenance Budget	\$75,000
Reduce IT Budget	\$25,000
Reduce Real Estate Rental (branch leases)	\$30,000
Reduce General Supplies	\$20,000
Reduce Postage	\$25,000
<i>Hold on Current Vacancies (i.e. 16 FTE)</i>	\$200,000
Close at least 12 locations and lay off 148 people	\$1,417,211
Pay out Vacation-Sick Leave for laid off people	-\$323,594
Estimated Facility Related Closing Costs	-\$60,000
<b>TOTAL</b>	<b>\$1,658,617</b>
Goal (i.e., 6.3% of all FY'10 allocation)	\$2,000,000
<b>Unidentified reductions to be found in non personnel areas</b>	<b>\$341,383</b>

**\$2 million = 25% of remaining FY2010 budget**



# How did we get to Scenario 1?

## How did we go from 43 to 148 people?

- Went from \$1.57M to \$2M.
- Went from 4 months to 3 months.
- Reduction in Force (layoff) policy factors in seniority; those identified in RIF were less senior, had lower salaries than the average we used to calculate salaries in our planning scenario.
- Had not factored in vacation/sick payoffs in our planning scenario.

## How did we go from 4 to 12 locations?

- Losing more people meant fewer people remaining to operate locations
- Additional dollars needed and less time to react.



# How were locations chosen?

- **Cost**
  - Locations long-term lease costs (estimated to be more than \$100,000 over the next 15 months)
  - Community and Neighborhood Libraries with highest cost per square foot
- **Usage**
  - Locations with least total usage
- **Proximity**
  - Locations close to a regional library
- **Size**
  - Smaller locations



March 24, 2010

# **NEW SCENARIOS**

**Using other funding models to pay back \$2 million to  
Mecklenburg County**



# Scenario 2: \$2 million, 3 months

5-20% reduction in staff salaries, lay off 82-84 people  
open 5 days/week, 8 hours/day, no branch closings  
sharp reductions in storytimes, classes for job seekers, computer  
classes, book clubs, teen classes, and other services

Method	Reduction
Eliminate Book Budget	\$250,000
Reduce Maintenance Budget	\$140,000
Reduce IT Budget	\$100,000
Reduce Real Estate Rental	\$30,000
Reduce General Supplies	\$25,000
Hold on Current Vacancies	\$200,000
Lay off 82-84 people	\$793,597
Reduce fringes relating to layoff	\$213,969
Reduce salaries (5%, 10% and 20% reductions, based on salary level)	\$293,977
Reduce fringes associated with salary reductions	\$36,835
Pay out Vacation-Sick Leave for laid off people	-\$344,400
Unidentified non-County funding source	\$61,022
Funds raised from community	\$200,000
<b>Total</b>	<b>\$2,000,000</b>



## Scenario 3: \$2 million, 3 months

All branches closed 1 day a week, sharp reduction in classes and other services, no layoffs, 20% reduction in all staff salaries for 3 months through 10-day furlough

Method	Reduction
Eliminate Book Budget	\$250,000
Reduce Maintenance Budget	\$140,000
Reduce IT Budget	\$100,000
Reduce Real Estate Rental	\$30,000
Reduce General Supplies	\$25,000
Hold on Current Vacancies	\$200,000
10-day furlough for all staff	\$700,000
Fringes relating to 10-day furlough	\$87,710
Unidentified non-County funding source	\$267,290
Funds raised from community	\$200,000
<b>Total</b>	<b>\$2,000,000</b>

All libraries closed 10 days between now and June 30



# Planning for the Future

- Additional fundraising efforts can help the Library lessen the severity of reductions for FY2010 and FY2011
- Library planning for targeted reduction of 50% in FY2011
- Library will be proactive in getting community feedback for FY2011