

# LIBRARY

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2011 City of Milwaukee Proposed Budget

Hearing Date: October 7, 2010

1. **Total Expenditures and Personnel Changes:** The 2011 Proposed Budget for MPL is \$22,265,743, an increase of 2,132,241 (10.6%) from the \$20,133,502 funded in the 2010 Budget. Four neighborhood libraries: Bay View, East, Washington Park and Zablocki will increase hours of operation from 35 to 45 hours per week. **(Pages 2 to 4)**

The 2011 Proposed Budget for personnel costs is \$18,262,982, an increase of \$1,929,223 (7.97%) from the \$16,333,759 funded in the 2010 Budget. The 2011 Proposed Budget includes 372 positions at the Milwaukee Public Library, an increase of 4 positions from 368 authorized the 2010 Budget. One vacant position of Printer is proposed for elimination in the 2011 Proposed Budget. **(Pages 2 and 4)**

2. **Equipment Purchases:** The library materials budget is \$1,435,000 in the 2011 Proposed Budget, an increase of \$57,857 (4.20%) from the 2010 Budget. **(Page 5)**

3. **Grants:** The 2011 Proposed Budget contains \$1,598,529 in grant funding for the Milwaukee Public Library. **(Pages 5 and 6)**

4. **Contributions:** The Library Foundation has made \$316,768 in contributions to the Library. **(Page 6)**

5. **Revenues:** Estimated revenue in the 2011 Proposed Budget is \$1,384,800, a decrease of \$122,200 (-8.10%) from the 2010 Budget. **(Page 6)**

6. **Capital Projects:** The 2011 Proposed Budget includes 2 capital improvement items for the

Milwaukee Public Library, totaling \$2,526,000, a decrease of \$1,549,000 (38%) from the \$4,075,000 in the 2010 Budget. **(Pages 6 and 7)**

7. **Reciprocal Borrowing:** The current member agreement period is from January 1, 2008 through December 31, 2011. Through June 2010, 93,000 more items were checked out by Milwaukee residents at suburban libraries than by suburban residents at MPL, when compared with the same time period in 2009. **(Page 8)**

8. **Library Services:** Information including circulation, patron count and library computer use are found on **page 8**.

9. **Outreach:** Milwaukee Public Library outreach program information is found on **pages 8 and 9**.

<b>Expense Category</b>	<b>2009 Actual</b>	<b>2010 Budget</b>	<b>% Change</b>	<b>2011 Proposed</b>	<b>% Change</b>
Personnel Costs	\$18,855,858	\$16,333,759	-13.37%	\$18,262,982	11.81%
Operating Expend.	\$2,399,391	\$2,237,000	-6.76%	\$2,415,482	8.0%
Equipment Purch.	\$1,776,891	\$1,562,743	-12.05%	\$1,587,279	1.6%
<b>TOTAL</b>	<b>\$23,032,140</b>	<b>\$20,133,502</b>	<b>-12.58%</b>	<b>\$22,265,743</b>	<b>10.6%</b>
Positions	377	368	-9	372	4

The 2011 Proposed Budget includes 372 positions at the Milwaukee Public Library, an increase of 4 positions from the 2010 Budget. One position of Printer is proposed for elimination in 2011; the position is vacant as the incumbent has retired. As a result of this elimination, the library print shop will close and printing services will be contracted out. Four positions of Librarian II are created in the 2011 Proposed Budget. The addition of these positions is due to the increase in the weekly hours of operation at 4 neighborhood libraries.

Four neighborhood libraries: Bay View, East, Washington Park and Zablocki, will increase hours of operation from 35 to 45 hours per week. For 2011, it is proposed that the remaining neighborhood libraries: Atkinson, Capitol, M.L. King, Tippecanoe, Forest Home, Mill Road, and Villard Avenue, weekly hours will maintain the same as in 2010 at 35 hours a week. Central Library proposes to remain open 54 hours a week in 2011, with the Art and Humanities rooms being open to the public 42 hours a week, the same number as 2010. As Center Street Library is funded through Community Development Block Grant entitlement funding, it is open 50 hours a week, and it is proposed to remain open with the same number of hours in 2011.

The library materials budget is \$1,435,000 in the 2011 Proposed Budget, an increase of \$57,857 (4.20%) from the 2010 Budget.

The Library Board of Trustees approved a motion February 23, 2010 relating to an alternative approach to

the current Milwaukee library system. The Board approved the following steps to be implemented beginning in 2011:

- a. Average weekly hours of operation will be stabilized at 35 hours a week and increased over time.
- b. Materials budget will be stabilized and increased over time.
- c. A new facilities plan will be implemented over the next 10 years, including a combination of neighborhood libraries (2 to 4), area libraries (2 or 3), mixed-use libraries (3), and express libraries (2 to 3).
- d. Priority will be given to buildings in the poorest condition and with the greatest need of capital investment, so that replacement or consolidation with another library will result in service enhancement and long-term savings.
- e. In the transition period, the Board will make facilities-related decisions, seek to minimize the distance and time Library patrons must travel to reach libraries, promote access to libraries, taking into account differing transportation resources available to City residents and collaborative relationships with members of the Milwaukee County Federated Library System.

It is hoped this new approach will meet the goals of quality service and cost savings.

At the March 25, 2010 meeting of the MPL Board of Trustees, Paula Kiely, informed board members that MPL did not meet the state Maintenance of Effort (MOE) requirement for 2010. Section 43.15(4)(c), Wis. Stats., establishes certain requirements that a municipality,

county or joint public library must meet in order to participate in a public library system like the Milwaukee County Federated Library System (MCFLS). One of these is the requirement that the appropriation received from the library's governing body is not less than the average of such funding received for the previous 3 years. This is commonly called "maintenance of effort", or MOE, found in section 43.15(4)(c)5, Wis. Stats. Funding for MOE may not come from any other source other than the library's local operating levy. It may not come from funds such as grants, donations, unspent funds, or capital. The intent of the provision is to ensure that a municipality does not take undue advantage of state-funded library system services and neighboring libraries (and property taxpayers) while failing to support its own library.

If a municipality within a library system, such as MCFLS, fails to meet its MOE, the system would issue a plan and timeframe for coming back into compliance. If not resolved within that timeframe, failure to comply could lead to penalties and eventual expulsion from the system.

Expulsion of the library from MCFLS would mean an end to shared services including:

- Participation in a shared catalog.
- Borrowing materials via interlibrary loan.
- Benefitting from group pricing.

These steps must be approved by the Wisconsin Department of Public Instruction, Division for Libraries, Technology, and Community Learning (DLTCL).

Due to the \$1.2 million budget reduction, the Library did not meet the MOE requirement for 2010. MPL requested a waiver to the MOE requirement, but there is no appeals process provided in the statute. The Library was informed that the Department of Public Instruction (DPI) policy, not statute, was to limit the MPL's access to

Library Services and Technology Act (LSTA) grant funds until the Library is in compliance. LSTA grant funds are used by MPL to fund special programs and projects. MPL applied for LSTA funds in 2009 and received the funds in 2010. As a result of not meeting MOE, the Library is not eligible to apply in 2010 for 2011 LSTA Funds. The Library may apply in 2011 for funding to be received in 2012.

The MCFLS Board approved a motion June 21, 2010, to submit the following plan to the DPI to bring MPL back into compliance:

1. MCFLS will withhold all MCFLS staff technology consultant services from MPL, except for those absolutely necessary for the effective functioning of the system.
2. If MPL continues to be non-compliant with the MOE requirement as it pertains to library system membership, the MCFLS board could decide to add increasing penalties, with approval of DLTCL, in an effort to encourage MPL to come back into compliance. Projected system review is planned for September 2010, to coincide with submission of the MCFLS 2011 Plan of Service to DLTCL

Due to increased funding for the Library in the 2011 Proposed Budget, the Library will meet the MOE requirement in 2011.

## **2011 Proposed Budget**

### **Total Expenditures**

<b>2010 Budget</b>	<b>2011 Proposed</b>	<b>% Change</b>
\$20,133,502	\$22,265,743	10.6%

The 2011 Proposed Budget provides \$22,265,743 for total expenditures, an increase of \$2,132,241 (10.6%) from the 2010 Budget. This increase can be attributed to the increase in weekly hours of operation at 4 neighborhood libraries, the addition of 4 Librarian II

positions, an increase in the library materials budget and the Maintenance of Effort requirement. (Please see the above narrative for detailed information relating to Maintenance of Effort.)

## Personnel

The 2011 Proposed Budget provides \$18,262,982 for personnel costs, an increase of \$1,929,223 (11.81%) from the 2010 Budget. The 2011 Proposed Budget includes 372 positions at the Milwaukee Public Library, an increase of 4 positions from the 2010 Budget. One position of Printer (SR 260) is proposed for elimination in 2011; the position is vacant as the incumbent has retired. As a result of this elimination, the Library print shop will close, and printing services will be contracted out.

Four positions of Librarian II (SR 557) are created in the 2011 Proposed Budget. The addition of these positions is due to the increase in weekly hours of operation at 4 neighborhood libraries.

## Operating Expenditures

2010 Budget	2011 Proposed	% Change
\$2,237,000	\$2,415,487	8%

The 2011 Proposed Budget provides \$2,415,482 for operating expenditures, an increase of \$178,482 (8%) from the 2010 Budget. Four neighborhood libraries: Bay View, East, Washington Park and Zablocki, will increase hours from 35 to 45 hours per week. For 2011, it is proposed that the remaining neighborhood libraries: Atkinson, Capitol, M.L. King, Tippecanoe, Forest Home, Mill Road, and Villard Avenue, weekly hours will maintain the same as in 2010 at 35 hours a week. Central Library is proposed to remain open 54 hours a week in 2011, with the Art and Humanities rooms being open to the public only 42 hours, the same number of

hours as 2010. As Center Street Library is funded through Community Development Block Grant entitlement funding, it is open 50 hours a week, and it is proposed to remain open with the same number of hours in 2011.

### 2011 TENTATIVE Service Hours:

#### Central Library

Monday: 10 a.m. – 8 p.m.  
 Tuesday: 10 a.m. – 8 p.m.  
 Wednesday: 9 a.m. – 5:30 p.m.  
 Thursday: 9 a.m. – 5:30 p.m.  
 Friday: 9 a.m. – 5:30 p.m.  
 Saturday: 9 a.m. – 5:30 p.m.  
 (54 hours a week)

#### Central Library – Art & Humanities Rooms

Monday: 12 – 8 p.m.  
 Tuesday: 12 – 8 p.m.  
 Wednesday: 11 – 5:30 p.m.  
 Thursday: 11 – 5:30 p.m.  
 Friday: 11 – 5:30 p.m.  
 Saturday: 11 – 5:30 p.m.  
 (34 hours a week)

#### Capitol, King, Tippecanoe, Villard

Monday: 1 – 8 p.m.  
 Tuesday: 1 – 8 p.m.  
 Wednesday: 1 – 8 p.m.  
 Thursday: 10 a.m. – 5 p.m.  
 Friday: 10 a.m. – 5 p.m.  
 Saturday: Closed  
 (35 hours a week)

#### Atkinson, Forest Home, Mill Road

Monday: 1 – 8 p.m.  
 Tuesday: 1 – 8 p.m.  
 Wednesday: 1 – 8 p.m.  
 Thursday: 10 a.m. – 5 p.m.  
 Friday: Closed  
 Saturday: 10 a.m. – 5 p.m.  
 (35 hours a week)

#### Bay View, East, Washington Park, Zablocki

Monday: 10 a.m. – 8 p.m.  
 Tuesday: 1 – 8 p.m.  
 Wednesday: 1 – 8 p.m.  
 Thursday: 1 – 8 p.m.  
 Friday: 10 a.m. – 5 p.m.  
 Saturday: 10 a.m. – 5 p.m.  
 (45 hours a week)

Center Street (CDBG Funded)

Monday: 12:30 – 8 p.m.

Tuesday: 12:30 – 8 p.m.

Wednesday: 9:30 a.m. – 8 p.m.

Thursday: 9:30 a.m. – 8 p.m.

Friday: 10 a.m. – 5 p.m.

Saturday: 10 a.m. – 5 p.m.

(50 hours per week)

Sunday Hours (October – April): 1 – 5 p.m. at Central, Zablocki, and Capitol Libraries.

Other increases in operating expenditures include additional funding for security targets, for furniture, equipment repair, printing services and additional guard services and cameras to increase security at neighborhood libraries

Energy, for neighborhood libraries, is budgeted at \$341,000, a decrease of \$24,900 from the 2010 Budget due to efficiencies from changes to lamps and ballasts as well as solar power generation.

## Equipment Purchases

The 2011 Proposed Budget provides \$1,587,279, an increase of \$24,536 (1.6%) from the 2010 Budget. The library materials budget is \$1,435,000 in the 2011 Proposed Budget, an increase of \$57,857 (4.2%) from the 2010 Budget. The following table shows the types of library materials to be purchased, the estimated amount to be spent on each type of material and the estimated percentages of the total amount to be spent on each type of material:

Material Type	2011 Proposed Amount	Estimated Percentage
Books	\$789,250	55%
Databases	\$287,000	20%
Magazines, Newspapers	\$215,250	15%
DVDs	\$71,750	5%
CDs	\$35,875	2.5%
Audio-books	\$35,875	2.5%
<b>TOTAL</b>	<b>\$1,435,000</b>	<b>100%</b>

## Grants

The 2011 Proposed Budget contains \$1,598,529 in grant funding for the Milwaukee Public Library.

### 1. The Wisconsin Talking Book & Braille Library

**Grant** (Formerly known as the Wisconsin Regional Library for the Blind and Physically Handicapped):

This grant funds a continuing program which provides library services in an appropriate form for use by the visually and physically handicapped of the state. For 2011 the Library has applied for \$989,100, the same funding level as 2010. The grant period, from the State of Wisconsin, is from July 1, 2011 to June 30, 2012. This grant funds 15 positions. The funding is for personnel, salary and wages (\$523,545), fringe benefits (\$214,653), and supplies (\$250,902).

	2008	2009	2010 (thru 8/31)
<b>Circulation</b>	238,010	252,910	205,129

### 2. Community Outreach and Technology Center,

**CDBG Grant:** Since 2003, Center Street Library has received funding through CDBG entitlement funding. The 2011 Proposed Budget funding of \$512,529 is for 10 positions, the same staffing strength as in the 2010 Budget. The funding is for personnel, salary and wages (\$371,929), and operating and materials costs (\$140,600). Fringe benefits will be funded by City operating dollars. Center Street Library had 287 CDBG-funded programs in 2010, and 141 programs were offered January through August of 2010.

**3. Interlibrary Loan Services Grant:** This grant is a joint project set up in cooperation with the State of Wisconsin Department of Public Instruction-Division for Library Services – Reference and Loan Library, and the Milwaukee County Federated Library System. Under this grant, access is provided to specialized library materials not available at most libraries.

Materials made available to City residents under this grant support the purposes of jobs, additional education and training, and college attendance. The ILS Grant is capped at 6,000 requests per year through the state contract at the current funding level. \$97,000, an increase of \$1,400 (1.5%) from the 2010 Budget. The 2011 Proposed Budget anticipated funding is \$95,600. The grant period is from July 1, 2011 through June 30, 2012. This grant funds 1.5 positions, Library Circulation Assistant I (1 FTE) and Library Reference Assistant (0.50 FTE). The funding is for personnel, salary and wages (\$57,447), fringe benefits (\$27,575), and other costs (\$11,978).

## Contributions

Funds received from the Library Foundation through the Library's Contribution Account are listed below. The Foundation also supports the Library's activities directly.

	2008	2009	2010*
Books and Materials	\$406,882	\$270,327	\$80,492
Programs	\$52,371	\$184,913	\$136,276
Capital Imp.	N/A	\$5,200	\$100,000 (est.)
<b>TOTAL</b>	<b>\$459,253</b>	<b>\$460,440</b>	<b>\$316,768</b>

\*January thru August 2010.

## Revenues

Estimated revenue in the 2011 Proposed Budget is \$1,384,800, a decrease of \$122,200 (-8.10%) from the 2010 Budget. The MPL Services estimate includes overdue charges, photocopy services, postage, and photocopy coin machines.

Revenue Category	2009 Actual	2010 Budget	Change	2011 Estimated	Change
MPL Services	\$535,647	\$537,000	0.25%	\$584,700	8.88%
MCFLS Agreements	\$945,909	\$970,000	2.54%	\$800,100	-17.51%
<b>TOTAL</b>	<b>\$1,481,556</b>	<b>\$1,507,000</b>	<b>1.71%</b>	<b>\$1,384,800</b>	<b>-8.10%</b>

In the 2011 Proposed Budget, the Comptroller's Office projects MCFLS Agreements will generate \$800,100 in revenues, a decrease of \$169,900 (-17.5%) from the 2010 Budget. Above-right is a breakdown of these agreements:

Agreement	Term	Amount
Member Agreement	Expires 12/31/2011	\$14,824
Resource Library Agreement	Expires 12/31/2011	\$237,956
Lease Agreement	Expires 12/31/2011	\$126,000
Bibliographic Database Agreement	Expires 12/31/2011	\$421,320
<b>TOTAL</b>		<b>\$800,100</b>

## Capital Projects

The 2011 Proposed Budget includes 2 capital improvement items for the Milwaukee Public Library totaling \$2,526,000, a decrease of \$1,549,000 (38%) from the \$4,075,000 in the 2010 Budget.

### Currently funded projects:

- 1. Library Facility Initiative - \$2,000,000:** This level of funding represents a \$1.3 million decrease from the requested amount. Funding was provided for the design of a mixed-use facility on the current site of the East Library (1910 E North Avenue). Estimated costs for the facility are \$3,000,000. MPL will request an additional \$1,000,000 of capital funding in the 2012 budget. It is anticipated that the city will recover approximately \$1,000,000 from the sale of the city-owned property on which the facility will be located. The current value of the site is estimated to be \$1.3 million.

Funding was not included for an area library on the northwest side of the city. Funding would have been used to acquire a site for the new facility. A specific

location has not been chosen. Cost estimates for the area libraries were higher than originally anticipated by the Library Board. The Board is in the process of revising estimates to determine the feasibility of pursuing the area library model. The results of the new cost estimates will affect both the Library Facility Initiative and the Neighborhood Library Improvements program. (see below)

A \$300,000 request for the development of an express library was also not included in the Mayor's proposed budget.

## 2. Central Library Improvement Fund - \$526,000:

Funding will be used to repair interior mosaic tile and scagliola, repair exterior masonry and replace one air handling unit. Funding was not provided for the installation of a key card access system.

### Other Capital programs:

1. **Neighborhood Library Improvements - \$0:** No funding was requested or provided for improvements to neighborhood libraries. The most recent budget allocation for this program was \$295,000 in 2008. Approximately \$334,000 in carryover borrowing authority remains.

Since 2000, \$4,280,000 in capital funding has been budgeted for maintenance and improvements at the 12 neighborhood libraries. Seven branch libraries are currently in need of new HVAC systems. The estimated total cost is \$5.3 million.

The results of the revised cost estimates relative to the area library model will determine the direction of maintenance efforts and future capital requests for neighborhood libraries.

6 Year Request Neighborhood Library Improvements			
Year	Amount	Purpose	Branch
2013	\$875,000	HVAC updates	Tippecanoe
2014	\$175,000	Roof Replacement	Center St
2016	\$800,000	Interior Upgrades	Center St
Total	\$1,850,000		

## 2. Radio Frequency Identification (RFID) System - \$0:

The RFID project is progressing. All items in the collection have been tagged. Self-check-out systems have been installed in 11 libraries. Central and Bay View libraries will require some architectural modifications to accommodate the installation of the equipment. The renovations can be completed without additional funds. A self-check-in system has been installed at East Library. Technical issues with the system will be addressed before installing it in other branches.

The RFID project is currently within budget. The Library does not anticipate the need to request additional capital funding for this project.

3. **Villard Square Project - \$0:** No capital funding was requested or provided in the 2011 Proposed Budget. Since 2009, \$2,750,000 in capital funding has been provided for a mixed-use facility on Villard Avenue between N. 34th Street and N. 35th Street to replace the current Villard Avenue Library.

The facility will include a 12,871-square foot branch library and 47 apartments for families where grandparents are the primary caregivers for their grandchildren. Ground breaking was September 17, 2010. Opening is scheduled for fall 2011. RACM has purchased the condominium unit that will house the library. The City has entered into a 7-year lease

agreement with RACM. Negotiations are currently underway to establish the terms for the final transfer of the property from RACM to the City. It is not anticipated that a large capital expenditure would be required at that time.

## Reciprocal Borrowing

Background – MPL is a member of the Milwaukee County Federated Library System (MCFLS). Established in 1973, by state statute, MCFLS is an agency of Milwaukee County. It is state-funded, and is a county wide library cooperative that provides shared services. Shared services include an automated circulation system, reference services and reciprocal borrowing.

Members – All municipalities within Milwaukee County participate in the System through a member agreement. The member agreement provides Milwaukee County residents with access to the collections and services of any public library in Milwaukee County and allows MPL and other libraries to share resources. The Village of West Milwaukee has no local library and participates through a separate contractual agreement.

Current Member Agreement – The current member agreement period is from January 1, 2008 through December 31, 2011. Under the agreement MCFLS will reimburse net-lending libraries for reciprocal borrowing costs, relieving MPL of this expense. In MCFLS, a reciprocal borrowing transaction occurs when a resident from one municipality checks out or requests materials from another Milwaukee County library. Reciprocal borrowing costs are incurred when materials borrowed between municipalities are not in balance. MCFLS contracts with MPL to provide cataloging services for the entire system. This ensures quality cataloging of all materials added to the catalog. The new agreement

includes a charge-back to members based on the number of items each library adds. MPL will have no charge back cost for 2010 or 2011.

There was a 25% overall increase of reciprocal borrowing from 2010 over 2009. Through June 2010, 93,000 more items were checked out by Milwaukee residents at suburban libraries than by suburban residents at MPL, when compared with the same time period in 2009.

## Library Services

Circulation system-wide is down 11.6% and patron count is down 16.4%, January through July 2010, when compared with the same period in 2009. The drop in circulation, patron count and computer use at libraries is a reflection of the drop in weekly hours of operation to 35 hours in 2010.

The number of individuals who visited the MPL website one or more times during July 2010 was 79,798 down 15.6% from the same month in 2009.

## Outreach

1. **Ready to Read with Books2Go:** The Library developed the “Ready to Read with Books2Go/”Libros Para Llevar” Program to improve the reading readiness skills of Milwaukee children, 0-5 years of age. The program focuses on childcare providers and families located in neighborhoods with the highest concentration of poverty. Books2Go was started with federal funds in 1999 and is supported through grants and other gifts to the Milwaukee Public Library Foundation. An average of 321 children and 57 adults participated each month in outreach story times at child care centers receiving Ready to Read services.



From January-August 2010, an average of 657 children and 109 adults participated each month in outreach literature-based classes at child care centers receiving Ready to Read services.

2. **Summer Reading Program:** Each summer, the library offers free reading programming for children. The program offers activities and incentives for reading books. For 2010, 20,879 children enrolled in the Super Reader Program, and 800 registered in the Teen Reading Program.

3. **Computer Classes:** 472 computer classes were offered in both English and Spanish in 2009 and 350 in 2010 (January thru August).

## Issues to Consider

- Increases in the weekly hours of operation at 4 neighborhood libraries can not begin until the 4 positions of Librarian II created in the 2011 Proposed Budget are filled.
- The MOE requirement should be considered when amending the Library's budget to decrease allocations.
- Are funding increases to the Library budget to meet the MOE requirement sustainable in future years?
- Will executing a new facilities plan make it difficult for MPL to meet the MOE requirement because operating expenditures will be decreased while capital expenditures are increased?
- Presentation to Council members of an implementation plan for the new facilities plan outside of the budget process will be useful.
- The increase in reciprocal borrowing may affect negotiations for the renewal of the MCFLS member agreement in December, 2011.
- Nine of the 12 branch libraries were constructed between 1961 and 1971. These buildings are in need of significant maintenance. Funding requested for neighborhood library maintenance is not adequate. (\$5.3 million is required for HVAC updates alone. The 6-year capital plan requests only \$1.8 million and addresses only 1 HVAC unit) If these buildings are to remain in use additional funding will be required to maintain them in an acceptable condition.
- The Villard Square project utilizes an innovative strategy which combines housing with the operation of a branch library. Before committing significant city resources to expanding this model, it may be advisable to review its success using metrics that appropriately evaluate library operation, security issues and compatibility of use.
- The current key system at Central Library is approaching its maximum threshold for key variations. Cost savings may be realized by eliminating the need to make new keys and to rekey door locks. These costs have not been quantified. A key-card access system would also improve building security and employee safety.